By the University Endowment Act of 1904 certain Lands became an endowment for a future University. A body of Trustees were appointed to administer these lands. They had power to lease up to 21 years and with the consent of the Governor up to 99 years. All net profits might be used to improve the endowment lands or invested. No tax or rate could be charged or levied upon any property held or acquired by the Trustees.

These provisions were afterwards incorporated in the University of Western Australia Act 1911. On the appointment of the University Senate the control of the endowment Lands passed to the Senate.

The trustees like the Senate in after years found the possibilities of getting revenue from the endowment lands very limited.

Apart from a few grazing leases the only means found was by leases to quarry building stone. As has been mentioned elsewhere this was, on land within the Metropolitan Area, a suicidal policy for it destroyed the capital value of the land.

Years before I became a member of the Senate, I challenged this policy in letters to the paper protesting against the destruction of land which by situation and contour was admirably suited for a Public Park. In this action I was strongly supported by the Chief Justice, Sir William McMillan whose favourite walk was to the tope of Buckland Hill for its beautiful view over City, River and Ocean.

As the result of these protests the Government proposed to resume Location 17½ of 132 acres North Fremantle the area on which the quarrying was being done and pending the conclusion of the resumption negotiations the Trustees agreed not to permit further quarrying. The Trustees as will be seen by their report were disgruntled by this claiming they had lost revenue. The reply by the opponents of quarrying was that it was not revenue at all
but the capital value of the land received as nominal rent and royalties.

In April 1912 the Trustees wound up their affairs and transferred all responsibilities to the Senate.

Extract from their final report are as follows:

REPORT OF THE TRUSTEES OF THE UNIVERSITY ENDOWMENT.

In presenting this report of the work of the Trustees it was deemed advisable - in view of the fact that the duties of the Trustees have now ceased - to present a statement of the work done since their appointment under the University Endowment Act 1904.

The first Trustees were:

Sir Winthrop Hackett
Sir Walter James
Honble. Geo. Randell
Mr. T. F. Quinlan
Mr. Thos. H. Bath
Mr. Chas. Harper
Minister for Education

These gentlemen filled the position of Trustees until the appointment of the Senate of the University of W.A. early in the present year with the exception that during Sir Walter James residence in England as Agent General for this State another gentleman temporarily occupied his position.

The first meeting was held on the 29th July, 1904 when Sir Walter James was elected Chairman. This position he held until December 1905, when Sir Winthrop Hackett was appointed and remained as such until, by the appointment of the Senate of the University, the corporation of the "Trustees of the University Endowment" was dissolved.

Mr. Harcourt Harper acted as Honorary Secretary from the date of the first meeting until the appointment of Mr. E.A. Randell in December 1906.

The reduction in Revenue during the 10 months ended 15/5/12 was due to two causes. One being the resumption of seven acres around the obelisk or the North Fremantle Endowment by which means two quarries, bringing in a total of £50 per annum were closed. Also to an agitation raised against the defacement of this area by quarrying, the result being a proposal by the Government to resum the whole area. The Trustees agreed pending arrangements as to resumption not to permit or enter into any new leases for quarrying purposes.

It will be seen from the following statement that the main revenue has been derived from the endowment area at North Fremantle, and if leases on this land are not to be renewed or new ones entered into it necessarily follows that the revenue from Endowment Lands will fall very considerably.
590.

Claremont  £33. 6. 9
Cockburn Sd. Lot. 549  43. 7. 7
Karrakatta  67. 10. 0
Narrogin  116. 5. 0
Pingelly  66. 0. 0
Wagin  45. 2. 0
North Fremantle  897. 10. 3

£1269. 0. 10

There has been little scope for leasing the lands situated in the various country townships and in many places there is not likely to be for some years to come. In the circumstances the results achieved during the six and a half years administration by the Trustees may on the whole be considered very creditable.

Endeavours have been made from time to time to increase the endowment lands but without avail. In spite of this lack of success the University would do well to continue to urge this course on the Government as often as the opportunity presents itself.

Signed on behalf of the Trustees of the University Endowment,

Chairman, J.W. Hackett
Secretary E.A. Randell

UNIVERSITY OF WESTERN AUSTRALIA - ENDOWMENT LANDS.

The general position in regard to the University Endowment Lands as taken over from the Trustees of the University Endowment is as follows:-

Twenty-three Crown Grants were issued to the Trustees of the University Endowment under the University Endowment Act of 1904, and these became the property of the University, under the University Act of 1911. The following is a list of the lands so vested in the University:-

SUBIACO

Claremont

Karrakatta

Cockburn Sound

Narrogin

Pingelly

Wagin

North Fremantle

Swan Location

1715 acres

2106

1366

2105

2119

2120

2121

2103

2513

2104

549

550

174

0

15

263

79

46

412

117

57, 58, 59, 60, and 61

36

7

172

67

44

10

608

2

64

2300

580

132

2

3

ac.

rd. - per.

15

3

2

15

1

4

1

35

2

3

29

5

The total area of the 33 lots is about 4146 acres. Thirteen lots comprising an area of 4118 acres are within
10 miles of the General Post Office, and twenty lots containing an area of about 28 acres are in country Townsites.

In connection with the exchange of lands for the Crawley site, the following Endowment Lots are to be transferred to the Government:

<table>
<thead>
<tr>
<th>Location</th>
<th>Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swan Location 2104</td>
<td>64</td>
</tr>
<tr>
<td>&quot; 2105</td>
<td>164.2</td>
</tr>
<tr>
<td>&quot; 2106</td>
<td>36</td>
</tr>
<tr>
<td>&quot; 2120</td>
<td>67</td>
</tr>
<tr>
<td>North Fremantle, part of Lot 174</td>
<td>29.5</td>
</tr>
</tbody>
</table>

Total 361 acres

The following are to be transferred to the University:

Perth Suburban Lots 139 and part of Perth Sub. Lot 126, and parts of Swan Locs. 86, 87, 90 and 268 (Crawley)

Perth Suburban Lot 157
Perth Suburban Lots 127 to 131 (incl) 192
Perth Sub. Lots 152 to 156 (incl.) 18
Part of Swan Locs. 86 & 268 (Nedlands) 14

Total 165 acres

With these amendments the total area of Endowment Lands is about 3,950 acres, of which about 3,922 acres are within ten miles of the General Post Office.

These quarrying rights on Location 174 at North Fremantle were much sought after. Situated between Fremantle and Perth they were convenient and the cartage, one of the chief items in cost of building stone, was short. So the interested parties were able to secure permission to renew their operations and the first mention and Endowment Lands in the Senate minutes is under date October 12th, 1912 when I moved and Sir Walter James seconded a motion that "No further spoliation of Buckland Hill be allowed."

There were the usual objectors saying "the time is not ripe etc. etc." and the matter was referred to the Finance Committee. At the next Senate meeting the Chancellor (Hackett) announced that Millars Timber & Trading Co., were interested in the quarrying and desired the Senate to receive a deputation from them. This was refused and the report of the Finance Committee endorsing
my resolution was adopted.

The matter then went dormant for three years until 1915. By this time financial troubles were developing owing to the appointment of more Professors than the annual grant would carry. Interested parties renewed their pressure to secure quarrying leases and the rents they offered were tempting to a hard pushed Finance Committee. So in May 1915 the matter was reopened and leases were granted. Conditions were drawn up with the intention of minimizing the damage. Cash deposits were taken to be forfeited if the conditions were not complied with, but it was found impossible to secure compliance.

Even if the conditions for quarrying had been carried out there would have still been the huge hole left after they were finished. But Whitfield the Vice Chancellor had neither the energy nor the will to enforce the terms of the leases and the condition of the Quarry Sites today is proof positive that the Lease holders completely ignored the terms, they rooted here and there and dumped their spoil wherever it suited them regardless of terms of their Leases.

These futile efforts to keep the Quarrymen to their contracts went on for 14 years.

Finally in February 1929, Mr. Robertson, one of the members of a firm of Land Valuers, reported among other things -

"The indiscriminate quarrying into the sides of the Hills, leaving dangerous cliffs, is we think detrimental to the property and we consider it would be better to prohibit quarrying altogether unless the land could be left reasonably level at the end of the Lease."

In March 1929 the Senate on this report decided that for the present no further building stone quarry leases should be granted.

The Town Manning Commissioner was asked to prepare a scheme for the development of the whole area and he produced a very fine plan.
Notwithstanding all this, I have no doubt the pressure of interested parties would have secured the reopen ing of the matter had not the war intervened when the best part of Loc. 174 was resumed by the Federal Authorities for Fortification Purposes.

Another example of the harmful effect of quarrying on valuable land is the destruction of about five acres granted to the Subiaco Municipal Council for quarry purposes within 10 minutes walk of Shenton Park Railway Station.

The Senate was early alive to the desirability of securing revenue from the Endowment lands and in May 1914 the Registrar was instructed to insert a standing monthly advertisement asking for offers to lease endowment lands and also to request the Government to grant other areas in gazetted Town site from time to time. No results have followed either of these efforts.

Just outside the boundaries of Loc. 174, North Fremantle, a considerable area of Land has been levelled by the spoil from the extensive quarries from which the Lime Stone used in the construction of Fremantle Harbour moles was taken. This land with river frontage and railway sidings was a very desirable factory site. It was before many years had passed fully occupied by the State Engineering works and My Lyell Superphosphate Works.

After leaving the Mt. Lyell Co.'s lease the rail siding turns north across a corner of Loc. 174 to serve another quarry from which a large quantity of spoil had been dumped on to a low valley-portion of Loc. 174. As the demand for factory sites is insistent it occurred to me that this portion of 174 would let readily provided we could give them secured access to rail. So I procured the passage of Senate resolutions authorising efforts being made to secure from the Commissioners for Railways and the Public Works Department authority to use the siding. But various red tape difficulties were raised and there was
not sufficient energy in the University Administration to overcome them. When the Sugar Refining works were established the red tape difficulties were soon overcome and the Sugar Works were given exactly the same right of access as to rail and I had endeavoured without success to secure for prospective University tenants.

However the possibility is still there and with the aid of modern earth moving machinery there would be no difficulty in making 10 acres of valuable factory sites at the east end of loc.17½.

In June 1916 the Perth City Council approached the Senate requesting co-operation in the construction of a Tramway through the endowment Lands to the Ocean Beach and in July the Senate recorded its willingness to co-operate and appointed a sub-committee (Saw and Somerville) to confer with the Council. As the University had no funds which could be used for this purpose the scheme was abandoned.

In after years another scheme involving a large expenditure of Capital for the improvement of its own endowment Lands was put into effect by the Perth City Council.

To the Senate, February 1918 the Chancellor announced that the Government had resumed land at West Subiaco for a Military Hospital. This was afterwards known as Lemnos. In September of the same year the Military indicated their desire to secure Loc.2119 of ¼ acres at Karrakatta.

Alarmed at these encroachments on the University lands the Senate instructed Mr. Kingsmill to ascertain if the Government could resume University lands without special Legislation in view of the terms of the University Act. No satisfactory answer has been up to date to this question. The Military have the Land.

In 1918 Mr. A. McCallum then member of Legislative Assembly for South Fremantle conceived the idea that
if some of University Land at Spearwood was made available on Leasehold terms there would be a demand for small farmlets from Fremantle Water Side Workers whose employment was always intermittent. So in July 1918 the Senate decided "that Cockburn Location 550 of 580 be divided into three portions and that 1/3 nearest Fremantle be offered for leasing at rents based upon the estimated value with re-appraisal after 25 years."

This was done, the land was surveyed into 5 acre blocks the rent of which worked out at about 2/6 per week but not one single genuine offer to lease for a farmlet home has to date (1946) been received. A number of applications have been received from Southern Europeans but their objective was quarrying not farming or a home.

A desire to sell Endowment Lands first appears in the Senate minutes for May 1920. A long resolution (Sandover-Roberts) of 4 clauses and 2 sub-clauses. That the Government be requested to amend the University Act to allow the rate of endowment lands with provisions as to the size of blocks, for buildings to be erected thereon. That the proceeds of all such sales shall be held in trust for the University.

That the revenue derived should be divided,

(a) Not more than half of such income to go towards the annual expenditure for University purposes.

(b) The balance of income not so expended to be invested and held in Trust with the principal sum for University purposes.

The motion was declared lost and on a division being called for the voting was - in favour of the motion 4 - Sandover, Roberts, Mann and Murdoch. Against 7 - Andrews, James, Saw, Wilsmore, Batty and Somerville.

Professor Shann did not vote. This defeat of a proposal to sell was decisive and put the matter into abeyance for seven years. About the year 1927 a number of sensational dealings in land within the central City block
were reported in the papers and circulated in St. George's Terrace rumours. Small syndicates of City men were reported to have bought up City properties and after holding them for a short time had sold at a great profit.

A number of the Senators led by Mr. Sandover thought the University could do likewise and in November 1927 another resolution to approach the Premier for legislation to enable the endowment lands to be sold was carried. By this time Whitfield had stopped the recording of divisions and neither numbers nor the names of those for and against is on record. On this occasion also the proposer had dropped the highly objectionable idea of allowing part of the proceeds to be used as University revenue. Parliament went in the contrary direction and inserted in the Act a provision that all proceeds of sale had to be reinvented in other real estates. The amending act passed was "The University Endowment Act", "Amendment Act 1927". The Ministry in power at the time was the Collier Government.

The expectations of those Senators who favoured the sale were doomed to disappointment, it may even be termed disaster. Experience had shown that the Senate is not fitted to speculate in land.

This may be a fitting place to put on record the reasons actuating those who have opposed the sale of endowment lands.

The first line of attack by those who favour the sale is to point to the fact that the University has held these lands for 40 years and they say that during that long period no use has been made of them.

The Royal Commissioner (Wolff) was of the opinion that suburban lands, had for the most part reached their maximum value and consequently it was not good policy to hold them further with the object of reaping in the future the unearned increment. The opponents of sale question loth these arguments. The first assertion ig-
nores the Somerville Pine Plantation and the Nedlands houses built out of sale proceeds. In the first place the endowment lands totaled 33 lots of about 4146 acres. About 30 acres were in small suburban allotments adjacent to Country Towns, of these many have been sold, and for others negotiations for sale are in progress. About 4118 acres were within 10 miles of the G.P.O., 350 acres were surrendered in exchange for Crawley and the College site. The State Workers Homes Board have since taken about 100 acres. The Federal Government for Lemnos and Hollywood Hospital another 100 acres and for Defence purposes another 150. 60 of these are at North Fremantle and 90 at Karrakatta.

Applecross Pine Plantation 2330 = making a total of 3030 - These are all definitely gone on in process of going. The balance still under our control within 10 miles of G.P.O. =

<table>
<thead>
<tr>
<th>Category</th>
<th>Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>500 acres are between Spearwood and Bibra Lake and not at present useable</td>
<td>500</td>
</tr>
<tr>
<td>Threatened for Gaol purposes</td>
<td>220</td>
</tr>
<tr>
<td>Sold in Claremont Subdivision</td>
<td></td>
</tr>
<tr>
<td>Sold to Show Ground</td>
<td>67</td>
</tr>
<tr>
<td></td>
<td>807</td>
</tr>
</tbody>
</table>

279 acres.

So that the first charge that no effort has been made to make use of the endowment lands is not true. Of the total area within 10 miles of the G.P.O. namely 4118 acres. We have put to uses which benefit the University not merely for today but for centuries ahead 2680 made up of 2330 in Somerville Pine Plantation and 350 acres to secure the beautiful and centrally situated Crawley.

The other figures support the views, first that the Senate is not fitted to be a Land dealer and secondly that The State and Federal Governments are turning the University Endowment into an endowment for State and Federal purposes.

If the endowment lands were the property of a private individual or of a Corporation then the arguments
of Wolff J. would be sound for they would naturally desire to get some revenue from a large area of unimproved land and so would sell as much as they could within their own lifetime. But in considering what is wise and proper for a University to do with an unimproved estate an entirely different consideration apply.

These lands were set aside by Parliament for the use and benefit of future generations.

In older States the present Students are receiving benefits from endowments made many generations even centuries since. The object aimed at in W.A. was that these land should give the same service to future W.A. Students.

It follows, therefore, that every sale or resumption of a parcel of land for Government or other purposes is a deprivation of opportunity to future students for whom the University is Trustee.

A University is not a thing of limited life - it is a continuing entity. Consequently its policy with regard to real estate should be different to what would be wise and proper for an individual or a Corporation who might own a similar estate.

It is entirely wrong to approach the resumption or sale of University endowment Lands in the same spirit as one would the resumption of Lands held by a speculator for a rise in value. The University is a Trustee for the future and is really acting for the State itself.

It has been argued that if the University gets cash for any portion of its Endowment Lands its current needs for revenue could be assisted by the interest earned by the cash. Fortunately, Parliament has wisely provided in Section 2 of University Endowment Amendment Act 1927 that "the proceeds of any Land sale" shall be applied to the purchase of other Lands. It has been held by competent Legal authority that interest earned by cash received for the sale of land, pending investment, must be also invested.
The loss of any endowment land on any terms should be deplored, for to exchange land for money is to exchange an indestructible asset for a perishable one. The constant decrease in the purchasing power of money and the fall to practically extinction of interest rates will lead in the not distant future to the extinction of money as endowment completely. The provision which the University hopes to make for scholarships and other expenditure from its endowment moneys would be made from the interest on these endowments. If the endowments are converted into an asset in the form of money the decrease in purchasing power and in interest rates would eventually compel the University to meet these obligations out of the capital instead of only the interest.

The University has experience of this tendency for interest to decrease and charges to rise. In about 1915 the sum of £18,000 was not aside for endowing the Hackett Chair of Agriculture. Owing to some fortunate investments at 3¾% which are still current the yield is almost sufficient to pay the salary of the Professor of Agriculture, but not half enough to pay the expenses of the University Department of Agriculture.

In 1926 the sum of £25,000 was set aside as endowment to pay the salary of the Vice Chancellor. At 6% this was sufficient for the purpose. Now with the interest rate down to 3½% the yield is little more than half what is required. The deficit has to be made up from general revenue.

Buildings require a large expenditure of capital and the only capital the University controls if the Hackett Scholarship Trust money. The advisability of using trust money with which to build is open to argument, but the Senate has only had the authority so to use the trust money since the passage of the amending University Act last year.
It was not until 1927 that the University was given the power to sell its endowment lands, and so prior to that year we could not sell some land to get capital with which to improve other land; neither could we borrow on the security of land the title to which we could not transfer. Then came the slump of the thirties when even the most daring speculative builder ceased to build, and since the War began, when the demand for houses has become keen, the scarcity of labour and material plus Federal regulations has made building impossible.

The first land sale, under the Senate newly acquired powers, it was decided (March 1928) should be a subdivision of Loc. 2106 of 67 acres. The sale which was held on was highly successful. The amount realised was £14,000 somewhat more than estimated value.

The subsequent history of the collection of installments of the purchase price should beyond doubt that scarcely a single buyer had bought a block with the intention of erecting a home thereon. The buyers were speculators who saw a good thing in buying and waiting for the unearned increment less rates and taxes. The University was parting with the unearned increment without any deduction for rates and taxes.

The pounds from this sale, together with some trust money were, on the advise of a number of well known and unpaid Land Agents, invested in a property in Hay Street known as Paris House. The purchase £19,190 proved disastrous, the price paid was far in excess of its value and the rent from the old building on it has only been sufficient to yield about 1\% interest.

The results from this first sale have been such that no further subdivisions have been attempted.

When the interest upon the cash received for the Sale of Claremont subdivision was received, it was paid into current account to be used as University revenue I immediately objected to this, holding that by the terms
of the Act giving power to sell University Endowment Lands the interest must be added to the Capital until the accumulation was used to purchase real estate. I was over-ruled by Saw, Shann, Whitfield, Parker and others and some interest was used as revenue.

The matter is dealt with in the following extract from the Senate Minutes of July, 1930.

Payment of Interest on Claremont subdivision Lands, not revenue. The Interest on receipts from the sale of Endowment Lands Loc. 2106 sold by auction and Loc. 2107 sold to Royal Agricultural Society, was placed on the 1929 and 1930 estimates approved by the Senate and credited to general revenue. In September 1929 the matter was referred into Court and the decision was that interest should be added to the Endowment Lands Capital amount until property was purchased of the value of the sales.

As a result of this, the University immediately purchased Paris House so that the rents could be credited to general revenue. As the purchase price of Paris House £19000 was approximately the amount secured for the land sold ............. The funds for the purchase of Paris House was found as under -

| Endowment Lands Capital Account | £6190 |
| Loan from Hackett Bequest | £5000 |
| Two mortgages taken over | £8000 |
| **Total** | **£19190** |

A curious application received in March 1928 was for permission to bore for Oil on Loc. 174 North Fremantle. The applicant was at the time a Perth Solicitor, an odd character who had held high office in Ceylon under the British Government. The application was favourably received and further developments awaited. But nothing further was heard of the proposal.

An offer of 5/16 of an acre of Land in St. George's Terrace was accepted in October, 1929. It was portion of the estate of Dr. Trethowan deceased. The
price paid was £7750. More than usual energy was put into this matter by Whitfeld. The proposal was a block of Flats. Competitive designs were called for and that of Mr. Summerhayes was placed first. The estimated cost was about £60,000.

When it had reached this stage doubts began to assail some members of the Senate as to the advisability of risking so large a sum in building Flats, and action was delayed until May 1936 when Summerhayes was asked to amend his plans to reduce costs. In a great burst of energy the Senate in June 1936 authorised the advance of £40,000 of Hackett Bequest monies for the purpose of the Gledden Building. At the same meeting it instructed Messrs. Baxter Cox and Summerhayes to prepare amended plans for Flats on the Trethowan block to cost £60,000.

In August 1936 a letter was received from the Anglican Arch Bishop of Perth asking the Senate to cancel its plans for building and to sell the block to the Church to enable much needed extensions to the Mount Hospital, and offering £10,500 the application was supported by some members of the Senate on the ground of desirable public policy.

A report from the Finance Committee was that Cox and Summerhayes' bill for 4% on estimated cost of £60,500 was £2420 but a fair and reasonable settlement would be -

\[
3\% \text{ on } £60,500 = £1815 \\
\text{Consulting Engineer } £206 \\
£2015
\]

The land represented on the University books £8267 which with the Architects fees would equal £10,282 and was decided to accept the offer of £10,500.

The History of the important negotiations for the purchase of City Property is contained in the following extracts from Senate and Finance Committee records -
CONSIDERATION of PROPOSALS RECEIVED for PURCHASE of PROPERTIES in PERTH as an INVESTMENT for the HACKETT BEQUEST.

The Chairman, (Northmore) stated that the debentures value £150,000 at 6&1/2% held by West Australian Newspapers Ltd. mature in 1936, and it is unlikely that West Australian Newspapers will desire to renew them at a rate of interest exceeding say 5%.

He desired the Committee to express an opinion as to whether the University should seek an investment for portion of the £150,000 in real estate, instead of allowing it to remain on mortgages or debentures when it matures.

The committee decided to recommend that if a suitable property can be obtained, a portion of the Hackett Bequest Trust Funds be so invested.

The Chairman stated that two proposals had been received as under:-

Confidential.
1. An offer of portion of the premises owned by Harris Scarfe and Sandovers Ltd., Hay Street, Perth, for the sum of £65,000. The property consisted of 60 feet frontage to Hay Street, Perth with a depth of 150 feet and was at present leased to G.J. Coles & Co. Ltd., at an annual rental of £4160 plus rates.

Confidential.
2. An offer submitted through Mr. H. Boas, Architect, for the purchase of property running from Hay Street through to Murray Street, with frontages in both Hay Street and Murray Street. Mr. Boas stated that the property could probably be purchased for a sum of from £90,000 to £100,000, and he recommended the building of an arcade with shops on the lines of Brennan's Arcade.

After discussion it was decided that the property submitted by Harris Scarfe and Sandovers was less suitable, and that the property submitted by Mr. Boas was worthy of consideration.

It was decided to ask the Chancellor to obtain an option over the property for a period of one month, at the lowest possible price.

The matter to be further considered when a valuation, etc. had been obtained.
the proposed purchase of a suitable property as an investment for the Hackett Bequest.

The Chairman stated that a letter had been received from Mr. H. Boas, forwarding a letter from Mr. J. Charles, as agents for the owners of Freedman's Buildings. Mr. Charles stated that he had been authorised to grant an option of purchase on the premises up to 31st December 1933, at the price of £130,000, payable £50,000 in cash, the balance to be arranged.

The Chairman stated that the price the Committee had under consideration at its previous meeting was £100,000.

In view of the sum demanded it was decided to take no further action in the matter of purchase.

The Chairman stated that the question of purchasing portion of the property owned by Messrs. Harris Scarfe and Sandovers had been further discussed with Mr. Alfred Sandover. Mr. Sandover now offered:

(a) the portion of the property leased to G.J. Coles & Co. Ltd., for £65,000, or

(b) the portion leased to Coles, plus the remainder of the old building, for £105,000.

After discussion it was decided to ask for an option on the Sandover property in two forms:

(a) An option over the land and building now chiefly occupied by Messrs. Coles, with a frontage of about 59 feet by 150 feet depth at a price of £65,000.

(b) An option over the land and main building of which Messrs. Coles now lease a portion, consisting of land with about 99 feet frontage and 150 feet depth, at a price of £105,000, on conditions as set out in Messrs. Robertson Bros. letter of 10th March 1933.

It was also decided to ask Mr. A.R. Baxter Cox to submit a report upon the construction of the building under consideration, and also as to the possibility of its adaptation for shops, etc. when the leases expired.

Confirmed.

When the Jew owner of Freedman Buildings knew that the University was in the market to buy he jumped his price by £30,000 and there was only one course possible and that was to refuse to consider the matter any further.

The refusal to purchase Sandover's property with frontages to Hay Street and St. George's Terrace was in the writer's opinion a grave mistake. A firm, dividend earning property in the very heart of the City was lost partly through timidity and partly through a
determination to drive a hard bargain. A very thorough examination of the buildings was made by the architect Mr. Baxter Cox and after considering it a majority of the committee were willing to pay no more than £100,000 but £105,000 was insisted on by the vendor and so the opportunity was lost. To secure such a City property as an investment for University funds was a small bonus to pay, for so long as Perth exists this property will increase in value.

After the failure of these efforts to secure desirable city property the enthusiasm of the Finance Committee seems to have flagged and it recommended to the Senate that efforts to secure suitable investments in the city should be deferred for the present, and it was not revived for five years.

During the negotiations just related the Chancellor, Sir Walter James was also Leader of the Bar and the Chairman of the Finance Committee, Sir John Northmore was Chief Justice. This combination was surely a sufficient guarantee for the legality of using up its £150,000 of Trust money to purchase city property. Although I never heard either of these gentlemen say so but it has been assumed that for authority they relied upon section 14 of the University Act 1911. The concluding words of the section are - "and may apply any trust funds of the University to any such purpose". When other Lawyers became Senators it appeared that they were either not aware of this portion of the University Act or they did not regard it as conferring authority to use Trust money for such purposes.

The Royal Commissioner (Wolff J.) also seemed to share this doubt for he suggested to me an amendment of the Act was necessary to enable the Senate to use Trust money to improve endowment Lands. My evidence before him included a request for such an amendment. I however, stressed the necessity of making it very
definite that trust money could only be used for, to quote the 1944 Act, "buildings to be used for the purpose of deriving income therefrom". I stressed the necessity for this limitation to commercial purposes because of my experience of the numerous "Wild Cat" schemes put up by Whitfeld to build, Women Halls, Hostels, Refectory extensions, etc. etc. with trust money. These schemes whatever merit they may have had were obviously such as could never pay interest on their cost unless heavily endowed from other sources and if interest were not paid then some young people would be denied the opportunity Hackett intended.

The recommendation of the Royal Commissioner were embodied in section 5 of the University Amendment Act 1944.

In March 1938 Whitfeld reported in favour of a large block of flats to be let to University workers, research workers as residences. The Government Architect estimated the cost of £20,000. Scholarship money was to be used. This proposal brought forth the expression of doubt as to the legality of using trust money for such a purpose. Almost immediately afterward Whitfeld left for Europe and America and nothing further was heard of the proposed flats.

The Senate Minutes for September 1938 contain the following -

The Pro Chancellor (Somerville) raised the question of building houses on the resumed blocks at Crawley facing Fairway and Myers Street. He suggested 3 brick houses at about £875 each to be let at about £1 per week for the lower paid members of the staff and 3 other houses costing about £2050 to be let at about £2.

The Senate authorised the Finance Committee to have plans prepared.
Senate Oct 1938 - Question of erection of Houses for Rental to Members of the Staff on the Resumed Properties Land at Crawley.

At its last meeting the Senate decided to give authority to the Finance Committee to prepare a definite scheme for the investment of funds on the lines of erecting houses on the Resumed Properties Land.

The Committee decided to defer consideration of the matter, pending a report from the Pro-Chancellor regarding the proposal. - Noted by the Senate.

At the Senate meeting on 19th December, the Pro-Chancellor's (Somerville) scheme of House building was endorsed - Extracts from Senate Minutes of 19th December, 1938.

Pro-Chancellor's Scheme of investing Funds obtained from the Sale of Endowment Lands in the Erection of a Group of Six or Seven Cottages along the Prinse of the University Site.

The General Purposes Committee recommended general approval of the Pro-Chancellor's Scheme, subject to the approval of the Finance Committee.

Erection of Houses.

In connection with the erection of Houses, the Chairman of the Finance Committee recommended that about £2,500 be spent on the erection of a block of three houses, and that Mr. A.R. Baxter Cox be appointed the architect.

After discussion the Senate decided that the matter be left to the Pro-Chancellor to interview Mr. Cox, and then prepare a report for submission to a committee consisting of the Vice-Chancellor and Messrs. J.A. Ellis and G.S.J. Norton, and that the Committee be given power to act in the matter.

In connection with the annual charges against rentals for Sinking Fund and maintenance the Chairman of the Finance Committee recommended as follows:-

(i) That the Sinking Fund for replacement or recovery of the capital cost of the cottages in about 40 years, be one per cent annually of the capital cost.

(ii) That the annual charge for maintenance be placed initially at 1% of the capital cost.

To the Senate meeting in June 1939 it was reported that three of the cottages were nearing completion and for them there were 10 applicants. The Senate were so pleased with the matter that it was decided to erect more using Hackett Bequest money, but Stone and James advised that this would not be legal so the cottage building had to be limited to the number which could be erected with funds secured by the sale of endowment lands.

This enterprise was placed upon a strict
business basis with adequate provision for Sinking Fund etc. When Professor Beasley was acting Vice-Chancellor in 1940 actuated by a desire to get his ideas incorporated he quite unnecessarily raised the Sinking Fund.

The Senate Minutes for October 1938 contain the following -

Management of the University Properties, Endowments, etc.

The General Purposes Committee reported as follows:-

The Pro-Chancellor (Somerville) raised the question of having a special body or Committee to deal specially with the management of University Properties, Endowments, etc., and it was decided to ask the Acting Vice-Chancellor (Ross) to make enquiries from other Australian Universities as to their method of management of their properties, endowments etc.;

The report was noted by the Senate. The proposal was strongly approved of by James. I was acting Chancellor at the time, the Chancellor (Battye) being seriously ill. I was in the Chair at the last meeting of the Senate which James attended, November or December 1938. He left the meeting early and when passing behind my chair he paused to whisper to me "Push on with your Investment Trust idea Somerville and good luck" he then shook my hand and left the room. The hand shake was unusual but I did not attach any significance to the act until his resignation was received on January 13, 1939 - it then became significant, it was his farewell to the Senate.

The idea developed into the present "Investment Endowments and Building Committee". The enquiries as to the practice in other Universities took some time, moreover Whitfeld's death on 31st July 1939 also delayed the project and the constitution of the Committee was not adopted by the Senate until 17th May 1943; the Committee has very wide powers in relation to Investment and Building and since its establishment the history of the Endowment Lands is contained in its proceedings.

Footnote - In about August 1946 I had occasion to look into the question. What Senate activities should properly be regulated by University Statute and not by resolution
or regulation? Convocation has certain powers and rights under the University Act. Section 5 says:

"The Governing authority of the University shall consist of the Senate and Convocation."

Section 31. "The governing authority may from time to time make, alter and repeal statutes with respect to all or any of the following matters -- Sub U the control and investment of the property of the University. Then follow all the provisions defining powers and duties of Convocation. Section 33 is important. It requires that Parliament has the right if it so desires to disallow any statute.

In view of the dual character of University governing Authority and more important the control of Parliament over all its more important decisions I have as at present advised no doubt whatever that the Investment should be by Statute.

"Endowment & Building Committee should be the subject for a University Statute & have its powers & responsibilities defined therein."