

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

Ayes	18
Noes	19
Majority against	1

Ayes.

Mr. Brady	Mr. Nulsen
Mr. Graham	Mr. O'Brien
Mr. J. Hegney	Mr. Read
Mr. Hoar	Mr. Rodoreda
Mr. Johnson	Mr. Sewell
Mr. Lawrence	Mr. Sleeman
Mr. May	Mr. Styante
Mr. McCulloch	Mr. Tonkin
Mr. Moir	Mr. Kelly

(Teller.)

Noes.

Mr. Abbott	Mr. McLarty
Mr. Ackland	Mr. Oldfield
Dame F. Cardell-Oliver	Mr. Owen
Mr. Cornell	Mr. Perkins
Mr. Doney	Mr. Thorn
Mr. Grayden	Mr. Totterdell
Mr. Griffith	Mr. Watts
Mr. Hill	Mr. Wild
Mr. Hutchinson	Mr. Bovell
Mr. Mann	

(Teller.)

Pairs.

Ayes.	Noes.
Mr. Coverley	Mr. Brand
Mr. Hawke	Mr. Nalder
Mr. Guthrie	Mr. Hearman
Mr. Needham	Mr. Manning
Mr. W. Hegney	Mr. Nimmo

Question thus negatived.

Motion defeated.

House adjourned at 11.43 p.m.

Legislative Council

Tuesday, 2nd December, 1952.

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

ASSENT TO BILLS.

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

- 1, Warehousemen's Liens.
- 2, Criminal Code Amendment.
- 3, Health Act Amendment (No. 2).

QUESTION.**WUNDOWIE INDUSTRIES.**

As to Profit or Loss.

Hon. C. H. HENNING (for Hon. H. Hearn) asked the Minister for Transport: Will he give the House the profit or loss annually of the Wundowie project since its inception?

The MINISTER replied:

The Auditor General's reports for the years ended the 30th June 1949, the 30th June 1950 and the 30th June 1951, disclose the following losses respectively—

£98,269.

£117,611.

£101,185.

For the year ended the 30th June 1952, the audited report is not yet available.

MOTION—SUPERPHOSPHATE.

As to Equalisation Levy, Midland Railway Districts.

HON. A. R. JONES (Midland) [4.40]:
I move—

That the Government give urgent consideration to the anomaly which exists in connection with the payment of an equalisation levy of from 4s. to 16s. 3d. per ton on superphosphate delivered to farmers served by the Midland railway and those served by the Geraldton super works.

I have been asked by several farmers who are being served by the Midland railway to bring this matter before the notice of the Government on their behalf and on behalf of the people who are served by the Geraldton super works, and I appeal to the House to support the motion so that the Government may look into what I consider is a very definite anomaly.

Over a period of years, while farmers in other parts of the State have been served by road transport as well as by the State-owned railways, the Government has come to the rescue of those farmers by paying a subsidy on all super delivered by road transport. At no time has the Government been called upon to assist in the same way the farmers served by the Midland railway and those who take delivery of super from the Geraldton works. I intend to quote some figures from which members will be able to judge whether an anomaly does exist.

On the 15th October last, Mr. Loton asked the Minister for Railways on what authority the Railway Department imposed this levy of from 4s. to 16s. 3d. per ton, which is called an equalisation levy. The reply in effect was that there was no Act of Parliament authorising the striking of this levy, and so I take it that it was just a mutual arrangement. That being so, the people I have mentioned have a very strong case in claiming that a definite anomaly exists.

When the Government railways were unable to deliver all the superphosphate that was offering, the Transport Board arranged with road carriers to deal with the portion that the Government railways could not handle, and I believe that, up to last year, an amount of £800,000 was paid by way of subsidy to road carriers. At no time during that period did the farmers on the Midland line have the assistance of road transport or derive any advantage or benefit from the expenditure of that large sum of money. The Midland Railway Company has always been able to handle the freight, and so I say that if the Midland Coy. could do and did do the job thoroughly, the farmers in those districts should now be exempt from meeting a liability which is not theirs.

All through the years, super transported from the Bassendean works or from the Rocky Bay works to Midland Junction has produced a direct freight for the Government. From Midland Junction to its destination on the Midland railway, there has been a separate freight. I mention this to indicate that always have the farmers served by the Midland Railway Coy. had to pay freight over and above that which was paid by farmers using the Government lines.

Let me quote some figures. To transport super from Bassendean for a distance of 130 miles on the Government railways, the freight was 27s. 3d. per ton. From Bassendean for a distance of 130 miles on the Midland railway it was 27s. 9d., or 6d. per ton more than was paid by a farmer served by the Government railways. From Rocky Bay for a distance of 130 miles, the charge on the Government railways was 27s. 3d. whereas for a similar distance on the Midland railway the charge was 29s. 11d. or a difference of 2s. 8d. per ton. It will thus be seen that an average of from 1s. 3d. to 1s. 6d. per ton has always been paid by Midland farmers in excess of what was paid by farmers served by the Government railways.

We have reached a stage where the Government, possibly through no fault of its own, is unable to make money available for the subsidising of road transport, and a levy of 4s. per ton for 40 miles rising to 16s. 3d. per ton for 95 miles has been struck on super carried by the railways. Thus farmers on the Midland line and those served by the Geraldton works, who have received no benefit from the £800,000 paid as road transport subsidies in the past, are now being called upon, in common with farmers in other parts of the State, to meet their share of this levy.

It has been pointed out to me—and I pass the information on to members—that the farmers in the Midland districts are not only called upon to meet that levy, but, in common with all other taxpayers, have to provide their quota of taxation to help to meet the deficiency on the Government railways. Thus they are caught in two ways; not only have they to pay this levy, but they also have to pay taxation, just as other people do, and some of the taxation they contribute must go towards making good the losses incurred by the Government railways.

In addition to the straightout freight charges, we find that from the Bassendean works there is a shunting charge of 3s. 6d. per four-wheeled truck, and from Rocky Bay, 7s. for a four-wheeled truck. With these charges and the 1s. 6d. per ton average freight-charge to deliver super at Midland Junction, the Government is very well paid, and I do not think the people should have to bear any further burden. It should be the Government's

responsibility to meet these charges on behalf of the farmers living along the Midland line, because they have not previously received any benefits from moneys paid out by the Commonwealth Government on account of the losses of revenue caused by interference to the railway system some months ago, and it should make some of that money available to meet this equalisation levy.

I hope I have made myself clear. Mr. Logan is going to support me. He will tell members what is happening in the northern zone, with which area he is closely associated. Briefly, the position is that the people living along the Midland line are paying a surcharge varying from 4s. to 16s. 3d., according to the distance they live from the works. They have never received any financial benefit from the £800,000 which has been paid out in subsidies, and they claim there is no legal right for the Government to make this charge. This latter point about the right of the Government to make the charge applies to all the farmers in Western Australia, if it comes to that. These people should be relieved of this particular anomaly. I ask the House to consider the motion and give a direction, because I feel a definite anomaly exists.

HON. L. A. LOGAN (Midland) [453]: At the risk of being regarded as parochial, I intend to support the motion. Mr. Jones has not left very much unsaid because he has painted the picture as he sees it and as it has been presented to him. However, I have received communications from people living in the Geraldton zone, asking that this rail subsidy be not applied to the area in which they live. This request was a unanimous decision of the meeting of the branch of the Farmers' Union in that particular district. The Geraldton super works may be fortunate in that it differs somewhat from the other superphosphate works in Western Australia inasmuch as it can deliver super almost at the door where cereals are grown.

This does not apply to the same extent to the others, because the super must be carted certain distances before being used for cereal-growing. Therefore, up to 40 miles, no subsidy would apply in any case, and most of those farmers are in a position to pick up their own super. But there are farmers in that area who live 195 miles from the super works, and although super has not been carted that distance by road, it has been carted up to about 150 miles when the railways could not haul it and the farmers were pushed for time. But at no stage, while the subsidy was paid by the Government to road transport, were any of these farmers entitled to the subsidy.

In a period of five or six years the Government has expended £800,000 to subsidise road transport for the cartage of super, so that members can readily understand the attitude of the farmers in this district when they are asked to pay for a subsidy to apply in other areas. I may be accused of parochialism, but I still think they have an argument. At no time have they been eligible for the subsidy, and now they are called upon to pay for somebody else. Last year something like 42,000 tons of super were railed from Geraldton, of which 10,500 tons went by road and the remaining 31,500 tons went by rail.

If the same quantity is delivered this year, I should say about the same percentage will apply. At present the railways can handle all the orders for super out of the Geraldton works. This means that very little road transport is required, but those farmers who get their super by rail are forced to pay the subsidy for someone else. I do not know that I can put forward any more fresh ideas to the House. I quite agree with the case Mr. Jones has put up for the Midland users. They have suffered from this anomaly for a long while, and many attempts have been made to secure redress, but without success. I agree that at least something should be done to give them redress now. After all the years they have been paying the extra freight, they are now called on to pay an extra subsidy.

So I think they have a case to be considered. I am also of the opinion that the farmers in the Geraldton zone, who get their super from the Geraldton superphosphate works, have a claim. I ask the House to give the motion serious consideration. We will abide by its findings, naturally, but I ask members to go into the matter and see whether we have some justification for our claims.

On motion by the Minister for Railways, debate adjourned.

BILLS (3)—THIRD READING.

- 1, Traffic Act Amendment (No. 1).
Returned to the Assembly with an amendment.
- 2, Plant Diseases Act Amendment.
Transmitted to the Assembly.
- 3, Fremantle Municipal Tramways and Electric Lighting Act Amendment.
Passed.

BILL—NURSES REGISTRATION ACT AMENDMENT (No. 1).

Assembly's Message.

Message from the Assembly notifying that it had agreed to the Council's amendments Nos. 2 and 3 and had agreed to No. 1 subject to a further amendment now considered.

In Committee.

Hon. J. A. Dimmitt in the Chair; the Minister for Transport in charge of the Bill.

Council's amendment No. 1. Clause 2, page 2—Delete the words "trained nursing aide" in line 7 and substitute the words "assistant nurse".

Assembly's further amendment—Delete the words "assistant nurse" and insert in lieu the words "nursing aide".

The MINISTER FOR TRANSPORT:
I move—

That the amendment, as amended, be agreed to.

I think members will recall the circumstances surrounding this particular amendment. The original term expressed in the Bill was "trained nursing aide", and it was changed, in this Chamber, to "nursing assistant". Another place is not prepared to agree to that term, but has not insisted on the term "trained nursing aide" and has suggested the term "nursing aide." I am informed that the Nurses' Registration Board, the Public Health Department, the Australian Trained Nurses' Association and the W.A.N.A. all now agree that it would be preferable not to use the word "trained" as it is possible that this would cause confusion with the title "trained nurse." However, all these bodies are unanimous in disliking the title "assistant nurse." They agree that the title "trained nursing aide" might have caused confusion with that of "trained nurse" and that this would be undesirable, as trained nurses undergo a three-year course, while aides train for 12 months only.

By the same reasoning, the title "assistant nurse" would be confused with that of "nursing assistant," of whom there are many in hospitals and who do not undergo a special course of training, while the aides will have to take a 12-months' course and then endeavour to pass an examination. The only exceptions to this rule will be those nursing assistants who, within six months of the coming into operation of this measure, can convince the Nurses' Registration Board that their experience warrants their appointment as aides without undergoing the 12 months' training course. On Wednesday of last week the Minister for Health received a letter from the board of management of our largest hospital, the Royal Perth, which stated that the board was somewhat concerned at the proposal to adopt the term "assistant nurse." The board stated that, after a considerable amount of careful thought, it was of opinion that "nursing aide" was the best designation and it respectfully suggested that every effort be made to secure recognition of that term.

I trust members will agree to the proposal. All bodies associated with the nursing profession have been contacted and are unanimous in asking that Parliament should substitute the term "nursing aide" for that of "assistant nurse." This will create a body of hospital workers that cannot be confused with other nurses who have trained for three years, or employees who have no training at all. In view of that expressed desire, I think we should agree to the proposal that has been submitted.

Hon. J. G. HISLOP: It is a pity that Gilbert and Sullivan are not still alive, as they would have found a considerable amount of amusement in the altered viewpoint expressed this afternoon, because when I spoke a short time ago I was told that every one of those bodies had agreed on the original title; now they are convinced that they were wrong. I am a little concerned about this confusion of titles which has been made more difficult because of the gross error committed by the Commonwealth Government in using the term "assistant nurse," as applying to all those people who assist in a hospital and yet take no part in nursing. That is why the term "assistant nurse" is not liked.

If the word "nurse" is retained, then it is certain that these girls will be taken into the fold of nursing and will be admitted to the body known as the W.A.N.A.; they will not be part of the Hospital Employees' Union. I was somewhat perturbed when I received a notification from the W.A.N.A. intimating that it would be able to take into its fold all those girls; in fact, there had been a decision, arranged through the Australian Nursing Federation, that it could receive these girls, because they had passed an examination. I am almost certain that there is nothing in the Bill about an examination for these nursing aides. I would like the Minister to be quite definite about it, because I think perhaps some clause might be added to the Bill to ensure that these trained nursing aides do pass examinations. The only mention made of an examination for these girls was in a statement I received from one hospital which had already instituted some training for them. They can be admitted to the W.A.N.A. only after passing examinations.

The Minister for Transport: I mentioned that in my second reading speech.

Hon. J. G. HISLOP: If the agreement with the Australian Nursing Federation is that they must pass an examination, is it safe to leave it so that the registration board sets the terms of the examination, or should the standard be marked by an examination within this Act? I do not want this Bill to be passed and then find we have handed over the vast majority of those who will do nursing in the hospitals to a body that is not controlled by the nurses themselves.

The Minister for Transport: I understand the desire is to secure reciprocity with New Zealand and Victoria, where this scheme is in operation, and in regard to which I should say the same standard of nursing would apply.

Hon. J. G. HISLOP: I quite agree with that. Every member received a circular in which the W.A.N.A. stated that, as a result of an agreement with the Australian Nursing Federation, it could accept these people because they had undertaken an examination—any girl who had submitted to an examination could be taken in under the Australian Nursing Federation agreement. The relevant portion of the circular states—

In Victoria this new training is already in force with excellent results and these persons are termed "nursing aides." This name the nursing bodies regard with unqualified approval, as is shown by the fact that at a recent interstate conference of the Australian Nursing Federation a resolution was passed that all auxiliary nursing services who have undergone an examination and are enrolled or registered by the Nurses Registration Boards, e.g., nursing aides, are eligible for associate membership with that body.

That raises a definite point as to whether the Bill satisfies the need, and I think the matter is so important that I ask the Minister to take it back to the authorities and ask them whether it really covers what they are attempting to do.

One mistake was made by bringing in the word "trained," and we have now received a circular in which we see that the term used in the other States, with which we desire to have reciprocity, is "nursing aide." I think the examination laid down was that they had only to satisfy the tutor sister; it was a rough sort of examination, and if that debars these girls from joining the Australian Nursing Federation, they are likely to come into the category of hospital employees. If that is done, we shall have broken our nursing staff in two. I regard the matter as serious, and ask the Minister to have the policy clarified.

Hon. F. R. H. LAVERY: Through you, Mr. Chairman, I want to ask Dr. Hislop whether the Western Australian Nurses' Association Industrial Union of Workers is the same body as the Australian Trained Nurses' Association, or are they two separate bodies?

Hon. J. G. HISLOP: There are a number of nursing bodies in Western Australia, but the W.A.N.A. is actually the industrial section of the nursing body and consists entirely of qualified nurses, or those whose training satisfies the registration board. That is what I am pointing out. We do not want these girls to be regarded en-

tirely as hospital employees. We trust that they will go on and finally become trained nurses. If the nurses' federation will take them only if they pass an examination, we should make that position definite in the Bill, otherwise we might ruin the standard of nursing in this State.

Hon. E. M. HEENAN: I understand the Western Australian Nursing Association entirely approves of the Bill. The Assembly's amendment meets the wishes of the members of that organisation. The question of whether a reference to an examination will enable their body to join the Australian Nurses Federation or not is, in my opinion, a domestic matter and should not greatly concern us.

Hon. J. G. Hislop: It should vastly concern us.

Hon. E. M. HEENAN: The association approves of the Bill and desires it to be passed. Now that the name to be applied to these girls has been altered, I am sure it is whole-heartedly satisfied with the measure. Although an examination is not specifically mentioned in the Bill, it is obvious that some examination or standard will be set.

The Minister for Transport: It will be set.

Hon. E. M. HEENAN: That is implied in the very nature of the setup of the Bill.

Hon. L. A. LOGAN: The very fact that the nurses in question accepted the title "trained nursing aides," and opposed the title suggested by Dr. Hislop proves, in my opinion, that they have not realised the full ramifications of the Bill. Having adopted that attitude at the outset, they now turn round and agree to the omission of the word "trained" from the title.

The Minister for Transport: That was done in the nature of a compromise, because several members here criticised the use of the word "trained". They would have liked to retain that word as well.

Hon. L. A. LOGAN: If they realised the full ramifications of the Bill, their attitude would be different. Reference has been made to the Victorian system. Recently I had as a guest a trained nurse from Victoria who is working in the Repatriation Hospital there. I asked her for her opinion regarding the setup in Victoria, and she was not at all happy about it. I agree with Dr. Hislop that the Minister should defer this matter for further consideration.

The MINISTER FOR TRANSPORT: In my opinion, there is a lot of fuss about nothing. Surely those concerned should have some idea of what they want! In the first instance, they asked for the adoption of the term "trained nursing

aide" because the girls in that category are required to have 12 months training and to pass an examination. However, it was thought by members that the word "trained" should be excluded from the designation. Some members contended that there might arise an element of confusion by the inclusion of the word "trained" because it might be taken to apply to a fully trained nurse, one who had gained her certificate after a three-year course of training. I was advised that while they would have liked the original designation, the nurses were prepared, in deference to the opinions of members, to accept the title "nursing aide," which fitted in with the practice in Victoria and New Zealand. Members may have forgotten exactly what I had to say when introducing the Bill. This is what I said—

These problems, of course, are not new. In other States and in other countries they have been discussed for years, and in Great Britain, New Zealand, Victoria and Tasmania, provision has been made for the training of a nurse of a category similar to that which is being proposed in this Bill, although the title may not be identical. The training, which it is proposed will be instituted if this Bill is passed, will be based on the New Zealand and Victorian systems, of which a close study has been made.

That was in the minds of the nurses with regard to the standard to be passed. To continue—

As I informed the House when introducing the Bill, these proposals have been explicitly approved by the Western Australian branch of the Australian Trained Nurses Association and the Western Australian Nurses Association which, as members are aware, is the nurses' union in this State.

I do not think we need refer this matter back for further consideration. Those concerned have indicated clearly what their views are. While I do not know that any very great significance attaches to the point, I noticed that Dr. Hislop, when reading the extract from the circular which members received from the Western Australian Nurses Association Industrial Union of Workers, omitted one reference, and I think it might be as well to quote the full text. With reference to the use of the term "nursing aides" the circular reads:

This name the nursing bodies regard with unqualified approval, as is shown by the fact that at a recent interstate conference of the Australian Nursing Federation, a resolution was passed that all auxiliary nursing services who have undergone an examination and are enrolled or registered by the Nurses Registration

Boards e.g., nursing aides, are eligible for associate membership with that body. Naturally an important body of this type would not in any way jeopardise its own status in the community as a trained body of nurses.

It seems to me that the position is quite clear; it is just a matter of designation. The nurses want the term "nursing aide" used and have given reasons why it should be adopted. Another place has been prepared to meet us half-way and to delete the word "trained." We should accept the Assembly's further amendment.

Hon. J. G. HISLOP: I can forgive quite easily the amount of ignorance that is displayed about the Bill, and I can understand the Minister not appreciating the ramifications of the nursing profession. On the other hand, when I make a statement in this House, it should be regarded as having been made with a sense of responsibility and a knowledge of what actually happens. I have no hesitation in accepting the amendment. I agree that the Bill should be passed but I want to make certain that it will provide what the nurses are looking for. I want to make sure that the adoption of this title will make the girls eligible to join their organisation. They quite rightly say that the Federal body will accept their organisation and the members covered by the Bill will be able to join up, provided they submit to an examination.

What I want to know is whether the Bill provides for any such examination. It is of no use saying that they will be required to reach a certain stage of efficiency. The question is whether the word of a tutor sister will be accepted as constituting an examination that will enable reciprocity to be gained with other States or countries. My fears are that unless we are quite definite about the standard to be set up, we might find ourselves in considerable difficulty afterwards regarding the eligibility of the girls to join the federated organisation. If what has been read out by the Minister can be accepted as the basis for reciprocity, I will be quite satisfied. I think the matter should receive further consideration.

The MINISTER FOR TRANSPORT: I can only assure members of what I have been told, and I hope my word will be accepted. The Bill will, if passed, place the position on a basis similar to that applying in New Zealand and Victoria, a close study of the systems adopted there having been made. No reference of the matter back to those concerned will make the position any clearer but will merely serve to confirm the information I have already presented.

Hon. J. G. HISLOP: I will not spend any further time giving advice to the Minister and asking him to do something. If he does not like to do it, the respon-

bility is entirely upon the Government. If difficulty should be encountered in the future, there will be only one section responsible.

The Minister for Transport: I am prepared to get any information that the hon. member desires, but I do not think the passage of the Bill should be delayed.

Question put and passed; the Assembly's further amendment agreed to.

Resolution reported, the report adopted and a message accordingly returned to the Assembly.

BILLS (2)—FIRST READING.

1. Rents and Tenancies Emergency Provisions Act Amendment.

2. Coronation Holiday.

Received from the Assembly.

BILL—UNIVERSITY BUILDINGS.

Second Reading.

Debate resumed from the 27th November.

THE MINISTER FOR TRANSPORT
(Hon. C. H. Simpson—Midland—in reply)
[5.32]: Certain information was sought during the debate on this Bill. Dr. Hislop raised four queries, which I will deal with seriatim. The first was whether the Bill would entitle the University to spend the money, to be borrowed under the Bill, on the replacement of equipment. I would remind the hon. member that the Bill relates to the provision of such buildings as are approved by the Treasurer. It also limits the amount to be spent to £100,000. I am informed that the University has a building programme which would require much more than £100,000 to carry out, and the problem the Senate will have to face will be to keep its urgent requirements within the amount authorised by the Bill—namely, £100,000. The reason the Bill refers to the furnishings, fittings and equipment of a building is that the Parliamentary Draftsman says that if the Bill is limited to a building, then the building will be no more than the foundations, walls and roof. The purpose of the Bill is to enable the University to provide a building which is fully equipped and ready for use. The money could not be used for replacement of existing equipment.

The hon. member's second question was: Why does the Bill, which is simply a measure to permit the University to borrow and have the Trust moneys replaced by the Government, also permit it to sell all or some of its investments? The Bill authorises the University to raise the money required for the buildings immediately, either by borrowing on the security of the Trust investments or by selling all or some of those investments. If the investments are sold and the money is used to finance the erection of buildings, all that happens is that the form of the

investment is changed. For example, if the University has some investments in, say, debentures issued by a road board, and it sells those debentures and uses the money to finance the erection of a building, the investment then becomes a loan to the State Government. It may suit the University to sell some of its investments if it can obtain a good price for them; but under the arrangements at present contemplated, it is not proposed to sell the investments but to raise an overdraft with the bank on the security of those investments. The overdraft will be redeemed by the repayments at the rate of £2 per cent. per annum by the Government and by the proceeds of the investments as they mature. Once the overdraft is repaid by this dual means, the balance of the Government's repayments will be utilised to rebuild the University's investments.

The next point raised by the hon. member was whether the Trusts for which the money is invested will be affected by the Bill. The Under Treasurer, who is also the Pro-Chancellor of the University, advises me that the Trusts cannot be affected by the Bill. The Trusts remain, but the investment of the Trusts may alter. As it is proposed to pay to the University interest at the rate equivalent to the rate paid on Commonwealth loans, and to review that interest rate over 15 years, the arrangement is a good one from the point of view of the University, in so far as its investment of trust funds is concerned. The interest paid by the Government on the money used by the University would be paid to the Trust from which the money had been borrowed. Repayments of principal by the Government would also go back to the Trust and would be invested in other forms of security.

The fourth point raised by the hon. member was the possible sale of land by the University. He stated that land was an investment to the sale of which he would object. However, there is no authority in the Bill for the sale of land. In fact, the definition of investment in the Bill specifically excludes the sale of land or buildings in which trust funds are invested.

In the course of his remarks, Mr. Fraser objected to the definition of "building" including the whole or part of the furnishings, fittings and equipment. He considered it would be a dangerous precedent to permit money borrowed by the University to be spent on furnishings, fittings and equipment, and he doubted whether such an instance had occurred previously. The hon. member is wrong in thinking this. In 1938 a measure, also known as the University Buildings Act, was passed empowering the University to borrow money in order to erect a building for the teaching of agricultural science and for re-

search into agricultural and pastoral matters. This Act specifically stated that the construction of the building should include the fitting, furnishing and equipping of the building with apparatus and appliances necessary to make it ready and fit for the purposes for which it was to be used.

Furthermore, as I mentioned when dealing with Dr. Hislop's queries, the Parliamentary Draftsman has advised that if the word "building" only is used, without a specific reference to fittings, furnishings, etc., the loan authorised by the Bill could be used only to construct the actual walls and roof of the building, and would not include any of the fittings necessary for a building to be used effectively. I would also like to point out to Mr. Fraser that the loan to be raised under the authority of the Bill is to take the place of funds that, under normal circumstances, would be made available by the Government, and which would be used both to erect and to equip and furnish the building. In any case, the manner in which the money raised under the Bill is to be spent has to be approved by the Treasurer, who will make sure that it is not used for any trivial purpose which could not be legitimately deemed to be expenditure he would have met had normal loan moneys been available.

As I informed Dr. Hislop, the Senate's problem will be to keep its urgent requirements within the £100,000 authorised by the Bill, and the possibility of the Senate spending money on trivialities is more than remote. I trust that this information will make it clear to Mr. Fraser that he is not being asked to subscribe to a precedent. The Under Treasurer has informed me that it is essential to the University that authority be given to fit, furnish and equip the proposed new buildings from the loan authorised under the Bill. As I have already said, this responsibility is met normally by the Government from loan funds, and as the Bill is being submitted merely to tide the University and the Government over a difficult period, there is no valid reason why the University should be prevented from equipping the buildings from the money borrowed by it.

Question put and passed.

Bill read a second time.

In Committee.

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

BILL—TRAFFIC ACT AMENDMENT

(No. 1).

Assembly's Message.

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

BILL—FREMANTLE ELECTRICITY UNDERTAKING AGREEMENT.

Second Reading.

THE MINISTER FOR TRANSPORT (Hon. C. H. Simpson—Midland) [5.46] in moving the second reading said: As its long Title indicates, this Bill is introduced for the purpose of ratifying an agreement entered into between the State Electricity Commission and the Fremantle Municipal Tramways and Electric Lighting Board. The agreement, which is contained in the schedule to the Bill, provides for the purchase by the Commission of the electricity undertaking controlled and managed by the board.

The authority to carry out this transaction is provided in Section 6 of the Oil Refinery Industry (Anglo-Iranian Oil Company Limited) Act of 1952, which states that in order to facilitate the carrying out of the agreement between the State and the oil company, and to enable the State to honour its obligations under the agreement, the electricity undertaking may be sold to the State Electricity Commission by the Fremantle Municipal Tramways and Electric Lighting Board upon such terms and conditions as shall be mutually agreed.

The agreement under which the board has been purchasing electricity from the State Electricity Commission for resale in its district would not, but for this Bill, have expired until 1967. In view of this, the agreement, which we are now considering, provides that until 1967 the board shall act in an advisory capacity to the Commission, so far as the supply of electricity and incidental matters are concerned, in the municipal districts of Fremantle and East Fremantle and the road districts of Melville, Fremantle and Rockingham.

During this period, that is, until 1967, a nominee of the board, who will be appointed for a two-year term, will have the right to attend all meetings of the State Electricity Commission and may vote on any matter relating to the supply of electricity to the districts I have referred to. This member will receive fees similar to those paid to the consumers' representative on the Commission. The board had a number of agreements with local authorities and consumers in its area, some of which have been assigned to the Commission. These are listed in Part A of the Second Schedule on page 10 of the Bill. Part B on this page shows those agreements which have been terminated by the board as a result of the sale of the undertaking to the State Electricity Commission.

Actually these agreements had already expired but by mutual consent they had been continued for undefined periods. Clause 4 of the Bill confirms and protects the board's action in this regard. The

agreement between the board and the Commission was signed on the 16th April, 1952, and names the 1st June, 1952, as the day on which transfer from the board to the Commission would officially take place. The sum agreed upon for the purchase of the undertaking was £700,000, £100,000 of which was payable on the 1st June, 1952. Of the balance of £600,000, £50,000 is to be paid by annual instalments of £10,000, the first of these payments being made on the 1st June, 1952. The remaining amount of £550,000 is to be invested by the commission and treated as a loan by the board to the Commission.

For five years the Commission will pay interest on the loan at the rate of 4 per cent. Each following five years the rate of interest will be reviewed and the rate to be paid for the next five-year term will be the same as that charged on Treasury advances to the Commission, provided such rate is not below 3½ per cent. The Commission will be able to repay the balance, or part of the balance, of the loan, at any time provided it gives the board 12 months notice of its intention to do so.

The rest of the agreement deals with more minor matters, mostly of an administrative nature, necessary in relation to the transfer of the undertaking and I do not think they need explanation at this stage. They have all been agreed upon by the representatives of the Government, the State Electricity Commission and the Fremantle Municipal Tramways and Electric Lighting Board, one of whose signatories to the agreement is Hon. Sir Frank Gibson, who is the chairman of the board. I move—

That the Bill be now read a second time.

On motion by Hon. Sir Frank Gibson, debate adjourned.

BILL—BROKEN HILL PROPRIETARY STEEL INDUSTRY AGREEMENT.

Second Reading.

Debate resumed from the 27th November.

HON. C. H. HENNING (South-West) [5.51]: In considering a measure as important as this, there are three main points to which I think we should give due consideration. The first is the other party to the agreement, the second is the impact upon the State in general and the country in particular, while the third is to consider whether the agreement is fair and equitable. I do not think anyone would say that the company with which this Bill seeks to enter into an agreement, is not one of the highest integrity and of a financial standing equal to that of any company in the world; but there have been certain references to the immense profits alleged to have been made by the company. I admit that the profits seem

immense, but are they really so huge when considered in the light of the capital of the company, which I believe is about £25,000,000?

Apart from its capital, the company has assets—the assets of the company and its subsidiaries—worth something in the vicinity of £60,000,000. I do not think that its size or wealth has done anything to the company other than to put efficiency into its industry, and B.H.P. has not abused its power in any way. The latest report of the company shows that, with its subsidiaries, it made a profit last year of £1,957,000 odd. That was after deductions had been made for taxation amounting to £1,275,000 and for depreciation of just over £1,250,000.

Those are terrifically large figures, but when we consider that over a long period the company has paid 8½ per cent. I do not think it is an excessive rate of dividend and after all, the profit shown is shared among about 35,000 shareholders. With 35,000 shareholders, the average shareholding must be about 720 and so the average amount paid in dividends is between £60 and £65. Looking at it in that light, I do not think that, comparatively speaking, the profit of the company can be said to be immense.

Hon. H. S. W. Parker: Those shareholders did not get the shares at par; they had them at a premium.

Hon. C. H. HENNING: When we view it from the point of view of the general public, we find that these are the most sought after shares, even on a dividend paying basis of just over four per cent.—they are sought after just as much as, if not more than, local government or Commonwealth Government securities when offering a higher rate of interest. That shows the confidence of the public in the company. We in this State should have the same confidence and hope that in the near future B.H.P. will establish its works here. That event will certainly have an impact upon the economy of Western Australia. As far as the country is concerned, I am sure that certain really necessary works will have to be curtailed, but from the long-range point of view, we must consider whether that curtailment is necessary, and if it is in the best interests of the company. I am inclined to think that that is so. It is unfortunate that the work cannot be put in hand at one of the outports. I believe the Government has done everything possible to effect decentralisation, but with the facilities available, the type of land and proximity to reasonable harbour facilities, I think the company has done what it considered best in its own interests and what will in the long run be in the best interests of the State without incurring undue expenditure on the part of the Government.

When introducing the Bill, the Minister stated that perhaps £200,000 would cover the cost of dredging. That is not a very great sum, but, unfortunately, the Minister did not mention any incidentals, and so I do not know at present what will be the total cost to the State up to the time when the works are established. But when we consider the £1,800,000 odd which appears on the Estimates for expenditure on the Kwinana project this year, the additional sum required for B.H.P. does not appear to be anything out of the ordinary. We must not forget the financial standing of this company. I do not think it will ever come running cap in hand to the Government for monetary assistance, and we want in this State firms that can stand on their own feet.

We do not want to see the establishment of any more that will join the many that the Treasurer has now to guarantee by overdrafts on the Rural and Industries Bank, which at present run to almost £4,000,000. Efficient independent companies with the necessary capital are definitely needed in this State, and B.H.P. is an organisation of that standing. It is vitally necessary that we should have a heavy industry in Western Australia, and steel is a really heavy industry. Within five years—and possibly four years—the company should be in a position to provide in this State 50,000 tons of its products. The requirements of Western Australia at present are only half that tonnage but nevertheless to obtain that production the company is to spend £4,000,000. I believe that, from an economic point of view, the company would have done better to continue its operations from another State. I feel confident that by coming to Western Australia the company will not earn anything like the remuneration from that part of its business as it would have made had it continued that section of its manufacturing elsewhere.

Hon. A. R. Jones: That shows the premium they place on our iron-ore.

Hon. C. H. HENNING: The Minister, when introducing the Bill, said—

... a discussion might be opened with Broken Hill Proprietary Ltd. to ascertain whether it would be prepared to invest a substantial sum in the beginnings of an industry in this State.

When considering the Bill, we must keep in mind all the time that the approaches were not made by the company, but by the State.

Hon. H. Hearn: Hear, hear!

Hon. C. H. HENNING: An agreement effected is a compromise, in writing, between the two parties. We have an agreement here. It may not be, and probably is not, what the State wanted in the

first place. Probably it is not what the company wanted in the first place. Some say the State is giving away too much. The company, on the other hand, may think that it is not getting enough. However, it is an agreement in black and white between the two parties that we are asked to ratify. If the Bill were defeated, who would come here? Who would establish a steel industry in this State? Is there any company or are there any investors willing to invest money in a project to manufacture steel products in competition with a company such as B.H.P.? I do not think there is.

If the Bill is not passed, the position in this State will remain as it is today, namely, that our iron-ore will be exported to other parts of Australia for treatment and returned here as the finished product. Apart from any manufacture that is to be undertaken here, we have to consider what this project will do for a certain number of the youth of our State. Anyone who reads the B.H.P. quarterly review cannot but be impressed with the way it trains and cares for the promising youth it has in its employ, with the objective of not importing specialists from overseas, but of selecting the best brains among its employees, training them in Australia and then sending them overseas to learn all the latest and best aspects of the trade in which they will be employed. Surely that alone is a great compensation for the company coming here.

Hon. F. R. H. Lavery: It is a pity some of our Governments did not adopt that policy.

Hon. C. H. HENNING: Let us consider some of the amenities that have been provided by this company for its employees. I have perused the report presented by Mr. Wallwork on the coal-mining industry and have noted the amenities that have been provided for coalminers, but B.H.P. has amenities for its employees that are second to none in the world. Are we to prevent such a company from coming here? Naturally I would like to see a complete integrated steel industry established in Western Australia. However, it is a very easy matter to say that we will establish such an industry, but it is an entirely different matter for any company to invest the amount of capital required for the commencement of such an industry at present.

I am told that approximately £15,000,000 capital would be required and that it would cost approximately £12,000,000 merely for the installation of a blast furnace. On £15,000,000 any investor has to show quite a reasonable profit, otherwise the capital would not be forthcoming. When we consider that the smallest economical blast furnace available is one that produces 300 tons of steel a day for 365 days a year and com-

pare it with the output of the B.H.P. organisation, it is extremely small. Nevertheless it would be impossible and impracticable for one company to establish a blast furnace here, even with that minimum output, in competition with the industries of the Eastern States.

During the debate much was said about using charcoal as fuel. I do not know a great deal about charcoal, but I do know that B.H.P. uses 750,000 tons of coke a year. I know that charcoal steel is the finest in the world and is used for high grade articles, such as razor blades. Mr. Barker mentioned that we could produce steel from charcoal in this State at £7 a ton above world parity. I would like to know what is world parity. If it is to be compared with what is happening in Japan, the cost would be over double the cost of the product manufactured here. If it is the same as what is happening in Europe, the cost would also be over double that of the article produced here. However, how can it be over double when it is produced in the Eastern States at £30 a ton, in the United Kingdom at £50 a ton, in Japan at £60 a ton and on the Continent at £70 a ton?

Hon. C. W. D. Barker: Is that in bulk?

Hon. C. H. HENNING: Yes, in bulk, and they are the prices per ton ex the mill. How could we produce steel? We could have a State mill with all its inefficiencies and huge losses every year and working probably 10 years behind the latest technical ideas on steel production. I believe that, taking it as a whole, the agreement is fair and equitable, that in the long run the establishment of an integrated steel industry is nearer than many speakers intend to believe, according to the remarks they made during the debate. I also believe, after one or two small points that may affect the industry have been rectified, that the establishment of a steel rolling mill in Western Australia is in the best interests of the State. I believe that if scientists, chemists, or other technical men are able, with the research they will be carrying on, to coke Collie coal, it will not be long before we have a complete integrated steel industry in this State. I whole-heartedly support the Bill.

HON. H. HEARN (Metropolitan) [6.9]: I have listened with great interest to the various speeches made by other members on the Bill. During the course of the debate, I recalled the words of the Bard of Avon when he said—

There is a tide in the affairs of men,
Which, taken at the flood, leads on to
fortune;

Omitted, all the voyage of their life
Is bound in shallows, and in miseries.

I submit that the year 1952 has been the flood-tide year for Western Australia. I think we were extremely fortunate to have

in power a Government which was prepared to take the flood when it served. I regret that the members of our State Parliamentary Labour Party, with both the Anglo-Iranian Oil Coy. measure and the Bill now before the House, were not able or willing to use their influence, as a parliamentary party, in support of these two pieces of legislation. I say, "parliamentary party" advisedly, because I am not convinced that the rank and file of the great Labour movement in this State have the same objection and hostility to this entirely new phase of industrial development.

Hon. R. J. Boylen: The hon. member should make a few inquiries and he will find out.

Hon. H. HEARN: The Council of Industrial Development with its ministerial heads of both the Labour Government and the Liberal-Country Party Government, have striven, in season and out of season, to draw the attention of big enterprises to the advantages offered by Western Australia. Not only have they done that, but they have also committed the State to huge financial risks and commitments to induce industries to operate here. I believe that the complete story of many of these ventures is yet to be told. The speeches made in opposition to the Bill follow a very curious pattern of sameness. They commenced with a long eulogy of the virtues of B.H.P. and then went on to criticise—

Hon. R. J. Boylen: The Government!

Hon. H. HEARN: —the details of the Bill. When I listened to all the encomiums I was reminded of an incident that has stood out in my memory because it happened in my childhood and in my native provincial English town. It is the story of a celebrated lady who was a principal of a ladies' college and who was elected to the town council. She decided she would stand for election as mayor of the borough. All the older men of the town decided to hold a protest meeting and the hall was thronged. Just as the members of this House, during the course of this debate, have told the story of B.H.P., so these older men commenced talking about this lady and saying what a wonderful woman she was. I was impressed with her reply which went something along these lines: "I would like first of all to quote an old adage, 'It is all very well to dissemble your love, but why kick me down the stairs?'"

I submit that those who spoke against the Bill adopted a similar attitude. They started off by eulogising B.H.P. and saying that never in the history of any enterprise has such a wonderful job been done; and then they went on to tear the company to pieces because it is endeavour-

ing to set up an industry which will ultimately help to establish an integrated steel industry in this State.

Hon. R. J. Boylen: It will never do it under this agreement.

Hon. H. HEARN: Members know full well that I am here as a champion of free enterprise. If I were asked to give a definition, in a few words, of private enterprise I would say, "Broken Hill Proprietary Coy. Ltd." Then I would go on and prove, to my own satisfaction anyhow, that there was never any better example of private enterprise than B.H.P. If we really believe in free enterprise, we believe in the kind that is prepared to take a risk. Such enterprise is the spirit of endeavour, and shows that people are prepared to invest money with the possibility of losing it.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. H. HEARN: As I was saying before the tea suspension, in my opinion B.H.P. is a complete definition of what we know as free enterprise. It started practically from nothing because of the pioneers tracking through the bush and discovering an iron-ore deposit. From that commencement, it has developed and matured to the mighty company it is today—a factor in every phase of our economic life and very vital to the defences of Australia. That has been accomplished not with any hand-outs by Governments but by the loyal support of its shareholders and workers. To that extent I say it is a complete example of what I mean and what Mr. Strickland would like me to call "private enterprise." It is a credit to those who believe that that method of developing this country is still the efficient one.

Were I a member of the Labour Party and if I desired to find a definition which would prove what Socialism is, I would say in three words—Broken Hill Proprietary. We have there a company with approximately 30,000 shareholders; 30,000 people who have a small interest in this huge undertaking. The company provides work for 24,000 employees and those who are lucky enough to have money to invest in B.H.P., receive the munificent rate of just over 4 per cent. on their investment. That, I suggest, proves that this company is not the great money-spinner the public are generally led to believe that it is by those who decry big business.

But the silent partner is ever with it and takes no risks but collects a lot of money, is the Commonwealth of Australia, because, as Mr. Henning quoted earlier in the session, the Commonwealth receives on an average something like £1,250,000 for allowing B.H.P. to operate in Australia. So when we think it all over and realise the immense amount of money invested and the net return the shareholders have of 4 per cent.—the Common-

wealth of Australia collecting practically 80 per cent. in relation to the net profit of the company—I think we can say this is a socialist enterprise in which there can never be any loss. That, in my opinion, is the best kind of socialism.

Hon. E. M. Heenan: Do you believe in socialism?

Hon. H. HEARN: I believe in that phase of it. If a Government can secure regularly such huge sums of money without taking any risk, I suggest it is better than any State enterprise or Commonwealth enterprise that might return a problematical profit but which is accompanied so often with huge losses. I was interested in the speech made by Mr. Diver. He mentioned that no one could foretell what science would accomplish in the way of finding a substitute material even for iron. Is it not peculiar that the day following Mr. Diver's speech—I think it was on Friday—we saw in "The West Australian," large headlines to the effect "Big Find of Titanium" and under it there was the following news item:—

London, Thursday.—Large deposits of the new metal titanium, which is claimed to be as strong as steel and as light as aluminium, have been discovered in Labrador and Newfoundland. The metal is likely to be used in the construction of warships.

So even although some members were incredulous respecting the remarks by Mr. Diver, I think that there is something in the fact that, with science revealing new secrets as the years go on, there could easily be discovered in the future some serious competitor to our iron-ore deposits. Therefore, the Government, in entering into negotiations with B.H.P., was, I think, doing yeoman service not only to this State but to the Commonwealth as a whole.

I was also interested in the statement made by Mr. Roche, because he gave very straightforward reasons why he would be obliged to oppose the Bill. I think he finally gave us the slogan, "Farms before Factories." I suppose that would be quite reasonable to primary producers and they would feel that by the development of these huge enterprises in Western Australia our economy could be ill-balanced. Whilst, of course, I do not accept that reasoning, I must accept the sincerity of the member in putting forward that point of view.

Hon. R. J. Boylen: He will feel good!

Hon. H. HEARN: I would like to quote an extract from an address delivered by Mr. K. Butler of B.H.P. to the Newcastle Rotary Club on Monday, the 1st September, 1952. Mr. Butler had this to say—

The Americans often "frank" their envelopes with the slogan: "Nothing is made without steel." At first thought one is apt to dismiss this as smart propaganda. In fact in our

modern life it is very true. Steel is essential for the production of an egg, for fowls need an iron roof over their heads and dishes to hold their feed and water, also wire netting to keep them in an enclosure. It is also essential for the production of milk. A cow needs a wire fence; milk must be caught in a bucket, a milking machine is largely steel and the product has to be conveyed to market in galvanised or stainless steel cans.

Almost every phase of life from the manufacture of buttons to the harvesting of crops, the processing of food, the needs of transport require large tonnages of steel.

I may say that I consider this could be commended to the Country Party members who are so concerned about the fact that we could easily develop an ill-balanced economy. Possibly some of us remember a few of the problems during the war years and during the post-war period. Certainly, during the war steel was a No. 1 priority for defence, and, although Mr. Roche has just tried to tell me that we are not going to get any more steel, I believe that ultimately, with the development of science, we will get an integrated steel industry in Western Australia.

What has been the chief handicap to the post-war prosperity of Western Australia? Has it not been the steel question? Take any of our big works. Let us take as an example the big work just completed on the Causeway. For many months that job was held up on account of steel. This rolling mill, when it comes into operation, will at least give to us some of those materials that are urgently required and will be required in an increasing quantity if this State is going to line up with the development programme that is now being put into operation, commencing with Kwinana and continuing with all the developments in building.

It is necessary that we should see very clearly where we are going from the point of view of such a basic commodity as steel. Mr. Heenan was very anxious to know what we were going to get out of the agreement. It is quite a reasonable question. I am sure Mr. Heenan is an intelligent man and it is not necessary for me to remind him that at the very beginning I can see some advantage to the profession to which he belongs. It was my privilege to have a look at a photograph of the people signing the agreement, one of whom is a member of his profession and, with the developments that will follow, there will be plenty of work for the legal fraternity.

I dare say members read the article in the "Sunday Times" of the 30th November. This is an independent paper; some-

times it is on the side of the Government and on other occasions it criticises the Government. The article I refer to is headed as follows:—"Why B.H.P. Agreement is Such a Good Bargain for W.A." The article reads—

Much has been said about the B.H.P. agreement but most critics seem to have lost sight of one of the big advantages of the bargain.

This means that in actual fact B.H.P. will be paying out big sums to operate a rolling mill in W.A.

Any expert can testify that the new B.H.P. industry in Western Australia will not be as economical for many years as at Newcastle or Port Kembla.

There has been some talk of the royalty which the company is paying on Cockatoo Island and Koolan Island ore.

But the fact that the industry in W.A. will not be as economical for many years as at Newcastle or Port Kembla means, in effect, that the company will be paying large sums annually for having the rolling mill in W.A. and for having the Cockatoo and Koolan ore deposits.

Royalty: This additional money the company will pay can, in effect, be regarded as a most substantial additional royalty.

Broken Hill will, for a long time, operate its rolling mill here at a loss.

Then the paper goes on to say that it is important to remember, Clause 5(1), which it quotes. I have no intention of quoting it because members have it before them and have read it. It provides for the selling price. We shall get the advantage of buying our steel at the same price as at the mill in Newcastle. So the very fact that such an independent paper approves of this agreement and mentions some of the advantages shows that there must be two sides, as Mr. Henning said, when people are making an agreement.

I listened with great interest to the breezy and definite speech of Mr. Barker, and I noted that the substance of his remarks was that the agreement was rotten and smelt. I am sure that Mr. Barker and Mr. Strickland know something of the work of B.H.P. in the North. Any of us who know something of that work must pay tribute to a company that is doing such a fine job, not only for its shareholders but also for its employees. The amenities provided and the conditions under which the men work at Yampi Sound are a tribute to the sincerity of B.H.P.

I have heard members in this House pay tribute to the men who pioneered the North-West, but I say without fear of contradiction that when this company went into the North-West and took men to Yampi Sound, it decided that, whilst it

might be pioneering an iron-ore industry, it could do so under very comfortable conditions. The industrial section of the Labour movement and everyone who has had anything to do with B.H.P. in this State, and particularly in the North-West, must pay tribute to the wonderful job the company has done for its workers. It would take a long time to work out how much the company has paid to the port authorities, how much has been provided in the way of shipping freight, how much has been paid to employees in wages. All of these points must have the greatest influence on the prosperity of the State.

Since June, 1949, 33,000 tons of manganese ore has been shipped on account of B.H.P. through Geraldton, and I suggest that a company doing a job of this description is adding to the prosperity, not only of the North-West but also of every part of this great State. At present, the company is in the act of sending a trial shipment of 2,000 tons of chromite ore which, if successful, will be followed by other shipments.

Apart from actual business ramifications, the company has been very sympathetic to its competitors, or those who might become its competitors if some members had their way. Today I asked the Minister for Transport a question about the profit or loss on operations at Wundowie. I say here and now that the Wundowie job has been a marvellous one from the point of view of the State. I had hoped to get figures up to date, but unfortunately they were not available. Obviously, we must of necessity be prepared to lose money on Wundowie, but I believe that, were it not for the work done there during the difficult post-war years, many avenues of industry would have been closed for want of raw material.

Sooner or later, however, we have to be realists. If we could get information regarding the loss on the iron as apart from the profit on timber, it might be a very different story. However, I say that anyone who is talking about the further development of charcoal-iron is prepared to commit the State Government to untold expenditure. Mr. Barker asked why we should not develop the charcoal-iron industry, and I say that unless the Government had millions to lose, I do not believe that Mr. Barker's own party, if in power, would think for a moment of extending the charcoal-iron industry.

There are three questions that we ought to answer to our own satisfaction if we are going to vote for the Bill. On the record of B.H.P., not only in the Eastern States but even during its limited trading in Western Australia, it has shown a very fine spirit. Who were the people that advised the Government on the Wundowie industry? The officials of B.H.P. The record of the company is one of which every Australian should be proud, for it has produced the cheapest steel in the world.

I said there were three questions that we should ask ourselves. The first is: Is there sincere intention and ability by both parties to carry out their parts of the contract? I feel sure that the Government has shown its sincerity in its first approach to B.H.P. and in the subsequent agreement which is before us for ratification. The second question is: Does the agreement confer benefits on both parties? There is no doubt about the answer to that question. The third question is: Has Parliament sufficient confidence that the agreement will operate fairly, even ignoring a legally-binding contract? I think the answer to that question is, "Yes," and that if we transfer the issue from a narrow plane to a higher moral plane, the history of the company shows that we have every right to entertain the utmost confidence in its integrity and willingness to perform its part of the contract.

Hon. E. M. Heenan: Have you read the agreement?

Hon. H. HEARN: I have, and the hon. member went through it, item by item. In conclusion, we have to make up our minds about the agreement before us. There is no possibility of altering it, so we have to weigh the pros and cons. Is the Government sincere, and is the company capable of doing all it is promising to do? I answer both those questions in the affirmative. I consider that the responsibility of members on this issue is greater even than anything demanded by party loyalty. Let us look at the rapidly changing world and consider what Wendell Wilkie, who rightly referred to it as "One world," said—

Anything that we do must be something to strengthen the potentiality of our defences in the coming years and should not be hindered by any narrow outlook.

I believe the time will come when the people of Western Australia will be very grateful to the Government and to Parliament for ratifying this agreement. I support the second reading.

HON. L. CRAIG (South-West) [7.55]: I intend to speak only briefly. Judging by the tone of the speeches of some members, it would appear that we are about to confer some benefit on B.H.P. by allowing it to use our iron-ore. That certainly seemed to be the trend of several speeches. I regard the question from an entirely different aspect. Members should realise that Western Australia is the most isolated country in the world and has less contact with markets than any other country, while we also have the additional disadvantage of not possessing any coking coal. In my opinion, nobody except a company of the calibre of B.H.P. would start a steel industry of any sort in this State because there is nothing attractive about it—no coal and no market. So I consider that

Western Australia is most fortunate in having such a substantial company to start an industry here. It must not be forgotten that B.H.P. is not just an ordinary company. It has about as many shareholders as it has employees.

Hon. H. Hearn: More.

Hon. L. CRAIG: Well, on the last figures I saw, from 45,000 to 48,000. It is a national institution, and at all times comes under the control of the Commonwealth Government. Members must not overlook the fact that all industries of a substantial nature are subject to the control of the Commonwealth Government. That Government controls the export of all goods, and in times of stress it can, under the Defence Act, take control of all industry. Therefore, Western Australia has nothing to fear as to what might happen in future. We have been hawking the iron-ore deposit on Koolan Island for many years, and could not get anyone to take it up except one company that was negotiating a sale of the ore to a foreign power. This is the first opportunity we have had of getting the iron-ore used not only in Australia but in Western Australia.

Some members from the country have stressed the importance of primary industry, I think, to the detriment of secondary industry. If those members read history, they will find that no country ever becomes great and strong until it establishes secondary industries. There is no country in the world today not industrially strong that can defend itself. Spain is an instance and, until China became industrialised, the Japanese could simply have walked through. No country can defend itself by being merely able to feed and clothe its people. The country that depends entirely on primary industry for ever remains a hewer of wood and a carrier of water.

Hon. H. L. Roche: Like New Zealand?

Hon. L. CRAIG: New Zealand is not strong.

Hon. H. L. Roche: You would not call its people hewers of wood.

Hon. L. CRAIG: New Zealand's greatest regret is that it has not established secondary industries. Let the hon. member have a talk with the Prime Minister of New Zealand and hear what he says.

Hon. H. L. Roche: What about the remarks of the High Commissioner?

Hon. L. CRAIG: I do not wish to take much notice of what he said, because it is his job to talk about the potentialities of New Zealand. I do not decry New Zealand, but the strength of any country is in its industries, and the wealth of a country is mainly in its industries. I am not suggesting it is not necessary to have primary industries—they are the most

important of all because the feeding and clothing of the people is the fundamental duty and necessity of a country. But the strength and the wealth of a country come mainly—I will not say mainly but to a great extent—from its secondary industries.

Hon. C. W. D. Barker: Do you think Australia will compete with the rest of the world in secondary industries?

Hon. L. CRAIG: It certainly will. It is already doing it. One hon. member asks what is happening in Canada today. Canada is probably one of the greatest industrial countries in the world, and no country is in a stronger financial position than it is.

Hon. C. W. D. Barker: It is not situated as we are.

Hon. L. CRAIG: Does not the hon. member think we should be in a position to defend ourselves?

Hon. C. W. D. Barker: I certainly do.

Hon. L. CRAIG: The only way we can defend ourselves is by having secondary industries. One of the world's greatest industrialists, to whom I talked, said this, "The wealth and strength of a nation is in the skill and management of its people." He gave me instances, one, of course, being Switzerland which, with no natural raw materials, no coal and, I believe, no iron, has built itself into a strong and comparatively wealthy nation by the skill of its people. That country gets an ounce of an iron-ore which it turns into steel and makes into a watch which is sold for £15. Some members would say that we should continue selling our iron to the world at whatever the price is—about £15 a ton—while other countries turn that same product into articles which are worth probably £1,000.

So it is obvious that the real wealth and strength of a nation is in the skill of its people, and the skill of its people depends on the development of secondary industries. We do not want to sell everything we produce in its raw state. The raw cost is terribly low compared with the finished cost. Why should not the finished cost be made available to the people of Australia instead of the cheap raw cost? The sooner we can produce goods of all kinds, whether foods, metals or woods, and sell them in the finished article, the sooner will we become strong and rich. Until these conditions obtain, we shall not be strong or rich. Australia has been recognised as a nation only since it has developed its industries.

Hon. F. R. H. Lavery: Only since Anzac. That is when we became a nation.

Hon. L. CRAIG: It just happened that after the first World War we became industrialised. Today we are becoming strong and rich. Western Australia and Australia, too, are most fortunate that there

should have been, through the years, an organisation established such as B.H.P., which can finance the development of the raw materials of the country and turn them into steel products equal to the best in the world. How any members can decry a contract which enables an industry to be commenced in this isolated part of the world is beyond my comprehension. It would almost have paid us to allow B.H.P. to use our iron-ore at no cost at all if, by so doing, we could have had established in this country the industry which we hope will be commenced here.

HON. H. S. W. PARKER (Suburban) [8.5]: The Bill provides for a rolling mill and an integrated steel works if and when certain things happen. The establishment of a rolling mill means that certain iron-ore deposits on islands near the coast will be tied up because the agreement is to tie them up, and apparently the sole objection to the Bill is to this particular provision. For years efforts have been made to utilise the iron-ore in these islands, and perhaps it might interest members if I were to give a little of the history of these deposits. Captain Roe first discovered them in the thirties of last century, but it was not until 1907 that a man named Keane took them up. In 1918 Hon. Jock Thomson, a member of this House—

The Minister for Agriculture: About 1921.

Hon. H. S. W. PARKER: In 1918 he had the leases forfeited, and he took them to England and Scotland to try to sell them because he thought some of the ironmasters of Scotland would be interested. Anyhow, a company known as the Yampi Sound Electrical Power and Smelting Syndicate Limited was formed. This company took up the leases in 1923 and held them until 1932 when a man named Buckley got them. Buckley apparently interested H. A. Brassert and Co. Ltd. in them in 1936, and the leases were surrendered in 1948 when they were applied for again.

Some members will recall the Bill that went through this House and became an Act of Parliament, by which a certain area of Koolan Island was tied up, together with a certain area at Collie, to enable a man named Conrow to form a company. The Government was asked, or expected, to put a large sum of money into most of those ventures. However, the flotation of the company that Conrow was trying to form, failed, and nothing was done. The leases were forfeited in 1947 and they were taken up again in October, 1951.

Hon. C. W. D. Barker: Did not B.H.P. do a lot of work on Koolan Island prior to that.

Hon. H. S. W. PARKER: No.

Hon. C. W. D. Barker: Well, I was there and worked for B.H.P. before then.

Hon. H. S. W. PARKER: A great amount of work was done on Koolan Island.

Hon. L. Craig: Not by B.H.P.

Hon. H. S. W. PARKER: A tremendous amount of work was done on Koolan Island, and many thousands of pounds were spent there. I have a vivid recollection of an hon. member talking in this House and being asked whose money was being used—whether it was Japanese money—and he declined to answer. At that period it was thought that it was a Japanese company that was doing the work with Japanese money. There were Japanese out here looking into the matter, and they were living at the Criterion Hotel. Arrangements were made for the export of iron-ore from Koolan Island in Japanese ships, and for the whole of the work to be done there by Japanese. Let me get to Cockatoo Island. The Australian Iron and Steel Mines Limited took up the leases there in 1911. In 1918 the leases were forfeited to Mr. Jock Thomson. In 1920 he sold them to the Queensland Government, and later a firm known as Hoskins Iron and Steel Company, which was a B.H.P. company, took them up in 1927, and subsequently the Australian Iron and Steel Company, acquired them in 1930. Perhaps that was when Mr. Barker was working there. I cannot understand why he left such an excellent job, because I have been there and seen the extraordinarily good conditions which exist there for the workers.

Hon. C. W. D. Barker: That is quite true.

Hon. H. S. W. PARKER: This is a brief history of the leases, and members will find that, except for the project to send the ore to Japan in Japanese ships, with the ore to be worked by Japanese, nothing has been done apart from what the B.H.P. has done and is doing up there now. When it was decided to send the ore to Japan, the Western Australian Government was to get 3d. per ton royalty, but the Commonwealth stepped in and placed an embargo on the export of iron-ore. As a result of that embargo, a resolution was carried in the Assembly. On the 30th August, 1938, the then Premier, Hon. J. C. Willcock, moved this motion—

That this Parliament of Western Australia emphatically protests against the embargo placed by the Commonwealth Government on the export of iron-ore from Australia, in view of its disastrous effects upon the development of the State. We consider that the information available does not warrant such drastic action, and we urge the Commonwealth Government to remove the embargo.

The resolution came to this House, where it was moved by Hon. W. H. Kitson, who was then the Chief Secretary. Many wild statements have been made especially by the hon. gentleman who took the lead opposing the Bill, Mr. Barker. He said that we could not dispose of these valuable leases because they comprised the only iron-ore here.

Hon. C. W. D. Barker: I did not say that.

Hon. H. S. W. PARKER: He said that B.H.P. could not carry on with Iron Knob for more than 10 years because it has only 10 years' supply of iron-ore there and it must come to us to get our iron-ore, seeing that it could not get any elsewhere. That in itself is a ridiculous statement because B.H.P. is not going to spend millions of money to work Iron Knob if it is going to last only 10 years. However, let me give the figures of the then Premier, Hon. J. C. Willcock. He said—

At Iron Knob and at Yampi, the former was estimated to contain between 150,000,000 and 200,000,000 tons and the latter between 63,000,000 and 90,000,000 tons. The official estimate of a former State Mining Engineer, the late Mr. A. Montgomery, was that at Yampi there were 97,000,000 tons, and that that total could be multiplied manifold if the probable underground reserves were taken into consideration.

Mr. Kitson gave the same figures in this House as the then Minister for Mines gave in the Legislative Assembly. The then Minister for Mines, Hon. A. H. Panton, was most enlightening and his information entirely refutes the argument put forward by members who have opposed this Bill. On page 587, of Vol. 1 of Hansard, 1938, Mr. Panton said—

With the exception of casual surveys—and very casual at that—there has been no general survey of the iron-ore deposits of Western Australia. Notwithstanding that fact, we know there are considerable iron-ore bodies in the State apart from the very high grade deposits of Koolan and Cockatoo Islands. These other deposits are—

- (a) Murchison: Wiglie Mia, in the Weld Range, a deposit estimated to contain between 26 and 27 million tons above the level of the plain. The deposit is of exceedingly high grade.

Gabanintha, east of Nannine, a deposit estimated to contain 1,300,000 tons of almost pure iron.

Mts. Hale, Taylor, Matthew and Yarrameedie, a range of hills remarkably prolific in iron bearing schists. No estimates of the ton-

nage available have yet been attempted, but the descriptions given at various times by our geologists indicate that the quantities are very considerable and of high grade. A grab sample taken just south of the summit of Mt. Matthew gave a result of 66.6 per cent. of metallic iron. Another sample from this vicinity lodged with the Government by a prospector quite recently, assayed 67.91 metallic iron.

Mt. Narryer and Mt. Gould are also known to contain considerable tonnages of high class ore, but again no estimates of quantity have so far been made.

These localities by no means exhaust the list of probable iron-ore deposits in the Murchison goldfields. Many other deposits have been reported but so far have not been examined.

Yalgoo: Mt. Gibson—contains an iron deposit reported to hold not less than ten million tons of high grade ore.

Tallering Peak likewise is known to be a deposit of considerable extent, but never estimated as to quantity.

Yilgarn: Mt. Caudan has a high grade deposit which has been intersected by bore holes at depths between 495 and 730 feet below the surface. It was found that the iron oxides exposed on the surface passed into iron carbonate and magnetic iron. Considerable quantities of high grade iron-ore should be available here.

Koolyanobbing, in the North Yilgarn: Deposits have been previously estimated at 1,000,000 tons. A recent re-examination of the deposit by Geologist Ellis has been made, and he states that the earlier estimate is most conservative and that there are several million tons, while further deposits in the vicinity have been located by his party.

It is interesting to note that this is the only deposit that has been re-examined since the argument with the Commonwealth arose and there, instead of having 1,000,000 tons, we have several million tons.

I am quoting from speeches made by members belonging to the same party as members who are now opposing this Bill. They say they are opposing it because we are giving away all our iron-ore! I think we all agree that good, permanent and well-paid employment is what every nation, State and individual desires. One of the

arguments put forward by Hon. J. C. Willcock was that if the Commonwealth Government insisted upon the prohibition we would lose—and I quote his own words—

I have endeavoured to arrive at figures showing the actual losses the State will suffer following upon the loss of the iron industry. The figures I shall quote are based on the export of only 1,000,000 tons of iron-ore per annum for 15 years, which was the latest proposition submitted by the company, supported by the State Government but rejected by the Commonwealth Government.

Members must realise that this was purely a question of getting the iron-ore out and exporting it; it had nothing to do with using it. Mr. Willcock went on—

The amount of royalty lost will be £250,000. Wages lost, which would have been paid to Western Australian workers, reckoning 200 men at an average of £6 10s. per week, approximately £1,000,000.

It is estimated that the Kwinana works will employ 350 men—that is almost double the 200 mentioned by Mr. Willcock.

Hon. H. C. Strickland: The number employed at Yampi would be in line with that, I think.

Hon. H. S. W. PARKER: I do not know. I am merely quoting the then Premier's remarks.

Hon. H. C. Strickland: How many are there now?

Hon. H. S. W. PARKER: I am informed that there are 120. However, Mr. Willcock went on—

Purchase of mining stores, etc., would have meant at least £50,000 to the State.

The arrival and departure of 120 ships per year would have involved a spending of, say, £90,000.

Harbour and Light dues payable would have amounted to £60,000.

Mr. Willcock said that it would make a difference to 200 men at an average of £6 10s. per week and that that would amount to, approximately, £1,000,000. About 350 men will be employed at Kwinana and they will be getting considerably more than £6 10s. a week each.

Hon. N. E. Baxter: About double that.

Hon. H. S. W. PARKER: So that would mean £2,000,000 or £3,000,000 in wages, according to the Labour Premier's estimate. Those figures were repeated in this House by the then Chief Secretary. If Mr. Willcock were still in Parliament he would not oppose this measure. I have given some of the history of these leases, and it can all be found in the records of the Mines Department. I do not know if publicity was given to the fact that one

of the largest steel works on the West Coast of America sent one of its executives, in company with other members of its staff, to this State to inquire into the possibilities of establishing an industry. Approximately 50 tons of Collie coal were sent to America to be tested and the company found it impossible to go on with the production of steel in Western Australia because coking coal was not available. Consequently that venture was unsuccessful.

Tests have been made in Germany, England and various other places and there is an excellent man in the employ of the Mines Department; he has tried to obtain coke from Collie coal but has found it impossible and has reported that Collie coal will not produce coke. On all these questions, the Government has been asked to spend large sums of money, but, in connection with this proposal, some members have suggested we get nothing out of the agreement although we have to pay an enormous sum of money. Mr. Barker said we will have to do this and we will have to do that.

Hon. C. W. D. Barker: I quoted the agreement.

Hon. H. S. W. PARKER: The company will have to pay us 6d. per ton royalty; it has to erect wharves at the works at Kwinana. We will have the use of those wharves and the company will pay wharfage for all outgoing cargo.

Hon. H. C. Strickland: But the company will own them.

Hon. H. S. W. PARKER: But it will pay us wharfage.

Hon. R. J. Boylen: Who told you that?

Hon. H. S. W. PARKER: It is in the agreement. The company will have to pay for its water and if one analyses that point one realises that the water costs nothing; it is the reticulation of it that costs the money.

Hon. A. R. Jones: The reticulation will cost plenty.

Hon. H. S. W. PARKER: Of course it will, but do not let us forget that water is being taken to the oil company next door.

Hon. G. Fraser: It is taken to the place next door to me, but I have to pay for it just the same!

Hon. H. S. W. PARKER: I should hope so. The Kwinana railway will be of considerable benefit to us because this company will pay for the carriage of its goods.

Hon. F. R. H. Lavery: But we are not going to build the railway now.

Hon. H. S. W. PARKER: That is an extraordinary statement! The company will have to pay for its electricity and for rates on all its houses that are built there. We will get tremendous revenue both directly and indirectly and we will get a considerable sum by way of income

tax. The reason why B.H.P. is able to produce steel at such low cost is because coke is essential for the economic production of iron and steel. Members have suggested that we should develop and continue to use Wundowie, but over the last two years that project has cost us £100,000 a year.

Hon. F. R. H. Lavery: How much have we lost on the railways during that period?

Hon. H. S. W. PARKER: Because the railways lose £2,000,000 or £3,000,000 a year does not mean that we should start on some wild cat scheme and lose £100,000 a year.

Hon. F. R. H. Lavery: Both give service to the State.

Hon. J. M. A. Cunningham: What a comparison!

Hon. H. S. W. PARKER: Yet we are able to buy steel cheaper from B.H.P. than we can produce it here, because it has been found that iron-ore cannot be economically treated without the use of coke.

Hon. C. W. D. Barker: It is only a pilot plant, you know.

Hon. H. S. W. PARKER: Then let us close it down. It has been in operation for nine years and it is still piloting us into enormous debts.

Hon. C. W. D. Barker: Get rid of the pilot plant and build a fully integrated iron and steel industry.

Hon. H. S. W. PARKER: And lose £1,000,000 a year.

Hon. C. W. D. Barker: Who said we would lose £1,000,000?

Hon. H. S. W. PARKER: It is obvious.

Hon. C. W. D. Barker: No!

Hon. H. S. W. PARKER: Why not let someone else foot the bill? Why should the taxpayers foot it?

Hon. C. W. D. Barker: Let B.H.P. foot it.

Hon. H. S. W. PARKER: We want it to.

Hon. C. W. D. Barker: And so do I.

Hon. H. S. W. PARKER: If the hon. member votes for the Bill, that is what will happen. I thought the hon. member intended to vote against the Bill, but apparently I was mistaken.

Hon. C. W. D. Barker: Make a decent agreement and I will vote for the Bill.

Hon. H. S. W. PARKER: It takes two to make an agreement. We have secured as much out of B.H.P. as we can by getting them to build a steel rolling mill in this State. I would point out that in every place where B.H.P. has commenced operations, its works have extended tremendously. That has been the experience in

every place—Port Kembla, Newcastle, Whyalla. In each instance the centre has expanded tremendously. As soon as the rolling mill is established in this State, we shall expand as well. If it is possible to get the industry under way, there is no doubt that, in due course, we shall have an integrated iron and steel industry established. Mr. Barker suggested we are to get nothing out of it. I would ask the Minister if he would be good enough to supply figures indicating how much B.H.P. has paid the State Shipping Service in freight during the last five years. All sorts of commodities have been taken north. All the materials required for the work at Yampi Sound, all the building materials requisite for the houses there, and all the perishables have been purchased in the south and shipped north in State steamers.

Hon. C. W. D. Barker: That is so.

Hon. H. S. W. PARKER: Of course, it is.

Hon. C. W. D. Barker: And it costs us £250 every time a ship pulls in.

Hon. H. S. W. PARKER: Now the hon. member says that he does not want them! He does not know what he wants!

Hon. C. W. D. Barker: You are trying to make it look that way.

Hon. H. S. W. PARKER: The hon. member said that the State ships were getting nothing out of it. I say they are. The State steamers have been loaded up with the commodities that are required, but the trouble is that there are not enough of those ships. When he was Premier, Mr. Willcock said that he had bought the "Koolama" because of the extra freights that would be obtained as a result of work on Koolan Island, but that as the Commonwealth had shut down on the export of iron-ore, he wanted to know what we were going to do with the vessels. Now we find we have not enough State vessels to cope with the ordinary trade available along the coast. In the circumstances, obviously B.H.P. has had to use its own ships. In addition, there will be a lot of shipping at Kwinana when the works are under way.

Then again, Mr. Barker said that we were handing over the riches of the country. What about our gold and our coal? Are we handing over those riches as well? For a great many years and all the time the Labour Governments were in power, the coal leases at Collie were tied up with Amalgamated Collieries. An arrangement was made that the company could carry on the leases on condition that it complied with labour requirements by manning the leases with so many men on so many acres. It was arranged that so long as the company employed the maximum number of men for whom work could be found, it could retain all those leases. Thus throughout the period of Labour regime, the company had far more

leases than it required. At the same time, it was allowed to hold them. In those days it was not a matter of handing over the riches of the State! Are we to say to the people on the Goldfields that until the price of gold rises the companies there can retain all their leases and do what they like in the meantime? Look at the position regarding blue asbestos. That industry has cost the country quite a lot. I feel sure Mr. Barker would be the first one to complain about concessions being given to them.

Hon. C. W. D. Barker: The company has spent thousands in this State.

Hon. H. S. W. PARKER: Of course it has, and in this particular instance has been involved additional expense to the State steamers because of concessions granted to that company, and many complaints were made.

Hon. R. J. Boylen: Not many.

Hon. H. S. W. PARKER: I was a Minister of the Crown at one time, and I heard complaints from all sorts of people. The suggestion has been advanced that B.H.P. is just a small company. Yet it intends to spend £4,000,000 in this State! If it opens up at Kwinana, it will be the biggest thing, apart from the oil refinery we have known in Western Australia, and we should welcome its advent. One member suggested that we should have farms before factories. I do not think that hon. member quite appreciated what he said. For over 100 years we have had farms and no factories—and where are we today? It is only where factories are established that, as Mr. Craig said, a country goes ahead. What is this company going to do?

Hon. L. A. Logan: You know that the country lives on the proceeds of the farms.

Hon. H. S. W. PARKER: Of course, we have to do that. B.H.P. will provide a lot of the commodities that the men on the land require, especially fencing materials and so on. And look at the influx of people there will be.

Hon. C. W. D. Barker: Yes, 350 of them!

Hon. H. S. W. PARKER: Will not those people have families? Will they not require stores, petrol stations, schools, schoolteachers and a thousand and one other necessities? It will induce further population in the State. It will create a wonderful local market for all the produce that the farmers can supply. In the past it was said that we could not settle the land because we had no markets.

Hon. A. R. Jones: It will not help us to get more for our wheat.

Hon. H. S. W. PARKER: With this valuable industry established in the State, we might even get higher prices for wheat for local consumption.

Hon. G. Bennetts: With the monopoly, we might not have the money to buy it.

Hon. H. S. W. PARKER: With the population increased, more produce will be required, and let us remember that wheat is not the only commodity the farmers produce. They supply all sorts of lines, and we will have a market at our door. Furthermore, the farmers themselves will have a lot of their requirements supplied at their doors. I must admit I have not heard one argument of any substance against the agreement entered into by the Government with B.H.P. The only argument was that we must act the part of a dog in the manger. We must not part with these leases—

Hon. C. W. D. Barker: For nothing.

Hon. H. S. W. PARKER:—until we arrange with someone to establish an integrated iron and steel industry in the State. As Mr. Craig pointed out, we are so far away from other centres that no one will contemplate establishing an integrated steel industry in this State until there is no more iron-ore available in other parts of the world. When that time comes, it will not be a matter of making an agreement, because some nation that wants the iron-ore will come and take it, and we will not be able to prevent it from doing so. We must use our wealth in the best way we can. Suppose we did not give B.H.P. the leases and B.H.P. came along and started a rolling-mill without them, what would we do with our iron-ore?

Hon. H. K. Watson: Let tourists carve their initials on it!

Hon. H. S. W. PARKER: We could not do anything with the iron-ore at all, and it would be useless to us. I am interested to find out what really is at the back of the opposition. What is the objection to the agreement? I cannot make it out except—I trust I am wrong in this—

Hon. G. Fraser: It will be rough.

Hon. H. S. W. PARKER: It may be rough, but I fear it will be accurate. In this morning's issue of "The West Australian," I read a statement by Mr. Webb, who, I understand is president of the State A.L.P. In the course of the report it was said that Mr. Webb—

Attacked the Government for "having deliberately caused unemployment by destroying the confidence of the people, so that Commonwealth loans had been undersubscribed, and by restricting credit."

Here is the very thing that is worrying them. There is no unemployment, and we do not want any credit. B.H.P. will bring into the State £4,000,000. We are doing what Mr. Webb is complaining about. We are settling the Commonwealth Government, because we are doing the very thing that he does not want done. He has attacked the present Commonwealth

Government and says that by its policy it is creating unemployment. One would almost be led to believe that this matter will be brought forward strongly at the next election.

Hon. F. R. H. Lavery: That has nothing to do with the Bill!

Hon. H. S. W. PARKER: I say definitely I consider it has a lot to do with the Bill.

Hon. F. R. H. Lavery: I thought so myself the other night, but I was not allowed to proceed.

Hon. H. S. W. PARKER: I am confirmed in my belief that this matter will be brought forward at the next election, and if that is so and the Bill is passed, that subject will fall very flat in Western Australia. If the unemployment argument is to be advanced at the next election, it will be entirely useless in Western Australia as soon as the rolling-mill gets going and Kwinana is established as a centre of industry. There will be no unemployment and there will be a lot of money in circulation.

I do not suggest that is the real reason for the opposition to the Bill, but Mr. Lavery would rather incline me to believe that it is. When the company starts in this State, it will provide excellent employment at the highest wages for all sections of the community, from the engineer down to the labourer. It will provide additional revenue for storekeepers and all other suppliers of commodities. The whole State will be tremendously benefited by having this firm established here. It will be an ideal employer, providing ideal conditions for its employees. I have pleasure in supporting the Bill.

HON. J. M. A. CUNNINGHAM (South-East) [8.43]: All through the debate on the Bill, insistence has been on the way B.H.P. has been plaguing the Government to secure the right to hold the leases and to establish a steel rolling-mill of some sort in Western Australia. That has been the trend of the debate all along. The contention has been that B.H.P. has sought these concessions, whereas, in actual fact, it is the State that wooed B.H.P. and has wooed it to very good effect.

It is not so many years ago that the Premier visited South Australia and other States. He went to Whyalla and other centres in South Australia and came back imbued with a tremendous desire to have in Western Australia the beginnings of industrial expansion and, in particular, the establishment of heavy industry. I think without any exception, members of both parties in each house have given credit to the Premier of South Australia as being the political head of one State that started behind scratch and has now reached, and indeed in most instances passed, the older States, which possessed

greater wealth, in industrial development and production. He has done that by a very simple method. He induced manufacturers of various commodities to establish their industries in his State.

Hon. H. C. Strickland: In wartime.

Hon. J. M. A. CUNNINGHAM: Since the war.

Hon. J. A. Dimmitt: And before.

Hon. J. M. A. CUNNINGHAM: The Premier of South Australia said to those people who desired to establish industries somewhere in Australia, "We have the land and it cost us nothing. We have the water and the power, and we will make these requisites available to you. We will make it very attractive for you to establish your industries in our State." That policy has to pay good dividends. Some part of almost every commodity bought in Western Australia was made in South Australia.

It has been mentioned that in our agreement there is no suggestion that B.H.P. must or shall go beyond establishing a rolling-mill. There is no need for that; its past record proves that. As far as Whyalla was concerned, the agreement was for the establishment of a blast furnace only. The royalty and the conditions applying to the iron-ore to be taken away were very similar to those in our agreement, namely, 6d. per ton royalty. But B.H.P. did not stop at the establishment of a blast furnace. It built shipyards and rolling-mills and branched out in almost every form of heavy industry. Nothing was said about that in the agreement.

I consider that as the time is ripe and the demand grows, the same result will follow in Western Australia. The company has actually made preparations for extensions. It has asked for sufficient land to cope with the establishment of an integrated steel industry in the future. I suggest that when, not if, the secret of coking Collie coal is unlocked, that will take place. We know that today that is impossible. Collie coal is not suitable, and charcoal is too dear. What alternative have we? It was suggested that we should bring suitable coal from the Eastern States. I hope no member of this House would agree to that.

Hon. R. J. Boylen: What is your solution?

Hon. J. M. A. CUNNINGHAM: What a pickle we would be in if such an industry were established and the State began to rely on the output only to find itself completely under the thumb of the coal-mining industry in the East, which has a record second to none—the wrong way! I am afraid that until the day comes when we can produce the finished article in this State, we are doing the wise thing not to allow ourselves to be under an obligation to other States. Mention has been made that many times this industry has

been hawked. No pun is intended, but that has been the case for many years. Reference has been made to an agreement reached with a foreign power, but do members know exactly what amounts were to be granted to that foreign power? In 1934 concessions were given to four Japanese firms to operate the leases at Yampi Sound. Japan was to take 10,000,000 tons of ore per year.

Hon. C. W. D. Barker: That is impossible.

Hon. J. M. A. CUNNINGHAM: I can assure the hon. member that my authority for making this statement is a little more sound than his refutation of it.

Hon. C. W. D. Barker: B.H.P. will shift 1,000,000 tons a year, after it gets going.

Hon. J. M. A. CUNNINGHAM: In Yampi Sound is a group of islands estimated by Dr. Woolnough, Commonwealth Geologist, to contain 23,000,000 tons of 90 per cent iron-ore in sight. As members know, many figures have been bandied about in this House from time to time, all supposedly made by authoritative persons. That was the figure at that time. It has now been estimated that those islands contain 150,000,000 tons of rich iron-ore. That means that 150,000,000 tons at Yampi were sold by a Labour Government for 3d. per ton royalty.

Hon. H. C. Strickland: That would be 1s. now.

Hon. J. M. A. CUNNINGHAM: I agree that that would approximate 1s. today. What were we to get in return? An integrated steel industry? Not on your life! A rolling-mill? No! What we were likely to get back was steel bullets and Samurai beheading swords. That is all.

[The Deputy President took the Chair.]

Hon. C. W. D. Barker: Tell us how the Japanese would shift 10,000,000 tons per year.

Hon. J. M. A. CUNNINGHAM: Mr. Barker said this agreement has nothing to do with that agreement to give our iron-ore to a foreign power, but I submit that this Bill has a good deal to do with what took place then. The present Government took into account the mistakes made in those days and the injustice perpetrated in giving away our iron-ore deposits to a foreign country for nothing in return. Today we have asked for a royalty of 6d. per ton for the establishment of an industry here which will be the largest in our State apart from the Kwinana refinery. That is one of the best things that has ever been done by any one person or any statesman in this State.

Reference was made by one member to the fact that at the former period a good deal of sore feeling was created and sour words were expressed in this place and in

another place at the action of the Commonwealth Government in cancelling the agreement with Japan. The Premier of the day was so upset that he actually made a special trip to Canberra to intercede on behalf of Japanese interests so that this agreement might be allowed to continue.

Hon. H. C. Strickland: This present agreement?

Hon. J. M. A. CUNNINGHAM: Of course not! The hon. member knows I am not referring to this agreement. I have sincerely wondered why the opposition to this Bill was raised. I cannot honestly take at their face value the reasons put forward in this House. On the one hand members say they want to see the industry established here, and on the other hand they say that the agreement is a rotten one and we should have got more out of the company. I say that that is bosh, because a far worse agreement was entered into by a Government with the same party policy as that subscribed to by the members who made that statement.

Hon. C. W. D. Barker: You can call it bosh, but I still say it is a rotten agreement.

Hon. J. M. A. CUNNINGHAM: And I still say that is bosh! I do not believe that the opponents of this Bill have their hearts in the opposition they have voiced. I cannot believe that for one minute. Is the reason for the opposition the fact that they can see slipping away from them the possibility of socialising these huge rich deposits? The policy of the party to which members opposing the Bill belong is one of socialisation of such industries. It has already given us an example of what it would do. I refer to Wundowie. One night we were passing Wundowie in the train and a member pointed to the huge blaze of light coming from Wundowie and asked if that was not something for us to be proud of. He said, "Look what it is doing for the State!" We concede that as an experiment Wundowie is valuable. But it is a costly experiment. In 10 years it has cost the State £1,205,000. If one wants to be proud of the sight of Wundowie at night time, or any other time, proud of an experiment that has cost the public over £1,000,000, what must we say of a plant worth £4,000,000 which is to be established at no cost to the public.

Hon. H. C. Strickland: It will cost us something.

Hon. J. M. A. CUNNINGHAM: It will not. What is expended will be returned tenfold. I think the hon. member is sincere. He has asked what it will mean to primary industries and how they will benefit. I submit that in the south the most desperate need today is water. Water is supplied by conduit, by 2ft. or 3ft. pipes. This mill will provide that conduit and

will enable water reticulation to be undertaken through pipes from half inch in size to 3ft.

Hon. L. C. Diver: It will not turn out flat sheets.

Hon. J. M. A. CUNNINGHAM: It will turn out flat sheets.

Hon. L. C. Diver: I have it on the best authority that it will not.

Hon. J. M. A. CUNNINGHAM: We will wait and see who is correct. It will turn out fencing posts by the mile in the time that it now takes to turn out wooden posts by the chain. It will produce structural steel, angle iron and "H" section for the erection of factories, houses and sheds of every description.

Hon. F. R. H. Lavery: We know that.

Hon. J. M. A. CUNNINGHAM: If the hon. member knows it, why does he object? These are the very things that we want, yet the hon. member has been most obstinate in his opposition.

Hon. G. Fraser: You were going to say "stupid."

Hon. J. M. A. CUNNINGHAM: I will not say "stupid." I do not think the hon. member intends to be obstinate. I think he is sincere, but I do not understand why he is putting up opposition when he says he knows that these are the things the factory will produce. This is just as much an experiment as Wundowie, and if members are proud of Wundowie in spite of what it has cost us, why cannot they be proud of this venture which will cost us nothing beyond something we have in the ground and can give the company, and which it will get anyway? If this Bill did not pass, who would get the iron-ore at Koolan and Cockatoo Islands? B.H.P. would still get it, and we would not have a rolling-mill.

Hon. H. C. Strickland: We would not have any expense.

Hon. J. M. A. CUNNINGHAM: It will not be any expense to us. According to the Bill, we will get the products from B.H.P. at the same price as any other capital city.

Hon. H. C. Strickland: Are we not getting them now?

Hon. J. M. A. CUNNINGHAM: Of course! But we will get more. In 1939 the imports were 560 tons from overseas and interstate, and in 1951 they totalled 4,600 tons. The proposed output of the new plant is 60,000 tons, far in excess of what our needs will be for many years to come. I have a few more notes on the matter, but other members have dealt with the points I intended to make. The Bill has had a most unfortunate passage through another place. Some vitriolic and acid speeches were made. Some of

them touched a new low in political sewage. That is the only term I feel is appropriate.

Hon. C. W. D. Barker: Do you mean in this House?

Hon. J. M. A. CUNNINGHAM: I said "in another place."

Hon. G. Fraser: You are not allowed to reflect on another place.

Hon. J. M. A. CUNNINGHAM: It may not have been parliamentary language, but it expressed my feelings more perfectly than any other words I could think of. It even reached the stage of one member standing up and literally threatening other members that anyone voting for the measure would be subject to the most severe opposition during the next election campaign. There is no argument but that that is literally blackmail.

The DEPUTY PRESIDENT: Order! The hon. member must not reflect upon the conduct or speeches of another place.

Hon. J. M. A. CUNNINGHAM: Then I apologise and withdraw the statement. I repeat that the passage of this Bill has been unjustifiably rough.

Hon. C. W. D. Barker: Justifiably rough?

Hon. J. M. A. CUNNINGHAM: I said unjustifiably rough. I do not know whether the hon. member is hard of hearing or whether I am not speaking plainly.

Hon. C. W. D. Barker: Just a poor speech!

Hon. J. M. A. CUNNINGHAM: In future I will listen carefully to his eloquent speeches in an endeavour to improve my diction and attain perfection. I trust that members will think deeply on this Bill, which is one of the most important ever to come before this House and which might well be one of the most far-reaching measures yet brought before us. It has been said we have no say in this legislation. There have been other Bills in which we have had no say, but our concurrence and deliberations are valuable, and I trust that members will treat the Bill on its merits. I support the second reading.

HON. N. E. BAXTER (Central) [9.2]: I wish to make it clear from the outset that I intend to support the Bill, although I agree to a certain extent with Mr. Roche who said, "Farms before factories". I do not lose sight of the fact that there is a big possibility that the steel rolling-mill to be established in this State by B.H.P. will be of benefit to the rural industries of Western Australia. I feel that when we made the agreement with the Anglo-Iranian Oil Coy., a number of amenities were lost to the country districts because of the goods in short sup-

ply that will be used in the erection of the refinery and the housing that is to be provided.

But the main complaint by those who oppose this measure has been in respect of the agreement. Had those members who have so complained compared the agreement in this case with that made with the Anglo-Iranian Oil Coy., they would have found this agreement to be a good one by comparison. I will quote what some members who oppose this Bill said when the Anglo-Iranian Oil Coy. agreement was being discussed in this House. Mr. Davies, who, I think, was the first to speak in this House in opposition to the present agreement, was eulogistic about the Anglo-Iranian Oil Coy. agreement and said—

I would like to ally myself with previous speakers by saying I have much pleasure in supporting the Bill.

To the best of my knowledge he did not at any stage try to tear that agreement to pieces as he has tried to do with this one. The same applies to Mr. Strickland, who on that occasion said—

I cannot allow this opportunity to pass without offering my congratulations to the Government upon its foresight in encouraging the establishment of such a large and important enterprise in this State as an oil refinery. I agree that those responsible and especially the Minister for Industrial Development, have taken the long view, which is the right view for any Minister or Government to take, and I hope that the refinery will be the forerunner of a large industrial settlement in this area.

Hon. H. C. Strickland: I made a complaint about the agreement.

Hon. N. E. BAXTER: No such complaint as the hon. member has made in the case of the present agreement! Those are a few of the things said in relation to the Anglo-Iranian Oil Company agreement by members who have spoken against this agreement with B.H.P. I do not think Mr. Heenan spoke on the Anglo-Iranian Oil Coy. agreement, but he did speak against the present agreement and said there was no benefit to be obtained from it. B.H.P. intends to ship the iron-ore from Yampi to the iron and steel mills in the Eastern States, and I believe the billets of steel will then be shipped back here to be made into steel posts or anything that will find a market in this State or anywhere else the company finds it economically sound to market such products. That will be of definite benefit to this State. In the past few years we have experienced delays in shipping and particularly in the case of iron and steel products from Newcastle.

Steel billets would be much easier to ship than rolled goods, being much less awkward to handle. I believe that our

shipping difficulties will be cut down considerably if the billets are shipped here from Newcastle and the steel rolled in this State into the various sizes and shapes required. I wonder why there is so much objection to the establishment of the B.H.P. mill in this State and to the company taking up these leases in the Yampi area. Is it because members who are opposed to the Bill are frightened that their dream of an integrated iron and steel industry based on charcoal-iron in the South-West, perhaps at Bunbury or Collie, might never mature? They have said what a wonderful project Wundowie is and yet, as we have been told, that industry has lost £308,000 in the last three years, to say nothing of earlier losses and without taking into consideration what could well go overboard in the original capital investment.

Hon. F. R. H. Lavery: The losses have not been great.

Hon. N. E. BAXTER: I do not think any common-sense Western Australian can possibly like a project that is going to throw our money away.

Hon. F. R. H. Lavery: Mr. Hearn thought differently when he spoke.

Hon. N. E. BAXTER: The money wasted at Wundowie could have been used to great advantage in our primary industries. I know where £200,000 of that money could have been used to bulldoze 50,000 acres of some of the best wheat country in this State, and only in this evening's "Daily News" we see the headline, "We Must Produce More Wheat, Meat." The article says—

London, Tuesday: Commonwealth Prime Ministers meeting in London have decided that Australia must produce more wheat and meat.

That is the call today—to feed the people of the world, and Australia is expected to do it, yet money goes down the drain in projects like Wundowie. Before that industry is closed down, the loss might well run into millions of pounds.

Let us examine the records of secondary industry in this State over the years. With State concerns and subsidised industries and protective tariffs, we have had losses involved all along the line, yet we are expected to carry on these costly secondary industries. Now that a private company is willing to invest its own capital in this State and do something worth while without assistance, we find strong opposition to it and every possible obstacle being placed in its way. Although some experiments have been made, we do not yet know that in a few years' time it will not be possible to use Collie coal for the smelting of iron. There is also the possibility of electric smelting, which would enable the use of Yampi iron in this State.

We have only to look at Victoria and see what has been done there after many years with the soft brown coal, a coal different entirely from that available at Collie. The brown coal cannot be coked and it contains 60 per cent of moisture, but now they dry it out and blow it into the furnaces at the Yallourn power station in powdered form. It is also made into briquettes at Yallourn and in that form is used in the foundries at Melbourne. If that can be done with the brown coal of Victoria, there is every possibility of similar use being made of Collie coal in future. I was surprised at Mr. Barker having such a wonderful knowledge of Wundowie. He seemed to be a full book on it.

Hon. F. R. H. Lavery: Of course we do read.

Hon. N. E. BAXTER: Yes, but if members went there and kept their eyes open, they would see a different picture from that represented by what they read. A surprising feature is that Mr. Barker, who is such an exponent of the North—

Hon. C. W. D. Barker: You admit that?

Hon. N. E. BAXTER: Yes. Mr. Barker came into this House as a wonderful exponent of the North, but as soon as we have before us a proposition to take iron-ore from that area and help develop the North, he objects strongly. I wonder if he does want the North developed and whether he does know his own mind.

Hon. C. W. D. Barker: What are we to get out of the Bill?

Hon. N. E. BAXTER: B.H.P. will pioneer this industry in the North and it is one which can help develop that part of the State. How does Mr. Barker know that eventually oil will not be found at Exmouth Gulf and, if that happens, that it will not be used by B.H.P. to smelt the iron-ore from the islands? Such things have happened in other parts of the world. Mr. Barker questioned Mr. Cunningham as to how the company could ship 10,000,000 tons of ore annually. I will read from a report by the Commonwealth of Australia, Division of Industrial Development, Department of National Development, 1952, called "The Structure and Capacity of Australian Manufacturing Industries". It states—

The Broken Hill Pty. Co. Ltd. (parent and central company of the B.H.P. group): Continued building of bulk-ore carrying vessels for transport of the group's materials and products.

That is how B.H.P. proposes to ship the ore.

Hon. C. W. D. Barker: One million tons?

Hon. N. E. BAXTER: It can do it by the continued building of iron-ore carrying vessels.

Hon. C. W. D. Barker: The company will find it impossible to root out 10,000,000 tons of ore per year.

Hon. N. E. BAXTER: It could not do much with the phosphatic rock at Nauru until the gantry was built there.

Hon. C. W. D. Barker: It would take some gantry to shift 10,000,000 tons per year.

[The President resumed the Chair.]

Hon. N. E. BAXTER: B.H.P. will finally have the ganties in the North just the same as at Nauru. To continue—

Erection now under way of 68 new coke ovens, in a fourth battery, initially to replace ovens which are to be rebuilt, progressively, but which will ultimately add about 30 per cent. to coking capacity at the steel works, Newcastle.

That will show that B.H.P. is not just sitting down on this industry but is developing all the time to meet Australia's requirements and eventually to provide for exports.

Proceeding with plans for erection of a fourth blast furnace, of about 1,000 tons a day capacity, which is greater than any of the other three blast furnaces.

(With iron expansion by A.I. & S. Ltd., the total iron capacity in Australia will be increased from 1.76 million tons to about 2.61 million tons a year.)—New pipe-skel mill has been planned; also additional capacity for wire-rod.—A subsidiary company, Commonwealth Steel Coy. Ltd., which has recently increased its stainless-steel capacity and forging capacity, is installing a new foundry and an additional and very large forging press.—Another subsidiary, Rylands Bros. (Aust.) Pty. Ltd. (with a wire mill at Newcastle) is erecting a wire mill in Victoria (the first of its kind in that State) which will be in production by nearly 1953.—Development of a new seam at Stockton Borehole coal mine.—The B.H.P. Coy. Ltd., also has in mind the establishment eventually of a small but completely integrated steel works at Whyalla, South Australia.

It is a possibility that that is where some of the iron-ore at Yampi will go.

At this ore-shipping port there exists the nucleus for such a works, consisting of wharf facilities, a blast furnace, an electric steel furnace and machine shops. However, its planning will take some years, while an increase in the supply of fresh water and homes for housing the additional population required at Whyalla must take precedence. Meanwhile, the steel industry is

fully occupied with its major expansions at the other centres.—The B.H.P. Co. Ltd. proposes to establish a merchant rolling mill of 50,000 tons capacity at Kwinana, near Fremantle, in Western Australia.

Australian Iron & Steel Ltd. (principal subsidiary company of the B.H.P. Co. Ltd.): A highly-mechanised quarry has been established at the Cockatoo Island iron-ore deposits.—Extensive development of the collieries, including mechanisation, is well under way.—Coke-oven capacity at Port Kembla is being extended by 24 ovens. Early in 1953, 144 coke-ovens will be in operation, if plans for increasing coal output are in operation.—A third blast-furnace, annual capacity about 500,000 tons of pig-iron, about 1,500 tons a day nominal capacity, was blown in at August, 1952.

That shows what B.H.P. is doing in Australia today and proves that it is not taking over the leases at Yampi just to sit on them. That report illustrates that the company proposes to extend its operations, not only by the use of iron-ore at Iron Knob but also by using the iron-ore from Western Australia, or from any other leases it may have. It is evident that this company does not play around and enter into these projects without some reason and some idea of expansion. If any members are not convinced that this agreement is to be in the interests of Western Australia, I am afraid they will never be convinced. I support the Bill.

On motion by Hon. R. J. Boylen, debate adjourned.

BILL—LAND ACT AMENDMENT.

Second Reading.

Debate resumed from the 27th November.

The PRESIDENT: Mr. Diver.

Hon. L. C. DIVER: I do not intend to speak to the Bill because I understood that the Minister for Agriculture was to speak.

HON. L. A. LOGAN (Midland) [9.18]: I do not wish to speak to the Bill, either, but if the Minister is in the House, I am quite prepared to hold up the debate.

Hon. H. S. W. Parker: I do not think he is in the House.

Hon. L. A. LOGAN: In that case, I will not waste the time of the House. However, I will say this: When Mr. Strickland introduced the Bill I thought that possibly he had something which would be in the best interests of the North but which needed clarification. However, I endeavoured to study the Bill and ascertain what the amendment meant, and I

considered it was very involved. After listening to the explanation by Mr. Craig the other evening, I think that possibly we would lose more than we would gain, especially if the pastoralists on existing leases today would lose their water rights, which would render their properties valueless.

Hon. H. C. Strickland: That is not so.

Hon. L. A. LOGAN: The Bill could mean that. Nevertheless, I think that a certain amount of time could be saved during the process of applying to the department for a holding. I will wait until Mr. Strickland can refute Mr. Craig's statement, and if he can do that to my satisfaction, I may support the Bill. At present, I will retain an open mind until I hear both sides of the argument.

On motion by the Minister for Agriculture, debate adjourned.

BILL—FREMANTLE HARBOUR TRUST ACT AMENDMENT.

Second Reading.

Debate resumed from the 27th October.

THE MINISTER FOR TRANSPORT

(Hon. C. H. Simpson—Midland—in reply) [9.21]: Some time has elapsed since the Bill was first presented, and I think it desirable at this stage to recapitulate its terms. Briefly, it seeks to provide the Commissioners of the Fremantle Harbour Trust with power to make regulations for the regulation of order, the control of traffic, the sale of goods, the closing or partial closing of wharves when necessary, and the prohibiting of the consumption of alcoholic liquor on Trust property. Although Section 65 of the principal Act provides the Commissioners with exclusive control of the harbour and power to maintain and preserve all Harbour Trust property and Subsection (53) of Section 65 enables regulations to be made for the control of the harbour, grave doubts exist as to whether the regulations the Commissioners consider desirable could be validly imposed, and for that reason they have asked to be given a definite authority as contained in the Bill.

During the debate, Mr. Davies and Mr. Fraser queried the need for the Trust to have extra powers, on the ground that the Commissioners already have adequate authority and have acted on it successfully in the past. In fact, Mr. Fraser stated that the Fremantle Harbour Trust, having been in existence for 50 years, had taken all this time to find out that the amendment in the Bill now before the House was required. In answer to these members, I point out that developments over the years have revealed flaws in the original Act, which does not cover a modern expanded port's operations and, although the powers granted to them under

the original Act have been sufficient up to date, they are neither practicable nor legal under the conditions existing at present.

The Act of 50 years ago was promulgated to meet the conditions of the day, but as the years have passed, from time to time the Act has been amended to suit changing circumstances and to meet the needs of an up-to-date modern port. The contention that this proposed amendment will be far greater in scope than is required is a matter for legal interpretation. The Crown Law Department advises that it is highly desirable to have the form of amendment as set out in the Bill. In another place, the Leader of the Opposition also raised this point but, after hearing the opinion of the Crown Law Department, he offered no further opposition to the Bill.

It would appear that Mr. Fraser and Mr. Davies envisaged that if the Bill were passed the Commissioners would be able to place many unwarranted prohibitions on persons entering upon, or vending newspapers or other articles within the boundaries of the harbour. Quite apart from the extreme unlikelihood of the Commissioners ever imposing any unnecessary restrictions, the Bill does not give them that power. All it seeks to do is to empower the Commissioners to make certain regulations and, as members are aware, any such regulations, if made, have to be tabled in both Houses of Parliament, and undergo the scrutiny of members. When introducing the Bill, I admitted that its provisions were drafted in rather a wide manner, but this was done deliberately, on the advice of the Crown Law Department. It advised that the only way the Bill could be drafted would be to specify various matters regarding which regulations could be made.

As the Crown Law Department has pointed out, this would be most cumbersome, if not impossible, and it was thought advisable to empower the Commissioners to make regulations, especially in a growing port like Fremantle, on various items that required regulating. Otherwise, whenever this occurred, it would be necessary to amend the Act. As I see it, and as the Crown Law Department sees it, it is only a remote possibility that the Commissioners of the Harbour Trust would impose an undesirable regulation. If they did, Parliament possesses the necessary authority to disallow it.

The reason for submitting the Bill is to ensure that the Commissioners have satisfactory control over the port. It is essential for the efficient working of any port that those in charge should be endowed with authority over all activities within its precincts. The members I have mentioned saw no reason why, after 50 years, the Commissioners should be granted these additional powers, but that

is the very reason why these powers are required. The Commissioners' authority has not been adequate in the past, and the port has grown to such importance that these added powers are necessary.

I think the House may rely on the good sense of the Commissioners not to abuse this authority and on Parliament to disallow any regulations they may make, if considered necessary. Members may be interested in the notes that I asked the general manager of the Fremantle Harbour Trust to submit to me. They read as follows:—

A legal review of the Harbour Trust Act and Regulations within the last 12 months indicated that although under Section 22 and Section 24 of the Fremantle Harbour Trust Act (1902) all Crown lands were vested in the Commissioners and that the Commissioners should have exclusive control of the harbour, there was a flaw in Section 65, Subsection (12), which, in effect, took away the Commissioners' powers of exclusive control.

The flaw in Section 65 Subsection (12) lies in the wording giving the Commissioners power to make regulations for—

Regulating the use of wharves or docks, quays, landing stages and other landing places.

This regulation of 50 years ago, when the port comprised a landing jetty, entirely omitted "roads and paved areas." The Harbour Trust is therefore not empowered to make regulations in respect of roads and paved areas.

This matter first had the serious concern of the Harbour Trust when shipowners and the Stevedoring Industry Board approached the Fremantle Harbour Trust to step into line with other Australian ports and restrict the consumption of intoxicating liquor among waterside workers during working hours. Legal advice was that this flaw in the Act made any regulation by the Harbour Trust Commissioners either invalid or at all times open to serious challenge.

The next occasion arose when the licensing of road vehicle drivers by the Fremantle Harbour Trust for operating in the port area was considered. This was required by the police for pillage prevention and would be in line with similar regulations in other Australian ports.

The sale of a communist newspaper in the roadways and at the pay office was considered highly undesirable by the Commissioners, mainly on the grounds of likely disorder due to resentment by workers who did not want the communist newspaper. It

was found once again that this flaw in the Act prevented any successful regulation being made.

At the same time it has revealed the Commissioners' complete inability to control the sale of anything within certain parts of the Harbour Trust premises, thereby leaving the port, in effect, open to anybody who chooses to come and sell articles. Such position is quite untenable for proper operation and control of a busy port and is not permitted in ports in most parts of the world. A port's function is to pass cargo through its precincts as quickly as possible in an efficient and cheap manner and this can only be achieved by the Port Authority having at all times complete control of persons, land vehicles and water traffic.

Recently the Harbour Trust police officers in anti-pillage proposals desired power of search of road vehicles within or at the exits of the port area. This is an endeavour to stop certain phases of pillage which is now taking place. Similarly a new regulation which is required for the production of release notes and delivery notes for goods cannot be made until the Act is amended.

Legal advice by Crown Law finally suggested that a general dragnet amendment to the Act, such as is now before Parliament, would give the Commissioners power to make regulations to cover these points. The exact form of this amendment was entirely a legal matter and was discussed between Crown Law officers and the Attorney General (Mr. Abbott). Any comment on its form would be purely legal. As far as the Harbour Trust is concerned, it fulfils requirements.

The flaw revealed in Section 65 Sub-section (12) has indicated that a number of existing Harbour Trust regulations may be invalid. Without any amendment to the Act it may not be possible to validate them.

If the proposed general amendment is not passed, then many of the existing Harbour Trust regulations made under the Act may be invalidated. New regulations will in this case have to be made. These regulations will be specific in character and will in normal course have to be regularised by Government. This should offset certain arguments put forward that the general dragnet amendment to the Act now being put forward is too wide in its scope.

The Parliamentary Draftsman has emphasised that the development of a port and its future requirements from the legal aspect cannot be foreseen and therefore an amendment wide in scope is essential to avoid frequent subsequent amendments.

The request of the Harbour Trust Commissioners in effect is to bring the working of the port at Fremantle into line with other ports, and to give the House an instance that this is the position, I will read an extract from the Melbourne "Herald" of the 14th October of this year. It is as follows:—

State Full Court approached by Melbourne Harbour Trust Commissioners whether it has power to prohibit public meetings in the port of Melbourne.

Proceeding arose out of prosecution of a waterside worker who was a communist candidate for the Senate in the last election. This worker, when addressing a meeting on Victoria Dock on 25/5/52 was asked by a police constable if he had permission to address the meeting, the worker taking no notice and later refusing to give his name and address. The worker was later charged before a stipendiary magistrate for a breach of a Melbourne port regulation and for failing to give his name and address. The magistrate dismissed the charges, holding that the regulation was outside the powers of the Melbourne Harbour Trust Act.

The matter was then taken up by the Crown for the magistrate's decision to be set aside in the Supreme Court, but the case was referred to the Full Court. In that court the Crown submitted that the Melbourne Harbour Trust Commissioners were empowered by their Act to make regulations for the management of the port and the conduct and behaviour of persons resorting to the wharves.

A previous regulation prohibiting addressing of assemblages on any property under the control of the Melbourne Harbour Trust Commissioners was ruled out by Mr. Justice Fullagar, then a Judge of the Supreme Court of Victoria.

The regulation was then amended to confine the prohibition to the port, the stipendiary magistrate ruling that it was still invalid in view of the judgment of Mr. Justice Fullagar.

The Crown then submitted that the regulation was necessary for the management of the port and that few things could disrupt the conduct of business there more than the holding of meetings. The Crown also claimed that the holding of meetings came within the scope of the conduct of persons resorting to the wharves.

I think members are aware of the personnel of the Commissioners of the Port. I give their names to indicate that they

are responsible men who have held their positions for some considerable time. are as follows:—

Mr. Bateman, who is a merchant of many years standing, is the chairman.

Mr. H. J. Hooper, who represents shipping.

Mr. Fred Mann, of the Trades Hall, who represents the industrial side.

Mr. Byfield, the Assistant Under Treasurer.

Mr. E. J. Prater, who represents the primary producers.

They are a very competent and efficient body of men. The assets of the Fremantle Trust total about £4,000,000. It is one of the few instrumentalities of the State that consistently contributes a big sum to Consolidated Revenue. As a matter of fact, it has returned more to the Government than the actual cost of its fixtures.

During the past five years there has been a considerable build-up in trade at the port and the number of ships has doubled and the actual tonnage of cargo has risen from 1,600,000 tons in 1948 to 3,200,000 tons last year, which is exactly double. If this were a private entity, there would be no question whatever that it would have the right to admit or exclude any person entering or being ejected from its property. What the Harbour Trust now asks is for power to make such regulations from time to time as may be necessary to give it some control of the property which is entrusted to its care. That would be given to it if it were a private company or a private individual. We must remember that there are as many as 20 ships in port at one time and a conservative estimate of their value would be about £50,000,000. They are for the time under the jurisdiction of the Commission and it accepts the responsibility of the safeguarding of that property.

I think members will agree that the Commission has a very heavy responsibility vested in it. It will be recalled that during the strike last year patrolmen were actually ordered to cease work by the strike committee and for a time the port was left absolutely open to the world. It could have been possible, if people had been there and wished to embark on pillage and sabotage, for them to have done so. There could have been a tremendous amount of damage done. The general manager immediately contacted the police and got the necessary help very promptly. After a while arrangements were made for those patrolmen to be officially enlisted in the Police Force and for them to come under the control of the Commissioned of Police.

Hon. F. R. H. Lavery: All except three.

THE MINISTER FOR TRANSPORT: That is one of many incidents that can happen. I hope the House will give the Commissioners power to deal with those particular disabilities efficiently and promptly. As I said, the Fremantle Harbour Trust is a responsible body and it is considered that it needs these powers. Any regulations it makes can be challenged and, if necessary, disallowed, so there is a safeguard against the Trust possibly abusing its power. But we all know that a body of men such as this, which has the responsibility of certain sections of the community entrusted to its care, will never abuse that power. I hope the House will agree to the Bill as submitted.

Question put and passed.

Bill read a second time.

In Committee.

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

BILL—ELECTORAL ACT AMENDMENT.

Second Reading.

THE MINISTER FOR TRANSPORT (Hon. C. H. Simpson—Midland) [9.42] in moving the second reading said: There are three main amendments in this Bill together with several of a consequential or minor nature. The first refers to the date of nomination of candidates. As members are aware, this must not be less than seven, nor more than 45 days from the date of the writ, except for any Council or Assembly election in the North Province, where the date must not be less than 35 days before the polling date. The reason for treating northern elections differently, was that, otherwise, insufficient time was given for postal votes to reach the returning officer. This means, therefore, that a minimum period of 42 days must elapse between the issue of the writ and the polling day for all north-west elections.

As Section 66 of the parent Act provides that in a general election polling in each district shall be conducted on the same day, this minimum period of 42 days has to apply to all districts in a general election. It is obvious that such a period may be too long for a general election and it is proposed in the Bill, therefore, that the 42-day period shall refer to Legislative Council elections in the North Province only, and those for the Assembly shall be treated in a manner similar to elections in the more southern parts of the State.

The next amendment affects postal voting. The Act provides that the postal vote officer shall place the envelope containing the ballot paper and the envelope

containing the counterfoil in a third envelope. He is then required by the Act to seal this third envelope and to hand it to the elector who shall fasten it and sign his name on the envelope. As it would not be possible for the elector to fasten an envelope already sealed by the postal vote officer, it is proposed by the Bill, that in future the third envelope shall be sealed by the elector in the presence of the postal vote officer, and not by the postal vote officer. The Act provides also that all postal votes shall be sent to the returning officer of the province or electoral district concerned, or to a presiding officer at any polling place within the province or district, if the postal vote officer considers the vote cannot reach the returning officer in time. This has not proved satisfactory. An elector may cast a postal vote in a centre far from his province or district and there may be no chance of its being received before the close of the poll.

To overcome this the Bill seeks to allow postal votes to be sent directly to the Chief Electoral Officer, but if there appears no hope of their reaching the Electoral Office, the postal vote officer may send them to any returning officer or presiding officer in any province or district, who will forward them to the Chief Electoral Officer. This will ensure postal votes being received prior to the closing of polls and will place them on more or less the same basis as absentee votes which can be effected at any polling place. This provision will make it necessary to repeal Section 96 of the Act which empowers returning officers and presiding officers to open and place each postal vote in the ballot box.

The third and last important amendment deals with the appointment of assistant returning officers. The parent Act gives the Governor power to appoint assistant returning officers to count votes in outlying portions of electorates and where the polling place is so far from the chief polling place that the forwarding of votes would delay the result of the poll. In view of the growth of some electorates it may become desirable to appoint assistant returning officers in order to complete counting of votes in a reasonable time, and the Bill proposes that authority be given for such appointments when the Chief Electoral Officer considers them necessary. There are, as I have said, other amendments, most of which are consequential to the proposed alteration in the method of sending forward postal votes. Others are to correct redundancies and to improve wording. I move—

That the Bill be now read a second time.

On motion by Hon. H. C. Strickland, debate adjourned.

BILL—STATE (WESTERN AUSTRALIAN) ALUNITE INDUSTRY ACT AMENDMENT.

Second Reading.

THE MINISTER FOR TRANSPORT (Hon C. H. Simpson—Midland) [9.48] in moving the second reading said: Members will recollect that, during the parliamentary session of 1950, the principal Act was amended to provide that none of the property vested in the Alunite Industry Board of Management or in the Minister controlling the industry should be sold without the approval of Parliament, if, as the result of the sale, the Minister would be unable to maintain and carry on works, plant and undertakings for the purpose of producing products. The word "products" is defined in the principal Act to mean any product produced by treatment by any process of alunite and alunite deposits, and includes potash, other minerals, chemicals and by-products.

Some three years ago, the board of management decided that potash could no longer be economically produced at Chandler, and as a result, production ceased. Subsequently a lease was entered into with Australian Plaster Industries for one year, with an option of two years' renewal, for the manufacture of plaster. Unfortunately, that lease was never renewed for the optional period. After the expiration of the first 12 months, the company expressed a wish to carry on temporarily from month to month, the reason being that its market in the Eastern States was steadily deteriorating, and that it could not be certain of proceeding for any considerable period of time. Therefore the company decided, for the time being to ask for a monthly tenancy.

This was agreed to, but, about eight months ago, the company advised that it was no longer able to continue production. The management reported that overproduction was the reason for closing down. This had appeared possible late in 1951 when the issue of building permits in Victoria were falling at the rate of from 500 to 600 per month. It was evident that this would have considerable repercussion on the plaster industry.

The demand for plaster and plaster products eventually decreased to such an extent that Australian Plaster Industries was forced to reduce production in Melbourne by one shift daily. Similar action had to be taken in Sydney by the Colonial Sugar Refining Company. All plaster producers were in the position of having a surplus over demand, the result being that there was no sale for the highly-priced Chandler product.

The company was reluctant to abandon work at Chandler, where approximately 100 tons daily was being efficiently pro-

duced, and would have liked to keep the plant in commission on a reduced basis, if only as an insurance against possible interruptions in Eastern States production. For various reasons this was not feasible, one of the main causes being that unfortunately, the large Chandler plant operates economically only at full production. For technical reasons part-production results in very steeply increased costs. The company had 5,000 tons of plaster accumulated at Chandler and the tying-up of capital in this stock was of considerable embarrassment.

It was obvious that if Australian Plaster Industries, with the advantages of its Australian-wide interests, could not economically produce plaster at Chandler, there was little, if any, chance that anyone else could. It appears that the possibility of any future production of potash at Chandler in the foreseeable future is remote. In any event, I understand that if at some later date the production of potash did recommence, little of the existing plant and equipment at Chandler would be of economic use. It therefore appeared that, all possible alternatives having been carefully explored, the only solution would be to dispose of all assets.

At an earlier date the State had made arrangements with the Commonwealth for the C.S.I.R.O. to investigate the possibilities of an economical process for the recovery at Chandler of a better quality potash than had been recovered heretofore. This investigation was conducted in two parts—at the C.S.I.R.O. headquarters in the Eastern States and at the University of Western Australia, where the investigation was carried out by Professor Bayliss. On the 8th April the professor reported in writing to the Minister for Industrial Development in these words—

Work on the potash problem is still being carried on in a small way in this department, and also at the Division of Industrial Chemistry of C.S.I.R.O. At the present stage of the work, it cannot be said that the obvious difficulties in the way of the economical production of potash have been overcome. On the other hand, several new chemical facts have been discovered, which partly explain the difficulties that were encountered in the large-scale production of potash at Chandler.

I therefore regard it as not impossible that potash production may be resumed in the future, but I do think it will be a long time ahead unless there is a war.

If potash production is ever resumed, I think it will require an almost completely redesigned plant to make the production economical. In particular, I have always regarded the present

kiln as not suitable for the calcination of alunite, and it appears that the major items of plant and equipment at Chandler would not be required except possibly the leaching machine and the storage bins. While it is possible that use could be made of a number of the minor items (e.g., electric motors) these are of course liable to deterioration, and if the time ever comes they could be readily purchased anew. I therefore feel that I am in agreement with the policy you have outlined in your letter with regard to the prompt disposal of small items of plant and equipment. If a suitable offer can be obtained for the kiln, I think that this should also be disposed of for the reasons mentioned above.

I agree that it might be wise to retain for the present, such equipment as the "A" frame and the bins, which are not so liable to depreciation. If the leaching machine can be maintained in reasonably good condition, I would recommend for your consideration that it be retained for the time being, at least until we are able to assess the results of the current research investigation.

This advice further emphasises the continued loss that would result to the Government if it were required still to maintain the premises and plant at Chandler, where information from the Treasury reveals that a loss of £616,000 has been sustained. I understand that during the course of the investigations at the University, an element was discovered in the alunite which it was thought might be useful in the production of atomic energy. Professor Bayliss says, however, that this discovery would not warrant the retention of the plant or other assets at Chandler.

The Under Treasurer has reported that, unless Parliament approves this session of the disposal of the assets, caretakers—probably two—will have to be appointed while the assets remain at Chandler. This would cost at least £25 per week, and it might be extremely difficult to obtain reliable persons prepared to stay at Chandler. I understand that there are no persons living in close proximity to the works who could look after the premises on a part-time basis, and that as the works are isolated, it would be most unwise to leave the plant, machinery and buildings unattended.

Several sources have intimated that they could make good use of the assets at Chandler. The management of the wood distillation, charcoal, iron and steel industry at Wundowie is most anxious to obtain the dragline, conveyors and bins for use at Koolyanobbing, where they

would cheapen ore-handling. Wundowie also wishes to take the weighing machine in order to weigh iron in railway trucks, so as to save double handling and assist in keeping accurate daily production records. The Bureau of Research and Development of the Western Australian Department of Industrial Development is also desirous of obtaining several items of plant, which would be used mainly for a possible coke pilot plant.

Requests have also been received from organisations, including local authorities, for the sale and re-erection elsewhere of the houses at Chandler. A number of these homes are comparatively new; others are older and had been re-erected previously. The value cannot be gainsaid of moving and using elsewhere those houses which are suitable rather than leave them vacant and subject to deterioration at Chandler. Some of the houses, of course, may not be in a condition to warrant re-erection.

It is apparent that it would be wise to dispose without delay of those items of plant, etc., which could be put to valuable use elsewhere, and to dispose of the rest of the assets as and when they are required. It is therefore desirable that there be a repeal of the provision in the principal Act, which specifies that none of the assets may be disposed of without parliamentary approval, if such sale would result in the Minister's being unable to maintain and carry on works, plant and undertakings for the purpose of producing potash and its by-products. Unless this embargo be lifted, any request during the parliamentary recess for the purchase of assets would have to await the approval of Parliament. As I have pointed out, while valuable property remains at Chandler, the services of caretakers would be required, thus adding to the loss sustained on the undertaking.

I trust that the information I have given has made it clear that it would be most uneconomical to retain at Chandler plant and equipment which can be used elsewhere, and which expert opinion states it would be inadvisable to keep against the remote possibility of further production of potash at Chandler. Professor Bayliss, Professor of Chemistry at the University of Western Australia, has said that if potash production is ever resumed, he considers that it will require an almost completely redesigned plant to make production economical. The Commonwealth Government has advised that it is not prepared to incur any expense in assisting to maintain the plant in working order.

No plant will be disposed of that Professor Bayliss considers would be worth while keeping for possible future potash production. Once the requirements of Wundowie and the Bureau of Resources and Development are met, it will prob-

ably be decided, if the Bill is passed, to sell the balance of the plant by tender. I move—

That the Bill be now read a second time.

Question put and passed.
Bill read a second time.

In Committee.

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

House adjourned at 10.2 p.m.

Legislative Assembly

Tuesday, 2nd December, 1952.

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