The Minister for Agriculture: I agree with you, but how could we do it?

Hon. A. R. JONES: Nowadays any risk can be insured. Some plan could be formulated to arrange for the requisite insurance. I hope the clause will be retained. Even though it be impossible to assess the wages of a farmer's wife or some other helper on a farm, it would be a simple matter to provide for the payment of hospital fees, etc., in the event of her meeting with accident while assisting at a bushfire. Any further payment could be arranged by arbitration.

Hon. H. L. ROCHE: I cannot agree that the clause should be retained. Many people might assist at a bushfire and it would be difficult for the fire control officer to say which people had acted under his directions. Consequently, if somebody sustained injury, how could any check be effective? We shall be creating difficulties if we leave the position wide open and at the same time require local authorities to effect insurance.

Hon. H. S. W. PARKER: We are being asked to provide for the insurance of a person against possible injury sustained in various circumstances which might never arise. The only way to meet members' desires is for each landowner to arrange for insurance against all damages, whether he is liable for them or not, and for all injuries sustained by persons who may help him in the event of his having a fire. A fire might start on the property of A and all might go well, but on the property of C, two or three people might be injured. C might not be insured while A might be. Members will realise that it is quite impossible to insure in the ordinary way unless a farmer takes out a general comprehensive accident policy.

Progress reported.

House adjourned at 6.13 p.m.

Legislative Assembly.

Thursday, 9th November, 1950.

CONTENTS.

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

QUESTIONS.

EDUCATION.

(a) As to Provision of Cycle Sheds and Racks.

Hon. A. R. G. HAWKE asked the Minister for Education:

Will he give a list of schools at which the department has installed, or assisted to install, cycle sheds and or cycle racks?

The MINISTER replied:

The Education Department is aware of two cases—at South Perth and Nedlands schools—where bicycle racks were provided by the Parents and Citizens' Association and the construction was subsidised by approval of the Government in office prior to April, 1947.

(b) As to Collie Schools Accommodation.

Mr. MAY asked the Minister for Education:

(1) Is he aware that the new North Collie School is within seven of its total capacity; likewise the Collie Infants' School is within three of its total capacity?

(2) In view of Question (1), does he agree that children from Ewington, Shotts and Buckingham schools should be brought into Collie, thus again causing overcrowding at the Collie Infants' and new North Collie schools?

The MINISTER replied:

(1) I am aware that the enrolments at the North Collie and Collie Infants' schools are approaching the maximum for which school accommodation is provided. Steps are being taken to establish an additional school in the Collie area as soon as circumstances will permit.

(2) It is not proposed to increase the enrolments at these schools by bringing into Collie children from Ewington, Shotts and Buckingham.

The children affected by the proposed transport service from these places are in standards above Standard 4 and will not attend either of the infants' schools referred to.

(c) As to Southern Cross State School, Renovations.

Mr. KELLY asked the Minister for Education:

(1) What date was the tender signed covering repairs and renovations to the Southern Cross State school?

(2) What was the amount of the tender?

(3) What work does this cover?

(4) What work has been completed?

(5) How long does he estimate that it will take to complete the work?

The MINISTER replied:

(1) 19th May, 1949.

(2) £2,069 12s.

(3) (a) New shelter shed.

(b) Extension of verandah to form a hatroom.

(c) Internal and external repairs and renovations to school and teachers' quarters.

(d) Replacement of flooring in three classrooms.

(4) Approximately 50 per cent.

(5) Contractor has found it necessary to be relieved of contract. Completion of the work is the subject of a new contract, tenders for which are now being considered by the Public Works Department.

LOCAL AUTHORITIES.

As to Superannuation Rates for Employees.

Hon. A. R. G. HAWKE asked the Premier:

(1) What are the names of the six life assurance companies, in addition to the Australian Mutual Provident Society, referred to by the Hon. Mr. Wood, M.L.C., when replying to a question asked by the Hon. Mr. Davies, M.L.C., during debate, in the Legislative Council on the 26th September, 1950?

(2) How do the rates of the Australian Mutual Provident Society, covering superannuation for the employees of local authorities, compare with rates offered by other companies?

(3) Is any commission paid in connection with the first year's premiums?

(4) If so, how much and to whom?

(5) Do the policies issued provide for any accident benefits?

The PREMIER replied:

(1) There are only four other life assurance companies in addition to the Australian Mutual Provident Society, the names of the companies being:—

(a) The Australasian Temperance and General Mutual Life Assurance Society Limited.

(b) The Colonial Mutual Life Assurance Society Limited.

(c) The Mutual Life and Citizens Assurance Company Limited.

(d) The National Mutual Life Association of Australasia Limited.

(2) By agreement, the rates of the companies participating in the Superannuation, Sick, Death, Insurance, Guarantee and Endowment (Local Governing Bodies' Employees) Funds Act, 1947, are uniform. No information is available as to the rates offered by other companies.

(3) Yes.

(4) An initial commission of 15s. (fifteen shillings) per £100 of assurance on all endowment assurances (not pure endowment) effected and to be effected such commission to be payable in the month

following the completion of the assurance and placed by the committee in the reserve account in accordance with the provisions of regulations.

(5) No.

LICENSING ACT.

As to Prohibition, Liquor Imports and Consumption.

Mr. GRAHAM asked the Attorney General:

(1) In the event of the prohibition poll being carried, in view of Section 92 of the Commonwealth Constitution, would it be possible to prevent the entry of intoxicating liquor to this State from other parts of Australia?

(2) If the answer is in the affirmative, would it be unlawful for any person to consume any liquor so obtained?

The MINISTER FOR EDUCATION (for the Attorney General) replied:

(1) and (2) I am advised that the answer to both questions is "no." The hon. member may peruse the opinion of the Solicitor General if he desires to do so.

HOUSING.

As to Commission's Purchase of Ascot Garden Estate Blocks.

Hon. A. H. PANTON asked the Minister for Housing:

(1) From whom did the State Housing Commission purchase the southern portion of the Ascot Garden Estate, Belmont, and for what amount?

(2) As the original company, "The Ascot Garden Estate," sold their blocks as in a "brick area," has the State Housing Commission the right to overrule the conditions under which the blocks were sold, presumably with the approval of the Belmont Road Board, without compensation to the original purchaser?

(3) What were the amounts on the blocks purchased representing unpaid instalments by the original purchasers (the Ascot Garden Estate went into liquidation) and encumbrances of unpaid rates and taxes?

(4) Was consent necessary from the Belmont Road Board to change the estate from a "brick area" to an "other than brick area," and was this consent obtained by the State Housing Commission?

(5) What was the highest, lowest and average price paid by the State Housing Commission for the blocks concerned on the Ascot Garden Estate?

The MINISTER replied:

(1) A large number of lots in the Southern portion of the Ascot Garden Estate has been purchased from various owners in the past two years at prices ranging from £25 to £55 each.

Negotiations are now proceeding for the acquisition of 90 lots from an owner who is in the Eastern States.

(2) It is understood that the Belmont Park Road Board has not declared the Ascot Gardens Estate as a brick area and from an examination of the titles held by the Commission, it does not appear that there are any restrictive covenants. However, houses erected fronting Great Eastern Highway must be brick.

(3) The amount of unpaid instalments in respect of each or any of the lots is not known—the dealings having been negotiated on a basis of current market value and the Commission has no means of obtaining the information. Rates and taxes were adjusted in each individual case at date of transfer.

(4) Answered by No. 2.

(5) Highest price, £55; lowest price, £25; average over all lots, £37 10s. 0d.

WATER SUPPLIES.

As to Flat Rate.

Mr. KELLY asked the Minister for Water Supply:

(1) Does he consider that a flat water rate struck for all parts of the State serviced by Government water schemes would be practicable?

(2) If not, why not?

The MINISTER replied:

(1) and (2) The question of a flat water rate throughout the State is one which has been considered both by this Government and its predecessors, and is still under consideration. In the meantime the Government is not in a position to say whether or not it is practicable.

BRIDGES.

(a) As to Construction at "Narrows."

Mr. YATES asked the Minister for Works:

(1) Does the Government intend to proceed with the building of a bridge across the Narrows?

(2) Have plans been prepared in connection with this proposal?

(3) If so, when are they likely to be made available for perusal?

The MINISTER replied:

(1) At the present time the Government has no proposal for the construction of a bridge across the Narrows. It is intended, however, to have an examination made to decide the necessity or otherwise of a further bridge across the Swan to serve the southern and eastern suburbs and road arteries.

(2) No.

(3) Answered by (2).

(b) As to Alternative Site.

Mr. YATES (without notice) asked the Minister for Works:

Further to the Minister's answer, will he give an assurance that when the Government has completed its inquiries concerning a site for another bridge across the Swan River, the information will be made available to the Press?

The MINISTER replied:

If it is thought desirable after consideration of the report, yes.

WHOLEMILK INDUSTRY.

As to Appointment of Royal Commission.

Mr. HOAR (without notice) asked the Premier:

(1) Has he taken any steps to give effect to the wishes of this Chamber that a Royal Commission should be appointed into all phases of the wholemilk industry?

(2) If so, what?

(3) If not, why not?

The PREMIER replied:

No. Consideration has not yet been given by the Government to the motion which was carried in this Chamber, the reason being that the Government has been too busy with other matters.

BUSSELTON MUNICIPAL COUNCIL.

As to Charge for Camping Sites.

Mr. BRADY (without notice) asked the Minister for Local Government:

(1) Is he aware that the Midland Workshops employees, on their annual holidays at Busselton, are liable to be charged 15s. per week by the Busselton Council for camping sites?

(2) In his opinion, is this a correct charge to be made by the Busselton Council?

The MINISTER replied:

I have no knowledge of the matter and consequently cannot answer the question.

WATER SUPPLY DEPARTMENT.

As to Labour Shortage at Fremantle.

Mr. FOX (without notice) asked the Minister for Water Supply:

(1) Is he aware that there is an acute shortage of labour available for the Water Supply Department in Fremantle?

(2) Is he also aware that such shortage is caused by the miserable wages paid to the employees who are engaged to do the work?

(3) Will he look into the matter with a view to increasing the payment to these employees in order that there shall be a chance of retaining their services and thus enable some of the urgent work to be carried out?

(4) I do not want to be told that it is a matter for the Arbitration Court because that is all "hooey."

The MINISTER FOR WORKS replied:

As the member for South Fremantle has asked and answered the question, there is very little left for me to say, but if he places the question on the notice paper I will investigate the query raised.

BILLS (9)—FIRST READING.

1, Parliamentary Superannuation Act Amendment.

Introduced by the Premier.

2, War Service Land Settlement Agreement (Land Act Application) Act Amendment.

Introduced by the Minister for Lands.

3, Coal Mining Industry Long Service Leave.

Introduced by the Minister for Housing.

4, Judges' Salaries and Pensions.

5, Legal Practitioners' Act Amendment.

6, Industrial Arbitration Act Amendment (No. 2).

Introduced by the Minister for Education (for the Attorney General).

7, Physiotherapists.

Introduced by the Minister for Health.

8, Factories and Shops Act Amendment.

9, Health Act Amendment (No. 2).

Introduced by Mr. Brady.

BILL—CONSTITUTION ACTS AMENDMENT (No. 1).

Third Reading.

Order of the Day read for the third reading.

Question put.

Mr. SPEAKER: I think I heard a dissentient voice and will divide the House.

The House divided.

Mr. SPEAKER: I am satisfied that there is an absolute majority in favour of the Bill and call the division off.

Bill read a third time and transmitted to the Council.

BILL—RURAL AND INDUSTRIES BANK ACT AMENDMENT.

Message.

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

Second Reading.

THE MINISTER FOR LANDS (Hon. L. Thorn—Toodyay) [4.50] in moving the second reading said: Last year a Bill was passed in this House which brought the Rural and Industries Bank under trading

bank conditions. To do this it was necessary to repeal Section 36 and replace it with a new section in order to divorce the bank employees from conditions under the Public Service Act. Because of this, employees of the bank were no longer entitled to long-service leave. The Bill now before the House will enable bank officers once more to partake of long-service leave, as a privilege, but not as a right. The conditions, however, will vary from those enjoyed by Government officers under the Public Service Act. These conditions are, that after 10 years' service the Rural and Industries Bank staff have three weeks' annual leave, which is in line with the other trading banks.

Hon. A. H. Panton: After 10 years' service.

The MINISTER FOR LANDS: Yes.

Hon. A. H. Panton: And they get three weeks' leave.

The MINISTER FOR LANDS: Yes.

Hon. A. H. Panton: That is generous.

Mr. Graham: It is a fortnight prior to 10 years.

The MINISTER FOR LANDS: I have not finished yet. During the first 10 years' service they receive two weeks' annual leave, but after 10 years they receive three weeks. Most of the servants of the Rural Bank are old Agricultural Bank employees and they qualify straight away. When the Rural and Industries Bank applied to the Arbitration Court for conditions similar to those of the Commonwealth Bank, the court, in its judgment on the 22nd November, 1948, refused the application but awarded salary and annual leave conditions applicable to the Associated Banks.

The Government has now decided to give long-service leave back to the Rural and Industries Bank employees as a privilege. Long-service leave extends to almost all Government servants, from wages hands to clerical staffs, and also covers both temporary and permanent officers on a seven to 10 years' service basis. It is therefore quite reasonable to give this privilege back to the bank, and the Public Service Commissioner is in accord with what is being done. Permanent officers of the Public Service receive long-service leave after seven years' continuous service, but this Bill will require all officers of the bank to serve for 10 years in order to qualify for three months' leave.

Hon. F. J. S. Wise: Is that absolutely in line with other banks?

The MINISTER FOR LANDS: Yes, it has been lined up with the conditions of the Associated Banks. A second qualifying period of 10 years will also be required for an officer of the bank to qualify for his next long-service leave of three months, but, after that, the qualifying period will be seven years' service and thereafter continue at seven years.

Hon. A. H. Panton: They will be getting ready for the Old Men's Home by then.

The MINISTER FOR LANDS: I feel members will agree that it is only fair and reasonable that the provisions of this Bill should apply to Rural Bank officers. It will be remembered that last session the member for Leederville had an amendment to the Bill at the time to ensure for Rural Bank officers conditions somewhat similar to these, and he was given an undertaking that there would be no need for him to move at the time, and that the promise made to him would be honoured. It is now being provided for by this small amending measure. I move—

That the Bill be now read a second time.

On motion by Hon. F. J. S. Wise, debate adjourned.

BILL—MILK ACT AMENDMENT.

Message.

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

Second Reading.

THE MINISTER FOR LANDS (Hon. L. Thorn—Toodyay) [4.55] in moving the second reading said: This Bill proposes to make three changes to the parent Act: Firstly it provides for the appointment of a dairymen's representative on the board, secondly, it amalgamates the administration fund and the compensation fund and, thirdly raises the compensation payable in the case of T.B. reactors from £20 to £25. The dairymen's representative will have to hold a current license of a dairyman and be actually engaged in the production of milk. This qualification is considered necessary to ensure that the dairymen's representative will be no other person than a dairyman. He will be elected to the board and this will be done under the supervision of the Chief Electoral Officer. All dairymen who are licensed on the day of the election will be entitled to a vote.

In the legislation introduced in 1948 the Government reduced the number of board members from five to three. It also provided that members must not be interested either directly or indirectly in the industry. This action was very necessary at that time owing to the milk strike and the sordid incidents associated with it. While the Government firmly believes in producer-representation as a principle, it took the opposite step in 1948 to strengthen the Milk Board. Representations have been made on many occasions since 1948 for a dairymen's representative, and the Government considers that the time has arrived to reconsider its previous attitude, and change the constitution of the board. Many clauses in the Bill relate to the financial aspect of the board's administration, both in respect to the administration

fund and the compensation fund. Up to the present these two funds have been separate, but this Bill provides for them to be made into one fund to be known as the milk board fund.

There are special provisions for obtaining income for that fund. The Bill is lengthy in this respect as there are many provisions in the parent Act which relate to the payment of license fees and the payment of contributions to the administration and compensation funds. The Milk Board has experienced many difficulties in obtaining the required income for the two funds. In 1948 an endeavour was made to overcome some of these disabilities by the Act of that session, which made provision for contributions to the compensation fund to be made by dairymen only on a voluntary basis, with a proviso that if a dairyman did not contribute to the compensation fund he would not receive compensation in respect of any T.B. reactors destroyed under the compulsory testing scheme. In some instances dairymen have received substantial amounts by way of compensation and have then ceased paying. I intend to quote a few examples of dairymen's contributions to the fund and the compensation they received from the board in order to show how serious this matter may become. Here are four examples—

Amount Paid to Compensation Fund.	Compensation Paid by Board.
£ s. d.	£ s. d.
6 6 8	132 0 0
75 7 8	1,039 10 0
17 7 3	145 0 0
85 14 7	910 10 0

At one stage there was insufficient money in the compensation fund to meet accepted claims, and the Treasury advanced an amount of £10,000 to keep the fund solvent.

Hon. J. T. Tonkin: Did the Government give any consideration to trying to make such men pay up?

The MINISTER FOR LANDS: I understand that it did.

Hon. J. T. Tonkin: There must have been some way in which to make them meet at least the moral responsibility.

The MINISTER FOR LANDS: The hon. member knows as well as I do that that would not stand the test of law.

Hon. J. T. Tonkin: There are more ways of killing a pig than choking it with a pound of butter.

The MINISTER FOR LANDS: Yes, I agree with that. I think it is beyond question that the general desire is to continue the T.B. testing of cattle in herds supplying liquid milk throughout the State, particularly as much valuable work has already been done. All herds supplying milk to country depots have been tested on more than one occasion, and all herds supplying milk to the metropolitan area have, in the majority of cases, been tested on several occasions. At present, testing is being carried on actively in the irrigation areas, and it is desired that this shall continue.

Apart from the importance of ensuring that milk comes from healthy cattle, the testing of cattle for T.B. and the removal of reactors from the herds is of great importance to the dairying industry, as it can be foreseen that eventually there will be many thousands of cattle which are free from T.B. Since T.B. testing commenced under the Milk Act in July, 1947, 52,567 cattle have been tested, revealing 6,236 reactors, all of which have been destroyed and compensation has been paid amounting to £108,373. These figures give some indication of the vast amount of work which has been done, and the very considerable amount of money which has been involved.

It is desired to strengthen the board's hands in obtaining payments for the administration costs, and it will be seen that provision is made, as I previously stated, for the administration fund and the compensation fund to be amalgamated. The board will draw on this amalgamated fund for its administration costs or for compensation.

Mr. Hoar: How will the board recover the amount after the amalgamation of the funds?

The MINISTER FOR LANDS: The dairyman's license will then be involved, and that will give the board some hold over him. If he does not pay his contribution to the compensation fund, he will not get a license. To bring this about, it has been necessary to amend a number of sections and to make provision for a system different from that existing at present. The Bill provides that an applicant for a license shall pay to the board an appropriate fee, and the present limitation of 10s. for a license fee will be deleted. Types of license may be classified in respect of the size of the business carried on, and may be based upon the past sales of milk, but if this is not practicable, a separate scale or fixed fee may be prescribed.

Hon. A. H. Panton: That is like compulsory unionism, is it not?

The MINISTER FOR LANDS: There is a lot of compulsion in these days. As the classification scales for fees may have to be varied to obtain the income required, provision is made for these matters to be determined by regulation, which appears the only way of meeting requirements.

Since the T.B. testing scheme commenced, the Treasury has contributed to the compensation fund on a pound-for-pound basis of the contributions received by the board. This procedure will not be practicable under the Bill, but the Gov-

ernment desires that the principle be continued. Provision has therefore been made to pay from Consolidated Revenue an amount equal to half of the compensation paid by the board to dairymen for T.B. reactors destroyed under the Act.

A further amendment provides that the maximum amount of compensation shall be increased from the present sum of £20 to £25. Members are no doubt well aware that the price of cattle has increased very considerably since the passing of the Milk Act of 1946 wherein provision was made for the payment of compensation for T.B. reactors, and it is felt that a higher maximum amount than is provided in the Act should now be paid. I move—

That the Bill be now read a second time.

On motion by Hon. J. T. Tonkin, debate adjourned.

BILLS (2)—RETURNED.

1, Reserve Funds (Local Authorities).

With amendments.

2, Prices Control Act Amendment (Continuance).

Without amendment.

BILL—GAS UNDERTAKINGS ACT AMENDMENT.

Second Reading.

HON. J. T. TONKIN (Melville) [5.11] in moving the second reading said: I am grateful to the Premier for lifting this item up on the notice paper in order to enable me to proceed with the moving of the second reading forthwith. It is a very short Bill and should not occupy much time, but it is very necessary because of an unfortunate circumstance that has developed regarding a proviso placed in the Act when the measure was being considered by the Legislative Council.

Section 11 of the Act sets out the conditions under which shares may be issued by a gas undertaker. I do not propose to read the whole of the section, but will content myself with quoting just enough to indicate the nature of its contents. It states—

> Notwithstanding the provisions of any Act or of any memorandum or articles of association, all shares (which term in this section includes ordinary and preference shares) issued by any gas undertaker after the coming into operation of this Act, shall be issued in accordance with the provisions of this section.

Then follow the provisions under which shares may be issued—

> All shares so to be issued, whether the same be at a premium or not, may (with the approval of the Commission to be signified in writing under the hand of the secretary of the Comsion)—

That is the Electricity Commission—

> —if the gas undertaker thinks fit, be offered to all the gas consumers and persons in the employ of the undertaker, and the price at which any such preference shares shall be so offered shall on the occasion of the first issue of the same or any part thereof be such as shall be determined by the Commission, and on the occasion of any such issue of ordinary shares or of any subsequent issue of preference shares, the price at which the same shall be so offered shall be as near as may be the average market price of such shares in the period of fourteen days immediately preceding such offer.

Then there are several provisos. When the Bill was before Parliament, Mr. Craig, M.L.C., who took a considerable interest in the matter, saw me and expressed the opinion that it would be unfair if the provisions of the measure were given retrospective effect. He said, "There are some shareholders who have comparatively recently acquired shares." I think he mentioned that the shares had been acquired at 35s. Mr. Craig continued, "They have bought the shares in good faith, believing they would get a certain return on their investment. If you now introduce legislation to deprive those shareholders of some of the rights they believe they have, you will be depriving them of something to which they are justly entitled." I felt that there was a good deal of substance in his argument and readily agreed, so far as I was concerned, to exempt from the provisions of the Act the existing shareholders who had rights to unissued shares. Accordingly, Mr. Craig successfully moved in another place for the insertion of this proviso—

> Provided also that this section shall not apply to any unissued shares of a company existing at the time of the passing of this Act.

There is no doubt whatever that Mr. Craig and I agreed that this proviso should refer to unissued shares existing at the time and not to companies existing at the time. It was intended that all fresh capital issued by existing companies should be covered by the provisions of this Act, but that the Act should not apply to unissued shares existing at the time. The wording was unfortunate. There has been quite definite evidence that certain persons have concluded that the provisions of this Act can be evaded, because the reading of the proviso is such as to make it appear that the provisions of Section 11 were to apply to existing companies and not to existing shares. To make the matter perfectly clear, I propose to quote what Mr. Craig said when he moved the proviso. That should definitely indicate his intention and the intention of Parliament in agreeing to the proviso. I refer to page 2758, Vol. 2 of "Hansard" of 1947—

The owner of a farm gets the benefit of the increased value, and the shareholders of this company get the benefit of the increased value of the company's assets. By another Bill the company is seeking to raise additional capital, a very substantial sum. The company has in its existing nominal capital 30,000 shares which have not been issued and which potentially belong to its shareholders. If this Bill is passed as printed, none of those shares may be issued to the existing shareholders. I would remind the House that many of the shareholders have paid up to 34s. for £1 shares because they have in reserve some of these assets which belong to them. Under the Bill any new issue of shares must be offered to the consumers of gas, to the employees of the company and to the general public—not to the shareholders.

Hon. E. H. Gray: The shareholders would be included.

Hon. L. CRAIG: Yes, but would have no preference. And do not forget that the shareholders own this company; it is theirs. This Bill proposes that any future issue of shares shall be on the basis I have mentioned—to the consumers, the employees and the general public.

Hon. G. W. Miles: Robbing the shareholders!

Hon. L. CRAIG: I think it is.

Hon. G. Fraser: Perhaps the hon. member can tell us how it is robbing them.

Hon. L. CRAIG: I am trying to say that the shareholders, who are the owners, have some rights. I have said before that I have no great objection to control over a monopoly, provided it is done at the beginning. But in the last four years there have been 49 new shareholders in this company, representing 12,600 odd shares. There have been 10 new shareholders in the last six months. They have bought on the market in good faith and have paid, I should say, not less than 33s. per share. Are any accumulated rights to be taken away from those people? I say that would be unjust. I have discussed this Bill with Hon. J. T. Tonkin and pointed out these things. He has agreed that it is only fair that the unissued capital—that is the £30,000 which they have now in their nominal capital and which they have the right to issue to the shareholders at par—shall be issued to the existing shareholders.

Hon. G. W. Miles: Hear, hear! That is what is wanted.

Hon. L. CRAIG: He has been reasonable and just. I have agreed that it is a fair thing that any new capital which Parliament may authorise the company to raise should be subject to the conditions set out in the Bill and subject to control as to the rate of dividend and so on, if the House will agree to the amendment I shall move, which will be a proviso that the conditions in this Bill shall not apply to the unissued capital of any company existing at the time of the passing of the Bill.

Hon. C. G. Latham: To any company?

Hon. L. CRAIG: Any gas company. This Bill is dealing with a gas company. We cannot put into a gas Bill conditions relating to any other company.

Hon. C. G. Latham: We had a Bill which dealt with a lot of subjects, which is wrong in principle.

Hon. L. CRAIG: This one deals entirely with a gas company. Subject to that proviso, I do not think we can object to control.

Hon. G. Fraser: I am prepared to accept that.

Hon. L. CRAIG: A six per cent. dividend on a monopoly providing an essential commodity is a fair thing provided an injustice is not done to shareholders who have paid a big premium for their shares. Under the conditions I have mentioned I support the second reading.

Hon. G. Fraser, who was in charge of the Bill in another place, replying to the debate, said—

> It appears that with the alteration suggested by Mr. Craig the House is prepared to accept the Bill. I thank members for the reception given to it and hope the Minister will permit it to go into Committee tonight.

The question was put and passed and the Bill read a second time. When the Bill went into Committee, Mr. Craig moved an amendment—

> That the following proviso be added:—"Provided also that this section shall not apply to any unissued shares of a company existing at the time of the passing of this Act."

The wording of that proviso has caused the trouble. Members will see that the matter was perfectly clear in the mind of Mr. Craig because he said—

> . . . . if the House will agree to the amendment I shall move, which will be a proviso that the conditions in this Bill shall not apply to the unissued capital—

That is plain enough.

> —of any company existing at the time of the passing of the Bill.

He was not referring to any company existing at the time but to the unissued capital existing at the time. When this matter cropped up in recent days, I discussed it with Mr. Craig and asked him to recall the circumstances, which he quite easily did. He agreed with me that the intention of the proviso was to exclude existing unissued capital at the time and not to exclude existing companies from the operations of the Gas Undertakings Act.

It was clear from the information given to me by the Minister the other evening, in answer to a question of mine without notice, that the company is assuming it is not bound by that proviso because it did not comply with the requirements of the Gas Undertakings Act and it would have been bound to do so had that proviso not existed. It was only by a stroke of good fortune that I stumbled across the information that the company was so acting. The information came from such a source as to cause me immediately to make further inquiries; and I was satisfied that there was a very definite danger that if the Bill which the Minister introduced was passed and no amendment was made to the Gas Undertakings Act, all the new capital which we were authorising would not be subject to the provisions of that Act.

To ensure that it will be, I am asking the House to agree to the deletion of the proviso. All of the £30,000 worth of unissued shares existing at the time have now been issued, and therefore the proviso can have no real effect so long as the intention of it is regarded and not its literal reading. Its intention is no longer required because all the unissued capital existing at the time has now been issued, and nothing is to be gained by Parliament by retaining the proviso in the Act. Accordingly I move—

That the Bill be now read a second time.

THE MINISTER FOR WORKS (Hon. D. Brand—Greenough) [5.25]: I see no reason to move the adjournment of the debate. In fact, it is the desire of the Government to expedite the passage of the Bill. As explained by the member for Melville, there has been some misunderstanding at least as to the intention of both Houses of Parliament when the original Gas Undertakings Bill was passed, and especially when the proviso referred to was added in another place. I have discussed the matter with the Crown Law Department and with the company; and, the latter having no objection, I feel that nothing further can be said, and I therefore agree to the second reading.

MR. HUTCHINSON (Cottesloe) [5.27]: I find myself in complete accord with the member for Melville because I feel that the proviso was wrongly worded in the first place and that it definitely needs eliminating. The proviso was included in the Act to apply to the issue of 30,000 £1 shares which remained unissued before November, 1948. This issue brought the total number of shares or the authorised capital of that time to £120,000. It is true that the company could have taken advantage of this proviso on several counts which really do not need discussion at present, but it has no desire to do so. Therefore, as the proviso has outlived its usefulness, and secondly—and perhaps most importantly—as it is directly contrary to the spirit of the Act, I support the second reading.

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—STATE (WESTERN AUSTRALIAN) ALUNITE INDUSTRY ACT AMENDMENT.

Second Reading.

Debate resumed from the 31st October.

HON. A. R. G. HAWKE (Northam) [5.30]: I support the second reading of this Bill, although there is much in it to which I am opposed. The most important provision of the measure is one that aims to give the Minister the right to sell, lease, let on hire or otherwise dispose of upon such terms and conditions as the Minister shall think fit, any property vested in or acquired by the Minister or the board. The Bill provides also that the power proposed to be given to the Minister shall be retrospective to the date upon which the principal Act first came into operation. It therefore asks Parliament to give to the Minister—and through him, of course, to the Government—full power to sell, lease, let on hire or otherwise dispose of the assets existing at Chandler, which were used until some months ago for the production of potash at that centre. In addition, it asks Parliament to approve of the agreement made, or almost finalised, between the Government and the Australian Plaster Industry Co.

That agreement, as all members now know, is one under which the company will lease the works at Chandler, together with the township there, for the purpose of producing plaster of paris. The Government is to receive a very small amount from the company in respect of each ton of the product produced. I do not agree with those parts of the Bill and do not think the Minister or the Government should have the power to sell, lease, let on hire or otherwise dispose of the assets that have been created at Chandler. It is strange that the Government should introduce this Bill—containing these provi-

sions—when only a few days ago the Minister and the other members of the Government supported a Bill that I introduced in this House, and in which was contained provision prohibiting the Government from selling any of the assets established at Wundowie in connection with the charcoal-iron and wood distillation industries.

On that occasion, my case rested on the claim that Parliament should be the authority to determine whether the industries at Wundowie, or the assets there necessary for the production of charcoal-iron and the products of wood distillation, were to be disposed of at any time. The House agreed to that Bill and therefore, on that occasion, laid down, as a principle in connection with matters of this description, that Parliament itself should be the authority to be consulted and to decide whether assets, such as those with which we are dealing under this Bill, should be sold, leased or disposed of in any way. I think that is a sound principle, especially in view of the happenings in this State in recent months, and I believe Parliament should on this occasion—as recently—uphold that principle. If the Minister desires Parliament to give approval to the agreement that the Government has made or is making with Australian Plaster Industries, in relation to assets at Chandler, then he is perfectly at liberty to bring the agreement before Parliament in the form of a Bill, in order that Parliament may consider it and, if the majority of members in each House so decide, pass it into law.

In my opinion, the Government had no legal power to make the agreement which it did make with Australian Plaster Industries, because the Act which this Bill seeks to amend does not give to the Government, or to any individual Minister of the Government or to the board of management of the industry, any legal right to make an agreement to lease those works or sell them. During his second reading speech on that measure, the Minister did mention something about the Crown prerogative. If the Crown prerogative gives to the Minister or the Government legal authority and power which is not within the Act, there is no need for the provisions contained in this Bill which seeks to validate, in retrospective manner, the agreement into which the Government has now entered or is entering into with the company concerned.

If the Crown prerogative is as strong, as good and as reliable as the Minister rather suggested the other day, then he had better go on relying upon it in connection with the agreement with Australian Plaster Industries. I have placed upon the notice paper two or three amendments that I propose to move when the Bill is in Committee. If they, or something that will achieve what they aim at, are included in the measure, I will be prepared to support it after it has passed through Committee but, if not, the Bill will then receive my opposition at every subsequent stage.

HON. J. T. TONKIN (Melville) [5.40]: It was rather surprising that this Bill should be found here after the declarations of the Minister from time to time that he was perfectly certain that the Government had the legal right to lease the Chandler works. Very early in the piece I stated that the Government had no such right, and that it was in fact leasing the works behind the back of Parliament, and that is what has happened. I believe the Government will resort to any possible method to attain its ends, whether such methods are regular or not. In the "Government Gazette" of the 5th May, 1950, there appears the following notice:—

> State (Western Australian) Alunite Act, 1946.
>
> Department of Industrial Development,
>
> Perth, 12th April, 1950.
>
> HIS Excellency the Governor, acting with the advice and consent of the Executive Council, has been pleased to make, under and for the purposes of sections 15, 22 and 36 of the State (Western Australian) Alunite Industry Act, 1946, the regulations set out in the Schedule hereto.
>
> Schedule.
>
> The State (Western Australian) Alunite Industry Board of Management—

I ask members to note that it is the board of management, and not the Minister or the Government.

> —shall have and may exercise the following further power, namely, subject to the Minister, to sell or dispose of, or to let on hire for such period and on such terms as the Minister may approve, any or any portion of the works, plant and undertakings (except land, or land and buildings) which at any time, in the opinion of the Minister, shall not immediately or shall no longer be required for the purposes of the Act.

So, this regulation purported to confer a further power upon the board of management and that power was to enable the board to sell or lease or let on hire the alunite works, and that was taken for the purposes of Sections 15, 22 and 36 of the State Alunite Act. That Act, in several places, makes provision for regulations, as do all Acts of Parliament, as a rule, but any legal authority will advise that no regulations can be made that confer a power which is outside the scope of the Act. If the Act provides a power and sets out what can be done, no amount of regulations can confer power in addition to the powers necessary for the implementation of the Act. This Act was for the purpose of enabling the Minister "to establish, maintain and carry on."

The Minister, having received the authority from Parliament, need not have established the works, Parliament gave him the authority, but he need not have exercised it. However, having established the works, there was an obligation on the Minister to maintain them and carry them on. Parliament did not authorise him, or anybody else, to use public money for the purpose of establishing works which could subsequently be leased to somebody, and that is what the Government has done. Public funds have been used to establish these works for a certain purpose, and then the Government—not the board of management—has leased the works to private enterprise; a most remarkable procedure and one for which there is absolutely no authority. The Minister said something about the King's prerogative; that because of that this could be done. That is harking back to the days of the divine right of Kings, when the King could please himself what he did and everything he did do was right. The theory was that the King could do no wrong and he was all powerful.

Let me give the Minister an example as to how far the King's prerogative extends. Members will recall that King Edward VIII, who abdicated, desired to marry Mrs. Simpson, and with this prerogative existing he could have done so and remained on the Throne. But so little of the prerogative is left, as a result of the struggle from the time of the Stuarts, that now the King has to conform to the requirements of his Parliament and Government. So it is just a lot of nonsense talking about having this power under the King's prerogative. If it were so, there would have been no need for the legislation which has been put through this House from time to time, giving power to sell or lease certain works. Why do we not use the King's prerogative when we want to pull up a railway line instead of bringing down a Bill?

The Minister for Industrial Development: Because the Act says that no railway shall be closed without an Act.

Hon. J. T. TONKIN: It does?

The Minister for Industrial Development: Yes.

Hon. J. T. TONKIN: I hope the Minister will substantiate that later on so that we can find out exactly, because I do not think the Railway Department is of the same opinion.

The Minister for Industrial Development: I understood it was.

Hon. J. T. TONKIN: I hope the Minister will look the point up and quote it to the House. I inquired of the Railway Department the reason and that was not the one it gave me. We can introduce an Act to establish a railway or can give the Minister authority to do so, and some railways have been authorised and never established.

Hon. A. H. Panton: Quite a number of them.

Hon. J. T. TONKIN: Yes. But once those railways are established the King's prerogative is of no use if we want to pull the line up. The Commissioner of Railways can cease running trains if he so desires without an Act of Parliament; he can discontinue the service if he wishes without an Act, but he cannot pull up the rails even although he may wish to use them somewhere else. He cannot pull up that track which has been put down on the authority of Parliament without first seeking Parliament's authority to do so. So it is that all concerns are established by the Government under the authority of Parliament. In 1917 the Government of the day thought it necessary to introduce a Bill for the purpose of regulating the establishment, the carrying-on and the management of trading concerns by the Government and to authorise the continuance or disposal of them.

If this prerogative existed, and all that was necessary was to put a regulation through to do the job, there would have been no need for the provisions in this Bill stating that under certain circumstances the trading concerns established could be sold or leased. Section 25 of the State Trading Concerns Act, No. 12 of 1917, which indicates that parliamentary authority was sought, reads as follows:—

> Subject as hereinafter provided, the Minister may sell or lease any trading concern for such amount and upon such terms and conditions as may be approved by the Governor in Council:

So the Government of the day considered it necessary to seek the authority of Parliament in advance to sell or lease these undertakings should the occasion arise. A perusal of the debates of the time will show that the argument used by the Government was this: It was recognised that Parliament ought to be consulted before trading concerns were leased or sold. But it was possible, when the Government had made up its mind to dispose of trading concerns, that if it had to wait for the authority of Parliament a good opportunity to dispose of the businesses satisfactorily might be lost.

In order to avoid possible loss to the State because the Government could not take advantage of any offers existing, the Government of the day sought in advance the authority of Parliament to dispose of these works. Now, if the King's prerogative was to have any effect the Government need not have worried about the authority of Parliament. It could have waited its opportunity until some of these good offers were being made and taken advantage of them. "The West Australian" was very caustic about this Bill—it was not a Labour Government in power, and no one would say that "The West Australian" has leaned towards Labour at any time. However, "The West Australian" was extremely cri-

tical of this proposal and it said, in effect, that it was astonishing that the Government should ask for such authority because it left the way open for secret commissions as can quite easily be seen. Somebody might have the opportunity of making substantial financial gain and, because of that could approach a Government, whose policy was to dispose of trading concerns, make a substantial offer on the side to a Minister to indicate that if the concern were disposed of in a certain direction money would be forthcoming. And who would be there to know anything about it?

It is only right that when big trading concerns involving large sums of State money are to be sold Parliament should know all about it in advance. Therefore, because of that criticism by "The West Australian," even though the Government of the day had a majority and could have forced the Bill through in the form in which it was presented to the House, it felt constrained to accept an amendment which reads as follows:—

> Provided that possession shall not be given to an intended purchaser or lessee under a contract of sale for agreement for lease until the approval of Parliament has been obtained.

The reason for that is easy to see. That meant the Government would be in a position to take advantage of any offer which was made, but before the deal could be clinched the full circumstances had to be explained to Parliament which give the authority to go ahead. Only the other evening we had a Minister introducing a Bill for authority to enable a timber company to take advantage of some forestry land, but the Government thought it advisable to let Parliament know what was happening so that it could give authority for it to be done. The very same principle ought to obtain with the hire or sale of substantial public works or trading concerns so that, for the same reason, it could not be said that secret commissions have passed and so that Parliament will have complete authority and can authorise, when the facts are laid before it, the business which the Government proposes to undertake.

That proviso which remained in the Act for some time is now no longer there because after the passage of years a new Government came into being—a Government which was unfavourable to trading concerns—and it got the idea that it would like to dispose of a number of them and did not wish to refer the matter to Parliament at all, and eventually that Government was successful in deleting the proviso. But that meant that the provisions of the State Trading Concerns Act should apply only to those trading concerns named in the schedule to the Act. Not all trading concerns; but only those named in the schedule to the Act! So when Parliament deleted the proviso it was giving the Government of the day authority in advance to sell the lease or let on hire the trading concerns mentioned in the schedule to the Act and no others. It meant that any additional trading concerns which were established could not be sold or leased, King's prerogative or no, without the authority of Parliament.

It is clear that the State Alunite Works, although expressly exempted from the Trading Concerns Act by the State Alunite Act, is nevertheless a trading concern. Subsection (3) of Section 4 of the State Trading Concerns Act, No. 12 of 1917, gives the definition of a trading concern. The definition reads:—

> The expression "trading concern" means any concern carried on with the view to making profits or producing revenue, or of competing with any trade or industry now or to be hereafter established, or of entering into any business beyond the usual functions of State Government.

That definition clearly covers the State Alunite Works and they are a trading concern. But by the State Alunite Act it is expressly excluded from the provisions of the State Trading Concerns Act so it cannot be said that any power exists in that Act to dispose of the works. As a matter of fact, no such power exists at all. The Government sought to get over its difficulty when it made up its mind to dispose of the State Alunite Works, not by giving the Minister power which he did not possess, because the Act did not give the Minister the power to sell, but by regulations giving the board of management power beyond that accorded the Minister—a most extraordinary situation.

I have discussed this matter with two very prominent legal men of this State and they both pooh-poohed the idea that this could be done. Each, in almost similar words, said that it was going behind the back of Parliament and if this could be done, Parliament might just as well be wiped out altogether. A little reflection on the part of members will show that that is the position. If when we give power to make regulations and there is no limit to the scope of those regulations, then we give the Government unlimited power to be used without reference to Parliament—and that is what breeds dictatorships outside.

The very safeguard of our democracy is that we can put express limits upon the actions of Governments and that we can oblige Governments, when they desire to go beyond the powers conferred on them by Parliament, to go back to Parliament for an extension of those powers. On the other hand, if they need not go back to Parliament for such extensions, we will find, in our case, that we might just as

well close Parliament up and carry on by means of regulations—the very thing that democratic government seeks to avoid.

I mentioned earlier that these regulations purported to confer power upon the board of management. When those powers were so conferred, we did not ipso facto confer them upon the Minister. The board of management did not make a decision to sell or lease the works. The board of management consisted of three men—the Under Treasurer, Mr. Reid; the Director of Industrial Development, Mr. Fernie; and Mr. Golding. The file shows that neither Mr. Fernie nor Mr. Golding would agree to this proposal, so the board of management, as such, made no decision to ask for additional power, nor did it arrive at any decision to use such power. After having taken this power, the Government called tenders for the leasing of the works.

I ask you, Mr. Speaker, whether the Government had any authority under this particular regulation—assuming the regulation was valid—to call tenders? We cannot by regulation confer power on the board of management and then ignore the board and, contrary to the board's intention, use its power to call tenders. But that is what the Government did! When power to call tenders was conferred upon the board by regulation, it did not exercise that power; it made no decision to call tenders—but the Government, through the Minister, did. Thus the Government used powers supposed to be conferred upon the board of management which, I say, is an impossibility and will not stand scrutiny at all. Having called tenders and having received none, the Government—not the board of management—then entered into negotiations with the prospective lessee.

After negotiation, the Government—not the board of management—came to an agreement with Mr. Innes, of Australian Plaster Industries, and completed the agreement which purported to be one between the board of management, the Government and Australian Plaster Industries. The file shows conclusively that two of the members of the board and every decision of the board were against any such agreement. It shows that when the board of management refused to exercise that power, which was supposed to be conferred upon it by the regulation, the Government exercised the power itself. We are asked now by the Bill to regularise that procedure—an astonishing piece of manoeuvring, to say the least of it. Let us examine the powers under which this regulation was made. Section 36 of the State (Western Australian) Alunite Industry Act provides—

> The Governor may make regulations prescribing all matters and things which are required to be prescribed or which it may be necessary or convenient to prescribe for carrying out and giving effect to this Act.

I ask, Mr. Speaker, if we are carrying out and giving effect to the Act which authorises the establishment, maintenance and carrying on by the Government of these works, if after we have established them we lease the works to private enterprise at any old figure. Does that give effect to the intentions of the Act? That was what was done under the regulations. Section 15 says—

> (1) There shall be constituted for the purposes of this Act a board of management to be called "the State (Western Australian) Alunite Industry Board of Management."
>
> (2) The board shall consist of three members to be appointed by the Governor on the recommendation of the Minister one of whom shall be nominated by the workers in the industry concerned in the works plant and undertakings established under this Act.
>
> (3) The members shall hold office during the pleasure of the Governor.
>
> (4) One of such members shall be appointed by the Governor as chairman of the board.

Subsection (5) sets out what shall be done in the event of illness or absence of any member of the board and Subsection (6) states—

> The board under the name aforesaid shall be a body corporate with perpetual succession and a common seal, and shall be capable in law of suing and being sued in contract or in tort or of holding and disposing of property (other than land), and of doing and suffering all such other acts and things as bodies corporate may by law do and suffer.

Subsection (7) reads—

> Subject to the Minister the board shall have and may exercise such powers and functions and shall carry out and perform such duties as are in this Act conferred or imposed upon the board or as may be prescribed by regulations.

I say very deliberately that the words "or as may be prescribed by regulations" can in no way be interpreted to mean that power can be conferred by a regulation which is ultra vires the Act. Only such additional power can be conferred by regulation as is within the scope of the Act. If it was within the scope of the Act to sell or lease these works, then the power was conferred upon the Minister. Because it did not exist in the Act, the Government sought to get round it by conferring upon the board of management power which the Minister himself did not possess. Such a procedure would not stand investigation for 10 seconds.

Mr. Marshall: Parliament did not sanction it.

Hon J. T. TONKIN: Section 22 of the Act says—

> Subject to the Minister, and to the provisions of this Act—

That is the important point.

> —the board shall have and exercise the management and control of all works, plant and undertakings established under this Act, and of the business carried on therein.

Under these two sections the Government sought to confer upon the board of management power to sell or lease the works, outside the authority of the Act. Having conferred power upon the board of management and the board having declined to use that power, the Minister then used it himself. The explanation we get is that it was done in the exercise of the King's prerogative, a return to the divine right of King's theory, back to the dark ages! We are asked to revert to the time when democracy had to struggle to assert its rights against autocracy. I suppose, when we come to reflect upon the situation, it is not surprising that a Government such as the present would be prepared to hark back to those days. The Premier laughs!

The Premier: How can I help it?

Hon. J. T. TONKIN: That is what the Premier has done. He has exercised the King's prerogative—and the King cannot even please himself as to what woman he will marry!

Mr. Fox: He is not the only one!

Hon. J. T. TONKIN: Thus we see the exercise of the divine right of King's theory to enable Ministers to dispose of these works. If the King's prerogative idea was to be given effect to, why was there any need for the regulations? Having passed the regulations and the board of management having declined to use the powers conferred upon it, what was the situation then? It was a most astonishing set-up, to say the least of it. I refer again to the discussion I had with the two legal gentlemen. They laughed much more heartily than the Premier did a minute or two ago when I told them what was proposed.

Hon. J. B. Sleeman: Did they both agree?

Hon. J. T. TONKIN: They did.

Hon. J. B. Sleeman: Wonderful!

Hon. J. T. TONKIN: They said that if this could be done, we might just as well shut up Parliament immediately because the action of the Government was going behind the back of Parliament and assuming power which Parliament never at any time intended to confer.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. J. T. TONKIN: Before tea, I was endeavouring to show how the Government had attempted to confer power upon the board of management of the State Alunite Works to lease the works by issuing a regulation; and that in that attempt it was trying to give power which Parliament had not given to the Minister. When the Minister was speaking about this matter, he said that the opinion of the Crown Law Department was that the Crown had the right to lease or hire the chattels or plant at Lake Chandler, and that that right was undoubted. That makes me wonder what sort of advice we are getting from the Crown Law Department in matters of this kind, because it is an astonishing opinion in view of steps which have been taken in Parliament from time to time in matters of this kind, and in view of a very eminent legal opinion given to me outside.

The Minister went further and said that the Crown Law Department officers held the opinion very strongly. That does not make it any more correct; and I submit, with due deference to them, that their opinion is quite wrong. I would like the Minister, who is a lawyer, to give some reasons why this opinion can be supported and to deal with the objections I raised to it. He must know that the regulations purported to give power to the board of management; that the Minister and not the board of management exercises that power; and that the Act originally did not confer any such power on the Minister.

If we agree to this Bill, we ratify an agreement. Do you not think, Mr. Speaker, that we should know the terms of that agreement and have some explanation of it before we ratify it? Surely members of this House are not going to agree to something they have not seen! I suppose that, apart from myself and the Minister, there is no person in this House who is aware of the contents of the agreement, or is au fait with the conditions; and it must be remembered that this agreement was drawn up by the Government in the belief that it would not have to come to Parliament. On its own showing, the Government believed when it drew up the agreement that it had the right to enter into such an agreement without reference to Parliament; and I submit that it would not be as careful as to the terms of the agreement, under those conditions, as it would if it had prior knowledge that whatever it did would be subject to ratification by this House.

No member of this House will be worth his salt if he ratifies this agreement without knowing what is in it. He might just as well be a rubber stamp. That is what encourages the sort of thing about which we were complaining last night. We should insist that, as members of this House, we will not ratify things we know nothing about, after they become established facts. That is what we are asked to do with regard to this agreement. Are members aware that the Under Treasurer, the Director of Industrial Development and

the manager of the State Alunite Works all said that 7s. 6d. per ton was too low a rental? Members should also be aware of the fact that, when the Government called tenders in the first place, it asked 15s. per ton rental.

I am told that Mr. Innes got these works on his own terms, and that the Minister for Lands was present at the conference when the suggestion was put to Mr. Innes to name his own figure. I am sure people outside would not like to know that is how members of Parliament deal with State assets—hand them over, not at the figure the Government believes is the right one, but at the figure named by the prospective lessee. That is what happened with regard to these works. This is the agreement we are to ratify. When tenders were originally called, they were called on the basis of 15s. per ton of plaster produced, with certain other conditions; and when the works were finally leased, it was on the basis of 7s. 6d. per ton, and that was the figure suggested by Mr. Innes himself We are entitled to know all the circumstances about this lease before we ratify the agreement. The Minister did not make any reference to it. I have been carefully through his speech to this House in connection with the Bill, and he did not mention a single provision in the lease we are to ratify.

Mr. SPEAKER: The Minister's speech on this Bill?

Hon. J. T. TONKIN: Yes, which you will not allow me to read from "Hansard." But surely you would expect that, when dealing with this Bill, I would be referring to the speech he made in connection with it. Do you not think, Mr. Speaker, that there was responsibility upon him when he was asking this Parliament to ratify the agreement to give members some idea of what was in it? He has not done it, so I propose to do so. Of course, there are good reasons why the Minister did not do it. When tenders were first called for the leasing of these works—and, I submit again, completely without authority; the board of management did not call any tenders under the power conferred upon it, but the Government or the Minister did—Mr. Innes, of Australian Plaster Industries, wrote to the Minister for Lands, who was the one who invited the tenders, under date the 19th June. Leaving out a good deal of the first part, to save time, this is what he said—

> It would also be necessary to charge a price for the plaster manufactured to cover the cost of locating executive staff in this State. In order to avoid having to charge this higher price and to save this unnecessary waste of capital, we would like to submit to you the desirability of the State Alunite Board proceeding with their original arrangement and manufacturing plaster, our company paying to the board an additional 5s. per ton to the figure that was previously quoted.

That was the offer, instead of any offer to lease, and that was a way which was open to the Government. The letter continues—

> We feel quite justified in offering this additional 5s., for whichever source the plaster is made available to the Eastern State, this cost would have to be carried. We feel also that if the State Alunite Board were to produce the plaster giving an undertaking to the Western Australian plaster of paris manufacturers that plaster produced at Chandler would not be sold within the State, that not one organisation within the State of Western Australia would be affected.

Skipping over the next section, the letter continues—

> As previously mentioned, we maintain that a private company could not operate the Chandler works as economically or as successfully as the State Alunite Board, as private enterprise would have to become established both at Chandler and in Perth, and for this reason we do not feel that we could submit a tender based on a production of from 20,000 to 25,000 tons per year that would justify the minimum figure of £15,000 requested for the leasing of the Chandler project.

So it is clear that in the first instance the Government asked for £15,000 rental for the works, based on a figure of 20,000 tons per year. We can agree, too, I think, that that figure was not exaggerated, but would rather be on the conservative side because the Government was anxious to get a tender. So we can be pretty certain that 15s. a ton was regarded by the Government at the time as a minimum figure. Australian Plaster Industries were not prepared to tender at that price. The letter went on—

> On investigating the costs of production at Chandler, we find that plaster can be economically produced, but to include in the production costs the sum of £15,000 per annum as rental, seriously affects the price, for this reason it would not be possible to submit a tender on the basis called for, as it would then be necessary for this additional 15s. to be passed on to manufacturers in the Eastern State.

So, the Government let it go at that. On the 7th July, Mr. Innes wrote to the Minister for Industrial Development saying—

> We refer to the verbal discussions between the writer and yourself in connection with the leasing of the portion of building and plant at Chandler under the control of the State (West Australian) Alunite Industries Board of Management.

There was no discussion with the board of management, which was supposed to have the power to lease the works. The letter continues—

> As advised in our letter of 19th June, addressed to the Under Secretary for Lands, the conditions under which tenders were called for, were such that it was not possible for my company to lodge a tender.

He later says—

> The fibrous plaster manufacturers in the Eastern States have been advised of the position. A conference was held in Melbourne this week, representatives of the fibrous plaster industry from Queensland, New South Wales, Tasmania and Victoria being present.
>
> At this conference the matter of requirements and plaster supplies was discussed and it was again confirmed that the Eastern States could absorb at least 25,000 tons of additional plaster per annum, which could be supplied only if the works at Chandler were put into operation; and it was agreed that Australian Plaster Industries should submit an offer to your Government for the leasing of the works.
>
> Owing to the greater cost of Western Australian plaster over the local product, it was necessary for us to be assured of sales for Western Australian plaster. Draft contracts have, therefore, been prepared between the fibrous plaster manufacturers of each of the Eastern States and Australian Plaster Industries; the fibrous plaster industry undertaking to take up to 24,000 tons of Chandler plaster per annum.
>
> The fibrous plaster manufacturers have been quoted a price for the supply of Chandler plaster on a c.i.f. basis, Melbourne, Sydney and Brisbane ports.

I emphasise that Australian Plaster Industries quoted that price before they knew the rental they would have to pay for the works, and that price fixed the rental at which the Government let them have the works, proving that it was at Mr. Innes's own figure. I would like to hear the Government's comments on that aspect of the matter. Mr. Innes pointed out that the figure he could pay was 7s. 6d. a ton because he had already quoted plaster to Eastern States firms on the basis of that rental. So the Government had to agree. Was it, therefore, the Government or Mr. Innes who fixed the rental? That is the agreement we are asked to ratify. The letter continues—

> The price which they were quoted was on the basis of Australian Plaster Industries paying to the Western Australian authorities a rental calculated by multiplying the number of tons of plaster produced in each year of the term of the said lease by 7s. 6d.

There, Mr. Innes, in his own statement, shows that he quoted a price for plaster on a rental figure for the works, which he, himself, fixed and which the Government subsequently agreed to. He said—

> In making this offer, we would suggest that the works be taken over under the following conditions:—
>
> 1. The lease to be for a term of one year with the right for renewal for a further period of one or two years at the option of the company at the same rate and to cover necessary area including ore winning equipment, crushing plant, washing plant, calcining plant, grinding plant, power house, workshops, garage, works office and stores. Movable equipment, viz., 1-5 ton International tip truck, 1-4 ton Ford tip truck, 1 Fordson wheel tractor, 2 four-wheel drive Ford semi-trailer trucks and minor units of equipment such as plough and rakes to be included in the lease. The following items are specifically exempted from the lease—

He mentioned buildings, and then went on to say—

> Rental to be 7s. 6d. per ton of plaster produced in each year of the term payable quarterly on the basis of the quantity of plaster produced during the immediate preceding quarter. Any apportionment of the rent between the Government and the Alunite Board to be decided between those bodies and notified to the company.
>
> Australian Plaster Industries to have the right to take up such gypsum leases as are required by it for the manufacture at Chandler and the Western Australian Government to maintain the present blanket reserve on all the other gypsum deposits within a radius of three miles of the factory.
>
> The Government to maintain the township in its present state, provide all the services as in the past and make available sufficient houses to accommodate all the employees reasonably required for the efficient operation of the factory. The rents and conditions of tenancy of these houses not to be increased above the present level during the period of the lease.
>
> The Trading Concerns as stated in the original conditions of tender to be maintained and operated by the Government. The company will provide the Government with its requirements of electric power for Chandler in bulk ex the power house. The price to be 4½d. per unit but in

event of increase in the cost of production of electricity the cost to the Government will be correspondingly increased. Water required by the company to be purchased from Government at cost of 2s. 6d. per 1,000 gallons.

The company will be expected to employ only the labour that it requires.

The company to purchase the stocks of firewood at cost of £2 per ton to be paid for in four equal quarterly payments. The first payment to be made on date of commencement of lease.

The company to take over stores required by it at landed cost at Chandler. The commencement of the lease to be eight weeks after acceptance of this offer or earlier if required by the company, as it is the company's intention to commence operation at earliest possible date.

The company will agree in principle to the conditions stated in clauses 7, 8, 9, 11, 14, 18, 22, 23 and 24 of the conditions of tender circulated by the Government, but otherwise the lease agreement to be subject to the approval by the company and its solicitors.

As the establishment of the industry at Chandler will involve a considerable initial capital outlay which can only be recouped over the term of the lease, the company requires to be satisfied on the following points:—

1. That there would be no resumption of any portion of the area during the term of the lease to the detriment of the industry established.

2. It appears that, while the subject lands are vested in the Crown and can be leased by it, material items of plant and equipment are vested in the Alunite Industry board of management and it must be established that the board has legal power to enter into the agreement proposed.

It is assumed that the Western Australian Government will render every assistance to our company in respect to the supply of railway trucks and covers for same for the transportation of the plaster to Fremantle.

We shall be glad to hear from you without delay.

Yours faithfully,

(Sgd.) J. D. INNES.
Managing Director.

On that suggested basis of contract, Mr. Reid, the Under Treasurer and a member of the board of management, Mr. Fernie, Director of Industrial Development and a member of the board of management, and Mr. Fitzgerald, manager of the Alunite Industry, put up this report to the Government—

The Hon. the Minister for Industrial Development,

In connection with the letter you have received from the managing director, Australian Plaster Industries Pty. Ltd. dealing with the conditions under which his company is prepared to lease portion of the buildings and plant at Chandler to enable the company to produce plaster, we have carefully considered the terms of the letter and wish to advise as follows:—

In view of the Government's decision to lease the works, we feel that, in general, the conditions laid down by Mr. Innes are acceptable, subject, however, to the qualifications to which we shall refer.

Members will notice the qualification and the preface to those remarks in view of the Government's decision to lease the works, as much as to say, "Under other circumstances we would not recommend the acceptance of this offer but as you have already made the decision to lease then we recommend as follows." It continues—

The rental proposed by Mr. Innes is at the rate of 7s. 6d. per ton of plaster produced. He estimates to take up to 24,000 tons of plaster per annum. We feel that the rent is low, but as no tenders were submitted when applications were invited, and as Mr. Innes's company is the only probable purchaser of plaster on a large scale, we would recommend that it be accepted, subject to a minimum payment of £9,000 per annum, irrespective of the quantity of plaster produced.

Members will note that—the rental proposed by Mr. Innes. The Under Treasurer, whose business it is to safeguard these interests from the State angle, was one of the men subscribing to this. The Director of Industrial Development was another, and the manager of the works still another. They said—

We feel that, in general, the conditions laid down by Mr. Innes are acceptable, subject, however, to the qualifications to which we shall refer.

Then they go on to say—

We feel that the rent is low.

That was the rent which the Government finally decided to take. I have been told —if the Government wants my authority I will give it—that when Mr. Innes did not tender he was told to name any figure and make an offer—

Hon. A. R. G. Hawke: That appeared in the press.

Hon. J. T. TONKIN: —to make an offer at any figure because the Government was determined not to use the works itself. It did not matter what it cost the State, so long as the Government could get rid of the works to somebody who would get busy, and thus extricate the Government from the trouble it was in through non-production over a period of months. Then the interests of the State could be sacrificed and the tenderer could have the works at his own figure. This is the agreement we are asked to ratify. The report continues—

> but as no tenders were submitted when applications were invited, and as Mr. Innes's company is the only probable purchaser of plaster on a large scale, we would recommend that it be accepted, subject to a minimum payment of £9,000 per annum.

That was not the figure finally agreed upon. It was varied to make the minimum rental for the first year £7,500, as against £9,000, and £9,000 for the second year and £10,500, for the third year to make up the deficiency on the first year, but there is no certainty that there will be a third year. Should the production of plaster in the Eastern States catch up with the demand within two years—we heard the Minister say that it will when he spoke about the works to be erected at Fishermen's Bend—Mr. Innes will no longer find it good business to continue operations here and will so turn in his lease. It therefore does not follow that the State will get £27,000 in three years, though I am inclined to believe it will as I think the shortage will last longer than the Government has been leading the House to believe. The report continues—

> This sum is the amount required to meet interest, depreciation and amortisation on the plant belonging to the alunite industry which will be used for plaster production.

There is no profit. That is the sum needed to meet those three items, with no profit at all, and yet there was a proposition which would have given the Government a profit of 17s. per ton over and above those three items. The Government turned down that proposal and entered into this agreement which we are asked to ratify. The report continues—

> There are many matters of detail which will require discussion and clarification, and we feel it will be necessary for Mr. Innes to visit the State in order that they may be cleared up. The principal matters requiring further discussion are as follows:—
>
> Mr. Innes states in his letter that his company agrees in principle to certain clauses in the conditions of tender. One of these clauses, viz., 22, requires the company to apply to the Minister for Mines for mineral claims for mining gypsum within a 3-mile radius of the existing alunite works. Mr. Innes stated that the company wishes to have the right to take up only such gypsum leases as they require to work, but that the company requires the whole of the gypsum deposits within the 3-mile radius to be reserved for the possible future use or his company. In other words, he wishes to avoid making any payment on a deposit which he is not immediately working.
>
> The company (Australian Plaster Industries Pty. Ltd.) requires the Board of Management of the Alunite Works to maintain the township in its present state, provide all the services as in the past, and make available sufficient houses to accommodate all the employees reasonably required by the company. The rents and conditions of tenancy of these houses are not to be increased above the present level during the period of the lease. It should be made clear to Mr. Innes that his company may have the use of any vacant houses in order to meet the requirements of additional staff that he requires to employ, but that the Government cannot undertake to erect additional houses should he need them. The Government should also not agree to maintain the rents at their present level. Present rents are at the rate of 15s. per house, which includes electric light, water and certain services, such as sanitary and rubbish disposal.
>
> We feel that a base rental of 10s. should be charged and that the tenant should be required to pay in addition for what these other services might be. The Board of Management is at present operating a truck which runs approximately five times a week from the works to Merredin and back, carrying mails and stores, and transporting passengers. This service should not be continued without an adjustment being made as between the present Board of Management and Mr. Innes' company.
>
> Mr. Innes states that his company will provide the board of management with electric power in bulk from the power house, which he will take over, at a price of 4½d. per unit. This price is much in excess of the cost, and we feel that the price should not exceed 3d., or alternatively the Government should undertake to retain control of the power house and sell power in bulk to Mr. Innes' company at 4½d. per unit.
>
> The company requires water to be provided at the present rate of 2s. 6d. per thousand gallons. The Government should not agree to tie itself to this price, because it may be increased by the Goldfields water supply, and

Mr. Innes should undertake to purchase water from that department at whatever the price might be.

The company wishes to take over the stores required by it at landed cost at Chandler. This would give a decided advantage to Mr. Innes' company, and we feel that the stores required by this company should be paid for at the rate ruling at the time the stores are withdrawn from the store.

Mr. Innes raises the question of the legal power of the board of management to lease the plant and equipment vested in the board. We understand that you have already obtained an opinion from the Crown Law Department that the board has this power. If there is any doubt, we suggest that the matter be referred to the Crown Law Department for a ruling.

The minute on the bottom of that, signed by the Premier, is dated the 10th July, 1950, and states—

Cabinet adopts above recommendation—Mr. Innes to be asked at once to come over and Under Treasurer discuss details with him including negotiations not to require Government to maintain store and other trading concerns.

I want to emphasise that at no time, so far as we can see, was this matter of terms and conditions discussed by the board of management, which was supposed to be clothed with the power to lease and supposed to be the body to do the leasing. Those terms were not submitted to the board. The board made no determination upon the terms until the whole thing had reached the point of finality when the board declined to agree to it; it declined to exercise the power which it was supposed to have had to complete this agreement. Talk about chicanery! There is a priceless example of it! Now for the actual agreement and the important points of it. We will see what a travesty it is. It states—

An indenture made this . . . . . day . . . . .

The date is not in my copy as supplied by the Minister.

One thousand nine hundred and fifty between the Honourable Duncan Ross McLarty, M.L.A., and the Hon. Arthur Frederick Watts, M.L.A., both of Treasury Buildings, Barrack-street, Perth, in the State of Western Australia, the Premier and Minister for Industrial Development respectively, in and acting herein for and on behalf of the Government of the State of Western Australia (the said Government when hereinafter referred to is called "the Government" and the said Arthur Frederick Watts, when hereinafter individually referred to, is called "the Minister") of the first part, the State (Western Australian) Alunite industry Board of Management, a body corporate constituted pursuant to the provisions of the State (Western Australian) Alunite Industry Act, 1946, and having its office and principal place of business situate at Department of Industrial Development, Barrack-street, Perth, aforesaid (hereinafter with its successors and assigns referred to as "the Board"), of the second part . . . .

I am told that the board, as a board, had no hand whatever in entering into or signing this agreement. Possibly Mr. Reid, as a member of the board, might have appended his signature. I do not know. But that does not make it valid because it would have to be by decision of the board that its seal could be used and before anybody could sign on its behalf. That is what the Minister recently complained about—that one of the members of the board was acting without the knowledge of the board. It goes on—

The company shall during the continuance of this agreement pay to the Minister at Perth and without previous demand by way of rent for the hire of the plant and equipment a sum computed at the rate of seven shillings and sixpence (7s. 6d.) per ton of plaster of paris produced by the company . . . .

That is the figure suggested by Mr. Innes. Lest it might be inferred that I am speaking in any way disparagingly of Mr. Innes, I would say that I believe him to be a very upright gentleman who was very displeased with the attitude of the Government over the whole matter. His anxiety to provide the Eastern States with plaster was such that he was obliged finally to take over the works himself, even though he would have preferred the Government to do it. Members will notice, too, that the figure at which the Government leased the works was sufficient to enable Mr. Innes to make his profit and provide a reasonable payment for Collett and Company as well. So the State must be paying that. Mr. Innes, having regard to the relationship which existed between him and Collett in previous negotiations, felt constrained to see that the right thing was done by Mr. Collett, even though the Government would not do so. Therefore, the rental which he paid was at a figure which enabled him to see that Collett was included in the business at a reasonable return for the services which he will render.

Hon. J. B. Sleeman: Innes looked after Collett, did he?

Hon. J. T. TONKIN: Of course he did, and he is to be commended for it. He was under no greater obligation and in my opinion much less an obligation to Collett than was the Government. The clause continues—

. . . at the rate of seven shillings and sixpence (7s. 6d.) per ton of plaster of paris produced by the company

from gypsum at the said works less the rental payable and paid to the Minister for Lands in respect of the lease to be granted to the company under Section 116 of the Land Act, 1933-1948, as hereinafter provided such first mentioned rental to be payable quarterly within thirty days after the expiration of each quarter and computed at the said rate in respect of plaster of paris produced during the immediately preceding quarter the first payment of the said rental to be made on or within thirty days after the 1st day of January, 1951, from which said date the due dates for all subsequent payments of rental shall be computed provided however that in any event the rental payable hereunder (inclusive of the rental payable in respect of the said lease granted under the Land Act, 1933-1948) shall not be less than seven thousand five hundred pounds (£7,500) . . .

So although Mr. Reid, Mr. Fernie and Mr. Fitzgerald suggested £9,000 as the minimum, the minimum provided for in this agreement was £7,500; although I have little doubt, from information passed on to me, that the rate of production will be such that computed at 7s. 6d. per ton, the amount of rental will exceed £9,000. I hope it does, but it only goes to show, if it does, how much the Government has sacrificed in this arrangement as against the profit which could have been made—at least 17s. a ton over and above interest and sinking fund. The agreement goes on to state—

The company shall use the plant and equipment in a skilful and proper manner and shall at its own expense keep the plant and equipment in as good and substantial repair and condition as at the commencement of the said term reasonable wear and tear and damage due to accidental fire, storm, tempest, civil commotion and war excepted.

And keep the plant and equipment insured against loss or damage by fire in the sum of thirty-one thousand nine hundred pounds (£31,900) at the least in some insurance office or offices of repute in the name of the Minister . . .

(e) Except insofar as supply may be precluded by a breakdown of plant, strikes or cause beyond the control of the company to supply to the board such quantities of electric current as the board may from time to time during the term of the hiring or any extension thereof require for the purpose of supply to the residents and business owners of Chandler and also for the experimental and research purposes mentioned in paragraph (d) preceding at the rate of threepence (3d.) per unit in bulk ex the power house and the company shall render its electricity accounts to the board quarterly and the board shall pay such accounts subject to the same being correct within thirty (30) days of the receipt of such accounts—

It will be remembered that the original suggestion of Mr. Innes was 4½d. and I think 3d. was the suggestion of Mr. Reid and Mr. Fitzgerald, so in that particular instance, Mr. Innes's suggestion was not agreed to. Continuing—

—and the board shall at its own expense install all meters and carry out all writing which may be necessary for the purposes of this paragraph provided always that if at any time or times during the continuance of this agreement or any extension thereof the cost of production of electricity at the said power house shall be greater than the cost of production at the date of this agreement then the company may add the amount of such increase to the price of three pence (3d.) per unit of electricity supplied.

(f) To pay to the board during the term of this agreement or any renewal thereof as a contribution towards the cost of operating the board's truck service which transports mails, stores and passengers between Chandler and Merredin approximately five times in each week the sum of four hundred and forty pounds (£440) per annum payable quarterly in advance by payment of one hundred and ten pounds (£110) cash the first of such quarterly payments to become due and payable to the board on the first day of October, 1950, and in consideration thereof the company shall be entitled to the use and benefit of the said service free of charge except as aforesaid for all normal and usual purposes but including the carriage of parcels and packages to and from Chandler and the carriage of cash for wages to Chandler.

(g) To purchase from the board its stocks of firewood which are at present on the premises at Chandler, the purchase price therefor to be at the rate of two pounds (£2) per ton to be paid to the board to form quarterly payments, the first of such quarterly payments to be made to the board on the first day of January, 1951.

I think that was the price suggested by Mr. Innes. Continuing—

11. The Government hereby agrees with the company as follows:

(a) That the Minister for Mines of the said State shall on application by the company in that behalf grant to the company such mineral claims under and subject to regulation 55 of the regulations made under the Mining Act, 1904, for the purpose of mining gypsum as the company may re-

quire within the said temporary mining reserve and shall refrain from granting any future applications for mineral claims for leases by third parties for the purpose of recovering gypsum within the said temporary mining reserve provided however that no such claim or claims shall be granted to the company for a term exceeding the term hereof or any renewal or extension hereof.

Although there are other provisions, many of which I would like to read to have placed on record, I must perforce skip them, but here is one of which members should know—

12. And it is hereby mutually agreed and declared as follows:—

(a) The Minister and the board shall maintain the township at Chandler in its present state and continue to provide similar services as were provided therein prior to the execution of this agreement and shall make available to the company such of the houses and other residential accommodation situated on Reserve No. —

I have not the number in this copy.

—as shall not be required by the board's experimental staff and the persons now engaged in maintaining the township facilities for the accommodation of the company's employees at a rental (in the case of houses) of ten shillings (10s.) each per week the tenants to bear and pay in addition to the rent the cost of water, electric current supplied and sanitary and rubbish removal charges.

(b) That in the event of the Crown resuming all or any portion of the premises whereon the plant and equipment are situate whereby the company is hindered in its operations the Crown shall pay compensation on just and equitable terms of the company for all loss and damage suffered by the company in respect thereof.

(c) The Minister shall be at liberty to forthwith determine this agreement should the company within a period of three months from the date of this agreement fail to bring the plant and equipment to a state of producing ten thousand (10,000) tons of plaster of paris per annum.

(d) Nothing herein expressly contained or implied shall be deemed a warranty on the part of the Minister as to the state of repair or condition of the plant and equipment.

(e) The company shall be at liberty to mine and remove gypsum from the overburden of the land the subject of mineral leases at Chandler aforesaid of which said leases the board is the lessee.

(f) If through any cause whatsoever there is insufficient plaster of paris being supplied by the manufacturers thereof in Western Australia to meet the requirements of the local market (for the purpose of this agreement a certificate from the Minister that such is the case) shall be deemed to be proof thereof the company shall when requested by the Minister so to do supply all the available plaster of paris after the company's then contractural obligations in respect thereof have been fulfilled from the works at Chandler to purchasers within the State of Western Australia. Nothing within this agreement shall be interpreted as prohibiting the company from selling plaster of paris locally or in any available market.

From what the Minister has already said, he is never likely to furnish a certificate that we are short of plaster in Western Australia. So we might not get much value from that provision. In general terms, I want to refer to the principle involved in this matter and to the best of my ability show members how I think they are placed in connection with it. I have read again the leading article of "The West Australian" of the 17th November, 1916, and I am much struck by the particular application which that article has to present circumstances. One could almost believe that such an article could be written today on the existing set of circumstances, so well does it apply to the situation.

I remind members that the occasion of this leading article was when the Wilson Government sought to put through the State Trading Concerns Act to provide that those trading concerns could be sold or leased without further reference to Parliament. That is similar to this Bill now before us. We are asked to ratify what has been done and to give the Minister power to sell or lease. If we confer that power, there is no need for any further reference to Parliament on this matter. This is what the leading article had to say at that time—

If, as we think, objection is made on some grounds to the measure it will be because the Bill is too sweeping and general in the powers the Government proposes to take unto itself but after all this careful effort to secure their control, the Government under Section 25, strangely asks that the Minister shall have power to sell or lease any or all of the assets of a trading concern for such amounts and on such terms and conditions as may be approved by the Governor in Council.

That is precisely what is being asked in connection with this matter. Continuing—

> Most people will rub their eyes when they read this section, wondering if they have read aright. In the present Bill it is expressly stipulated that no trading concerns, except 10 named in the schedule, shall hereafter be established or carried on by the Government of the State except under the express authority of Parliament and we remember that Mr. Wilson has inveighed time and again against the last Government for starting enterprises without getting the sanction of Parliament. Nevertheless, he proposes, if Cabinet should see fit at any time, this Cabinet or any Cabinet which may succeed, to sell them without so much as by-your-leave to the Houses.

I interpolate that this is precisely what this Government is asking us to do now.

> It is improbable that Parliament will give the authority desired.

Despite the fact that Mr. Wilson had a majority of Liberals and Country Party members, I take it—I am not too sure of the real complexion of the House at that time—

Mr. Marshall: No Country Party.

Hon. J. T. TONKIN: Certainly there were no Labour members on the Government side. Therefore it was an anti-Labour Government, and the requisite majority was there, and "The West Australian" said, and they were right, as it proved—

> It is inexplicable that Mr. Wilson should ask it.

It is apparently not so inexplicable when Mr. McLarty should ask it.

> If he came to Parliament with clear statements of reasons why any particular undertaking should no longer be carried on by the State, and obtained the express consent of Parliament for the disposal of the particular concern, the public could understand it, though even in this Parliament would be exercising no undue discretion if it reserved to itself the right to approve of any terms eventually recommending themselves to the Government. The parties behind Governments approve accomplished facts even though they are dissatisfied, rather than injure party solidarity. The knowledge that Parliament must be asked to ratify any agreement of sale will ensure the utmost care on the part of the Government that the terms will bear every scrutiny and that no damage will be sustained by any section of the community because of the transfer of a service from the Government to private enterprise.

How very apropos of existing circumstances! Parties behind Governments approve accomplished facts, even though they might be dissatisfied—and we have had recent examples of it—rather than impair party solidarity! Is it not better to provide that Parliament shall have its say in these matters before they become accomplished facts? We are entitled to that; no more and no less. As representatives of the people, we are entitled to know the terms and conditions upon which the Government proposes to dispose of the State's assets so that we, the representatives of the people, can express our opinion and give our authority, or withhold it. But in connection with this matter an agreement is drawn up and the advice of the Under Treasurer is that it is drawn up on a rental that is too low; in fact, at a figure suggested by the lessee himself, because he had previously quoted a price based on that rental.

The agreement was entered into, I say again without authority and behind the back of Parliament, in the belief that it would not be necessary to bring it to Parliament. But, when the Minister is forced to bring it to Parliament, are we to sign on the dotted line because he made no attempt to show just what the agreement meant for the State? I submit that the least the Minister could have done in this matter was to have outlined the proposals —the proposal for leasing and the proposal for the Government to use the works itself and to give the Government's idea of the financial position with regard to each method—and then for Parliament to decide whether this lease ought to be ratified or not. But no attempt whatever was made to give this House any information about this agreement made in circumstances where one of the Ministers of the Crown suggested to the proposed lessee that he should name his own terms. Fortunate indeed is he who can get State assets on such good conditions—merely by naming his own terms—and take over works which have been established with State money, established as going concerns with State money, and then to be in a position to get them on one's own terms. It does not happen very often, I should say. But that it does happen is evidenced by this agreement we are now asked to ratify.

The important point for members to keep in mind is that when the Government entered into this agreement on these terms, it did so in the belief that Parliament would not be aware of the terms, and therefore it did not matter much. But, having found itself obliged to bring the agreement here, we should force the Government to put up a case for the terms to which it has agreed, or else deny this authority. If we withhold ratification of this agreement, that will not mean that the works would remain idle, because if Mr. Innes were not prepared to carry on with the agreement, and walked out, which he

would be unlikely to do seeing the extent to which he is committed now, the Government could compensate him for expenditure already incurred, could use the works itself, and on the figures which have been submitted to me, would show a substantial profit. Therefore we have nothing to worry about in that regard. The plaster will be produced all right, whether we ratify this agreement or not.

We should not be forced into the position of authorising something which the Government did when it had no authority to do it, and, in my view, no semblance of authority. We should not be forced into that position. We should make the Government take the consequences of its folly. There are several Acts having a similar bearing on the leasing or selling of concerns; for example, the State Alunite Act. Those Acts provide for the making of regulations. There was a State Savings Bank Act, for example, providing for the making of regulations, but I cannot imagine that we would get anybody to suggest that the Government could sell the State Savings Bank by regulation—it took a Bill to enable it to do so. Then there is the Government Railways Act which provides that the Governor may make regulations prescribing all matters and things which are required to be prescribed or which it may be necessary or convenient to prescribe for carrying out and giving effect to the Act. That is almost word for word with the provision in the Alunite Act with regard to the making of regulations.

If it is permissible to make a regulation under the Alunite Act to allow the board of management to sell or lease, a regulation could be made to allow the Commissioners of Railways to sell or lease. This, of course, would be absolutely preposterous. I should like the Minister to explain, firstly, how it comes about that when authority is conferred upon a board, somebody else can exercise it even if the board says no. That is what happened. Secondly, I should like him to explain how by regulation a power can be conferred upon a board when it cannot be conferred upon the Minister because of its being ultra vires the Act. I hope the Bill will not be passed.

THE MINISTER FOR INDUSTRIAL DEVELOPMENT (Hon. A. F. Watts—Stirling—in reply) [8.31]: Perhaps I may as well say at the outset, as it may be of interest to the member for Melville and possibly to the House, that neither I nor the Premier have signed the agreement in question. I am not aware that it has been signed by the chairman of the board of management; I did not take an opportunity to inquire. I told the member for Melville that it had been initialled by the solicitors and that it would be sent to Melbourne in the near future for completion there. To my personal knowledge, however, the agreement has not been signed by the Premier or by myself.

When I introduced the Bill, as I said in the course of my second reading remarks, it was just before the House had dealt with the question of whether a Select Committee should be appointed, and I stated that, as the matter would be fully discussed in a very short time, or words to that effect, I did not think it necessary to go into details of the matter when introducing the Bill. Subsequently, I did my best over a period of two hours, apart from the time spent on the terms of the agreement, to inform the House what they were. In addition to that, I stressed the views of the Assistant Under Treasurer on the agreement, that responsible officer having been asked by me to give his views. Although I am not permitted to quote from the "Hansard" record of my speech, it will be found that he considered the conditions represented a reasonable and satisfactory proposition for the State. They would at least, he said, provide some assurance of revenue as against colossal losses in the past. As, in my opinion, it is not necessary continually to reiterate to the House what had been said only a few days before, I suggest that members have been well informed on the subject of the agreement from this side of the House and by me. The member for Melville has repeatedly tried to impress upon the Chamber that, had the Government carried on the enterprise for the manufacture of plaster, it would have made tremendous profits. Well, there is little or nothing but wishful thinking to establish that as a fact.

Hon. J. T. Tonkin: The figures are on the file.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Those figures were estimates.

The Premier: I could show you plenty of figures on the file.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Those estimates were no doubt made in good faith.

Hon. J. T. Tonkin: Was the 5s. per ton by Innes an estimate?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: It was no doubt his idea of what he should offer.

Hon. J. T. Tonkin: Was it an estimate or an offer?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: It was an offer, but it does not prove that we were going to make that profit. The whole implication of the Act is that the Government could make profits. That is referred to two or three times in the Act, but we do not find the profits. In a previous debate—I believe on the motion for the production of papers—I informed the House of an estimate given to me in 1947 in respect of this Chandler alunite industry. It was that if an expenditure of an additional sum of £120,000 were made, we would, after having written

off some £300,000 of the capitalisation, make a profit of £123,339 a year. That is on the file.

The Assistant Under Treasurer has handed me a return showing that for the year ended the 30th June, 1948, the loan expenditure on the works amounted to £55,000 and the interest charges unpaid amounted to £19,990 and, to the 30th June, 1949, the loan expenditure was £88,000 and the interest charges unpaid £23,483. So, excluding the £43,000 of unpaid interest charges, the loan expenditure totalled £143,000, and our recommendation was to close down the works because they could no longer hope to produce at a profit.

Hon. J. T. Tonkin: That was not the only recommendation.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Admitted, but this must be taken into consideration. If we apply any one estimate that gives that result, we are not entitled to apply another if it is not possible to obtain something more satisfactory than a mere estimate. That is my position in regard to the alleged profits. I concur very strongly in the view of the Assistant Under Treasurer that we are now likely to get something at least out of it.

Hon. J. T. Tonkin: Do your remarks in regard to estimates apply generally to all estimates?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: They do not apply generally to all estimates, but they apply to a considerable proportion of estimates of many kinds, in my opinion.

Hon. A. R. G. Hawke: What about water?

The Minister for Lands: The member for Northam should talk about water. What about his white elephant, Wundowie?

Mr. SPEAKER: Order!

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Section 8 provides that this Act shall be administered by the Minister, and that governs the whole operation of the Act, and it confers upon the board of management only such powers as are given subject to the Minister. Let us get that clear. Section 9 goes on to say—

> (1) Subject to this Act, the Minister, acting for and on behalf of the Government of the State shall be, and is hereby authorised—
>
> (a) at any time and from time to time and in any part or parts of the State as he shall think fit, to establish, maintain and carry on works, plant and undertakings upon any lands dedicated to the purposes of this Act, etc. For the purposes aforesaid to acquire machinery, plant, goods, chattels and effects.

Let us turn to the first point. The works were to be carried on upon land dedicated for the purposes of the Act. As I said in my second reading speech, the Act was passed in 1946 and proclaimed early in 1947; but no land was ever dedicated for the purposes of the Act. That is one of the things the Bill seeks to remedy. But let us suppose that, as the Act intended, the works and undertaking were established upon land dedicated. What are the powers of the Governor-in-Council?

> If any land which has been dedicated to the purposes of this Act shall at any time be no longer required for such purposes the Governor may by notice in the "Gazette" cancel such dedication and thereafter subject to the approval of the Governor such land may be sold or otherwise disposed of by the Minister for and on behalf of His Majesty the King.

Hon. J. T. Tonkin: Land only.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Land only! When a man sells land, as every member knows, he sells all the buildings and fixtures thereon.

Hon. J. T. Tonkin: Is that the case?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Of course it is! If he sells land he sells all the fixtures and buildings thereon; so by this Act alone the Governor-in-Council was entitled to declare the land no longer required and to sell or otherwise dispose of it through the Minister for and on behalf of His Majesty the King.

Hon. J. T. Tonkin: What is the need for the Bill then?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: The land was never dedicated.

Hon. J. T. Tonkin: All you had to do was dedicate it.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: But in the meantime we have to deal with the question of plant which, in my opinion, is the main purpose for the introduction of the Bill.

Hon. A. R. G. Hawke: Would the Minister mind speaking up?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Until a moment ago I had been speaking quite loudly. What I just said was by way of sotto voce conversation with the member opposite.

Hon. A. R. G. Hawke: I am a bit interested, too.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: The Act went on to say that for the purposes aforesaid the Minister could acquire machinery, plant, goods, chattels and effects. Without more than a moment's consideration, I think you will agree, Sir, that it would be a very strange position for the Minister, whoever he might be, operating under this Act, if, having collected together a lot of

chattels, he was unable to dispose of those he said he did not require. He would shortly, or in the run of time, have a junk heap if that were the interpretation which could be placed upon the proposals that have been put forward. And, of course, that could not be so.

Hon. J. T. Tonkin: Are not local authorities in that position?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I do not propose to attempt to answer offhand questions of that nature. I will content myself with trying to deal with questions to which I have endeavoured to give some consideration.

Hon. J. T. Tonkin: I know it is a bit awkward.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: The hon. member, out of another supposition, I fear, made up quite a lot of his speech and that supposition was that somebody, one of the Ministers—presumably the Minister for Lands—

Hon. J. T. Tonkin: No supposition!

The MINISTER FOR INDUSTRIAL DEVELOPMENT: —had told Mr. Innes he could get things at his own price, or words to that effect.

Hon. J. T. Tonkin: No supposition!

The MINISTER FOR INDUSTRIAL DEVELOPMENT: It cannot be much else, because there is nothing on the file to that effect and there is nothing to my knowledge.

Hon. J. T. Tonkin: If I depended on the file, I would not have got all the information I did.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: No, and I am afraid the hon. member has been given a lot of erroneous information outside, unfortunately.

Hon. J. T. Tonkin: One of the gentlemen who was present told me this.

The Minister for Lands: You have been led up the garden path.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: So far as I am concerned, it is not true.

The Minister for Lands: Of course it is not!

Hon. J. T. Tonkin: Yes, it is true! If you would like more details I will give them to you later.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Dealing with the question of the unacceptability to any tenderer of the proposal made by the Government for the lease of the works, what is the usual practice when nobody will tender at the price offered? What is done? Is it customary to put the price up and try to get a tender by that means, or to ask either the person whose tender was not acceptable to make some better proposition or a person it is thought might be interested to submit a proposal? That was done in this instance and a satisfactory proposition, as I have already said—not only in my opinion but in the opinion of somebody better qualified to judge than I—was arrived at. Had there been a tender at the figure proposed by the Government I have no doubt whatever that it would have been accepted; but none of the people either in Western Australia or elsewhere, who were previously looking for a gypsum lease and who were interested in the manufacture of this product, made any attempt to tender, because they were all convinced that the price asked was not one at which they could successfully carry on the industry.

The price asked was based roughly on 15s. per ton. But if we could not get 15s. per ton out of any tenderer, why is it unreasonable to assume that a lesser figure should be acceptable? If the price of 15s. a ton was not suitable for those who obviously wanted plaster of paris and who doubtless could make a profit on it if they could get it at a reasonable price, then naturally they would not be prepared to tender at that figure because the proposition would not be worth it. If it was not worth it to them, I say quite definitely that it was not worth it to the State of Western Australia so far as profit-making possibilities were concerned.

I do not propose to cover any more ground than I have covered, because I contend that it is unnecessary to repeat a great deal of what I said before. I wish to thank the member for Northam for the approach he made to this matter and to say that I will deal with the amendments he proposes to move, when we reach the appropriate stage.

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

Ayes	24
Noes	21
Majority for	3

Ayes.

Mr. Ackland	Mr. Nalder
Mr. Brand	Mr. Nimmo
Mrs. Cardell-Oliver	Mr. Owen
Mr. Cornell	Mr. Perkins
Mr. Doney	Mr. Read
Mr. Grayden	Mr. Shearn
Mr. Griffith	Mr. Thorn
Mr. Hearman	Mr. Totterdell
Mr. Hutchinson	Mr. Watts
Mr. Mann	Mr. Wild
Mr. Manning	Mr. Yates
Mr. McLarty	Mr. Bovell

(Teller.)

Noes.

Mr. Brady	Mr. Needham
Mr. Coverley	Mr. Nulsen
Mr. Fox	Mr. Oliver
Mr. Guthrie	Mr. Panton
Mr. Hawke	Mr. Rodoreda
Mr. J. Hegney	Mr. Sleeman
Mr. W. Hegney	Mr. Styants
Mr. Hoar	Mr. Tonkin
Mr. Marshall	Mr. Wise
Mr. May	Mr. Kelly
Mr. McCulloch	

(Teller.)

Pairs.

Ayes.	Noes.
Mr. Hill	Mr. Graham
Mr. Abbott	Mr. Sewell

Question thus passed.

Bill read a second time.

In Committee.

Mr. Perkins in the Chair; the Minister for Industrial Development in charge of the Bill.

Clauses 1 and 2—agreed to.

Clause 3—Amendment of Section 9:

Hon. A. R. G. HAWKE: I wish to move the amendment standing in my name on the notice paper.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: In order to save time, I would like to ask the member for Northam whether he is striking out too many words? I think the words "any property vested in or acquired by the Minister or the board" should remain, even if the hon. member gets in his reference to parliamentary approval.

Hon. A. R. G. HAWKE: I am inclined to think, on a hasty consideration of what the Minister has said, that he might be right.

The Minister for Industrial Development: Would the hon. member care to report progress in order that he may have a proper look at it?

Hon. A. R. G. HAWKE: No, I think we can go on. Do I understand from the Minister that he proposes to support my amendment?

The Minister for Industrial Development: I do not propose to support it. I thought, however, it would be better to raise the point now so that the position would be clearly what you intend.

Hon. A. R. G. HAWKE: I move an amendment—

> That in lines 3 and 4 of proposed new paragraph (d) of Subsection (1) the words "the Minister shall think fit" be struck out.

What I have moved is not what the Minister suggested, but it is what I think is necessary at this stage.

The Minister for Industrial Development: It will get us where I want us to be for the purpose of discussion.

Hon. A. R. G. HAWKE: The purpose of this portion of the Bill is to give the Minister, and through him the Government, legal power to sell, lease, let on hire, or otherwise dispose of, the whole or any portion of the assets at Chandler which were used, until early this year, for the production of potash. My objective in trying to delete these words is to insert in the Bill the principle that Parliament shall have the authority to determine and approve any proposal to sell, lease, let on hire, or otherwise dispose of these assets. Only a few weeks ago we passed unanimously a Bill in connection with the charcoal-iron and wood distillation industry at Wundowie and the only principle contained in that measure was one to prevent the Minister or the Government from selling, leasing, letting on hire, or otherwise disposing of the assets at Wundowie.

The Minister supported that Bill and, therefore, the principle that Parliament should be the authority to determine and approve any proposal to lease, sell, let on hire or otherwise dispose of State assets that are being used for the production of some article or commodity. To be consistent, we should ensure that the same principle applies here. If we give any Minister or Government power to sell, lease and so on the assets at Chandler, I feel we will be taking a grave risk of those assets being disposed of in ways that might be prejudicial to the best interests of the State. Owing to the international situation, which is becoming worse every day, it might in the near future be necessary to resume production of potash at Chandler.

We cannot dismiss the possibility of oversea supplies being cut off from Australia, and in that event the Commonwealth Government would be anxious for the Chandler potash industry to be restarted in order to make potash supplies available to primary producers. We must be careful to ensure that the Chandler industry is not in any way disposed of until Parliament has had ample opportunity to discuss any such proposal and decide whether or not it should be approved. It is in order that the principle of parliamentary authority in such vital matters should be kept supreme that I have moved the amendment.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I would say at first that I cannot agree to the amendment. As to the analogy drawn by the hon. member with regard to Wundowie, I say firstly that I did not agree to the amendment on that occasion in the form that this Bill would take if the hon. member's amendment were accepted, and, secondly, that the conditions regarding Wundowie were different from those in this instance, inasmuch as Wundowie is a going concern, producing a commodity valuable to the State, and no one could conclude other than it should be retained as long as it continues to perform its present useful function. On the contrary, Lake Chandler is in the melting pot and if the Commonwealth Government does not decide that the industry should be put into production, and provide finance for that purpose, I do not think anyone would suggest that it should be carried on unless for the manufacture of plaster by the enterprise that is there or some similar enterprise.

In addition to what I have said, the amendment is so phrased—as the Wundowie amendment first was—as to prevent the sale of any chattel, however small, without the approval of Parliament. It would read—"to sell, lease, let on hire or otherwise dispose of upon such terms and conditions as Parliament shall from time

to time approve any property vested in or acquired by the Minister or the board," and that would include any article, no matter how desirable it might be to get rid of it.

Hon. A. R. G. Hawke: The Minister could move, subsequently, the amendment he moved on that other occasion.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I am dealing with the analogy drawn by the hon. member. I cannot accept the amendment as I do not think the circumstances are comparable, and it is desirable that the Government should be in a position to lease or let on hire any part of the works at Chandler until such time as we know what is to be their ultimate fate. I am authorised to say on behalf of the Government that we will not sell the undertaking as a concern until it is clearly established that there is no prospect of the Commonwealth Government's undertaking the resuscitation of the industry for the production of potash. I think those three reasons and that undertaking should satisfy members that the amendment should be rejected.

Hon. A. R. G. HAWKE: I do not think the Minister has put up a good case in opposition to the amendment and, especially, with regard to the amendment that I have foreshadowed. I do not desire to prevent the Government selling odd pieces of plant or equipment at Chandler. When the Minister raised that point recently with regard to Wundowie, I told him I would accept a suitable amendment giving the Government power to dispose of any odd bits of plant or equipment or obsolete plant or equipment that might be available for sale at Wundowie, without the necessity of approaching Parliament.

The Premier: Did you say at Wundowie?

Hon. A. R. G. HAWKE: Yes: I would be prepared to support an amendment of the same nature which the Minister could easily draw up. All he would have to do would be to obtain a copy of the amendment which he moved to the Bill recently considered and passed, in connection with Wundowie. Therefore, the Ministers' opposition to my amendment on that ground is overcome. The Minister did raise the point that the plant and machinery at Chandler are not working at present. He mentioned, therefore, that the comparison between Wundowie and Chandler is not absolutely parallel. Nevertheless, the plant and machinery at Chandler comprise a complete plant for the production of potash, and it is obviously one which could easily be converted to the production of other things, because the agreement which the Government has almost completed with Mr. Innes, on behalf of Australian Plaster Industries, is one to enable that company to produce plaster of paris at Chandler. Presumably, the existing plant does not require much modification, addition or change to enable it straight away, almost, to produce plaster of paris.

Therefore, the fact that the plant at Wundowie is working and the plant at Chandler does not hoppen to be working at present are facts which together do not seem to me to justify the Minister in saying that the situation between the one place and the other is very different. I think the situation, in principle, is the same. The assurance the Minister gave on behalf of the Government is one which could exist only for a few days. For instance, within the next week or month the Commonwealth Government might easily send word to the State Government to advise it of the inability or unwillingness of the Commonwealth authorities to assist the State in any way in regard to the plant at Chandler. Therefore that assurance is of no value from my point of view.

If the Deputy Premier, or the Premier, were prepared to say that he would alter this Bill so that Parliament would be consulted before the plant was sold, and if at any time it was intended by the Government to try to sell it, that would go a long way towards meeting my objections, although I would still be very much opposed to giving the Government the right, without consultation with Parliament, to lease, let, hire or otherwise dispose of the industry. In fact, I would oppose even those powers to the fullest possible extent. I suggest to the Minister that he immediately give consideration to the question of having progress reported to enable the Government to see whether it can alter this Bill to give Parliament authority in connection with any move which might be made in future to sell or dispose of the plant completely. If the Government could see its way clear to have the Bill altered along those lines, then the question of leasing or hiring the plant could be considered separately. It would be easy for the Minister to introduce a separate Bill to deal with the question of leasing, letting or hiring the plant, and the Government could, if it wished, attach to the Bill a copy of the agreement which the Government might have completed by that time with Australian Plaster Industries. Even if the agreement has not been completed by the time the Government might introduce that separate Bill, it could attach printed copies of the proposed agreement, and ask Parliament to approve of it.

Those are the suggestions I offer to the Minister. On the ground of maintaining the principle of the supreme authority of Parliament in connection with the complete plant at Chandler, that is the course the Government should follow. If the Government could see its way clear to alter this Bill somewhat along the lines I have suggested, and introduce a separate Bill to deal with the question of leasing or letting on hire the plant at Chandler, and also in the small separate Bill enable the Minister or the board of management to sell small pieces of plant

or equipment, or chattels which it is considered are no longer required, then that would be a much more clear-cut way of dealing with the vital issues with which the legislation is concerned. So I hope the Minister will have progress reported so that he can give consideration to my suggestions.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I cannot undertake to accept the proposals the hon. member put forward. The existing agreement has already been thoroughly thrashed out in this Chamber. The immediate purpose of the clause is to ensure that there is no doubt about the validity of the agreement. I said in my second reading speech that the Crown Law officers and one of the solicitors of the company—I believe they have two—were quite satisfied on the matter. The other expressed some doubt, and it was agreed that an amendment should be brought down in order to remove that doubt. I have no objection to examining the hon. member's proposal, and in those circumstances I suggest that he asks that progress be reported.

Progress reported.

BILL—STATE HOUSING ACT AMENDMENT.

Council's Message.

Message from the Council notifying that it insisted on its amendment, now considered.

In Committee.

Mr. Perkins in the Chair; the Minister for Housing in charge of the Bill.

The CHAIRMAN: The amendment on which the Council has insisted is as follows:—

> Clause 4.—Insert a new paragraph after paragraph (b), to stand as paragraph (c), as follows:—
>
> (c) deleting all words after the word "authority" in line six down to and including the word "Commission" in line ten.

The MINISTER FOR HOUSING: I must again disagree with the amendment insisted upon by another place. The more I view it the more I think that the gentlemen in that place are becoming unreasonable. If we refer to the parent Act of 1946 we find they were not getting anything like that which is proposed in the Bill. It was not even mandatory.

Mr. Marshall: What is the nature of the amendment?

The MINISTER FOR HOUSING: Another place is insisting upon its amendment to try to make it mandatory for the Housing Commission to be rated at the time it takes land over or at the time when it becomes rateable by us, which would be two years after or at the moment it was subdivided. No-one has made any move since 1946. The State Housing Commission realises the difficulty which confronts some of the local authorities, and we are endeavouring to hold out the olive branch to them and assist them by offering them 50 per cent. of the rates. Instead of that they now want the pork chop.

Hon. F. J. S. Wise: Did the members of another place put up much argument?

The MINISTER FOR HOUSING: Very little! If this amendment is passed the burden is going to fall ultimately on the person who occupies the house. It will mean that that house will have £6 or £8 rent per year added to it. I move—

> That the Assembly continues to disagree to the amendment made by the Council.

Hon. J. T. TONKIN: There is an aspect of this matter which the Minister did not mention. The Minister said that if we agree to the amendment it will ultimately result in the occupier of the house paying more in rent than he would otherwise have to pay, because the Commission has to pay rates to the local authority. If the Commission does not pay the rates which it ought to pay on the land it holds then the existing ratepayers have to pay more in rates than they should, because if the Housing Commission were paying the legitimate rates on the large parcels of land which it holds in various localities, it would be possible for the local authorities to reduce their rates and therefore the existing owners of properties would benefit to that extent.

I can remember that the Mosman Park Road Board was under a serious disability because there was a good deal of suitable land wisely purchased by the Government whilst it was cheap, but because they were not paying any rates on it there was an added burden on other ratepayers in the road board district. I think another place should be supported in this matter, because its object is firstly to see that large areas of land are not withheld from building by the Government for long periods without making much contribution to rates and, secondly, it is to ensure that the owners of land—whether Government or private—shall pay rates upon the land they own.

Mr. Griffith: Do you seriously think the local authority would reduce its rates?

Hon. J. T. TONKIN: I seriously think the local authority would take some steps to reduce its rates.

Mr. Griffith: You have not answered my question.

Hon. J. B. SLEEMAN: It has already been pointed out that the Commission obtains quite a lot of land at a low price and the people who get the homes that are built on it are going to get the benefit of that. In Mosman Park the Commission is buying land at £35 a block on which they pay rates accordingly, whilst the people

next door, whose block is worth probably £120 or £140 are paying a much higher rate. Those people are going to pay for the amenities which will be supplied by the local authority in that district. This Bill is in danger, too. There are other clauses which are urgently required, for instance, the one which raises the amount under the interpretation of worker from £500 to £750, and that which raises the price of a worker's home from £1,500 to £2,000. We do not want to lose the Bill, and unless we are prepared to be reasonable we are going to lose it.

Hon. A. H. Panton: That is a new idea for the member for Fremantle.

Hon. J. B. SLEEMAN: Let the member for Leederville get on his feet like a little man and tell us what he thinks of it. I know he was one of the first men to get a worker's home and he should know something about it.

Mr. J. HEGNEY: I hope the Committee will agree to the amendment that has been returned here. It affects the local authorities a great deal. When the Housing Commission has completed its houses the persons who occupy them immediately approach the local authorities to provide amenities such as roads, footpaths and other necessities which go to make a modern town. Women complain bitterly because the roads are not surfaced and are inundated with dust in the summer time, but these amenities cannot be provided if the local authority has not the wherewithal to provide them. There are many instances where the Housing Commission does hold land which is out of use, and over a number of years the land would increase in value and the economic value would be fixed and the capitalisation of the available land taken into consideration..

The only reason submitted by the Government as an argument is that the tenant would have to pay a little more rent. Apart from that, the Commission itself recognises that it is not equitable and consequently this amendment is submitted. The chairman and secretary of the Bayswater road board have complained bitterly about the inequalities created under this proposed amendment. There will be two separate rating lists on the local authority's books, and this would make administration difficult. I think it is a fair and reasonable proposition which the local authorities are putting up and, for that reason, I hope the Minister will accept the amendment. There are other provisions in this amending Bill which are of importance and, if we disagree with the Council's amendment, there is a great possibility of their being lost.

Mr. BRADY: Several of the road boards have asked me to get an amendment similar to that proposed by the Legislative Council. For that reason I support the amendment. The majority of local governing bodies are finding it difficult to carry on the administration of their road boards and every pound that is taken away from them is making the position worse. I know of recent instances where the Housing Commission has taken over land. I was personally involved on the last occasion. I had four blocks on which there was a rating of 8s. per block so that the cost to which the Minister is referring, assuming there is a house built on one of these blocks, would after five years involve an extra £2 if the Housing Commission did the right thing. In the personal instance I quote I valued land, which the Housing Commission was desirous of taking, at £180. The Housing Commission said it was prepared to pay £160 so I let it go and lost £20 on the deal because I was anxious to help the building of homes.

In Belmont Park, Bayswater and Bassendean the rates are not more than 15s. a block and I feel the Housing Commission can well afford to pay these people the rates. It is difficult for road boards where, immediately these new houses are occupied, the tenants clamour for facilities such as roads, footpaths and so on. The least the Government could do is to pay the rates as suggested by the Council and I do not think the people who take over the property subsequently will be engulfed in great cost. A number of people are making land available at very low cost in order to help the housing proposition.

Hon. A. H. PANTON: Having been challenged by the member for Fremantle to stand up like a little man, and in view of what he said about my being one of the first to get a worker's home, I wish to make a few remarks. Why is there this sudden rush to seize on the Housing Commission? It is just as much a Government instrumentality as are churches and hospitals and other institutions for which rates have not been paid. For years I have heard Governments putting up a fight about paying rates to road boards for their own buildings. Every speaker so far has referred to the cry for amenities. That applies wherever the building of homes is undertaken. As road and footpaths in my locality were provided, up went our rates. I hope the Minister will stick to his guns. The mere fact of our continuing to disagree with the Council's amendment does not necessarily mean that the Bill will be lost.

Hon. J. B. Sleeman: You know what happens with managers at a conference.

Hon. A. H. PANTON: If a principle is involved, it matters little what the managers decide. I am astonished at the member for Fremantle. If there is any man in this Chamber who, over the last 26 years, has shown a desire to fight the Council, it is the hon. member. What has happened to him now?

Hon. J. B. SLEEMAN: The member for Leederville has not stated the case correctly. He referred to churches. If tomorrow it were proposed to rate the Church of Christ, what a row he would make!

Hon. A. H. Panton: I am not a member of the Church of Christ.

Hon. J. B. SLEEMAN: There is no analogy between churches and the Housing Commission. If a principle is right, I do not care where it emanates. The Housing Commission should pay a reasonable amount of rates on the blocks it holds. If it acquires blocks for £35 each, it is not right that ratepayers on similar blocks in the same locality should be rated on a value of £140. People want amenities and have to pay for them, and the Government cannot expect the local authorities to provide the amenities unless the revenue from rates is forthcoming. Some time ago I asked the Minister to receive a deputation on the question, and was told that there was no need for it as the Government intended to introduce a Bill that would satisfy the local authorities. Then I found that the provision in the Bill was not what we expected.

Hon. E. NULSEN: My sympathies are with the local authorities, but the amount involved will be small and it is only fair that the ultimate purchasers of the homes should not be required to pay rates until they obtain possession. After that they will have to pay for the amenities. It is not as if the Commission intended to acquire large areas and hold them for years. However, the Commission is a Government instrumentality and we should not break away from the principle observed over the years. Consequently, I agree with the Minister's attitude. If the Commission took over some of the land in my electorate, I would welcome it, because the building of homes there would result in increased revenue becoming available to the local authority.

Hon. J. B. SLEEMAN: If the amount involved is so small, why make such a song about it? It is a small amount where an individual is concerned, but when the Commission holds 50, 60 or 80 blocks for a long period, it is not a small matter for the local authority.

Mr. MARSHALL: I think members of the Council would have adopted a different attitude had they been personally liable for the rates. The Commission does not acquire land for the purpose of jobbing in it. If homebuilding were actively undertaken in a particular district, the local authority must realise that the result would be a larger population and higher values on which to assess rates than if the land had remained vacant. I feel that local authorities would appreciate the fact that the State Housing Commission is taking up large areas of land. Certain of them will be envious of those in whose districts the Commission is actively operating. There is much land that would lie idle for many years if the Commission did not acquire it for the sole purpose of speedily erecting homes upon it. In the circumstances I am inclined to think that the Minister's attitude is the correct one.

I believe that local authorities are hard pressed for sufficient money to do necessary work in their districts, but I do not know of any new area in which homes are built by private individuals either, where all the amenities required to give satisfaction to a home dweller are immediately available. It is only after homes have been in existence for some years and rates have accumulated that such work is carried out. In any event I do not know that much is likely to be done at present because of the shortage of labour and materials; and, with another war in sight, there is not much hope of manpower and materials being available for a long time to come.

The MINISTER FOR HOUSING: Members have raised one or two points which I regret I failed to bring forward when I submitted this amendment. There is the case of the Manning Estate. The Canning Road Board was receiving 5s. an acre for that until the State Housing Commission appeared with a plan to erect 1,100 houses. There are about 250 homes either erected or being erected in that vicinity on subdivided land, and the road board is now getting 30s. a block; whereas, if the Commission had not operated in that area, it would still have been getting 5s. an acre.

Not long ago a large organisation in the Eastern States which owns large areas of land in Western Australia was approached by us with an offer for a considerable quantity of that land. Under the Act, our chairman or secretary had an opportunity of obtaining the taxation returns of the company and could ascertain the figure at which the property was valued. As a result the company was offered between £35 and £40 an acre for the land. A representative of the company came from the Eastern States, however, and demanded £100 an acre. Yet the company was paying taxation on a value of £15 an acre. To be fair, the Commission settled for £50. That is going on all the time. The moment anyone with land has an inkling that the Housing Commission is going to increase land values by building houses, up goes the price.

Mr. Yates: The Housing Commission resumes land without people having a say.

The MINISTER FOR HOUSING: Yes, but it always pays a fair price.

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

Ayes	29
Noes	13
Majority for	16

Ayes.

Mr. Ackland	Mr. Nalder
Mr. Brand	Mr. Needham
Mrs. Cardell-Oliver	Mr. Nimmo
Mr. Cornell	Mr. Nulsen
Mr. Doney	Mr. Oliver
Mr. Fox	Mr. Owen
Mr. Grayden	Mr. Panton
Mr. Griffith	Mr. Rodoreda
Mr. Hoar	Mr. Thorn
Mr. Hutchinson	Mr. Totterdell
Mr. Mann	Mr. Watts
Mr. Manning	Mr. Wild
Mr. Marshall	Mr. Yates
Mr. McCulloch	Mr. Bovell
Mr. McLarty	*(Teller.)*

Noes.

Mr. Brady	Mr. Read
Mr. Coverley	Mr. Shearn
Mr. Guthrie	Mr. Sleeman
Mr. Hawke	Mr. Tonkin
Mr. J. Hegney	Mr. Wise
Mr. W. Hegney	Mr. Kelly
Mr. May	*(Teller.)*

Pairs.

Ayes.	Noes.
Mr. Hill	Mr. Styants
Mr. Abbott	Mr. Graham
Mr. Hearman	Mr. Sewell

Question thus passed.

Resolution reported and the report adopted.

Assembly's Request for Conference.

The MINISTER FOR HOUSING: I move—

> That the Council be requested to grant a conference on the amendment insisted on by the Council, and that the managers for the Assembly be the member for Leederville, the member for Wagin and the mover.

Question put and passed, and a message accordingly returned to the Council.

ANNUAL ESTIMATES, 1950-51.

In Committee of Supply.

Debate resumed from the 2nd November on the Treasurer's Financial Statement and on the Annual Estimates, Mr. Perkins in the Chair.

Vote—Legislative Council, £3,966:

HON. E. NULSEN (Eyre) [10.5]: I hope I shall not be too long. The Premier was generous the other night in allowing me to get the adjournment of the debate, so I shall try to reciprocate now by being as brief as possible. I wish to deal first with the question of natives, because I have made up my mind that I shall have something to say with respect to the native-born of this State until they get some amelioration of their conditions. I have always advocated the use of civilised methods in the treatment of our aborigines. I do not know why they should be penalised because of their pigmentation. They cannot help their swarthiness. Had they had the same opportunities as the whites, I am sure they would be an asset to the State. We would know them to be a people with a lot of dignity if we knew them as we should. I know them, I think, as well as any member here. I was associated with them back in 1898. In those days, we did not see half-castes because the natives realised that they did not want half coloured persons any more than we did, and in consequence they did away with them.

The natives have been treated unfairly, and I think that is a blot on the history of Australia. I have read books on the subject only recently and I know that a number of them were picked up by troopers for supposed cattle stealing in the early days. One particular native, as king of the accused, which he was, went along to put up a case for them. He put down his war material and walked along but, because he was black, he was not allowed to plead for his own people. A chain was put around his neck and he was dragged along until such time as life became extinct. That is just one instance of the treatment these people received. The member for Avon Valley said that the half-castes are a people beyond hope. I disagree with him. If what he said is true, it is only because of what we have done to them. I am satisfied that a time will come when they will be an asset to the country.

Hon. A. H. Panton: I direct your attention, Sir, to the state of the Committee.

The CHAIRMAN: There is a quorum within sight of the Chair.

Hon. A. H. Panton: I shall leave the Chamber.

Hon. E. NULSEN: I suppose that members have been listening to speeches for so long that they have gone to get a cup of tea or some other refreshment. If natives are treated as they should be, the time will come when they will be of some use to the country. Our aborigines can be educated, because they have brains, but they have never had educational opportunities as we have always looked upon them as not being wanted. A white person will pat his dog, and like him, but I knew white people in the back country who shot everything that was black. Why was that? It was because the whites had taken advantage of the native women, and of course the natives resented it and tried to spear them. So, out of vengeance, the whites decided that they would do away with anything black, irrespective of sex.

If we go back a few years we find that white people received similar treatment. I remember reading of the Todpuddle martyrs in 1834. On that occasion people were dying under the hedges because they had tried to form a union for their own protection. Many were sentenced to transportation to Australia and Van Diemen's land. Anyone visiting Port Arthur, in Tasmania, can gain a vivid impression of how those people were treated. I have often thought that we should have in our University a faculty of demonology, because we have acted like demons in our treatment of the natives.

The Mt. Margaret Mission was at one time in my electorate and I know that the natives there were clean and tidy. While at the mission they did fine work but, unfortunately, they were not wanted in our community and consequently drifted back to mingle with the bush natives, with the result that they did not turn out as would have been the case had they received proper treatment. In intellect and ability I think our natives are at least the equal of the negroes of America. Some members will remember the days when station black boys were taught to box. It was not long before they were better than those who sought to teach them, and consequently the practice was cut out. Such things are proof that our natives can hold their own with whites, both physically and mentally, if given the opportunity.

I have seen natives at the mission stations sitting up and having their meals at properly laid tables, just as the average white person does. Not long ago I had a trip to Darwin and called in at the Derby Leprosarium. The natives there were well satisfied, as they were being properly treated. Mr. Carroll and the sisters there are doing a wonderful job and the natives appreciate it. It is shameful to think that our natives are not entitled to old age or invalid pensions.

I know of one native who was a linesman in my electorate. He used to come to my store and buy £20 or £30 worth of goods and then return to his job. The other day he said to me, "I have done my work, but now I cannot get a pension." That is most unfair. The only way in which he could secure a pension would be by first obtaining a certificate of exemption which, in turn, would mean that he would have to sever all connection with his tribe and live, as it were, abandoned.

Mr. Yates: Is child endowment paid for native children?

Hon. E. NULSEN: Yes, but natives do not receive the old age pension or the maternity allowance. I am very glad that the member for Kimberley has brought down a measure —which I hope will be passed—dealing with the citizenship rights of natives. It is only justice that the children of natives who have been granted citizenship rights should also be granted those rights. I feel that I must never miss an opportunity of saying a few words in support of our natives, as they have been treated with so much injustice.

Mr. Yates: Are you satisfied with the administration of the Native Affairs Department in the last five years?

Hon. E. NULSEN: The new administrator is doing a fairly good job, but much remains to be done and it will take time. The member for Avon Valley is very pessimistic about our natives, but that is probably due to our treatment of them in the early days, and is entirely our own fault. Had we received the same treatment as the natives have since the foundation of this State I believe our standards would have reached an even lower level than theirs.

Mr. Yates: Do you favour Federal or State control of natives?

Hon. E. NULSEN: I am inclined to favour State control as I think Australia is too big for any Government properly to look after one section of the people throughout the Commonwealth. I think that even this State is too big for efficient administration from the metropolitan area. I will deal next with education.

The Premier: Could you not deal better with that subject when we are debating the Education Vote?

Hon. E. NULSEN: I will deal briefly with the subject now. I am grateful to the Minister and the department for the concessions granted in my electorate. The school buses have proved to be a wonderful boon and at Salmon Gums, where there were previously only eight pupils, there are now, due to the school bus, 40 pupils. That shows the value of the service, in that it has increased attendance at that school by 400 per cent. The Esperance school has also been provided with much needed amenities, which the pupils there are now enjoying.

I have, however, a grouch with regard to the Norseman school, where there are 358 pupils in eight classes. There are two classes of 53 children, two of 49, one of 44, one of 35 and one of 27, and the school is over-crowded. The time is rapidly approaching when further accommodation will have to be provided. If the Norseman pyrites deposits are developed the population of that centre will increase rapidly and, in any event, we are expecting over 400 pupils at the Norseman school at the beginning of next year. Lack of accommodation will become an urgent problem there if the position is not remedied soon.

The Minister for Education: I think we have it on next year's list.

Hon. E. NULSEN: There are enough desks down there but they are most unsatisfactory. They are unsuitable for the children because they are too small and, even if they were lifted up two or three inches, that would still not make them suitable. They have poor back supports and the majority of them are of the very old type. So, I hope the Minister will scrap all these old desks as soon as possible and put in something more up to date. The Norseman school is an important one and if the Minister could see the children cramped up in these very unsuitable desks then he would realise that something should be done.

Renovations have been promised and a supervisor has been down there to inspect the school. I realise that this work is the responsibility of the Public Works Depart-

ment but the work should have been carried out long before this, and I feel there has been some neglect on the part of that department. There is not a manual and craft room down there and I consider that two of these rooms should be erected as soon as possible. Other minor repairs should also be carried out.

To my mind some consideration should be given to an alteration of the school curriculum. For instance, parsing and analysis should be omitted. What does it matter if a particular word is a noun, verb or adverb? In England these two subjects were cut out many years ago and will never be restored. Professor Bellard, a famous educationist, has said that parsing and analysis are a waste of time and will never be restored to the English curriculum. At one time the schools taught the eight parts of speech and a lot about tenses and moods; but some of that has been cut out and I sometimes wonder whether some of the analysis and parsing could not, with advantage, be dispensed with. Etymology, syntax and prosodig should be taught but on broad lines because it is only a matter of time before these boys and girls attend the university and through reading they equip themselves in that direction.

The time is long overdue for a revision of our curriculum, but unfortunately those in charge of the Education Department are very traditional and stick to the old mode of instruction without giving due consideration to more modern methods. Let us, for instance, take arithmetic. I think too much time is wasted on that subject. Too many unreal problems are put before children. I will give an example: If seven-sixteenths of my money equals £3 9s. 5d. how much money have I? That is an unreal proposition and I do not think that will help our children to think mathematically. The majority, after they leave school, deal only in money sums, so I feel that that time could be better spent in other directions.

I often wonder, too, whether visual education is all that it should be and whether we are ready for it in our schools. A good deal of time is wasted on that subject, because on many occasions the pictures shown to the children are not suitable for the school or for the type of class. Wireless, too, is an innovation and probably does a lot of good, but if the teacher cannot do as well as the person on the wireless, then the teacher should not be there. All these are innovations in our educational system but to my way of thinking they are not of any great benefit.

Some consideration should be given to civics and teaching children to be good citizens. They should be taught more about local government but they do not seem to be given any lessons in that regard. They know nothing about Parliament and very few children who leave school know anything about local government democracy, autocracy or our social structure. Those subjects are valuable and children should know something about them. When in Tasmania, I had a look at the area schools. Any member who goes there should inspect these institutions because they are doing a wonderful job and are teaching children what is necessary for them in later life.

I have a book with me which gives all sorts of illustrations. It shows the children pulling flax on school plots; it shows the school library; a bicycle brigade; school buses and all sorts of other things. The children participate in all those pursuits and they learn kitchen gardening, how to lay water pipes, cooking, blacksmithing and so on. That type of education gives them a good idea of the things they require when they leave school. If a child's parents are orchardists he can be taught how to grow fruit and do work that will be of use to him in later life. These area schools are playing a great part in the educational system in Tasmania. So, I hope that some consideration will be given to our curriculum. We should really see whether we can model our country schools on the system adopted in the Tasmanian area schools.

There is another subject of importance to which I shall allude, namely, the flying doctor service. Many people, especially in the metropolitan area, do not realise the good that is accomplished by the service. They do not appreciate the enormous significance of the task that is mainly carried out in an honorary capacity by those participating in it, although a few are paid. To let members have an idea of the organisation I shall quote the names of some of those associated with the work. The officers include the following:—

Patron: Sir Ernest Lee-Steere.

President: Mr. H. R. C. Adams.

Vice Presidents: Mr. John Forrest and Dr. H. G. Dicks.

Councillors: Dr. King, Mr. E. A. Black, Capt. H. C. Miller, Mr. W. M. Powell, Mrs. Dempster, Mr. H. C. Stitfold and Hon. E. Nulsen, M.L.A.

Associate Councillors: Messrs. C. A. Hendry, W. E. Coxon and E. G. Mears.

Port Hedland Advisory Committee: Messrs. L. A. Gordon, G. A. Lewis, R. W. Middleditch, R. Parsons and W. Thompson.

I have not the names of the pilots but the radio technical officer is Mr. W. E. Coxon, the radio base operators are Messrs. Hull and Bardwell, and the secretary is Mr. C. A. P. Gostelow, M.C., J.P., F.C.A.Aust.

The object of the flying doctor service is to help the men, women and children in the outback country. Prior to 1928 the sick and injured in those distant parts were often compelled, because of lack of

adequate means of communication and of medical services, to undergo great suffering, resulting unfortunately all too frequently in the loss of valuable lives. The Rev. John Flynn, O.B.E., conceived the idea of relieving the situation and he was the real instigator of the service. He had many disappointments but he kept on in his endeavours. Wireless telegraphy and aviation were both in their infancy but attempts were made to make use of them. Later on the two-way communication system was evolved and a young fellow, W. A. Traeger, O.B.E., was the inventor. That has proved a wonderful boon.

At some of the outback places where outposts have been established, there are not only medical officers and hospital facilities but one or more aircraft fitted out as ambulances. Special medical chests are supplied at the outposts and all medicines are numbered so that in cases of illness or injury a doctor can quickly prescribe by wireless the necessary medicines for sufferers. With the advent of the flying doctor service the safety of the women and children in these far-distant parts has been greatly safeguarded and people are more contented there these days than they were formerly.

The service has a great many well-wishers but only 250 subscribing members. The membership fee is £1 1s. We should have at least £2,500 for the work that is being carried out. The medical flights made in the ambulance planes in the area I have mentioned of 100,000 square miles from Meekatharra to Carnarvon and Port Hedland, totalled 285. In the course of these flights, the doctor travelled 54,602 miles. Some 78 emergency flights were made and 71 patients were brought by air to hospital. The flying doctor attended 1,550 patients. Medical advice was sought by radio through Port Hedland alone on 105 occasions. At Meekatharra 107 calls for medical advice were received and the plane was sent out in answer to nine calls. The ambulance planes we have are a Dragon and a Fox Moth, both of which are out of date. The whole trouble is that the organisation is lacking in funds. The State Government has assisted commendably and so has the Commonwealth Government, but the public have not done much at all.

Hon. F. J. S. Wise: We are trying hard to establish a new post at Carnarvon, but it is difficult to get the necessary money.

Hon. E. NULSEN: That is so and I know the money part of the matter is most difficult. The reason I have mentioned the flying doctor service tonight is my desire to get people to wake up to a sense of their responsibility and assist the good work carried out by the flying doctor in the outback parts of the State. If they could only understand how the people hundreds of miles away appreciate the work, I believe more would become subscribers.

The Department of Civil Aviation has been very helpful and so have many others. Father Bryan of Port Hedland deserves the gratitude of the people throughout the State because of the manner in which he has rendered assistance when we have found ourselves in difficulty through not having sufficient planes to carry out the work. Transceivers connected with the base have functioned excellently. Of the outposts in the network, Meekatharra has 52 and Port Hedland 41. The telegrams handled at Meekatharra totalled 11,336 and at Port Hedland 10,875, aggregating 22,211, handled on behalf of the people living in the outback and producing the real wealth under hard and adverse conditions.

The words embodied in the telegrams handled totalled at Meekatharra 209,827 and at Port Hedland 190,440, or an aggregate of 400,271 words. Five years ago we had only 44 outposts altogether and handled 7,403 telegrams, the words involved aggregating 141,360. Members will see how the popularity of the flying doctor service has increased and will appreciate the good work it is doing on behalf of the people in the far-distant parts of this huge, wonderful State of ours. We find now that with the progress made we cannot get further transceivers made by Mr. Traeger of South Australia. As a result our own technical officer, Mr. W. E. Coxon, has manufactured 25 sets to keep us going.

Finance is the problem and I hope the public of Western Australia will realise the good work carried on by the flying doctor service in this State and will come to the aid of those who are assisting us in developing this huge State and not sitting in armchairs. If women, children or natives in the outback have an accident or are sick, and it is necessary for them to have medical attention, an ambulance plane is sent to pick them up and carry them to the doctor or, where necessary, the doctor accompanies the plane. This concern has shown a deficit as a result of helping those in the far flung areas and it is not getting the support it deserves. I now come to my favourite subject; a flat rate for water.

Mr. Marshall: Do not give up till you get it.

Hon. E. NULSEN: I am not likely to until I leave this House.

Mr. Marshall: You could not advocate an extension of the pipe-line from Mount Barker to Kanowna, could you?

Hon. E. NULSEN: If the Government would give me an extension from Mount Barker to Norseman I would be pleased. I would like to have it by any method. I asked a question of the Minister for Water Supply as to why the rate for water on the Goldfields was 3s. per thousand for domestic purposes and 7s. for mining and trading purposes, whilst in Perth it is only 1s. I did bring down a

small Bill, which was ruled out as unconstitutional, to achieve a flat rate for water, and on that occasion I said that if the Government increased the metropolitan water rate by 9d., it could decrease the rates in the Goldfields and other centres, make a flat rate throughout the State, and still receive the same amount of revenue as it was getting then.

Mr. Yates: You are talking about Government water supplies only.

Hon. E. NULSEN: Yes. I know there cannot be a very great charge made for irrigation, but I went into some figures for the years 1947 and 1948 and found that people in the irrigated areas were getting water for irrigation purposes at under ½d. per thousand gallons. Considering that the primary producer is obtaining a wonderful price for his products, if we were to increase that rate only a little we would be able to give greater consideration to those people living in the outback. I had the pleasure of opening the horticultural show at Norseman and the small amount of water they are getting there has proved of great value in the growing of fruit, flowers and vegetables.

When I asked the Minister for a reduction in the water rates for gardening purposes only, he replied that he could not give any concession because, firstly, there was a shortage of water and he was afraid they would use too much and, secondly, he thought they were getting it cheap enough at 3s. per thousand gallons. If we want to keep the people in the back country we have to give them amenities, and the means by which they can grow fresh vegetables and other necessary commodities which materially assist in brightening up their living conditions in those parts. Until we attain a sense of responsibility for them I do not know how the State is going to develop. Even if the water rate were increased by 1s. per thousand in the metropolitan area, it would not be penalising the consumers to any great extent, and they would be helping those who are assisting them to remain in the city.

If we were to put a fence around the metropolitan area, at say, a radius of one mile outside of the country districts, it would not be long before the residents in the metropolis would be living on the proceeds of doing each other's washing, because they could not possibly live otherwise. Seeing that water is next to air as one of life's necessities the Government should give every consideration as soon as possible to the granting of a flat rate. I am satisfied it could be done although the department tells me otherwise. It is only a matter of carrying out the resolution which was unanimously passed in this House—

The Premier: Not unanimously.

Hon. E. NULSEN: —agreeing to a flat rate for water. The Premier is a country man himself and I feel he will endeavour to do his best as soon as possible to fix a flat water rate for country people.

Mr. Yates: The scheme should have been instituted 40 years ago.

Hon. E. NULSEN: I agree. There are other commodities which should also be on a flat rate because the people in the country are assisting those in the city by enabling them to be employed in secondary industries. However, we do not seem to consider that fact because the majority of the population live in and around the metropolitan area. Before the distribution of seats there were 35 members of the Legislative Assembly representing electorates none of which went beyond a distance of 75 miles from Perth. That left 15 mem-members to represent the rest of the State. This State has an area of 975,920 square miles and an acreage of 624,588,800 so if we take the metropolitan area out of that we realise that the 15 members have a very big job and do not receive the consideration they are entitled to on behalf of their electors.

The Eyre Highway which links Western Australia with the Eastern States provides a very interesting trip. It offers wonderful potentialities to foster the tourist trade. I do not think the Government has given nearly enough publicity to it according to the reports I have read in the Press. Even Idriess, the prominent Australian author, has stated that he had a very enjoyable trip over it and he wondered why we did not give more publicity to that wonderful highway. Great distances have to be travelled over it. The following are the distances between Coolgardie and the various capital cities:—

			Miles.
Coolgardie	to	Adelaide	1381
Coolgardie	to	Melbourne	1981
Coolgardie	to	Sydney	2670
Coolgardie	to	Brisbane	3346

The tourist trade along that highway could be greatly increased if more publicity were given to the accommodation provided along the route. At Madura there is what is called the "Hotel Madura" and there are two fine hotels at Norseman. Tourists could be encouraged to make a trip from the Eastern States travelling through Esperance, Albany, Pemberton, Bunbury, Busselton and so on to Perth and on their return journey they could travel back through the Goldfields. It is very cheap to travel by road. I read in the paper the other day of a motorist who came from Brisbane to Perth at a cost of £17, which was the price of the petrol. I think the idea of most people in the Eastern States, and also a number in Western Australia, is that the Eyre Highway is a sandplain. It is not a sandplain; it is a road, and a very interesting road. We have a number of very good tourists and motorists, but on

the other hand there are others who are thoughtless and irresponsible. A. C. Crocker, of Balladonia Station, and Mr. Gull, of Fraser's Range Station, which are on the Eyre-highway, had a good deal of trouble with their gates. They complained bitterly and thought that the penalty was not severe enough for people who leave gates open.

It is necessary on these grazing properties to have a boundary fence. But these thoughtless tourists go through and leave the gates open, and dingoes and wild dogs either jump over the ramps or walk through and play havoc with the sheep. These station owners have registered their gates with the various local authorities, and have put up a notice which says, quite politely, "Please Shut This Gate." However, on one occasion, Mr. Gull got so annoyed that he put a notice on his gate, "Shut This Bloody Gate!" That may not be parliamentary language, Mr. Chairman, but it brought the tourists to heel, and since Mr. Gull had that notice put on his gate he says even the gypsies have closed the gate. He is very pleased with the result, but other pastoralists who do not use such expressive adjectives are still having their gates left open.

The fences on these properties are dog-proof and have cost the settlers thousands of pounds. If there is any damage, or the gate is left open, one dog can get in and cause hundreds of pounds' worth of trouble. That is not fair, and the penalty for leaving these gates open should be increased. We know that meat is scarce and that wool is dear, and these irresponsible and thoughtless fellows are causing tremendous loses by their carelessness in leaving the gates open. If I had had time I would probably have brought down an amendment with a view to fixing the penalty at £100, with a minimum of £25 or gaol, for anyone who left gates open on those properties. By leaving the gates open, people permit wild dogs and dingoes to get in, and do hundreds of pounds' worth of damage. When a dingo gets into a paddock it takes weeks to locate it, and sometimes it is not found at all.

Station-owners have complained that their signposts have been stolen. Consequently big trucks come along, smash the gates and tear down the fences. It is very difficult to get labour in those districts and it takes days to repair the gates, and some are in such a state that they are beyond repair and new fences have to be established. The A.B.C. has been very co-operative and has put warnings over the air to these thoughtless people that spoil things for the good tourists, to the effect that settlers expect them to close the gates and save them the terrible loss that a number of them have suffered.

Of course, a number of tourists say that the pastoralist is a rich man and is getting a good price for his wool. Balladonia Station has been established for 75 years and it has had a very bad time. Generations have died there without enjoying the benefits of the city. Now that they are having a few good years they are being penalised by the actions of these irresponsible tourists, who drive motorcars, when they should have no right to do so, leave gates open, and cause an immense amount of damage. We want these tourists to come over but we want them to have a sense of responsibility.

I would now like to touch on shipping at Esperance. Again we are looking for a regular monthly service. We have a wonderful hinterland and a population of over 40,000. I would advocate a zoning system similar to that in Queensland, and every port should have its natural traffic. If Esperance had its natural traffic, it would today be a big place. A great saving would be effected if the port of Esperance were used. Norseman is 352 miles nearer Esperance than Fremantle, and the Eastern Goldfields 134 miles nearer to Esperance than Fremantle. That is a big saving, and congestion at Fremantle and on the railways would be avoided.

Mr. Owen: How many miles from Norseman to Esperance?

Hon. E. NULSEN: It is 125 miles. It would be a great saving from a transport point of view. In regard to pine forests—

The Premier: I wrote to you about that.

Hon. E. NULSEN: If it were not so late I would have a lot to say about it.

The Premier: What about the Forestry Vote?

Hon. E. NULSEN: So far as our pine forests are concerned, it seems to me that Western Australia is really too big and it would be better if that part of the State could be separated from this part, because we would then get more consideration from the department. Even in regard to pine forests, the department is concentrating on the metropolitan area and the near vicinity, because it says that is more economical. These people have gone into the country a long way out, and we have proved that pines can grow there. But, because of the distance, the department is making excuses and saying it will have to go into soil analysis and do a lot of work before it can consider the pine question at Esperance. We have a fine country with a 25-inch rainfall, and further consideration should be given to this matter. I know the Premier would be very annoyed if I dealt with the Electricity Commission, because I could speak for an hour on that subject alone; but I will leave it for some other day, probably next year.

Insofar as pyrites is concerned, the economy of Western Australia will benefit greatly through the development and production of pyrites at Norseman for making sulphuric acid required in the manufacture

of super. in this State. This would relieve the dollar position and make the State independent of supplies of brimstone from the United States of America and Sicily where there is a shortage, and in addition, the cost of it is compelling us to make use of pyrites. I believe that the Government recognises that this is so. There is an extensive ore body of pyrites at Norseman sufficient to provide supplies for 50 to 100 years. Mr. H. S. Seward has been investigating the question and has done a very good job up to date. We are grateful to the present Government for what it has done to assist the industry, as well as to the Wise and Willcock Governments. But for them, the pyrites deposits would not have been developed to the extent they have. The company was in dire financial straits at the time, but the Government came to the rescue and assisted it out of its difficulties.

As to the establishment of superphosphate works at Esperance. I emphasise that this is an undertaking that should receive careful consideration. To convey the phosphatic rock to Esperance would cost no more than to transport it to Fremantle, Bunbury or Albany. The deposit of pyrites is only 125 miles from Esperance and the grade to the coast is downhill and so the cost of conveying the pyrites from Norseman to works at Esperance would show a saving of about 330 miles in transport costs. I consider that super. works should be established at Esperance and that the whole of the State's requirements of super. should be manufactured there.

Hon. J. B. Sleeman: For the whole of the State?

Hon. E. NULSEN: Yes. If the pyrites were transported from Norseman to Esperance twice the quantity could be carried with the same transport as compared with bringing the pyrites over a congested line to the metropolitan area. The manufacture of the super. should be carried out at a point nearest to the source of the sulphur supplies and that point is Esperance. If the whole of the State's requirements of super. were manufactured at the one establishment, administration costs would be much lower, and there would be no duplication of the expense for the technical officers required in the industry.

Instead of having factories at Bassendean, Picton, Geraldton and Albany, we should have one manufacturing establishment at Esperance, and I suggest that the business should be undertaken by a co-operative company consisting of the whole of the users of super. in the State. There is no reason why the production of super. should be in the hands of private enterprise. This industry should be controlled by the users. Members might demur at the heavy capital investment incurred by the existing companies, but I point out that a lot of their machinery is out of date and even obsolete, and that other equipment will be required in order to change over from the burning of brimstone to the burning of pyrites. This alone will entail the installation of quite a lot of modern machinery; in fact, almost all the equipment used for burning sulphur will have to be replaced in order to burn pyrites.

I am firmly of the opinion that a flat rate per ton should be charged for super. throughout the State. Why should a farmer, say, at Northam or just outside of Bunbury get super. at 4s. or 6s. per ton cheaper than people in other parts of the State? The cost of conveying super. to the Esperance district is £1 to £2 per ton. All of our primary producers have to compete in the one market, and those located in districts distant from Perth or from the source of super. supplies do not receive any subsidy or protection for this disadvantage. Therefore, it is only fair and reasonable that primary producers throughout the State should get their super. at a flat rate.

It may be said that, if a co-operative company were formed to undertake the manufacture of super. for the whole of the State, there is no reason why the company should not run the boats necessary to make the distribution of 500,000 or 600,000 tons annually to the several ports so that the distribution could be continued by rail or truck to the points in the hinterland where it was required. Of course, this scheme would cost a lot of money, but it would be large expenditure spread over a long period.

Super. will be needed by our farmers for perhaps the next 100 years. True, science might find some other form of fertiliser that will entail less weight, but so far as I have been able to learn, super. will be needed for a very long time. As I said before, in our pyrites deposit, we have a supply already proved that will last anything from 50 to 100 years. Hence even if the outlay involved was millions, it would not be long before the borrowed money, with very small interest, could be repaid, and the Commonwealth Government could reasonably be asked to assist such a co-operative company. The use of super. on our land is indispensable; primary producers cannot possibly carry on without it. Therefore I say that though the cost of the scheme might be high, it will be relatively small when spread over 50 to 100 years.

I suggest that the Government set up an independent committee to investigate the manufacture of super. for the whole of the State in the way I have outlined. I consider that the administration costs of the companies are too high. The companies are not greatly concerned about the cost of super. to the primary producer; they know he must have it. Further, I believe that if there is any profit to be made on the manufacturing side the men

on the land who produce the real wealth of the country should receive the benefit of it.

I hope that the Government will appoint an independent committee to investigate ways and means of manufacturing super. in the cheapest possible way. If a more suitable site than Esperance can be found for the factory, I shall not object, so long as the cost of super. to the primary producer is reduced. Looking at the proposal from a business angle and taking a logical view of the position generally, I cannot believe that there is any better centre for the economical manufacture of this essential commodity than Esperance, seeing that it is so near to the source of the material requisite for its manufacture. As I have already pointed out, to convey the phosphatic rock to Esperance would cost no more than to ship it to other ports. But it will require a lot more money to take pyrites to any other part of the State. Water transport is very cheap provided there is a good load. Even if it were necessary to have a 10,000 ton or a 15,000 ton or a 20,000 ton boat for the distribution of sulphur in the bulk to the various parts of this State it would work out much more economically than is the case today.

I hope we will not have experts on the proposed committee because my experience of them is that they have always retarded progress. They look at things from a traditional point of view. I would sooner have people with commonsense. I am not saying that the experts have not commonsense but they are traditional. They are something like our legal friends. They look for a precedent and always want to be on the safe side so far as their reputation is concerned. The logical place for the manufacture of super. in this State is Esperance. I know that everybody will not agree with that because there are people with capital invested in this business who will put up very good arguments against what I have said and, even if it could be proved that super. could be produced at Esperance for the whole State at 10s. a ton cheaper than elsewhere, they would find some way out.

Hon. J. B. Sleeman: Did you not know that we are going to get pyrites from Southern Cross?

Hon. E. NULSEN: I think this business has been gone into thoroughly and it is considered that the Norseman deposit is the highest grade in Australia.

Hon. J. B. Sleeman: You ask the member for Merredin-Yilgarn.

Hon. E. NULSEN: He is a man of commonsense and he knows that the deposit at Norseman is of a higher grade than that in any other part of the State.

Progress reported.

House adjourned at 11.14 p.m.

Legislative Council.

Tuesday, 14th November, 1950.

CONTENTS.

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

BILL—BUILDING OPERATIONS AND BUILDING MATERIALS CONTROL ACT AMENDMENT AND CONTINUANCE.

Read a third time and returned to the Assembly with amendments.

BILL—BUSH FIRES ACT AMENDMENT.

In Committee.

Resumed from the 9th November. Hon. J. A. Dimmitt in the Chair; the Minister for Agriculture in charge of the Bill.

Clause 13—Section 22A added:

The CHAIRMAN: Progress was reported after Clause 12 had been agreed to.

Hon. A. L. LOTON: I move an amendment—

> That in line 4 of proposed new Section 22A the word "shall" be struck out and the word "may" inserted in lieu.

If the clause is amended as I suggest, it will make the taking out of insurance policies permissive instead of mandatory.

The MINISTER FOR AGRICULTURE: I have no objection to the amendment. I regard the whole question of insurance as unsound. If the amendment be agreed to, this particular provision will mean absolutely nothing and we might just as well cut it out altogether.