

Legislative Council.

Tuesday, 1st December, 1942.

	PAGE
Assent to Bills	1621
Motion: Potato industry, as to Commonwealth regulations	1621
Bills: Income and Entertainments Tax (War Time Suspension), JR.	1623
Road Closure, 2R., Com., report	1623
Reserves, 2R., Com., report	1624
West Australian Meat Export Works, 2R., Com., report	1624
Increase of Rent (War Restrictions) Act Amendment, 2R.	1629
Death Duties (Taxing) Act Amendment, 2R., Com., report	1630
Evidence Act Amendment, 2R., Com., report	1630
Lotteries (Control) Act Amendment, 2R., Com., report	1631
State (Western Australian) Alunite Industry Partnership, 2R.	1639

The PRESIDENT took the Chair at 2.15 p.m., and read prayers.

ASSENT TO BILLS.

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

- 1, Justices Act Amendment.
- 2, Criminal Code Amendment (No. 1).

MOTION—POTATO INDUSTRY.

As to Commonwealth Regulations.

HON. H. V. PIESSE (South-East)
[2.20]: I move—

That, in the opinion of this House, the suggested action of the Minister for Commerce to lift the regulations governing the sale of potatoes will cause chaotic conditions in the industry in this State and financial loss to the growers who, through the promise of controlled marketing and the requirements of military supplies, were induced to sow potatoes, and, in many instances, to plant an increased area; and further, that the Government be asked to protest emphatically to the Prime Minister against the threatened action of the Minister for Commerce.

My reason for moving this motion is based on Australia-wide consideration, because it is really a Commonwealth matter. Members may have read the following article, dated the 19th November, which appeared under the heading "Potato Marketing Restrictions to be Lifted," in "The West Australian":—

Restrictions on potato marketing would be lifted as soon as ample stocks were available, except in case of growers who had contracts with the Government, said the Minister for Commerce (Mr. Scully) today. Restrictions

have been imposed principally to secure adequate supplies of seed potatoes for growers. The record crop now expected would not have been possible but for this action.

Mr. Scully said that private growers would be free to market as they wished or to give gifts of potatoes when the restrictions were lifted. Potatoes would be dehydrated on a large scale and surplus crops would be handled this way. Dehydrated potatoes would be made available to the public in the event of any future shortage of this vegetable.

Following on the publication of that report, I made a statement to "The West Australian" in the course of which I said that I thought the lifting of those regulations would bring about chaotic conditions among the growers in the industry. In passing I might say that on Sunday the 4th October last, Mr. F. Grogan, Deputy Controller for the State, spoke over the air and outlined what the Potato Committee and the Agricultural Department, in co-operation, were doing regarding this industry. I remember listening with great interest to that broadcast because he stated that no grower could give potatoes away or sell them through any channel other than that arranged by the committee, which is under the control of Mr. A. C. Foster. It is a Federal committee founded in the Eastern States, and every potato offered for sale in Australia at the moment must pass through it.

In Western Australia we have a scheme by which a broker regulates the supply of potatoes to the merchants and they, in turn, work on a fixed profit basis and the potatoes are then sold to the public through the usual channels. None of the people handling the potatoes is securing an excessive profit, and the public has received the benefit. The potatoes available have been distributed throughout this State and right throughout Australia. If Mr. Scully takes action as contemplated there is no doubt that all these regulations in connection with the marketing of potatoes will go by the board. The only contracts that will have a minimum price will be those of the Armed Services. The committee is under the chairmanship of Mr. E. G. Morgan, an officer of the Agricultural Bank who controls that section of the industry for the bank; Mr. Foster is controller under the Federal Scheme and Mr. Grogan is his deputy.

The work of the committee has been very arduous. There are two representatives of the growers, one from the South-West dis-

tricts, and the other from the Denmark-Albany district. The members of the committee have met each fortnight and good results have followed their work. The cost of potatoes to the public is by no means high. Thanks to the Department of Agriculture and the committee, the price within the last six weeks has been increased to £13 per ton, but no sooner had that price increase taken place than Mr. Scully proposed to lift the regulations. If they are lifted, those growers who are not under contract to supply may find their price down under £5 or £6 per ton.

Hon. C. B. Williams: Is the object to provide cheaper potatoes?

Hon. H. V. PIESSE: That is behind Mr. Scully's argument. It does not matter that the Prime Minister, Mr. Scully, and others have asked the growers to produce more potatoes. Men have been sent all over Australia to urge increased production. The Controller of Agriculture in Queensland, who has lately been appointed to the Commonwealth service, has been one to urge growers in Queensland to produce more potatoes. Holders of grazing and wheat properties as well as of other land have also sown increased acreages, not so much with the thought of making a profit, because in those areas there is little chance of making a profit, but because they were asked to make additional quantities available, firstly for the Fighting Services of the Commonwealth, and secondly for the civilian population.

A few growers in the South-West have had the opportunity to get their crops dug and have received the export price. I understand that about 2,500 tons of potatoes have been exported from this State. This is the great advantage of the scheme: It does not matter what quantity is exported, the price to the consumer will not be raised by one half-penny if the scheme is kept in operation. Surely the consumer does not wish to receive a product raised by our producers at an absolutely dead loss. At present the digging of potatoes is costing 3s. 6d. per bag, which means about £2 10s. a ton, and that is only one of the costs. The Commonwealth and State Governments and departments have exhorted the people to plant crops in excess of those sown in the past. This has been done. If the regulations are lifted, the ample stocks now available to the public will suffer.

When speaking at Denmark last week, I urged the growers to do their utmost to organise and assist the State Minister for Agriculture in his efforts. That is my object in moving the motion today. I am not criticising in any way either the State Government or the Department of Agriculture. I have taken action purely with the object of assisting the department and the Government. The growers throughout the State should call meetings to protest against the lifting of the regulations, and in this way, if possible, block the carrying out of Mr. Scully's proposal.

On the 19th November the Minister for Agriculture was reported in "The West Australian" as having replied to a question by Mr. Withers, as follows—

During November and December, when a surplus existed, the export parity price determined the local price. Prices had ranged from £3 15s. a ton in 1937 to a maximum of £9 3s. in 1940. Prices were forward on rails, Perth, growers receiving approximately 15s. less than the prices quoted. Normally storage is necessary. Owing to the shipping difficulties, arrangements had been made to store the surplus to prevent a collapse in the local price.

Such a collapse occurred two years ago. I recall the good work done by Mr. C. Selerian of Waroona, assisted by Hon. L. Craig, M.L.C., who was a director of the freezing works. Those works were able to store 1,400 or 1,500 tons of potatoes, which steadied the market, but did not raise conditions to a high standard because the Prices Commissioner has never on any occasion agreed to a parity price for Western Australian-grown potatoes. In the Eastern States the price of potatoes has been in the vicinity of £3 to £5 higher than in Western Australia.

Hon. C. B. Williams: Will you give the true explanation of that?

Hon. H. V. PIESSE: Yes. Professor Copland stated that he had studied the graph relating to Western Australia, and on that account could not raise the price, regardless of the fact that Tasmania was sending potatoes to New South Wales at £15 and £16 per ton while Western Australian growers were placed on a £12 basis. Is it reasonable or right that an Eastern Stater like Professor Copland should be left to judge what our production costs are? We know what they are. Those of us who were on the Federal Advisory Committee know that the cost of production in Western Australia is greater than that in any other State,

though the return per acre in Western Australia is far above that of any other producing State. The Minister for Agriculture also informed Mr. Withers—

The Department of Agriculture to the 19th November had collected £1,020 in license fees from potato growers. The Potato Advisory Committee administering the trust fund was considering means whereby organisations representing growers might be established in all districts.

I am pleased to know that the Act providing for the registration of growers has been put into operation, and I feel sure that at this juncture it is going to prove of very great help to the growers. Mr. Williams is a great organiser of labour in his district, and he should agree with me in the opinion that the potato-growers should organise to protect their interest and labour.

Hon. G. W. Miles: Of which freezing works is Mr. Craig a director? ?

Hon. H. V. PIESSE: Lamb freezing works! Restriction has been imposed principally to ensure adequate supplies of seed potatoes for growers. The record crop now expected would not have been possible but for this action. Now a large quantity of Western Australian potatoes has been exported for seed at considerably under parity price fixed in the Eastern States, and the Federal Minister, after taking supplies of seed at the fixed price, is proposing to lift the regulations. That price was unpayable to the growers of Western Australia, as anyone interested in the industry knows.

Hon. C. B. Williams: What price do they get for seed potatoes

Hon. H. V. PIESSE: From £9 to £10 per ton. There is extra cost attached to the production of seed potatoes; every bag has to be inspected and certified by a Government inspector. After having taken the potatoes from the consumers as well as from the growers—and I repeat that the growers did not get the price they should have received—Mr. Scully intends to throw the producers to the wolves. That is what I am complaining about. He said the rest of the crop could be marketed in an unorderly manner. That will be so. Anyone will be able to send potatoes to Perth. The military authorities will have to take the responsibility of controlling their own supplies. The men handling potatoes for the committee today are experts. Those who were handling the supplies for the military

authorities last year were not experts. We read of the losses that took place on account of over-buying. Today the military authorities say they require some 300 to 500 tons of potatoes this week, and they accordingly advise the Supply Department. Through the committee I have mentioned, the military authorities are first supplied, and then civilian needs are met.

I was pleased to read in the Press of the co-operative movement to dig potatoes in the South-West districts. This will prove helpful to the growers there. No doubt members representing the South-West will discuss this motion; they certainly are better qualified to speak regarding their section of the State than I am. Unless those potatoes are dug, the season may advance so far that it will not be possible to send them to market or export them. I sincerely ask members to give my motion careful consideration. Another point I wish to bring to their notice is the dehydration of potatoes. I understand that dehydration plants are being erected at Mt. Barker and, I think, Bridgetown. I am open to correction in making that statement, but I point out that such plants could also dehydrate potatoes. If potatoes are to be dehydrated, then let them be treated at a minimum price, not at the £3 10s. or £4 per ton margin. As I have pointed out, the growers have done their best to plant increased areas of potatoes this year and the public are now obtaining a good supply at a reasonable price.

On motion by the Chief Secretary, debate adjourned.

BILL—INCOME AND ENTERTAINMENTS TAX (WAR TIME SUBSIDY).

Received from the Assembly and read a first time.

BILL—ROAD CLOSURE.

Second Reading.

Order of the Day read for the resumption from the 26th November of the debate on 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—RESERVES.*Second Reading.*

Debate resumed from the 26th November.

HON. W. J. MANN (South-West) [2.44]: I commend this Bill to the House. It merely deals with a piece of land, containing about seven acres, that has for many years been recognised as a recreation ground at Balingup and on which have been constructed a bowling green, a tennis court and a show ring. It is one of the picnic areas of the town and district. By reason of the death of one of the trustees, as already explained, it is now desired to revest the land in the agricultural society rather than leave it as it was previously in the hands of the old trustees. I know of no one who is opposed to the transfer; as a matter of fact, I think it would meet the wishes of the whole of the people if the Bill were put through.

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—WEST AUSTRALIAN MEAT EXPORT WORKS.*Second Reading.*

Debate resumed from the 26th November.

HON. L. B. BOLTON (Metropolitan) [2.47]: I desire to offer a few comments on this Bill, and wish to be as fair as any member should be in considering legislation that is brought before the Chamber. My views on State trading concerns are well known to members; indeed I sometimes feel that those views may get on the nerves of some members when I am continually harping upon the subject and the accumulated losses associated with State trading.

The Honorary Minister: I thought you were converted.

Hon. L. B. BOLTON: I am a long way from being converted. Because I propose to regard this Bill a little more favourably than I have viewed most State trading concerns, I hope the Honorary Minister will not take it that I am converted.

Hon. W. J. Mann: Perhaps you are just on the wane.

Hon. L. B. BOLTON: That may be so, but I have a long way to go before I am a complete supporter of State trading. I wish to refer at the outset to the report of the Auditor General regarding the losses already sustained by State trading concerns. I shall not deal with all the items, which will be found on page 97 of the Auditor General's report, but I find that the net losses on those concerns for last year amounted to £62,542. The only undertakings that showed a profit were the sawmills and the hotels.

Hon. G. W. Miles: What profit did the hotels show?

Hon. L. B. BOLTON: The report shows that they made the magnificent profit of £166 for the 12 months. More wonderful still is the profit of £3,210 shown by the State Implement and Engineering Works. From their inception I do not think they have formerly shown any profit. I attribute recent results to the improvement in the costing methods. As is known by those who take an interest in that undertaking, most of the work done there in the last 12 months was occasioned by the war, and I suggest, too, that most of it has been done on the cost-plus basis similar to that enjoyed by other manufacturers. That is probably the reason for the profit.

Hon. W. J. Mann: Did you say "enjoyed"?

Hon. L. B. BOLTON: Yes; I think that is the word. I do not suggest that all cost-plus contracts are of advantage to manufacturers. As one who has had some experience in that direction, I maintain that there are many manufacturers who would be glad if they had never seen cost-plus work. Nevertheless, the use of that system probably led to the State Implement Works making a profit. All the figures I have given are for last year only, and these show a total loss on State trading of £62,542. I point out that after an allowance is made of £1,096,519, the accumulated loss on State trading since its inception is no less than £2,313,538. I sincerely hope that in its latest venture into State trading, the Government is not going to add to that loss. The State is taking over a concern that has been running for many years, and has been struggling for a long time, although during the last seven or eight years it has shown a profit. I trust the State will not return to the days when losses were incurred on

this particular undertaking. I am going to point out the added advantages that this concern will have over other private enterprises, and I hope as a result of those advantages it will be able to give better service to the farming community and more benefit to the producers.

My first inclination as a strong opponent of State trading was definitely to vote against this Bill and oppose the purchase of the works. It would be useless to oppose the purchase, however, because it has already been effected. I understand the whole business has been completed. It is like the boy with the cake. After he had eaten it, he asked his mother's permission to do so. On this occasion the Government has first done something and then asked the permission of Parliament to do it. I listened carefully to the remarks of the Chief Secretary on the second reading and have looked closely into the reasons for the purchase of the works. I have come to the conclusion that in the circumstances the Government did the best and wisest thing it could. I say that notwithstanding my opposition to State trading. Several points induce me to come to that decision. In the first place the State Government has a large financial interest in the concern. The total amount advanced to the company, whose capital was £250,000, was no less than £188,000, or 75 per cent. of the value of the undertaking. Another point that helps me to come to this decision is that the Government has not bought the works at any fancy price, and that the shareholders are not getting interest on the money they invested. The amount the shareholders will get represents only 20s. in the pound of the money they put into the concern.

That money was put up 22 years ago, and the State as well as the farming community has had the use of it and the assistance of the public-spirited men who not only found the capital but managed the concern throughout that period. Those gentlemen are to be highly commended for their action. We are told that not one penny of interest on the capital invested has been paid to any shareholder since the formation of the company, and that nothing has been paid by way of good-will. After 14 years of trading at a loss the development and continued activity of the export lamb industry enabled the company to show a profit over the last eight years. Unfortunately those profits

were almost entirely absorbed in taxation, and the chance of the company even now making any satisfactory headway under those conditions seems to me very remote. Considering all the circumstances I feel that the Government did wisely to take over the works.

Hon. G. W. Miles: It was a nice thing for the shareholders.

Hon. L. B. BOLTON: The Government will enjoy the benefit of being practically free of taxation. As most members know, it will also have the added advantages that State trading enjoys—and they are many—over private enterprise and more opportunity to show a profit. In my view the Government should not aim to make big profits, but should use every endeavour to reduce costs to the farming community so that one of our greatest industries that is so applicable and advantageous to Western Australia may be developed to its utmost. To me as an exporter of lambs the cost appears very high from the time the farmer trucks his lambs to the siding until they are ready for export. That has always struck me as being a high figure, and I trust the Government will be able to reduce costs and pass the benefit on to the producer.

The rapid growth of the export lamb industry, as mentioned by the Chief Secretary, has been really amazing and but for the war, its expansion must have continued. When we consider the results of just two years—1935 when no less than 142,000 lambs were treated, and 1939, the peak year, when 338,000 lambs were dealt with—we can just imagine what the industry means to Western Australia. I sincerely hope that every endeavour will be made to secure for the State the trade that we have lost on account of the war and that the State Government will make every effort to ensure that the increased operations continue. I trust that the Government will not go in for many alterations and will not grant any unjustifiable improvements regarding standard of living, wages and added costs associated with the meat works and thereby deprive the State of any benefit that may accrue from the purchase of this undertaking.

I have much more faith in the Agricultural Department under which the works will operate, than I have in other departments that have handled various State

trading concerns in the past. I hope that in this instance the record will be much better than the details I mentioned in the earlier stages of my remarks would indicate are associated with other State enterprises. The accumulated losses to which I have drawn attention have been commented upon from time to time in this Chamber, and I certainly hope the Government will be able to improve on past figures, because it is heartbreaking to the taxpayers of the State to feel that in almost every instance when the Government undertakes trading of any description, it is a certainty that money will be lost in consequence of such operations. What the ultimate outcome will be in this instance time alone can tell. One other point I desire to make is that while I have every confidence in the committee of management that has been appointed, I think the Government would have acted wisely had they included on that committee at least one pastoral representative. It would have been an excellent idea had such an outsider with good all-round business ability been appointed. I think it would have been to the advantage of the undertaking, and the public would in consequence have much more confidence in the trading concern and the committee of management.

Hon. G. B. Wood: In South Australia outside representation has been provided for on such bodies.

Hon. L. B. BOLTON: In this instance outside representation would have been advantageous. In saying that I do not desire to cast any reflection upon those who have been appointed to the committee of management.

Hon. A. Thomson: Who have been appointed?

Hon. L. B. BOLTON: I understand the Under Secretary for Agriculture is to be chairman and that the others are Messrs. Farrell, Dunbar and Byfield. I have the greatest confidence in all those gentlemen, but the fact remains that each is a public servant. I suggest that had an outside representative been included on the committee by the Government, not only would the growers but the people generally have had greater confidence in it. I have given the reasons why I feel that on this occasion I am justified in supporting the purchase of meat works that will prove to be a great asset to the State. Just how the farming community could get on without

such an undertaking is quite unthinkable, and I hope that every endeavour will be made to continue the works operating on a profitable basis.

HON. A. THOMSON (South-East): The Government has made an excellent bargain in purchasing the meat works because for some time past they have been paying £6,000 a year for the rental of portion of the undertaking for use as abattoirs for the Fremantle district. Moreover the Government is paying £74,064 in cash to the shareholders who, for 20 years, have received no return on the money they invested. On this occasion we can at least commend the Government for making an excellent bargain. I wish to endorse the remarks of Mr. Bolton regarding the committee of management that will control the works. I think it would have been fitting if the growers could have been granted representation on that body. If it were possible for a private member to move to insert a clause in the Bill providing that farmers or pastoralists—these are the people who are supplying the lambs for export—should have at least one or two representatives on the committee of management, I would be prepared to take the necessary action.

Such representatives, seeing that they would look after the interests of those who are producing the commodity to be dealt with at the works, would act as watch-dogs. We must realise that once an undertaking becomes a State trading concern, those engaged on the works seem to consider themselves entitled to special privileges not expected from those at the head of privately-run businesses. If I may depart from the subject-matter of the Bill for a moment and refer to the financial returns quoted by Mr. Bolton regarding the operations of State hotels, I am sure that members of this Chamber, who are interested in that class of business, when considering the amount of money involved in the State hotels, will realise that something is certainly wrong when a profit of only £100 is secured.

Hon. L. B. Bolton: The profit shown was £166.

Hon. A. THOMSON: The exact figures make little difference; such a small profit is absurd. If it were possible for a private member to move an amendment such as I have indicated so as to provide pastoral and farming interests with representation on the committee of management, I would do so,

but you, Mr. President, would rule me out of order because such a step would involve the expenditure of public money, which no private member can move to authorise. As I mentioned previously, the four members on the committee of management are all civil servants and I think we should have at least one outsider on the committee so that he could be independent of the Government and be able to voice his views regarding the general administration of the meat works. I shall support the second reading of the Bill. It is true that the men who put their money into the venture are fortunate in that they will secure the return of their capital, but I think those individuals would have been much happier had they been able to continue the undertaking and carry on to ultimate success.

THE CHIEF SECRETARY (in reply): Naturally I am very pleased that the Bill appears to meet with the approval of this Chamber.

Hon. G. W. Miles: Not the whole of it.

THE CHIEF SECRETARY: The Bill deals only with the agreement between the company and the Government.

Hon. A. Thomson: You have done the job, so we must agree to it.

THE CHIEF SECRETARY: The measure does not deal with State trading concerns as such and I rise merely in order to reply very briefly to one or two of the remarks of members who are supporting the Bill. It must be obvious that Mr. Bolton is torn between his interests as a primary producer and his interests as a manufacturer. The first consideration leads him to believe that State enterprise in this instance will be very good, but the second leads him to the conclusion that State enterprise is not good at all if it competes with his private interests as a manufacturer.

Hon. C. F. Baxter: How will it improve his position seeing that this is merely a change-over to the Government?

THE CHIEF SECRETARY: In his remarks the hon. member drew attention to the accumulated losses on State trading concerns over the years. There was nothing fresh in what was said by Mr. Bolton and other members. Both he and they bitterly oppose State enterprise, but I thought there was just a little inconsistency about Mr. Bolton's remarks this afternoon.

Hon. G. W. Miles: I should think so!

THE CHIEF SECRETARY: The hon. member concluded his remarks by saying that he hoped the Government would not aim at making large profits. Just prior to that he had criticised the Government because it had made very small profits—

Hon. Sir Hal Colebatch: Big losses.

THE CHIEF SECRETARY:—in respect of State trading concerns. Those remarks do not appear to be consistent.

Hon. L. B. Bolton: State trading concerns were inaugurated to give the people the benefit of profits that were going to other people, and so the Government started fish shops, meat shops and so on.

THE CHIEF SECRETARY: The hon. members knows the ideas that prompted the establishment of State trading concerns.

Hon. L. B. Bolton: I am asking the Government to stick to its principles!

Hon. G. W. Miles: The Chief Secretary will have the full House with him if he continues to have Mr. Bolton's support.

THE CHIEF SECRETARY: I know I am treading on very thin ice when I refer to the hon. member's attitude.

Hon. A. Thomson: Which hon. member?

THE CHIEF SECRETARY: I refer to Mr. Miles. When we talk about the accumulated losses on State trading concerns, we should be fair. We should not just make the bald statement that the State enterprises have shown a loss over the years of over £2,000,000. No one knows better than Mr. Bolton how that loss has been arrived at. No one knows better than he that it is explained by the manner in which the State trading concerns accounts are presented. Mr. Bolton made use of that argument this afternoon as he has on previous occasions.

Hon. L. B. Bolton: And probably will again.

THE CHIEF SECRETARY: And I have dealt with the position before—

Hon. A. Thomson: And you will probably tell him about it again.

THE CHIEF SECRETARY: For instance, when the Government provides money for a State trading concern, that concern is debited with the cost of that money. In other words, the rate of interest on the money so advanced to it is debited to the undertaking. If the interest is not earned by the concern, it represents a loss; and over the years a loss accumulated in that way can reach very large figures. Let me take, for instance, the State Shipping Ser-

vice. Would anybody assert that that service should be expected to make a profit to-day? It is still in existence. We cannot wipe out the capital invested in it, and the interest on that capital has to be found. In that regard the Auditor General is the watch-dog that Mr. Bolton would like to see on the committee of management of these meat works.

Hon. G. W. Miles: But you take no notice of the Auditor General!

The CHIEF SECRETARY: That statement is not correct. Let me now refer to the Wyndham Meat Works. Can anybody maintain that the Wyndham Meat Works should be able to return interest on capital this year, when the undertaking is not working? But the works are debited with the interest which the Government has to find on the capital that has been provided. Consequently the debit figures in the next report of the Auditor General will be fairly large. In the case of a private concern where the capital is subscribed, if the business does not pay a dividend but merely makes ends meet, we do not hear much criticism on that score.

Hon. L. B. Bolton: No; because the concern goes out of business.

The CHIEF SECRETARY: Not in many cases. Dividends paid by numerous private concerns in Western Australia have been very low indeed for many years past. Thus it is not fair merely to make the bald statement that losses have accumulated to a given amount, unless one is prepared to indicate also the reason for the figures appearing in the form they do.

Hon. A. Thomson: It is a statement of fact according to the accounts.

The CHIEF SECRETARY: It is a statement of fact which is used to bolster up an argument against State enterprise. Another point raised is the composition of the committee of management of the meat works to which the Bill refers. It has been suggested by both Mr. Bolton and Mr. Thomson that a representative of the producers ought to have been included on that body. My reply is that for many years the works have been controlled exclusively by producers. The whole board of management has consisted of producers, and it is that board of management which has asked the Government to take over the works.

Hon. Sir Hal Colebatch: Did not the company make an alternative request?

The CHIEF SECRETARY: It suggested that if the Government was not prepared to take the works over, they would probably have to be disposed of to private interests.

Hon. C. F. Baxter: Did not the board of management ask the Government for further financial assistance?

The CHIEF SECRETARY: Yes. As has been pointed out frequently, the Government has provided £188,000 by way of assistance for this company—a tremendous amount of money. If there are to be on the committee of management representatives of the producers, it must be recognised that the works will deal not only with fat lambs but also with many other commodities which are really essential to the success of the company. For instance, I may mention fruit and potatoes. Arrangements are being made to store large quantities of potatoes and other produce. The operations of the works are not limited by any means to the treatment of fat lambs. Therefore it would be necessary to have an unwieldy committee, including potato-growers and fruitgrowers and so forth. I have no objection to the representation of producers on committees of this kind. I regard such representation as highly valuable. At the same time I must point out that the committee of management that has been appointed to advise the Government consists entirely of practical men in their own particular lines. If one went through the whole list of primary producers in this State, I doubt whether one primary producer could be found who would have better qualifications than the present members of the committee.

Anyhow, it is most pleasing to realise that the House agrees that the Government has done the right thing. I believe that in years to come, particularly during the reconstruction period, these works will play a great part in assisting our primary producers to dispose of their products. The fat-lamb industry, of course, bade fair years ago to reach extremely large proportions, but its progress has been checked. Only a few years ago the Government believed that the number of fat lambs to be treated by the works annually would reach 600,000. That number is far more than the present works could possibly deal with in the time at their disposal, but I believe that in years to come that number will be

exceeded. In many other ways the works will, I feel sure, prove of real advantage to our primary producers. Even though the works may not make large profits, I think, from the experience of the last few years and the advice tendered the Government, that they will operate successfully.

Question put and passed.

Bill read a second time.

Point of Procedure.

Hon. G. W. Miles: Before you leave the Chair and the Bill goes into Committee, Mr. President, may I have my no vote recorded? I called "No."

The President: That would be very unusual in the circumstances. I do not know of any instance in point.

Hon. G. W. Miles: The vote goes out as if there was unanimous, which it was not.

The President: There has been no division, and in the absence of any division, noes are not recorded in the minutes.

In Committee.

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

BILL—INCREASE OF RENT (WAR RESTRICTIONS) ACT AMENDMENT.

Second Reading.

THE HONORARY MINISTER [3.28]

in moving the second reading said: There are three proposals in this small but important Bill. It seeks to amend the Increase of Rent (War Restrictions) Act, 1939-41, which deals with the control of rent during war-time and for a period of six months thereafter. The proposals are as follows:—

(1) That any tenant shall have the right of approach to a court for the purpose of having a fair rent fixed for any land or premises first let after the 31st August, 1939;

(2) that it shall be illegal for any person to refuse to let a dwelling house to any person on the ground that it is intended that a child shall live in such dwelling house; and

(3) that it shall be compulsory for any landlord or his agent to keep a record of the rent received in respect of any premises leased or let.

In respect of the first proposal in the Bill, it will be recalled that the 31st August, 1939, was the date on which rents derived from any land or premises were pegged.

Rents which were being charged as at that date could not be increased, pursuant to the provisions of the Act. In respect of premises first let after the 31st August, 1939, it is provided that the first tenant shall have the right to approach a court within three months after he first occupied the premises for the purpose of determining the fair rental to be paid. Some doubt has arisen as to whether an application can be made to a court to declare a fair rental if the first tenant has not made an application within three months of his occupancy. It is proposed by this Bill to remove all legal doubt in this respect, so that even if the first tenant may not have taken action within the three months prescribed, any succeeding tenant may have the right to approach the court for a determination as to the fair rental.

It will be noted that the proposed amendment deals only with premises not leased or let as at the 31st August, 1939. Rentals on premises then let became the standard rent and are not affected by this Bill, but there are instances of premises which have been occupied since the date mentioned, and the first occupant, even though he may have considered the rental excessive, has meekly submitted, paid up and not made any application to the court within the prescribed three months. So that any subsequent tenant may not be penalised by reason of the action of the first occupier, it is proposed to remove any legal doubt that a succeeding tenant can approach a court for a decision.

The next proposal deals with a practice which has developed over the past few years whereby certain landlords have refused to let a dwelling house when it was likely that such dwelling house would be occupied by children. This is a practice to which no one should subscribe; nevertheless, there are a number of landlords and agents who do refuse to let houses to people with families, be they families of one, two, three or more children. The Government is therefore now taking the required action to meet what I might term this menace to the life of our community, by adding a new section to the existing Act. The new section provides that a person shall not refuse to let a dwelling house to any person on the ground that it is intended that a child shall live therein, and that it shall be an offence to advertise in any way that the letting of any premises is not available to people with children.

Similar provisions to this already exist in the National Security Regulations and they operate in the several States that have no legislation dealing with the relationship between landlords and tenants. In this State the Increase of Rent (War Restrictions) Act was passed in the early stages of the war, and before any action was taken by the Commonwealth to cover this particular matter by the promulgation of National Security Regulations. As the State Act has reasonably met the situation locally, it is preferred to amend it in this particular instance.

The only other proposal in the Bill seeks to provide that it shall be obligatory on the part of a landlord or his agent to keep a record of the rent that was charged for his premises at the 31st August, 1939, and of any subsequent alterations legally permitted after that date. This is deemed necessary in order that a tenant shall have evidence, if he desires it, that the rent he is called upon to pay is the fair, or standard, rental. It is considered that if a landlord or his agent is obliged to keep such a record for the perusal of an incoming tenant, the opportunities to charge above the fair rental will be very limited indeed. That is an explanation of the proposals in this small measure. I feel sure that members will agree that it is most desirable that every precaution be taken against those who may feel disposed to prey upon their less fortunate fellow citizens by extracting excessive rentals during war-time. As I have already said, our State legislation dealing with this matter has been reasonably effective, and I trust that the required approval will be given to this Bill to make our legislation in this respect even more effective. I move—

That the Bill be now read a second time.

On motion by Hon. E. M. Heenan, debate adjourned.

BILL—DEATH DUTIES (TAXING) ACT AMENDMENT.

Second Reading.

THE CHIEF SECRETARY [3.36] in moving the second reading said: It will be recalled that the Administration Act was recently amended to provide for certain concessions in connection with probate duty to members of the Armed Forces who are killed in action or die in Australian territory through enemy action. Before the passing of the amending Bill, these conces-

sions were available only to members of the A.I.F. on active service outside of Australia. With the extension of the war into the Pacific, and then to the shores of this country, men of the Australian Services and of our Allies were killed as a result of enemy action. The Government therefore took the earliest available opportunity to extend concessions in probate duty to the Fighting Services. Similar concessions have been granted to members of the Fighting Forces by the Commonwealth and other States.

To give effect to the decision to grant these concessions in this State it is necessary to amend the Death Duties (Taxing) Act which lays down the rate of tax payable on deceased persons' estates. That is the purpose of this small Bill, a perusal of which will disclose that six amendments are required to three schedules of the principal Act, these being the schedules referring to the rates of duty payable on the estates of deceased persons. I have no doubt that the Bill will have the unanimous support of members. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

In Committee.

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

BILL—EVIDENCE ACT AMENDMENT.

Second Reading.

Debate resumed from the 26th November.

HON. E. M. HEENAN (North-East) [3.38]: This is a very small Bill of a technical nature, but I would like to take the opportunity of assuring members that it is all the Chief Secretary has claimed. Since 1906, the Evidence Act has been amended on about three or four occasions only, and these few amendments will undoubtedly have the effect of making big improvements. The main proposals deal with amendments to Sections 47 and 91. At present, as the Chief Secretary pointed out, it is necessary, in certain cases involving proof of a conviction or an acquittal to call someone to prove the identity of the person charged. That often involves bringing the witness long distances for the simple purpose of proving identity.

It is now proposed to do that by an affidavit based on finger-prints, which will save a lot of expense and will effect the same purpose. Another amendment is on much the same lines and deals with proof relating to cases involving bank accounts. Instead of bringing someone a long distance to prove certain things, it is proposed that a certificate duly signed by an officer in authority be accepted by the court. The amendments will be a great improvement to the Evidence Act, and will undoubtedly have the effect of saving someone—usually some unfortunate person—a considerable amount in the way of costs. 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—LOTTERIES (CONTROL) ACT AMENDMENT.

Second Reading.

Debate resumed from the 26th November.

THE CHIEF SECRETARY (in reply) [3.45]: As I pointed out when introducing this Bill, it is a continuation measure and provides that the Lotteries (Control) Act shall continue for a further 12 months. One or two very interesting contributions have been made to the debate. Much of the subject matter, however, has, to my way of thinking, been really not associated with the measure itself, but can, of course, be connected with the operations of the Lotteries Commission regarding the distribution of the funds it raises each year. In view of the nature of some of the remarks made by Sir Hal Colebatch and Dr. Hislop, I feel that I should on this occasion again draw the attention of the House to the impossibility of making an exact comparison between our Lotteries Commission and its operations in this State with the operations of other commissions in the other States of the Commonwealth.

For instance, Dr. Hislop took the opportunity to criticise very severely what I think I am right in describing as the policy of this State in regard to certain hospitals. He also took the opportunity to criticise adversely the policy of the Government in regard to hospital administration, and more particu-

larly the provision of maternity hospitals. He then went so far as to say that this House now had an opportunity to compel the Government to do something on the lines suggested by him, or to determine whether it should or should not take notice of what he said last year. I wish to make a few remarks in reply in view of the very definite statements he made. He apologised at the commencement of his speech and said that when he spoke on a previous occasion it was with some diffidence that he approached this subject. There did not appear to be any diffidence on this occasion when he expressed his definite opinion as to what this House should do.

In the first place Dr. Hislop referred to two hospitals in particular. They are, perhaps, two of the oldest hospitals in this State. One is at Geraldton and the other at Collie. He criticised the lay-out of the one at Geraldton and also criticised what I think he would call the makeshift arrangements which had to be adopted in order to house the new x-ray plant at that hospital. All I have to say is that that institution is fulfilling a very useful purpose. It serves a big area and is excellently staffed. If, at the present time, it is not possible for the Medical Department and the people of the district to finance a better hospital—and even if they are in a position to finance a better hospital, the Government is unable to provide the materials, tradesmen, and so on, to build it—this is not the time, it seems to me, to criticise either the department or the Government because of the present building. His criticism of the Geraldton hospital has possibly been influenced by the definite views he holds regarding the provision of x-ray plants at the various small country hospitals throughout this State.

On a previous occasion I pointed out that in no case has an x-ray plant been provided by the Lotteries Commission to any country hospital except on the advice, and with the concurrence of the medical man concerned, and also of the Medical Department. I pointed out, too, that these smaller plants have not been provided in order that they might be utilised for every purpose for which x-ray units are used. They are simply provided so that the people of the particular district may have the benefit, through their medical man, of better diagnoses in such cases as accidents which involve fractured limbs. They were never intended for

utilisation in more complex matters. If a medical man in a particular district has endeavoured to use a plant in that way, then an argument can be used in his favour.

Hon. H. Tuckey: They do use them.

The CHIEF SECRETARY: Yes. These plants are used by the doctors to obtain a better knowledge than they otherwise could secure. Of course, in many instances they have not succeeded and it has been necessary for the patients concerned to be taken to other centres where more comprehensive and valuable plants operated by technicians and radiologists are available. But I do not know that that is any reason why we should say that the Lotteries Commission should not be prepared to provide these portable x-ray units to outback districts. I feel sure that Dr. Hislop must know of many instances where these plants have been of extraordinary value—up to their capacity—to the medical men in the district.

I now come to the Collie Hospital about which the hon. member was very harsh in his criticism, in support of which he quoted a letter from one of the local medical men. It is a fact, of course, that for many years the provision of maternity accommodation in Collie has been a very vexed problem. It is also remarkable that only a few days before Dr. Hislop spoke on this subject arrangements had been made between the local authority, the people of the district, the Medical Department and the Lotteries Commission whereby sufficient assistance was to be provided by the Commission so that what I hold to be satisfactory accommodation for maternity cases might be made available. I would be foolish to attempt to argue that the hospitals throughout the State are 100 per cent. efficient or 100 per cent. satisfactory from the point of view of the people of every district. It is unfortunate that in many centres where the population is somewhat small the people have, in years gone by, insisted on putting in a small hospital—one in which they could take a personal interest. Modern developments make it clear that it is not possible for such small hospitals to be so equipped that they can deal with the variety of cases that reach them from time to time. Having recognised that fact, the Medical Department, and also the Lotteries Commission, have, during the years, endeavoured to provide district hospitals which would be better

equipped than the small country hospital, and where much better, more expensive and satisfactory x-ray plants have been installed. What has been done in that direction up to date has, I think, proved very satisfactory indeed.

The improvement in modern transport makes it comparatively easy to convey patients over 30, 40, and 50 miles or even greater distances, as compared with conditions existing 20 years ago. Consequently it is possible for patients to have what I have described as more comprehensive treatment at a large district hospital as compared with what they could get at the small cottage hospitals that have been established in so many townships. One need only refer to the far North where distances are immense and the population small; where medical men are few, and transport facilities not of the best, although better today than they were years ago. I hesitate to think what would have happened in some of those places had it not been possible to provide these small hospitals with the equipment they have today.

On the question of x-ray plants, on which Dr. Hislop dwelt so much, I say that it would not be possible to provide the more modern units in hospitals unless we were also in a position to supply a radiologist or technician with complete knowledge of the machine. So, the small plants do fulfill a useful purpose, and the medical men in the North-West use them. Where it is possible, of course, they transport their patients to the more thickly-populated centres such as Geraldton, Carnarvon or even the metropolitan area if their plant is not satisfactory for the needs of the patient. The question of maternity homes is very important and is being given more attention today than ever before in our history, or in that of other countries. We have nothing to be ashamed of in regard to what we have accomplished in this State. We have in the metropolitan area one of the finest institutions of its kind, but even so it is not able to cope with the demands made upon it. If we were to take the King Edward Memorial Hospital as a guide and establish similar hospitals in other parts of the State, everyone would be pleased. Modern hospital construction as pointed out by Dr. Hislop is very expensive. When we talk about £2,000 per bed, it gives some idea of the problem faced by a community

such as we have in Western Australia where there are so many small isolated centres situated many miles from the metropolitan area. When we were discussing the question of the new Perth Hospital, one very important matter was brought forward by the late Mr. Munsie. He pointed out that after the completion of the new hospital, as he envisaged it, it would be necessary to provide additional accommodation for the nursing staff. When asked what additional money would be required, the figure he mentioned was tremendous. Speaking from memory it ran into something like £1,000 a bed.

Hon. Sir Hal Colebatch: Do you not think that is too much?

The CHIEF SECRETARY: I am giving these facts to the House.

Hon. Sir Hal Colebatch: Does it not mean that you cannot have many hospitals?

The CHIEF SECRETARY: Of course it does in a community such as this. I am pointing out what the development of modern hospital construction means to a State like Western Australia. I recall, too, that before we decided to proceed with the building of the new hospital for Perth, there was a demand to have an expert from the Eastern States, one who had been associated with modern hospitals, to advise us. Members know the result. But for the war, the building would have been completed now and would have compared with any hospital in Australasia. The cost has been terrific; it is estimated at something like £500,000. As a result of war conditions and increased costs, by the time the hospital is finished, it will have cost considerably more than the estimated cost. From year to year changes occur in what is considered by the medical profession to be necessary in a modern hospital. We have had the experience at certain stages of its being considered that, in view of later developments, we should make alterations, all of which have involved additional expense. More particularly does this apply to equipment and the furnishing of those portions not used for the accommodation of patients.

We in Western Australia have a population of less than 500,000 and this should give us cause to think when listening to Dr. Hislop telling the Government what it ought to do in regard to the provision of hospital accommodation and particularly

in relation to maternity cases. The policy of the Government and of the Medical Department for many years has been that, where hospital accommodation is required the people of the district should do their share towards providing for requirements. Wherever the people of a district have been prepared to do a fair thing, the Government and the Lotteries Commission have not been slow in providing the necessary funds for the purpose. Some districts are more enthusiastic than others. In some places the people are particularly enthusiastic and provide a large proportion of the money required. In other districts there is less enthusiasm, although the people want equally good accommodation. In some instances the community is poor and the money cannot be raised. All these factors have been taken into consideration when the Lotteries Commission has been distributing the available funds. At times the Commission has found 20, 33 and even 50 per cent. of the cost, but in each instance it can be said that the Commission has co-operated with the Medical Department and with the medical man stationed in the district concerned. In the light of our experience of the last few years, there is not much room for complaint regarding the distribution of funds by the Commission.

Reference to the Perth Hospital reminds me that, but for the fact that the Lotteries Commission undertook to provide the interest and sinking fund on the money required for the new building, it could not have been proceeded with at the time the construction was commenced. The Lotteries Commission has undertaken that liability, which fact is accountable for the Commission having provided such a large sum of money out of its resources last year. I was sorry to hear one remark by Sir Hal Colebatch. I had known for years that the hon. member was very hostile to anything in the form of lotteries, gambling and so forth, but that does not give him reason to describe the Lotteries Commission as a swindle. I hope he would not desire a remark of that sort to be stressed far and wide through the State. I am very proud of the manner in which the Commission has operated for many years—at any rate since I have been associated with it. I know that the people of this State are only too pleased to see members of the Commission on the occasion of their visits. When the members of the Com-

mission knew that a particular district required hospital facilities, they have gone out of their way to secure actual facts from the medical, as well as the departmental point of view. It cannot be said that they have at any time distributed their funds in such a way as to call for the criticism in which Sir Hal Colebatch indulged. The hon. member is entitled to his opinion concerning the moral side of lotteries and gambling, but I do not think that should give him cause to criticise in the way he did.

The Lotteries Commission was first established, not by a Labour Government, but by a Government that was very much concerned about the unauthorised lotteries being conducted at that time. Many sweeps and lotteries were apparently being used for private gain and for the exploitation of that characteristic of the Australian who likes to have a little flutter. The Lotteries Commission was introduced because there had developed in this community a liking also for crossword puzzles and newspaper competitions. One could not walk along the streets of Perth in those days without being pestered to buy a ticket in this, that or the other thing. Conditions at the time were particularly bad, and it was essential that something should be done. This is the method by which it was accomplished. When the Lotteries Commission was established we did not say that other lotteries should go out of existence entirely. Provision was made that other lotteries should receive the approval of the Commission and of the Minister. That is the position today. Many small lotteries are being conducted at present, more particularly by patriotic organisations, many of them associated with churches, all of which have to receive a permit from the Lotteries Commission. Consequently I say the Commission is a very useful institution. Last year the amount of money made available by it was £67,012.

Hon. L. B. Bolton: What about the S.P. bookmakers' fines?

The CHIEF SECRETARY: The hon. member reminds me that Sir Hal Colebatch commented on that. He drew attention to the coincidence in the amount of £35,000 of fines inflicted on S.P. bookmakers, and the expenses of the Lotteries Commission. The hon. member tried to connect the two things, but I failed to see any connection. Mr. Miles took up the running, of course. He could not see why it was necessary to pay

sellers of lottery tickets 10 per cent. commission.

Hon. G. W. Miles: Took up the running! I have always said that. I was in the lead in that matter.

The CHIEF SECRETARY: I admit that is so. Many agents are selling lottery tickets, but the great majority receive only a few shillings for each sweep—under 10s., in fact.

Hon. Sir Hal Colebatch: Because there are too many of them. There are half a dozen in each street.

The CHIEF SECRETARY: If the hon. member only knew how keen shopkeepers are to have some association with the Lotteries Commission—

Hon. G. W. Miles: I should think so.

The CHIEF SECRETARY: —he would agree there are not as many sellers of tickets as there could be. Further, the Commission has a policy in this regard, too.

Hon. J. G. Hislop: Could not you sell the tickets from a central agency and save the commission?

Hon. Sir Hal Colebatch: You find three or four places in one arcade selling tickets.

The CHIEF SECRETARY: And in the country towns one or more agents may be found handling the tickets.

Hon. L. B. Bolton: Tickets are also sold in the lifts.

The CHIEF SECRETARY: Anyone may buy tickets at the central office and no 10 per cent. commission is paid on those tickets. Therefore, if members have any objection to the payment of the commission they should purchase their tickets at the central office.

Hon. G. W. Miles: Would it not be worth making a trial of a reduced rate?

The CHIEF SECRETARY: The Lotteries Commission has expressed the opinion that the present arrangement is quite satisfactory and is desirous of making a success of its work. It has been operating for a fair number of years and its members are men of experience, not only in the raising, but also in the distribution of the money. I think we can well leave the matter in their hands.

Now I come to something similar to what I told the House last year in dealing with a like measure. It has reference to the statement by some members of this House that the Government should alter its policy in regard to hospital administration, that it should establish a commission on the

lines of the Charities Board in Victoria. Unless the Government is prepared to do this, the inference is that the House might not agree to a continuance of the Lotteries Commission. I have told the House that last year £67,000 was made available for distribution. That money has not been raised solely for hospitals. The Act lays down the classes of institution entitled to consideration. When the Lotteries Commission was first formed the A.S.L. and the School for the Blind were given certain consideration. Those organisations for many years had been allowed to make an appeal by way of a lottery from which they received on the average a certain amount of money. We provided that they should continue to receive contributions from the Lotteries Commission.

If members consult the list of donations made by the Commission, not only last year, but in previous years, they will find that the R.S.L., the School for the Blind, various orphanages and a large number of other charitable organisations have received more or less large sums from time to time. That is about the only comparison one can make between the activities of the Lotteries Commission and the Victorian Charities Board. If Dr. Hislop is so keen about this matter, it seems to me that he should not be endeavouring to bring about a change of policy on this Bill. It should be done in an entirely different way; for, when all is said and done, the hospitals of this State are supported mainly by the hospital tax or what was the hospital tax. The amount raised by that impost last year was £292,000, in round figures. That sum, plus patients' fees and whatever contributions were made by the Lotteries Commission, was the amount that was spent last year on the hospitals of this State.

I want to draw a comparison between that and the Victorian Charities Board. The eighteenth report of that board, for the year ended the 30th June, 1941—I am sorry I was not able to obtain the report for this year—discloses that the funds at the disposal of the board amounted to £692,686 15s. 6d. That total was made up of the sum of £440,000 appropriated by Parliament for hospitals and charities; £200,108 16s. 2d. comprising receipts from the operation of the Totalisator Act—a tremendous sum of money—and a smaller item of £680 14s. 4d., representing receipts from the hospital magazine. The board

commenced the year, on the 1st July, 1940, with a balance of £51,897 5s., making a total of £692,686 15s. 6d. In addition, according to this report, many hospitals in Victoria enjoy the benefit of endowments which were given to them from time to time for various purposes. That, of course, is a great advantage. Unfortunately, we in this State have not sufficient wealthy people imbued with a desire to assist our hospital administration by providing such considerable sums of money. For instance, the endowment fund for hospitals in Melbourne for the year 1940-41 was no less than £534,432, while for country hospitals the endowment was £94,248, or a total of £628,680.

In addition—I quoted similar figures last year—I find there is a considerable sum of money owing by the various hospitals in Victoria on overdrafts. The position in that regard, at the 30th June, 1941, was that 40 hospitals had overdrafts amounting to £205,199, while only 22 had credit balances amounting to £6,699, or a net deficit of £198,500. This shows that, notwithstanding the Charities Board in Victoria has available such a large sum of money, and notwithstanding that the distances over which it has jurisdiction are nothing like those with which we have to contend here because of our small isolated communities, the hospitals in Victoria still have that bugbear of debt, which does not apply in the same ratio to Western Australia. There is much more useful information in this report. I agree that it would be very nice indeed if we could have a similar board in this State; but before consenting to the establishment of such a board it is necessary for us to realise what would have to be done. We would first have to bring under our control all those charitable organisations which are not under our direct jurisdiction at present. Then it would be necessary for us to take away from the Child Welfare Department some of its activities. It would also be necessary to take the Hospital Fund established by Parliament and merge it in the board or commission, whatever it may be termed, which would be established to carry on work similar to that done by the Victorian Charities Board. Then it would be necessary for Parliament to agree to the appropriation of a certain amount of money, as is the practice in Victoria. We would probably have to take some other steps to

make sure that considerable sums of money were definitely available for the purpose.

So it is a matter of Government policy. If Dr. Hislop is not prepared to take notice of what I say or of what some other members say, I want him to realise that there are members who hold views exactly opposite to his. The Government has done its best, according to its ability and with the financial resources at its disposal, to provide a hospital system in this State. That system I believe—withstanding all that Dr. Hislop has said—will at least compare favourably with those obtaining in the other States. I know it is possible to quote individual institutions which perhaps are better than ours; but it is also possible to quote individual institutions which are worse than our worst. We ought to recognise that fact. At present I am advised by the department—and Dr. Hislop will know more about this than I do—that we are experiencing grave difficulty in our efforts to carry on the various hospitals throughout the State. Numbers of small hospitals have already been closed down. I am told that others cannot possibly continue very much longer unless some solution of the staff trouble is found.

Whereas only two or three years ago we had a waiting list of young women anxious to enter the nursing profession, there are now none or hardly any. The attractions of other branches of national service have apparently been too strong. Many young women who formerly would have looked to hospital service for a vocation have today joined one or another of the Fighting Services and so are not available to us. Again, an exceedingly large war organisation has created a demand which has been met by large numbers not only of our trained nursing staff, but also of our trained domestics. There is a real problem ahead of the Medical Department at the present time. Only yesterday we held a discussion in regard to this matter and the reports which were submitted for our information disclosed a state of affairs that seemed to me almost insuperable. I, for one, cannot say how we are to get over that difficulty. The metropolitan area may be all right for the time being, but it will be exceedingly difficult to provide the necessary nursing and domestic staffs for some of the country hospitals, even if we have the money to enable them to continue to function.

Some people will argue that perhaps it is just as well that some of the small hospitals should close down. They say that it would be better to utilise the district hospitals which give them much better equipment and in some instances perhaps better professional attendance. But we must not forget that in the districts far from the metropolitan area there is a genuine and high regard for the local hospital. It is only that interest, which has been maintained over the years, that has enabled those hospitals to continue to function, and that is because the people were prepared to find their share of the necessary finance. I am wondering whether I need say more on this subject. I have been provided, as usual, with a great deal of information, most of which could be used to counter the criticism of the members who have spoken against the continuance of this legislation. I think it hardly necessary, however, for me to say more. I am satisfied—and I feel sure the House is satisfied—that we cannot at present allow the Lotteries Commission to lapse.

Hon. G. B. Wood: The country hospitals cannot afford that.

The CHIEF SECRETARY: It has been remarked by other members that avenues for raising money are very restricted indeed.

Hon. L. Craig: The avenues for spending money have also dried up.

The CHIEF SECRETARY: That is so. I was intending to point out that with the introduction of uniform taxation our power to raise money is strictly limited. As a matter of fact, it does not exist. Sir Hal Colebatch's idea that direct giving is something we might rely on is a theory that has been exploded long since.

Hon. G. W. Miles: Have you thought of paying the lottery prizes in bonds instead of in cash?

The CHIEF SECRETARY: I shall pass that suggestion on to the Lotteries Commission and ascertain what it thinks about it.

Hon. J. Cornell: It is a suggestion.

The CHIEF SECRETARY: And an excellent one, too. I am not critical of it.

Hon. G. W. Miles: It would be a good thing.

The CHIEF SECRETARY: For instance, I notice that even the W.A. Turf Club is making provision for payment of part of its racing stakes in war bonds. I was going to remark that the question of direct giving is one which we have every

reason to be thankful for in this State. Our people generally have been prepared to give generously in times gone by. They are still extending generous support to our patriotic funds, but they cannot continue to give to those funds and also to support our hospitals to the extent that would be necessary in order to be able to do without the money provided by the Lotteries Commission. For many years past every effort to raise money by direct giving has not achieved the object that was sought.

Hon. L. B. Bolton: Lotteries kill direct giving.

The CHIEF SECRETARY: I have an opinion in that regard, too. I have said many times—and I repeat it—that I do not know of any country except Western Australia where the people, as a general rule, are so keen to have their little flutter, more particularly when they are assured that whatever money may be available as a result of that flutter, shall be devoted to charitable or hospital purposes. Let members not forget the very important point that prior to the Lotteries Commission being established, many thousands of pounds were sent out of the State each year to support consultations in other States, from the proceeds of which were provided the hospitals in New South Wales and Queensland that Dr. Hislop referred to in glowing terms. Undoubtedly excellent service is rendered by those hospitals, but the money that left the State in the early days helped to provide those institutions.

Hon. J. G. Hislop: But those in control of the lotteries did not distribute the money.

The CHIEF SECRETARY: When Dr. Hislop talks about the distribution of the proceeds, I think he exhibits a kink. In New South Wales the State lottery provides a great deal more money than we are ever likely to receive from the lotteries in Western Australia, and yet the money in that State is paid into Consolidated Revenue, and is subsequently distributed through the Government. The Minister is responsible for the distribution in that State. In Queensland a different set of circumstances operates, and in South Australia there is no State lottery at all. I hope I have said sufficient to convince members that it is not only desirable but essential that the Lotteries (Control) Act be continued for another year.

Question put and passed.
Bill read a second time.

In Committee.

Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

Clause 1—agreed to.

Clause 2—Amendment of Section 21, continuance of Act:

Hon. J. G. HISLOP: I move an amendment—

That in line 3, after the word "words," the words "December, one thousand nine hundred and" be inserted.

My object is to amend the clause so that the Act shall continue only to the 31st March next.

The CHIEF SECRETARY: It would be interesting to know why Dr. Hislop desires to kill the Bill in this way.

Hon. Sir HAL COLEBATCH: In support of the amendment, I take this opportunity to say that when I used the term "swindle" in relation to the State lotteries, I was not reflecting in any way on the members of the Commission.

The CHAIRMAN: Order! The hon. member is about to reply to the Chief Secretary's speech in closing the debate on the second reading. The question before the Chair is whether "December" shall be struck out of the section and "March" inserted in lieu.

Hon. J. G. HISLOP: My reason for moving the amendment is that I must congratulate the Chief Secretary on a most excellent speech in my favour.

The CHAIRMAN: Order! I must ask the hon. member to confine his remarks to the amendment.

Hon. J. G. HISLOP: It was because of the Chief Secretary's speech that I decided to submit the amendment. I feel it is necessary to have the Act amended so that it will continue only till the 31st March, 1943, in order that a conference may be arranged between members of this House and of another place to make it quite obvious to the Government that this House is in favour of some other method of distribution of lottery funds than those existing at present. I do not wish to throw the Bill out or, to use the words of the Chief Secretary, to kill the measure.

The Chief Secretary: The amendment has no other object.

Hon. J. G. HISLOP: I consider we should have such a conference to deal with the important matter of the distribution of £67,000 a year by the Lotteries Commission that may be skilled in the running of lotteries but not skilled in the distribution of the proceeds. I ask members to agree with me so that we may ultimately reach a conference between the two Houses and place our views more forcibly before the Government.

Hon. Sir HAL COLEBATCH: I wish to ask you, Mr. Chairman, if a member is not entitled, when speaking to the amendment, to answer arguments put up by the Chief Secretary in favour of continuing the legislation? Dr. Hislop desires to amend the clause for a special purpose in order that a different distributing body may be established. Would it not be in order for a member to support the amendment on the ground that he desired more notice to be given of the wish of this House to terminate the present situation altogether? Is it not open to a member to discuss the arguments raised by the Chief Secretary in support of the continuance of the legislation?

The CHAIRMAN: The right of reply to the debate on the Bill in this instance or on a motion moved by any member is vested in the Minister who moves the second reading of the Bill or the member who moves the motion. In this instance the Minister has exercised the right of reply and if we are to re-open the whole subject at the Committee stage because an amendment has been moved, where will we get to? However, within reason, the hon. member may proceed.

Hon. G. W. Miles: Only within reason, because there is an amendment before the Chair.

Hon. L. B. Bolton: Is Mr. Miles the Chairman of Committees?

Hon. Sir HAL COLEBATCH: There are only two points I wish to deal with. When I referred during my second reading speech to a "high-class swindle," I had no idea of reflecting upon members of the Lotteries Commission, each of whom I know as a man of the highest integrity, who has conducted the affairs of the Commission quite fairly. What I referred to as a swindle was not the manner in which the lotteries are conducted but the references to the charity payments. They are nothing of the kind, and nothing has been further

from the truth. The idea of paying £600 a week to people who sell tickets was what I had mostly in mind.

The only other remark I wish to make is that as a representative of the Metropolitan Province I have always taken the view that the prosperity of my constituents depends upon the country. If the argument is to be put forward that this system of lotteries must go on because it costs £2,000 per annum for each patient and costs £1,000 per bed per annum for each nurse, then all I can say is that the country cannot expect to have such facilities in connection with hospital treatment. I am prepared to admit that large expenditure may be necessary for the purposes of research and I make no complaint about that; but when it is claimed that we must spend £2,000 per bed per patient and £1,000 per bed for nurses, I say it will not work. The Chief Secretary referred to the scarcity of nurses. I venture to assert that nurses would prefer that instead of £1,000 per bed being spent for their requirements, they should receive better salaries. Is it not a fact that nurses have to spend three years at study during which period they receive very small wages—what they receive is extremely trifling—and have to pass examinations, while at the end of that time they do not receive in pay anything like equal to what girls are securing for collecting tickets on our trams?

Hon. L. Craig: Nothing like the same pay.

Hon. Sir HAL COLEBATCH: That is the policy of the Government. Is it not reasonable to assume that our people will be discouraged from taking up any profession that requires study and years of work, at the conclusion of which they will receive, comparatively speaking, low wages?

Hon. H. Seddon: That is happening now.

Hon. Sir HAL COLEBATCH: I know it is. The Chief Secretary spoke of girls taking positions in the various branches of the Fighting Services. I have not the slightest doubt it would pay fully qualified nurses, after spending so much of their time at study and securing certificates, to take positions such as driving military motor cars or something of the sort.

Hon. J. G. HISLOP: I would not like a certain remark to be repeated, and I know the Chief Secretary would not like any aspersion cast on nurses as regards the

amount they would wish to be spent for their quarters. The statement made is not correct. As a member of the building committee—

The CHAIRMAN: Is the hon. member making a personal explanation?

Hon. J. G. HISLOP: —I am in a position to state that the amount proposed to be spent on nurses' quarters was about £100,000. That sum provided accommodation for between 400 and 450 nurses, and included all their recreation, living and dining rooms. Thus the actual cost per bed for a nurse was no greater than the actual cost in any small similar building or in a State hotel. The total cost of about £500 per nurse included every other kind of accommodation.

The CHIEF SECRETARY: This shows where we get to when we begin to discuss matters not in the Bill. When the first estimate of cost of nurses' quarters in connection with the new Perth Hospital was submitted, it ran out to something like £1,000 per nurse.

Hon. J. G. Hislop: I was a member of the building committee, and that statement is not correct.

The CHIEF SECRETARY: When the late Mr. Munsie first made the proposal, that was the figure quoted; £2,000 has been quoted as being the cost of a hospital bed. In fact, that was the figure quoted by Dr. Hislop. Had the Government accepted the plans first submitted for the new Perth Hospital, the cost would have been about £1,500 a bed.

Hon. G. W. MILES: Dr. Hislop would be well advised to withdraw his amendment, which places members of this Chamber in an awkward position.

Hon. L. B. Bolton: I only do not want you to sit on a rail.

The CHAIRMAN: Order! I ask Mr. Bolton to withdraw that remark.

Hon. L. B. Bolton: I withdraw the remark, Sir.

Hon. G. W. MILES: I might say that a number of members do sit on rails; however, I withdraw the remark. People cannot be made moral by Act of Parliament. Personally I do not believe in gambling, but I am prepared to let the lotteries continue.

The CHAIRMAN: If Dr. Hislop wants to kill the Bill, he can move me out of the Chair.

Hon. G. W. MILES: I am certain Dr. Hislop does not wish to kill the Bill. The hon. member wants a conference with another place. Before that takes place, he should ascertain whether a majority of members of this Chamber are with him. As matters stand, I am opposed to the Bill.

Hon. H. SEDDON: I do not see the force either of Mr. Miles's argument or that of the Chief Secretary. I am prepared to support Dr. Hislop. I fail to see how his amendment places members of this Chamber in any awkward position at all.

The CHAIRMAN: This is our Bill, and not the Bill of another place; and therefore Dr. Hislop's proposal is not feasible.

Hon. H. SEDDON: Would it be competent for members of another place to alter the Bill?

The CHAIRMAN: Of course; and then it would come back to us.

Amendment put and negatived.

Clause put and passed.

Clause 3, Title—agreed to.

Bill reported without amendment and the report adopted.

BILL—STATE (WESTERN AUSTRALIAN) ALUNITE INDUSTRY PARTNERSHIP.

Second Reading.

Debate resumed from the 25th November.

HON. H. SEDDON (North-East) [4.57]: This Bill is the outcome of deliberations and actions by the Industrial Development Committee. It has taken the form of a decision to establish a partnership between the Western Australian Government on the one hand and certain individuals on the other for the purpose of developing the alunite deposits at Lake Campion. A considerable amount of money will be involved as the result of an attempt to establish the industry; and that money, I take it, will be provided from loan funds. The situation that will be created, according to the memorandum accompanying the Bill, is that this State will be placed in a position to manufacture potash, and that owing to the fact that the Lake Campion deposit is the only large known deposit in the Commonwealth we shall be in the fortunate position of being able to supply the whole of the requirements of Australia in the way of potash.

Before dealing with the alunite industry and the proposal to establish it here, I point

out that potash and sodium are salts which are largely interchangeable, but that when it comes to the question of the agricultural employment of those elements, potash, of course, is the one that is absolutely necessary for use as fertiliser for orchards, the raising of sugar-cane and of improving various other forms of agriculture. Involved in this question is another phase that is associated with the Bill. Undoubtedly the measure provides for an extension of State trading. The Bill sets out quite distinctly that any losses which may be incurred in the proposed manufacture of potash are to be borne by the parties to the partnership. Thus from that angle the State is faced with the fact that if the House ratifies the agreement, it will be practically agreeing to the further extension of State trading; for this undoubtedly is to be a State manufacture.

Hon. G. W. Miles: We have just done that by a Bill passed earlier this afternoon.

The PRESIDENT: Order!

Hon. H. SEDDON: I have not said that that is not so. I am simply pointing out that the Bill carries on the same principle, and that therefore this House will have to commit itself to endorsing the principle of State trading if it passes the present Bill. It may be argued that there is an indication that the proposed manufacture will prove a highly valuable asset to Western Australia. It may be contended that by so establishing a monopoly, we shall have a better chance of getting back on the Eastern States; that whereas hitherto we have been more or less in the unhappy position of a junior partner in the combination—

Hon. J. A. Dimmitt: Very junior!

Hon. H. SEDDON: —and so being left with the rough end of the stick, we have here an opportunity to get a bit of our own back when selling to the Eastern States something which during war-time they cannot obtain elsewhere. That brings in another aspect. While this industry may be very profitable during the time of war, the question is: How is it going to get on when peace is restored? The war may last for a number of years, in which case the manufacture of potash may be very profitable, provided we get the prices which are said to be charged now, and that the manufacturer gets the full benefit of those prices. It is a well-known fact that the cost of manufacture is not by any means the cost to the

purchaser. There is a very great difference between the price that the manufacturer gets and the price the purchaser pays for an article. That is a state of affairs which is known right through the commercial world. In considering the figures placed before us, we might very well ask ourselves the question whether the figure of £15 per ton is the production figure or whether it is what we are likely to get in the market or whether we shall receive any more.

There are Commonwealth regulations setting out rigidly the amount of profit that may be made on an operation and the Commonwealth Government might very well say to the Government of Western Australia, "Quite true, you have established this potash plant and quite true you can market the product and get a price of £25 a ton; but we are not going to let you get £25 a ton. We will let you get four per cent. over the cost of producing the article, the same as other people." From that aspect it may not be quite the profitable venture it is intended to be. There is another aspect. This plant, once established, will be there, not only during the time of war, but during the time of peace. In order to compete—I will not say successfully, but in order to compete at all—against the sources of potash from abroad, I contend it would be reasonable to put it to the Commonwealth Government that the Government of Western Australia, in fixing its price for this product, should be allowed to include a very large depreciation factor indeed. As an illustration, the Government of Canada, in order to encourage the manufacture of munitions, has fixed a very high factor of depreciation—in certain industries I think it is 50 per cent.—so that those people will be entirely free from the menace of loss after the war is finished.

The question arises in connection with the present project whether the Government has considered just exactly whether it can make such arrangements with the Commonwealth Government as will justify the establishment of this manufacture—so, far as I can see, it will be purely a war manufacture—before committing itself to the very heavy expenditure that will be incurred in establishing the industry. There is another argument that can be adopted in support of the proposal to establish a potash industry in Western Australia. It will be the first step towards the development of our great natural

resources in the form of deposits of salts that exist here. Anyone who has visited the Old Country or Germany and is aware of the tremendous amount of capital and the great numbers of persons employed in the alkali industry, will realise its possibilities. They may also realise that this industry, which employs large quantities of capital, is very powerful and no doubt the industrial development people were fully appreciative of the possibilities of this industry when they endeavoured to bring about its establishment here.

There is another reason I might advance in support of the establishment of this plant. It is well-known that inflation is the definite policy of the Commonwealth Government. Inflation destroys a paper currency, but it does place a value upon real assets. It might be that the possession of plant of this description will be very valuable in the reconstruction period when we have to get our currency on to a stable basis. I am mentioning a few arguments for and against the establishment of this industry, because I think members will appreciate that it does involve a good many factors.

The Chief Secretary: You are looking for the nigger in the woodpile.

Hon. H. SEDDON: I am not. I will point out to members before I have finished whether there is a nigger or not! Do not forget that I have been criticising this proposition for a long time. I have occasionally heard a phrase used about "the valour of ignorance." I wonder whether the courage exhibited in establishing this industry cannot be so described! I have referred to the powerful alkali industry oversea and the fact that that industry has been established by the accumulation of an enormous amount of capital. In fact, I might say that the successful establishment of chemical industries is dependent on being able to accumulate and provide tremendous quantities of capital.

People cannot put in the plant required for a big chemical works without the expenditure of very large sums of money, and I am inclined to think that the estimate of £110,000 in regard to the establishment of this plant is only going to be a fleabite if the proposition laid down in the memorandum is to be carried out and the manufacture of potash and the development of by-products undertaken. From that angle I ask the House seriously to consider the posi-

tion before voting. There have been other attempts of this kind to which Governments have subscribed in the past and which should prompt us to be cautious. It would be interesting to know what the losses were in connection with group settlement. It might be argued that we have established the butter industry in Western Australia as a result of group settlement.

Hon. W. J. Mann: It would be interesting to know the losses incurred in the mining industry.

Hon. H. SEDDON: Yes, it would, because the interesting fact arises that whereas with regard to group settlement the losses were incurred by the State and the State must pay for those losses for a number of years to come, the losses in the mining industry were borne by private capital.

The Chief Secretary: Not all.

Hon. H. SEDDON: Quite a lot.

Hon. J. Cornell: Eighty-five per cent.

Hon. H. SEDDON: Undoubtedly the greater part was. There is no comparison between group settlement and the mining industry. In spite of the losses, group settlements were established, and although we have to face those losses for 50 odd years, we have demonstrated the value of the group settlement country for all time. Wheatbelt development has cost a lot of money, too. Reference was made to the Auditor General's report. In the course of that report he points out that the losses incurred by the Agricultural Bank since its inception amount to £5,800,000. There was at Lake Clifton a lime deposit which involved the State in a very considerable amount of loss. Then there was the manganese railway. That was debated fairly fully in this House and incidentally it might be interesting to know that that deposit was investigated and reported upon by Eastern States interests. The Government might very well benefit by the report of independent geologists on these deposits before committing themselves to very heavy losses such as were incurred in connection with the manganese deposits. The loss on those deposits, according to the report, was £143,000.

We have taken part in other ventures that have involved us in a considerable amount of money. There are the Wyndham Meat Works, and other activities which have a pretty bad record so far as this State is concerned. Figures have been quoted with regard to the loss on other State trading

concerns. I am quoting these because it is necessary for the House to consider the other side of the ledger. Members must consider the amounts that must be expended in addition to the contemplated £110,000, in order to make this a successful venture. Reference has been made to opposition from the Eastern States. As is well-known there is a world-wide aluminium combine. All the companies that undertake the manufacture of aluminium in every country in the world are linked up. One of the by-products in this industry will be alumina. It is recognised that we cannot hope to manufacture aluminium from the alumina that we will produce at Lake Campion. Therefore one would rather think that it might have been wise to ascertain whether that by-product will be marketable, because without the by-products the venture cannot be made profitable.

Hon. W. J. Mann: Do you think that the combines controlling aluminium are going to live for ever?

Hon. H. SEDDON: Perhaps not, but I would like to point out that whether they live for ever or not, anyone who undertakes the manufacture of aluminium has to find large amounts of capital. That applies in Australia as well as overseas. There is a company in the Eastern States for the manufacture of aluminium and that company will go ahead to raise large amounts of capital. It might be interesting to indicate the imports of potash into this country. With this in view I took the official Commonwealth Year Book for 1939 and ascertained, first of all, from what countries our potash salts came and, secondly, the State to which they went. Dealing first with imports, the imports of muriate of potash to the under-mentioned States were as follows:—

Queensland	96,555 cwt.
New South Wales ..	32,513 "
Tasmania	10,040 "
Western Australia ..	9,800 "
Victoria	9,300 "
South Australia ..	2,200 "

The imports of sulphate of potash were:—

Western Australia ..	20,490 cwt.
Queensland	18,655 "
Victoria	10,606 "
New South Wales ..	5,599 "
South Australia ..	5,419 "
Tasmania	1,920 "

Queensland headed the list of imports of muriate of potash, and Western Australia that of sulphate of potash, both of which

are used as manures. The prices in 1939 in sterling, were roughly £7 per ton for muriate of potash, and £8 13s. per ton for sulphate of potash. World exports in 1939 amounted to 2,400,000 metric tons. The countries responsible for these exports were—

Germany	60 per cent.
France	16 " "
U.S.A.	9 " "
U.S.S.R.	8 " "
Poland	4 " "
Spain	3 " "
Palestine5 " "
Other countries ..	.5 " "

I draw attention to the position of Palestine, which in 1936 exported 12,000 tons of potash. In 1938 it exported 47,000 tons.

Hon. A. Thomson: Coming from the Dead Sea.

Hon. H. SEDDON: Yes. In addition to that, it exported 481 tons of bromine and 51 tons of magnesium chloride. I quote these figures to show how the Dead Sea deposit has rapidly come to the fore. The Dead Sea is 47 miles long and $9\frac{1}{2}$ miles wide and exceedingly deep. We can, therefore, realise what valuable supplies of potash it contains. The only other outstanding deposit of potash is at Stassfurt, Germany. It is an old deposit from which a worldwide trade has been established. The principal potash salts in that deposit are sylvine, carnalite and kainite. These are all valuable potash salts. They are among a number of other salts being produced in Germany on a commercial scale and exported all over the world. I quote them for this important reason that in both these instances they are being obtained from salt solutions. The salt which we are going to produce will come from a roasted material—and roasted at a pretty high temperature, too. When the roasting is completed, and not before, we will be in the same position as these people when they started. In other words, we have a permanent handicap in the cost of roasting this product before we start from the point at which they commence with the Stassfurt and Palestine deposits; and it will be against the products of those countries that we will have to compete. For that reason it is necessary to consider the technical side as one which demands investigation. A lot of hard work has been put into the examination of this deposit.

Hon. J. Cornell: Next to the supply, it is the technical side that matters.

Hon. H. SEDDON: Yes. The University has done a lot of valuable work in order to determine a process for the extraction of potash from the deposits at Lake Campion. Incidentally, I would like to ask the Minister to obtain from the development committee an answer to this question: Is it satisfied that the results obtained from the pilot plant at the University, where a high-grade fuel was used, will be obtained from the plant on the spot at Lake Campion where a low-grade fuel will be used? The fuel which they may use in the furnace on the spot may bring about reactions which did not occur at the University. That is an important point. The geological report of 1926, at page 127, deals with the Lake Campion deposits. The geologist showed that the average content was seven per cent. The geological report in 1931, at page 44, says that high values occur in the lake-bed to a depth of from six inches to one foot. As the depth increases, the value falls. It goes on to state that the Lake Campion deposit averages 61 per cent. alunite. One sample from Lake Deborah gave 68 per cent. alunite.

This afternoon figures have been placed before members showing that the plant proposes to treat 130 tons of alunite a day. The alunite comprises 60 per cent. of the ore—if I may use that term—which means that it will be necessary to take out over 200 tons of ore to get 130 tons of alunite. Do these figures mean that we are going to treat 130 tons of ore or 200 tons of ore? If we want to get 13 tons of potash a day, which is 10 per cent. of 130 tons of alunite, it will be necessary to treat 200 tons of the raw material unless we can improve the quality of that raw material and concentrate on the alunite going through the furnace. That is another point on which the Minister might ask his advisers for an answer.

The Chief Secretary: You do not suppose that these things have not been considered?

Hon. H. SEDDON: If they have, I cannot understand the statement placed before this House. It says that it is proposed to treat 130 tons of alunite per day, and we also have the information that the raw material contains 60 per cent. alunite, so what becomes of the remaining 40 per cent.? The point should be cleared up. The Minister's figures were queried in another place. It is a reasonable question.

The Chief Secretary: I am not suggesting that it is not.

Hon. H. SEDDON: I am raising these points because I am satisfied that 75 per cent. of members know nothing about the matter. This information should have been made available.

Hon. J. Cornell: The most disquieting thing is the seven per cent.

Hon. H. SEDDON: That seven per cent. is all right. The figure given here is 10 per cent. of the alunite. The potash comprises that percentage. The seven per cent. is a percentage of the whole of the material—100 per cent. Every one of these chemical processes has to be investigated for each material dealt with, because there are tricky reactions in practical chemistry. Professor Bayliss of the University carried out a pretty difficult job successfully, and the salts he got gave a high grade of potassium salt suitable for a manure. But there will be a residue, which is referred to in this memorandum. If members turn to page 1 they will see these words—

Previous investigation by other parties showed that treatment of the alunite material was practically impossible from a commercial standpoint owing to its high silica content.

That silica content still remains in the residue, but the potash has been extracted, which brings me to the question of the by-products. The really important by-product is alumina—that is aluminium oxide, the raw material from which aluminium is manufactured. Before it can be marketed, the silica must be got rid of. May I point out that after this potash plant has been installed, much more plant will be necessary to deal with the manufacture of alumina and other by-products. These manufacturing costs form a different proposition from that of marketing costs. I want to ask another question. In the original syndicate, according to this memorandum, certain gentlemen were interested. Their names are mentioned—Thorn, Brisbane, and Jackson. They have consented to be bought out.

Hon. G. W. Miles: They are the wise shareholders.

Hon. H. SEDDON: I want to ask this question: Why should they get out?

Hon. C. F. Baxter: They are only getting their money back.

Hon. Sir Hal Colebatch: Perhaps they were not satisfied with Government control.

Hon. H. SEDDON: That may be one reason. I cannot imagine these gentlemen

pulling out if this is to be the magnificent proposition that has been indicated.

The Chief Secretary: Perhaps it was the proposed limitation to four per cent.

Hon. H. SEDDON: If that is so, these people possibly adopt a different attitude from that of the Government. It looks to me as though that is a kind of warning, particularly as these men have a pretty good idea, not only of the financial side, but one of them, at any rate, is well informed on the technical side. That requires a little further explanation. The sum of £110,000 is mentioned. If a plant to deal with all the by-products is installed—and this can only be made a profitable concern by developing them—considerably more than £110,000 will need to be spent. This brings the proposition into line with other trading concerns in which the Government has invested public money. In placing these points before the House, I do not wish members to conclude that I am opposed to the idea of developing our industries. I am not opposed to the idea of providing a considerable amount of money to encourage the establishment of such industries if it can be shown that they can compete under ordinary conditions that will rule when peace returns. I direct the attention of members to the terms of the Atlantic Charter because one point dealt with plainly in that Charter is the protection of industries, and that is going to be a very important matter. It may possibly be that Australia's whole fiscal policy may have to be altered.

Hon. J. Cornell: That is inevitable.

Hon. H. SEDDON: Under such conditions the possibility of this industry continuing may be still further queried, because this State would then have to compete against old-established and well-equipped deposits of potash being worked overseas.

Hon. G. W. Miles: You are not going to vote for the Bill, are you?

Hon. H. SEDDON: I ask the Minister to answer the points I have raised. I should like the House to appoint a Select Committee to go more thoroughly into the objections I have mentioned. There is a lot of information to be gathered, and quite a lot of explanation could be given regarding the development of these deposits. I express my appreciation of the hard work that has been done by the technical people in bringing the process to the point that has been reached, but my opinion is that they

would have to go much further before they were in a position to put forward a proposition that would commend itself to the average investor. Although Governments may possibly look at these matters from an angle different from that adopted by the average investor, we should have some sense of responsibility towards the people who have to pay the piper, the people who have to find the loan money and repay it. It is from this angle I am viewing the proposition. If the passing of the agreement is covered by an assurance from the Government that before committing the State to heavy expenditure it will have further investigations made, the position might be different; but I am afraid that this is only the beginning of heavy capital expenditure, and I doubt whether the State can be recouped during the period of high prices and thus enabled to carry on under the conditions that will prevail when peace is declared.

On motion by Hon. Sir Hal Colebatch, debate adjourned.

House adjourned at 5.35 p.m.

Legislative Assembly.

Tuesday, 1st December, 1942.

	PAGE
Electoral, swearing-in of member	1644
Questions: Fruit Industry, as to railway transport	1645
Coffee and tea, as to growing in Western Australia	1645
Swine fever outbreak, as to prevention of spread	1645
Leave of absence	1645
Assent to Bills	1646
Bills: Pig Industry Compensation, 1R.	1645
Rural Relief Fund Act Amendment, 1R.	1645
Industries Assistance Act Continuance Bill, Message	1646
National Emergency (Stocks of Goods), Message	1646
Business Names, 2R., Com.	1646
Constitution Acts Amendments, Com.	1650
Fire Brigades, 2R., Com.	1658
Local Authorities (Reserve Funds), Council's amendments	1667

The SPEAKER took the Chair at 2.15 p.m., and read prayers.

ELECTORAL—SWEARING-IN OF MEMBER.

Mr. SPEAKER: I have received the return of a writ for the vacancy in the York electorate caused by the resignation of Charles George Latham, showing that