

Legislative Assembly.

Wednesday, 27th September, 1950.

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

QUESTIONS.

MILK.

As to Quantity Railed to Country Districts.

Mr. HOAR asked the Minister for Lands:
How much milk left the metropolitan area for country districts by rail in the first week of March, 1946, and in the first week of September, 1946; also in the first week of March, 1950, and the first week of September, 1950?

The MINISTER replied:

First week—March, 1946—This information is not available.

First week—September, 1946—This information is not available.

First week—March, 1950—10,164 gallons.

First week—September, 1950—12,635 gallons.

RAILWAYS.

As to Concession Fares for Children.

Mr. NEEDHAM asked the Minister representing the Minister for Railways:

(1) Is he aware that prior to World War II concession rail fares were granted to children under 15 years of age travelling interstate on educational sporting tours, but for many years past these concessions have been cancelled?

(2) Owing to the fact that children in the under 14-year age group are not physically suited to the interstate sporting sphere and do not profit as much from the educational side of the tour, will he favourably consider the re-introduction of concessional fares to groups of children under 15 years of age?

The MINISTER FOR EDUCATION replied:

(1) Yes.

(2) The concessions concerned were discontinued by the Australian railways as a whole in 1942, and although reviewed from time to time since, restoration of the concession has not been agreed to. It is probable that the matter will be again discussed at the next Interstate Conference of Railway Commissioners to be held in February, 1951.

GRASSHOPPERS.

As to Poison Supplied for Baiting.

Mr. KELLY asked the Minister for Lands:

(1) Is he aware that grasshopper bait in use this season in some parts of the infested areas is meeting with indifferent results?

(2) Was gammexane poison supplied last year? If so, what was the colour of it?

(3) Is gammexane being supplied this season? If so what coloured poison is in use?

(4) Was the source of supply identical in both years and who was the supply agent?

(5) Has the department received any reports indicating the ineffectiveness of this year's poison bait?

(6) As farmers are carrying out baiting at considerable inconvenience owing to staff shortages, and the effective control period is shortening, will he take immediate steps to ascertain if there has been any variation in the grade or percentage of poison supplied this year as against last year's supplies?

The MINISTER replied:

(1) Yes.

(2) Yes—pink.

(3) Yes—lighter pink than last year's supply.

(4) Yes—David Gray & Co.

(5) Yes.

(6) This matter is already being investigated by the Department of Agriculture.

WUNDOWIE INDUSTRIES.*As to Cost of Timber Mill.*

Hon. A. R. G. HAWKE asked the Minister for Industrial Development:

(1) Was the capital cost of constructing the large-scale timber mill at Wundowie included in the figure of £947,191 given by him in the House last Thursday as being the capital cost to date of establishing the Wundowie industries?

(2) Was an estimate for a timber mill included in the 1943 estimates of construction costs?

(3) What was the total cost of constructing the timber mill in question?

The MINISTER replied:

(1) Yes.

(2) No.

(3) £67,863.

ACOUSTIC SHELL.*As to Plans and Designs.*

Mr. TOTTERDELL asked the Chief Secretary:

Did he notice a statement by the Town Planning Commissioner published in "The West Australian" of the 25th September, stating that plans and designs for an acoustic shell in King's Park had been prepared in the office of the Town Planning Board. If so, will he state—

(a) Is this statement correct?

(b) If so, where are the plans and designs?

(c) If such plans do exist, will he make them available?

The CHIEF SECRETARY replied:

(a) The statement is correct.

(b) In the possession of the Town Planning Board, Plan No. 76, 7, 1.

(c) The plans do exist and a copy is laid on the Table of the House.

COMMUNISM.*(a) As to Lecture to University Students.*

Mr. ACKLAND asked the Premier:

(1) Is there any foundation for the report that a Russian—a representative of the Soviet Union—recently addressed a meeting of University students, on communism, at the University?

(2) If so, would he inform the House on whose authority this Russian addressed the meeting?

(3) If he has no information regarding the matter, will he ascertain if this address was delivered at the University, and on whose authority?

(4) Will he obtain the script of the speech for the information of members of the House?

The PREMIER replied:

(1) I am informed that a man named John Rodgers who was visiting Perth, recently addressed some University students on the University lawn on the subject of conditions of life inside Russia.

(2) The University Labour Club.

(3) Answered by (1) and (2).

(4) I am informed that so far as the University authorities are aware a report of the speech was not taken.

(b) As to University Labour Club.

Mr. GRAHAM (without notice) asked the Premier:

Is he aware of the fact that the University Labour Club has nothing whatever to do with the Australian Labour Party?

The PREMIER replied:

I was not aware of that fact.

Hon. A. R. G. Hawke: You admit it is a fact.

(c) As to Action by Government.

Mr. BRADY (without notice) asked the Premier:

(1) Will he make inquiries as to whether it is to be the policy of the University authorities to allow these clubs to invite speakers, such as Mr. Rodgers, to the University as was the case in this particular instance?

(2) Is it the intention of the Government to reprimand the officials of the University for allowing this man to speak on the University grounds?

The PREMIER replied:

(1) and (2) There are certain clubs at the University which issue invitations to certain people to address their members and as far as I am aware they do not make any representations to the University authorities for the issue of such invitations. They take the responsibility for such invitations. I do not know that this present case calls for a reprimand of anybody because I am unable to say who is responsible. The University Senate or the authorities generally have no knowledge of the matter and they did not issue the invitation or ask that it should be issued.

GINGIN ROAD BOARD.*As to Vehicle Fee, Moore River Area.*

Mr. STYANTS asked the Minister for Lands:

(1) What are the area and boundaries of the ground adjacent to the mouth of the Moore River for which the Gingin Road Board has been authorised by Executive Council to levy a toll of 2s. per car?

(2) As there are only five dilapidated camps on this area for which substantial rents are charged, what are the duties of the caretaker?

(3) What proportion of this levy is retained by the Gingin Road Board?

(4) What were the amounts annually received from this levy—

(a) by the board;

(b) by the caretaker?

The MINISTER replied:

(1) The bylaws cover all picnicking grounds in the Gingin Road Board District. The area of the reserve at the mouth of the Moore River is 257 acres 1 rood.

(2), (3) and (4): This information is not available.

MINISTERIAL VISITS.

As to Notifying Members.

Mr. FOX (without notice) asked the Premier:

As it appears to be the habit of Ministers to visit the districts of members, even in company with members not representing such districts, will he arrange to have members notified when it is the intention of Ministers to visit their districts?

The PREMIER replied:

I have always asked Ministers to notify members when they intend to visit their districts. I understand that is a courtesy that has been extended to members over many years and it is my wish that it shall continue. It may be that a Minister has made a rush trip into a district—I do not know—and perhaps has not had time to notify the member concerned. As I have said, I have already asked Ministers to notify members of such visits and I would ask Ministers to bear that fact in mind and to notify members accordingly in future.

BILLS (4)—THIRD READING.

- 1, Transfer of Land Act Amendment.
- 2, Public Service Appeal Board Act Amendment.
- 3, Western Australian Government Tramways and Ferries Act Amendment.
- 4, Water Supply, Sewerage and Drainage Act Amendment.

Transmitted to the Council.

BILLS (2)—REPORT.

- 1, Reserve Funds (Local Authorities).
- 2, Fauna Protection.

Adopted.

PAPERS—CHANDLER ALUNITE WORKS.

As to Undertakings and Proposed Plaster Supplies.

HON. J. T. TONKIN (Melville) [4.42]: I move—

That all papers concerning the State Alunite Works at Chandler and its undertakings, actual and proposed,

including (1) the proposal to produce plaster of paris and to supply Joseph Harris Collett; (2) all minutes and reports of the proceedings of the board of management made in accordance with Section 21 of the Alunite Industry Act; (3) the typist's notes of the meeting of the Council for the Development of Industries held on the 16th November, 1949, and the agreement between the Government and Mr. Innes of Australian Plaster Industries, be laid upon the Table of the House.

This motion has become necessary because requests made to the Government for the papers have in each instance been refused, and the final refusal was in such terms as to make it perfectly clear that, if the papers were to be obtained, a motion would have to be moved in this House. In the first place, when the matter reached the stage of needing some inquiry, the member for Northam and myself discussed it. In ordinary circumstances he would have pursued the inquiry and dealt with the question in the House, because he was in close association with the Director of Industrial Development and was responsible, when Minister, for the establishment of the State Alunite Works. It so happened that the member for Northam had arranged to travel to the Eastern States and, as the matter was urgent and required immediate inquiry, it was agreed between us that I should ask the Premier to let me see the papers and that the member for Northam and I would confer upon his return to the State.

It seemed to us that, if the Premier would agree to let me see the papers, there would be very little wrong along the lines of what we had heard and not much that would call for further inquiry, but if the Premier declined to make the papers available, his action would serve to emphasise that the Government was endeavouring to cover something up. The member for Northam left on his trip and, a few days afterwards I made an inquiry for the papers. I am not certain of the exact date; I fancy it was on the 9th May. I did not jot the date down at the time, but, calculating back, I have come to the conclusion that it must have been the 9th May, or a day or so on either side of it.

I rang the Premier and told him that certain stories were floating about in connection with the proposal to produce plaster of paris at the Chandler works and that the stories did not sound very nice, and asked whether he would allow me to examine the papers. The Premier replied that he had the file before him at the time. I said that he had had the papers before him for some months. The Premier further stated that there was some doubt as to the Government's legal power to produce plaster of paris at Chandler. My reply was, "So far as I am concerned, there is no doubt at all about the mat-

ter; the Government clearly has authority, if it wishes, to do so." However, the Premier declined to fix a time when I might see the papers. On the 15th May I wrote to the Premier as follows:—

You will recall that a few days ago, I asked you over the telephone if you would allow me to examine the papers in connection with a proposal to use the Government Alunite Works at Chandler for the purpose of producing plaster of paris, and you answered my question by stating that the matter was then before you.

It seems that you have not yet made a decision, and I am given to understand that the delay is against the interests of the State.

I should be glad, therefore, if you would afford me an opportunity of examining the relevant files.

To my letter, the Premier replied on the 17th May as follows:—

In reply to your letter of the 15th instant in which you ask that the file be made available to you dealing with the proposal to produce plaster of paris at the Government Alunite Works at Chandler, I desire to advise that this file is now in active operation and will be for some time. I regret therefore that it cannot be made available to you under the present circumstances.

On the 9th June, I addressed a letter to the Deputy Premier, the Premier then being absent in the Eastern States, as follows:—

On the 15th May, I wrote the Hon. the Premier requesting to be allowed to examine the file dealing with the proposal to produce plaster of paris at the Government Alunite Works at Chandler.

I had previously made a verbal request in similar terms. In his reply, dated the 17th May, the Hon. the Premier stated his regret that the file could not be made available, and gave as his reason for refusing that "the file was then in active operation and would be for some time."

This seems to me an excuse rather than a reason, and as the Government has now invited tenders for the leasing of the works (which, in my opinion, is beyond its authority) it is in the public interest that I be allowed to peruse the relevant papers. I therefore ask again that the file be made available to me for perusal.

To that letter the Acting Premier replied, under date the 13th June—

I have to acknowledge your letter of the 9th instant and to inform you that it is not the intention of the Government to make the file in question available.

I replied on the 16th June—

I have your letter of the 13th inst. informing me that it is not the intention of the Government to make the file relating to the proposal to produce plaster of paris at the Government alunite works available for perusal.

During the life of the last Parliament there was an occasion when, after I had drawn public attention to what I had good grounds for believing was a step which the Government might take against the best interests of the State, I was told by the Hon. Minister for Lands that if I had asked to see the papers relating to the particular matter about which I was concerned they would have been readily made available, and further, in similar circumstances in the future I would be permitted to examine the files in connection with matters of public importance. If I remember rightly, you were present when the Hon. Mr. Thorn gave me that advice at Parliament House, but if it were not you it was certainly a Ministerial colleague of the Hon. Mr. Thorn who concurred. In view of the change of attitude of the Government as shown in its decision not to make the Alunite works file available I am led to believe that the Government has something to hide and that the stories which are being told of the sinister influences to which it has yielded are not without foundation.

Because the papers were refused, and the refusal served to confirm the suspicions which had been aroused in me, I had to make my inquiries without the aid of the papers in an endeavour to ascertain whether there was any real foundation for the stories which were circulated. Fortunately in a democratic country it is possible for a representative of the people to take steps to ventilate a matter and if a case can be made out, then the Government, despite its reluctance to do so, can be obliged to make information available.

That could not be done in a totalitarian country because there the dictator would simply say that a person's head would be removed if he had the temerity to question any of the acts of those in charge. But in a democratic country we believe that the actions of Governments, and of the Ministers of Governments, should be open to inquiry if there is any doubt about the righteousness of what has been done. So we have a means by which we can prevent the occurrence of secret commissions, for example, which could not be prevented if inquiry could be refused simply upon the determination of the Government. I am, therefore, making this appeal to Parliament to have the facts of this case brought to light in the proper way.

The matters of inquiry are all associated with a proposal which appears to have originated with Mr. Fernie in his capacities of Director of Industrial Development and chairman of the board of management, State Alunite Works. That proposal was one to produce plaster of paris from gypsum at the State Alunite Works at Chandler, and to sell the product in Australia. This project was first announced at a meeting of the Council for the Development of Industries on the 16th November, 1949. I am asking that the typist's notes of the discussions at that meeting should be made available because it is reasonable to expect that the copy of the minutes which I hold in my hand would not fully recall the discussions which took place at the meeting.

The copy of the minutes of the meeting, held in the office of the Department of Industrial Development on the 16th November, 1949, which I have, are as follows:—

Present: Hon. A. F. Watts, chairman; Hon. L. Craig, M.L.C.; Mr. N. Temperley; Mr. O. Vincent; Mr. E. Needham, M.L.A.; Dr. G. L. Sutton; Mr. H. L. Brisbane; Mr. B. Meecham; Mr. N. Fernie; Mr. J. Child.

I emphasise that amongst those names are two of great importance, firstly, that of Mr. N. Temperley, who is associated with Millars' Timber & Trading Company, one of the biggest plaster manufacturing firms, and, secondly, Mr. B. Meecham, a principal in another of the big plaster manufacturing firms in this State. So these two gentlemen had early knowledge of the proposal which had been put forward. The minutes continue—

The minutes of the previous meeting having been circulated amongst members, were taken as read and confirmed on the motion of Mr. Needham, seconded by Mr. Vincent.

Mr. Craig requested, if possible that minutes be sent out earlier than has previously been the practice.

The Secretary, in reply to Mr. Watts, said that this would be done in future.

The State (W.A.) Alunite Industry:

Mr. Fernie reported that there was some startling news in regard to Chandler and a conclusion had been reluctantly reached that it would be impossible to continue operations at Chandler in competition with imported French potash if there were any further rises in the basic wage. If our basic wage did not rise, or if the French wages rose with ours it would be possible to continue, but not otherwise. This also applied to the new process.

Proposals had been put forward for an alumina cement works to be established at Bunbury. On paper this process looked very favourable and tests

were now being carried out to prove it. If successful, Chandler would become the raw material base only. It is a lime sinter process using Chandler alunite and/or residues with the shell of Leschenault Estuary. The production would be alumina, cement, sulphuric acid, potassium carbonate and thermo phosphate. Thermo phosphate is a recent development in America whereby fertiliser is produced without sulphuric acid. It is produced by the action of potassium carbonate on phosphate rock. It produces a phosphate that is all available but not so readily soluble.

The fertiliser is suitable for potatoes, etc., and it would save Australia quite a lot by obviating the use of imported brimstone or expensive pyrites.

Much of the plant at Chandler could be transferred to Bunbury where the new works would be established but ore winning plant, etc., would be kept at Chandler. The new process would be controlled by private enterprise and about 50-60,000 tons of cement would be available as well as fertiliser and other products.

Mr. Fernie said he would endeavour to arrange for the supply of $\frac{1}{2}$ cwt. of thermo phosphate to Dr. Sutton to enable experimental use on potatoes.

Experimental work had been carried out on the gypsum deposits in the Chandler area and it was highly probable that the industry could be carried on during the interim research period as a gypsum-winning and processing unit.

After much discussion it was decided to call a meeting of the panel early in January by which time the findings of the technicians would be complete and would be presented at this meeting.

I wish members to have clearly in mind precisely what happened at that meeting so far as we can judge from the minutes. Mr. Fernie indicated that Chandler was no longer an economic proposition for the production of potash because of the increase in costs of production. He mentioned that experimental work had been done on the gypsum deposits and was highly probable that the industry could be carried on in the interim research period as a gypsum-winning and processing unit. That interim research period referred to was a period of from two to three years which the department and the Minister expected to elapse before the Commonwealth would make up its mind whether or not it was going to pay a subsidy to keep the works in operation, because it would be of the greatest value to Western Australia to have a source of supply of potash should we be engaged in hostilities.

But the exploratory work and the inquiry had to be done by Commonwealth officers and it was likely that that research period would take two or three years.

It was Mr. Fernie's idea that in the meantime these works should operate on a proposal which would earn money for the Government, and so help to pay off some of the debt which had been accumulated on the works at Chandler. The Minister, who was present in the Chair, knew all about the proposal and, so far as these minutes are concerned, did not raise the slightest objection. Mr. Temperley and Mr. Meecham also heard of the proposal and did not raise any objection, so far as I can ascertain from the minutes. A report was to be made to the meeting of the panel in January. But I do not think the meeting took place; it may have done so, but I have no papers which will enable me to find out if it did take place or not, and I can only form an opinion from what subsequently transpired.

The date of that was the 16th November. On the 29th November, certain gypsum leases at Chandler were reserved for the State Alunite Works. I do not think that action could have been taken without the knowledge of the Minister. Also I do not think that the board of management, without reference to the Minister and without his approval, could have had these gypsum leases reserved for the use of the State Alunite Works because the leases had already been pegged by Collett and his partners. They had been to Chandler, had seen the value of the gypsum deposits, and had made inquiry at the Mines Department to find out whether the leases were open for pegging. When they were told that the leases were open for pegging, they pegged them.

Yet we find that on the 29th November the Government reserved these gypsum leases for the Chandler works—or at least somebody did on behalf of the Government. That could only be done as a result of an arrangement with Collett. Collett did not apply to have the leases granted after he had pegged them, and I am given to understand the reason was that he was told by Mr. Fernie, acting on behalf of the board of management and in his capacity as Director of Industrial Development, that if he, Collett, would unpeg the leases so that they would be free for the Government to reserve, the Government would produce the plaster and Collett could sell it to the prospective purchasers.

On that understanding, Collett unpegged his leases, and the Government reserved them. Finding the leases unpegged, Mr. Brady, of the firm of Brady & Co., apparently put in his pegs and lodged an application for the leases. I understand the application went before the warden's court but was not granted because the leases had been reserved for the Crown. Why did the Government want to reserve the gypsum leases if it had no intention of

using them to produce plaster? Was it to prevent anybody else from producing plaster? Of course not; that would be absurd. It was because at that date the Government had every intention—or the board of management, with the Minister's knowledge, had every intention—of producing plaster from those gypsum leases.

On the same date that these leases were reserved, a letter, signed "N. Fernie"—but not necessarily written by him, as I shall show later—was sent to Collett as the managing director of Gypsum and Plaster Exporters Ltd. It advised Collett that the Lake Chandler alunite industry was prepared to supply—

To your order and specification gypsum and plaster at the rate of 100,000 tons per annum, delivery early in 1950.

Mr. Fernie was chairman of the board of management, and anybody reading the State (Western Australian) Alunite Industry Act could come to no other conclusion than that Mr. Fernie had authority to make such an offer. That was his offer—to supply to Collett's order and specification gypsum and plaster at the rate of 100,000 tons per annum, delivery early in 1950.

The Minister for Industrial Development: What date was that?

Hon. J. T. TONKIN: The 29th November. On the 8th December, Mr. M. L. Fitzgerald, the manager of the Chandler works, wrote to J. A. Collett and D. O'Connor, and supplied particulars of prices, etc., and intimated that the board of management would require two months' notice before it could go into production. On the 22nd December—and I want members to keep this date particularly in mind—Collett received word from the Department of Industrial Development to come round and have a talk, as the matter was urgent. When he went round he was told that negotiations were completely at a standstill. The plasterers had been to see the Government.

Hon. A. R. G. Hawke: The plaster manufacturers.

Hon. J. T. TONKIN: Yes, they had been to see the Government and that was the information conveyed to him.

Hon. J. B. Sleeman: They must have brought a donation for the elections.

Hon. J. T. TONKIN: On the 22nd December, a letter, over what purported to be Mr. Fernie's signature, was sent to Collett. It referred to Mr. Fernie's letter of the 29th November as being by way of negotiation only. I quote—

I now advise you that there is some doubt as to whether the industry will be permitted to supply, and I therefore withdraw and cancel all negotiations until a decision is made by the Government.

Hon. J. B. Sleeman: By whom was it signed?

Hon. J. T. TONKIN: It was signed "Ferne." I ascertained in this House, by question, that Mr. Fernie was away in the country on the day this letter was sent. So it looks as if somebody on behalf of the Government—some member of the Government—had taken action and instructed someone in the Department of Industrial Development to send that letter. Mr. Fernie certainly did not send it. The letter was sent cancelling the previous negotiations. It is perfectly clear that between the 8th and the 22nd December something occurred which caused the Department of Industrial Development to say that negotiations had ceased.

We have to try to find out what occurred between those dates. Had the question of the legal position suddenly cropped up? Had some member of the Government raised the question of whether the Government was legally empowered to produce plaster at Chandler, or had the Government suddenly realised that it was departing from its expressed policy, which was against the extension of State enterprises? That might have been the reason. Was the question of expenditure suddenly raised by the Under Treasurer, or somebody like that? Was it pointed out that a lot of money had been spent on Chandler and no more should be spent? That is possible, too. Or was it that the Government had suddenly been confronted with strong opposition which had delivered an ultimatum to the Government? That is a possible explanation as well.

Let us take the first one. Could it have been that the Government had suddenly become concerned about the legal position? I do not think so because this occurred between the 8th and the 22nd December. On the 3rd August I asked the Minister, in this House, a question as to when he first became concerned about the legal position, and I refer members to Question No. 17 of the 3rd August. I asked the Minister—

On what date did the Minister first become concerned about the legal position in connection with the processing of gypsum by the State Alunite Works?

The Minister's reply was—

In March, 1950.

So the Minister did not become concerned about the legal position until March, 1950, but this development occurred in December. Therefore, that is out as a reason; it could not have been the legal position. Was it that the Government had suddenly become concerned about the extension of State enterprise? Some Minister might have raised that, and said, "Here you propose to embark upon another State enterprise, and that is against our policy so you had better not do it." Could that

have been the reason? That is unlikely, too, because we expect the Government to be consistent.

I find that the Government had a proposal this year to establish a fruit-case mill at Kent River—an extension of State enterprise—to which there was serious objection. I quote now from "The West Australian" of the 20th May—

Protests against the erection of a fruitcase timber mill in the Kent River district by the Department of Industrial Development were made to the Honorary Minister for Housing (Mr. Wild) yesterday by a deputation from the Sawmillers' Association. Members of the deputation said that the association had the machinery required to cut fruit cases and if it were not for the labour shortage, which the department would suffer from also, they could supply all the State's requirements. The timber used by the department would be that which could be used for the construction of houses whereas the association would use only timber of no value to the housing industry. Mr. Wild said that the erection of the mill had been started and the Forestry Department had been called for cutting rights in the district. He would consider the matter and advise the association as soon as possible.

But the Government did not stop. It went ahead with this mill and for the purpose took certain machinery which was at Chandler. It is not likely, therefore, that the Government would say with regard to the manufacture of plaster—which I shall show later on was in extremely short supply—that it would not go into that business because it was a State enterprise, while at the same time it would go into the business of fruitcase manufacture, which was also a State enterprise. If the Government was against the production at Lake Chandler because it was a State enterprise, then it is reasonable to expect that it would be against fruitcase manufacture for the same reason.

So I think we can safely say that the reason was not that the Government had suddenly become concerned about the extension of State enterprise. Was it possibly the reluctance of the Government to expend money on the Chandler works? Over £750,000 had already been spent on works and admittedly that is a large amount of money, and for £450,000 of this amount no tangible asset remains. That is a matter of deep concern. It is the view, it would appear, that further expenditure at Chandler should not be undertaken.

When we consider that the Government had already authorised an expenditure of up to £2,000 on the alteration of the works for the purposes of producing plaster, we have to ask ourselves how can that have been the reason? What right had the

Minister or the Government to authorise the expenditure of up to £2,000 for altering these works, if the Government had no intention of using them for the production of plaster after they had been altered? I refer members to Questions Nos. 3 and 4 of the 1st August, when I asked the Minister—

(3) Was it necessary to make alterations to the works to enable plaster of paris to be produced?

(4) What was the cost of these alterations?

The Minister replied—

(3) and (4) Some minor additions were made to the plant on which only labour and some existing materials were used. Separate costs were not kept but the value of the work would be less than £2,000.

Could this Government get money so easily as to enable it to spend £2,000 without caring whether it had been well spent or not? Surely the authorisation of that expenditure is an indication that at that date the Government had every intention of using the works for the production of plaster, otherwise the expenditure becomes inexplicable and indefensible. Under the State (Western Australian) Alunite Industry Act, the board of management has the power to spend up to £1,000 on any one item without ministerial approval. If the board wishes to spend more than £1,000 on any one item, ministerial approval is necessary.

On the face of it, it looks to me that ministerial approval was necessary for the expenditure of approximately £2,000 for altering these works. If it was so, that is sufficient indication that the Minister knew precisely what was going on and was in agreement with it. However, the alterations were carried out and the money was expended. If the Government was worried about the financial angle it should have grasped this opportunity with both hands, because here was a proposition which would have earned a profit. In answer to a question the Minister had told me it was calculated that the profit would be about 10s. a ton. I am informed it would have been nearer £1 a ton.

The Minister for Lands: We have always been out in our calculations up to date regarding State enterprises.

Hon. J. T. TONKIN: Regarding everything—even the purchase of the Lobnitz needle.

The Minister for Lands: Every proposition we have is losing!

Hon. J. T. TONKIN: If the hon. member will look at the file concerning the purchase of the Lobnitz needle he will find there was a subsequent application for an additional £10,000 above the original appropriation.

The Minister for Lands: The original reclassification was so far out—besides, who ordered the Lobnitz needle?

Hon. J. T. TONKIN: Mr. Stevenson-Young.

The Minister for Lands: What Government?

Hon. J. T. TONKIN: The Labour Government, but what has that to do with it? The point at issue is that the estimate made may have been wrong. I venture to say that subsequent events will prove that estimate was not wrong because, as I have already informed the House, the Minister told me that the profit would be 10s. a ton, whereas I am informed it would be nearer £1 a ton. Taking it at 10s. a ton, on a production of 50,000 tons per annum,—though I am led to believe it would be nearer 80,000 tons under the arrangement being made—that would have meant £25,000 a year to the State Treasury. If it were a question of finance, therefore, instead of turning this proposition down because of the money already expended, the Government should have said, "Here is an opportunity to get some of our money back," more especially as there was to be an interim research period of two to three years. Here was the opportunity of getting the works in operation and of earning profits during that period of research.

But the Government decided that the works were not to operate at all. That was its decision. So not only would there be no profit made, but neither would there be enough money to pay interest and sinking fund charges. I think, therefore, we can dismiss the financial aspect as a reason.

We now come to the fact that strong pressure had been put upon the Government from some source—pressure far stronger than the Government could withstand. I mentioned before that it was on the 22nd December that the Department of Industrial Development got in touch with Collett and told him to come around as something had gone wrong with the works. Between the 8th and 22nd December two influential gentlemen waited on the Premier. These two gentlemen were from the Chamber of Manufacturers and one of them was one of the principals of a plaster manufacturing concern. I am unable to say what the exact date was, but it must have been between the 8th and the 22nd December, and I think it was on the 22nd December that these two gentlemen went to see the Premier. They did not go to inquire about his health.

Hon. A. H. Panton: That always looks well.

Hon. J. T. TONKIN: These gentlemen obviously went to discuss the Government's proposal to manufacture plaster. One of them would know all about it, because he was present at the meeting of the council when the proposal was introduced. I give that as the reason why the Department of Industrial Development hurriedly notified Collett that negotiations were to stand still. Why was it that on the 23rd

December, when Mr. Fernie was away, a letter was sent over his signature notifying Collett that negotiations were off for the time being because it looked as if Chandler would not be permitted to produce plaster? It seems clear that the letter was written at the direction of the Premier or one of his Ministers, because Mr. Fernie was away. The board of management had not decided the question. This board comprises three gentlemen—Mr. Fernie, Mr. Golding and Mr. Reid. Mr. Fernie was away, Mr. Golding was not approached in connection with the matter, and there could not be a meeting of the board of management with only one.

The decision therefore was made by the Government or a Minister, and the Department of Industrial Development acted accordingly and wrote to Collett and told him the business was off. It ought to be perfectly clear, therefore, that as a result of that visit from the representatives of the Chamber of Manufactures—one of whom was a principal of a plaster manufacturing firm—the Government took this action to cancel negotiations. Because of that, I make this charge against the Government. I charge it with deliberately sacrificing the interests of the State and the welfare of the people in this and other States of Australia for party considerations, while under the domination of the Western Australian Plaster Manufacturers' combine. I further charge the Ministers with violating their oaths of office, and by their conduct bringing about the resignation of Mr. N. Fernie from his position as Director of Industrial Development. I realise that those are very serious charges to make and should never be made unless one has substantial evidence to support them. I believe I have that evidence, and I propose to give it.

The manufacture of plaster and plaster-board in Australia is in the hands of an Australia-wide combine, and it is impossible for anybody not in the association to get plaster to start up a business. I shall prove that later on. It is a powerful combine, with price control and quantity control. The prices of plaster in Western Australia are high and substantial. The Minister for Prices was good enough, in answer to a question of mine, to supply the details. I will not weary members by reading them all; but if they will turn to "Hansard," they will find that in reply to my questions as to the price per ton in Western Australia of plaster of paris, the Minister said that the prices vary according to the conditions under which the plaster of paris is sold. Then he set out a schedule showing the maximum selling prices; and they are very substantial.

But another important thing about it is not that the price is high, but that the supply is controlled. So one can quite easily understand the concern of the

plaster manufacturers if something happened which was likely to threaten their supremacy and smash the combine. The establishment of a State works in Western Australia which could produce a large quantity of plaster at a price a long way below that of the combine would mean the end of the combine, the end of its monopoly control. It would mean a substantial reduction in price and therefore a substantial reduction in profits. Would one therefore expect the members of the combine to sit idly by and let the Government undertake this production if they believed they could stop it? And they felt that they were in a privileged position in that regard, because they were closely associated with the Government parties.

It is no wonder that the Premier had an early visit from them when it looked as though this proposal was getting well under way. And they had early notice of the proposal. Mr. Meecham was present at a meeting of the council when Mr. Fernie mentioned what it was proposed to do. Apart from Mr. Fernie, I suppose that nobody except the other members present at the council meeting had prior knowledge of the Government's intentions. So the plaster manufacturers became aware early of this threat to their monopoly; and like all monopolies they strengthened their ranks, girded their loins, got to work and went to the place where their influence would have the best results. They went to the head of the Government. Did they get results? Speedily! Within a matter of hours the Department of Industrial Development sent word to Collett & Co. that the negotiations were at a standstill. Collett & Co. had been endeavouring to obtain from the Chandler works samples of the plaster that could be produced there, and they wanted fairly substantial quantities. On the 3rd January the manager of the State Alunite Works wrote as follows:—

Just now it would be impossible to supply you with a further 15 tons of plaster.

Why just now? I submit it was because of the direction of the Minister—some Minister—or the Premier that the business was off. So the manager of the Chandler concern felt that he was not in a position to go on and supply samples, and he had to say so. He wrote that "just now it would be impossible to supply you with a further 15 tons of plaster." No reason was given and no indication as to when the 15 tons would be available.

On the 12th January, the Victorian manager of Australian Plaster Industries, Melbourne, wrote to Collett & Co. inquiring about the order which it had placed with Collett & Co. on the 30th December. I might mention that this Victorian manager of Australian Plaster Industries is the same Mr. Innes to whom

the Government is now leasing the works. He wrote to Collett & Co. and wanted to know when this plaster was coming along, this order which he had placed on the 30th December. This seemed to have the effect of starting somebody into action. As a result of previous Government intervention, matters were at a standstill; but this inquiry from Mr. Innes had the effect of spurring somebody into action; because, on the 2nd February, Collett & Co. were able to write to Australian Plaster Industries and forward a bill of lading for three tons of plaster as a sample, and that was supplied by the Chandler works.

Were these works just playing for fun? Were they just encouraging Mr. Collett and his partner to go on spending their money with no intention of supplying plaster to them later on? Or was this in pursuance of ordinary recognised business practice? This sample of plaster was supplied to Collett and he sent it on to Australian Plaster Industries. On the 6th February, Collett made an approach through James Kiernan Proprietary Limited in an endeavour to arrange shipping space for 25,000 tons of plaster annually. Was he doing that in a sort of hopeful gesture that something would happen, or was he doing it in the knowledge that he had been assured of a supply of plaster from the State works? He asked this firm to arrange shipping space for 25,000 tons annually.

On the 9th February, a Mr. S. Bond, of the Melbourne Rope Works, wrote to the State works at Chandler asking direct for supplies of plaster. When he wrote, the manager of Chandler was away in the Eastern States. He was away at the expense of Collett & Co., endeavouring to prove to his satisfaction and his department's satisfaction that the orders which Collett & Co. said they had did, in fact, exist. Collett & Co. had told the Department of Industrial Development that they had orders for the requisite quantity, because Mr. Fernie had said in his letter that they wanted a guarantee that 50,000 tons per annum would be required before the State works could go into operation. So Collett & Co. had to get orders for 50,000 tons so that they could make their side of the business right.

When they told the department they had such orders, the department wanted to be sure of the matter, and the board of management, or somebody on its behalf, asked whether Mr. Fitzgerald could go over and satisfy himself as to the extent of these orders. At the expense of Collett & Co., Mr. Fitzgerald went over and satisfied himself. He interviewed Mr. Innes, of Australian Plaster Industries, who was to take the plaster and distribute it, and when he came back he had to set about doing something about this letter he had received from Mr. Bond, of the Melbourne Rope Works.

Before I deal with that, I would refer members to questions which I asked on the 16th August, with regard to Mr. Fitzgerald's visit to the Eastern States. I asked the Minister for Industrial Development—

(1) Was he aware of the arrangement which was made by the board of management of the State Alunite Works for the manager of the works to visit the Eastern States "in pursuance of inquiries being conducted by them at the time?"

The last words are the Minister's own.

(2) Did he approve of such visit being made?

(3) On what date did the manager leave for the Eastern States, and upon what date did he return?

The Minister replied—

(1) Not until after it took place.

(2) Answered by (1).

(3) Left Perth on the 9th February; returned on the 14th February, 1950.

On the 20th February, Mr. Fitzgerald, on behalf of the State Alunite Works, replied to Mr. S. Bond's letter as follows:—

Your letter of February 9th is to hand. We have forwarded a copy of this letter to J. H. Collett, 96 St. George's Terrace, who is at the moment negotiating orders on our behalf.

If you, Mr. Speaker, were Mr. Bond and you received that reply to your letter, would you not believe what it said—that Mr. Collett was negotiating orders on behalf of the State works? Would you not assume that the State works intended to supply through Collett & Co. and that if you applied to Collett & Co. for a quantity of plaster, you would probably get it? To what other conclusion could you come from such a letter? I submit, no other.

So there was no doubt on the part of Mr. Fitzgerald, manager of the works, that they were proceeding to get ready to go into production. Nor was there any doubt in his mind that they would supply through Collett & Co., in accordance with the negotiations and discussions that had taken place. On the 25th February, J. H. Collett & Co. wrote to the manager of Australian Plaster Industries, Melbourne, sending copies of agreements that had been finalised with the Fremantle waterside workers and the Government railways re the handling of plaster. Do members think that Collett & Co. would go to the trouble of interviewing the lumpers' organisation at Fremantle and of getting into touch with the Railway Department with regard to the handling of plaster, if they did not have something pretty solid to ensure that they would be supplied with plaster?

The agreement that they were able to get from the waterside workers was that to assist this Western Australian industry,

and to alleviate the shortage of plaster the lumpers would agree to handle it in single bags. That was the agreement sought and obtained to facilitate marketing and cheapen costs. The railways agreed to provide transport for the necessary quantities of plaster.

In March—no definite date was given—the Minister first became concerned about the legal position. The answer to that was given to Question No. 17 on the 2nd August. The Minister did not submit the matter to the Crown Law Department until the end of March and Collett & Co. were allowed to go on spending their money and making their inquiries and arrangements. The Minister first became concerned about the legal position in March, but waited until the end of March before he submitted the matter to the Crown Law Department.

On the 14th March, Mr. Fernie and Mr. Reid, two of the three members of the board of management, waited on members of the Plaster Manufacturers' Association. We can only guess why. I have no papers from which to find out why, but these two gentlemen went down to see the Plaster Manufacturers' Association. The date of the visit was that given to me by the Minister in reply to Question No. 14 on the 1st August. We must assume that at that meeting the plaster manufacturers insisted that the State works be kept closed, and that they would not take their pressure off the Government.

I believe that Mr. Fernie and Mr. Reid went there to ask the members of the Association to let up on the Government so that the works could be allowed to produce. I have no proof of that, but I think proof might be found in the relevant papers. I believe that was so, and my belief is strengthened by what subsequently happened. On the 16th March, Mr. Brady, of the firm of H. B. Brady & Co., plaster manufacturers, took a trip to the Chandler works and politely helped himself to a small quantity of plaster in a bag, without reference to the management. Was Mr. Brady short of a lb. or two of plaster that he had to secure in a hurry?

Hon. J. B. Sleeman: Was he stealing or souveniring?

Hon. J. T. TONKIN: Unless there was a special purpose in it, the action was that of a delinquent child. As it was, a grown man—a prominent and successful businessman—made a special trip to the Chandler works to provide himself with a quantity of Chandler plaster. Is it thought that he wanted to compare its quality with that of his own plaster? If he wished to do that, would he personally go to Chandler? Would he go there without reference to the manager? No. He did it for a purpose and, according to the answers given by the Minister to my questions, he is stated to have said that he

wanted the plaster in order to prove to the Government that it was being manufactured, or words to that effect.

Hon. A. R. G. Hawke: I suppose he wanted to hit the Premier over the head with it, metaphorically speaking.

Hon. J. T. TONKIN: I asked the Minister on what date did a certain person or persons enter the State Alunite Works and remove, without the authority of the manager, a quantity of plaster, which was later subsequently recovered after a chase of some miles. I further asked on whose behalf were the offenders acting and for what purpose was the plaster required, and why were legal proceedings not taken in connection with the matter. To those questions the Minister replied—

(1) There is no record of this matter in the department. Inquiries will be made at Chandler and if any information exists the hon. member can be informed.

Subsequently the Minister supplied the information that the date was about the 16th March. If that is the correct date it would be about two days after Mr. Reid and Mr. Fernie had been to see the Plaster Manufacturers' Association. The Minister further replied—

(2) The manager states that the person concerned was a Mr. Brady of the firm of H. B. Brady & Co. Ltd. Mr. Brady is stated to have informed the manager that he wanted to prove to the Government that plaster was being produced without authority. Whether this was the only reason is not known.

So in March Mr. Brady apparently had a special reason for wishing to prove to the Government that the Chandler works were actually producing plaster without authority.

What business was it of Mr. Brady? It was the Minister's concern, and not that of Mr. Brady, if the Chandler works was actually producing plaster without the authority of the Minister. The Minister was the one to take action to stop what was being done, but Mr. Brady decided that he must take some action, and so he helped himself to some of the State's plaster. Under ordinary circumstances that would be petty larceny. If the man in the street did it, he would be proceeded against for trespassing on State property and for stealing.

Hon. J. B. Sleeman: If he was a lumper, he would get 14 days for it.

Hon. J. T. TONKIN: Mr. Brady got off with this plaster and after he had gone the manager found out about it and set off after him. I am told the manager caught him up somewhere near Merredin and, after running him off the road, demanded the plaster back. Apparently the manager did not have much difficulty in getting it, as he meant business.

The Minister for Lands: Why did he not issue a summons against Mr. Brady?

Hon. J. T. TONKIN: The Minister would have to do that. The plaster that had been purloined was returned by the manager to the State works, and there the matter rested.

The Premier: There was no suggestion to the Government that a summons should be issued. What did we know about it? We had no knowledge of it.

Hon. J. T. TONKIN: Did not Mr. Brady tell the Premier about it?

The Premier: He did not. I would not know him if I saw him. I do not think I have ever set eyes on the man.

Hon. J. T. TONKIN: If he had been allowed to get away with the plaster, the Premier would have seen him.

The Minister for Lands: That is not an answer to the question of why the manager did not summons Mr. Brady.

Hon. J. T. TONKIN: The Minister is in a better position than I am to answer that. Just imagine asking me why the manager did not summons Mr. Brady!

The Minister for Lands: But you have the information.

Hon. J. T. TONKIN: I have not, and the Government is doing its best to see that I do not get it.

The Minister for Industrial Development: I gave the answers to your questions.

Hon. J. T. TONKIN: I read out the answer the Minister gave in this regard, and that is the answer to the Premier's question.

The Premier: We are not protecting Mr. Brady from prosecution.

Hon. J. T. TONKIN: No-one has suggested that.

The Premier: I thought you did make that suggestion.

Hon. J. T. TONKIN: I am simply saying that if someone other than Mr. Brady had gone to the State Alunite Works and had helped himself to a bag of plaster, he would not have been allowed to get away with it; but Mr. Brady went there for a special purpose. I have no doubt that he intended to give someone an ocular demonstration that plaster was being produced at Chandler.

The Premier: He did not go there with the permission of the Government or of any Minister.

Hon. J. T. TONKIN: He did not want that.

The Premier: Apparently not.

Hon. J. T. TONKIN: Apparently he was satisfied that he did not need it. His intention was to prove to some member of the Government that plaster was being produced there. That suggests that there must have been an understanding between

the plaster manufacturers and the Government that plaster would not be produced at Chandler.

Mr. Marshall: That is obvious.

Hon. J. T. TONKIN: Were that not so, what would be the point in trying to produce the plaster to the Government to prove that it was being manufactured at Chandler? The only reason why the plaster would have to be produced to the Government would be, if there was an understanding that it should not be produced there, to prove that it was being produced and that the undertaking was being broken. I believe there was an understanding between the plaster manufacturers and the Government that plaster would not be produced at Chandler. I have no doubt about it.

On the 31st March the Department of Industrial Development sought from the Railway Department an assurance that transport would be provided for 25,000 tons of plaster. After the visit of Mr. Brady to the Chandler works and after the Minister first became concerned about the legal position, the Department of Industrial Development got in touch with the Railway Department to obtain from it an assurance that it would provide transport for 25,000 tons of plaster. On the 6th April the manager of Australian Plaster Industries, Melbourne, wrote to Fitzgerald, the manager of the State Alunite Works at Chandler, and advised him that he had completed an agreement in relation to the bags to be used in connection with the transport of this plaster, and that this agreement had been completed in all particulars excepting the clause pertaining to price.

So the matter was still proceeding. Mr. Innes, of Australian Plaster Industries, who was to take this large quantity of plaster from Collett & Co. was, with the knowledge of the manager of the State works, arranging for the bags necessary to be used in connection with the transport of this large quantity of plaster. On the 13th April, the Russell Transport Service advised Collett with regard to the arrangements that had been made for carting the plaster. Collett had been endeavouring to get that part of the business fixed up satisfactorily, and the Russell Transport Service advised him on that date.

On the 17th April, Australian Plaster Industries wrote to Collett regarding a draft agreement between them, to which the State Alunite Works was to be made a party. Here was a tripartite agreement that was to bind Collett & Co., Australian Plaster Industries and the Government, and it was an agreement for the supply of plaster from the Chandler works. Innes said that this draft agreement was being drawn up with proper safeguards and provisions. He said that in the agreement it was provided that the plaster from Chandler would not be sold on the local

market. In order to meet the objections of the local combine, which feared that the State works would mean the end of its monopoly, it was thought that if a clause were inserted in this agreement providing that none of the plaster produced by the State works would be sold on the local market, members of the local monopoly would be satisfied.

But it was a false hope. A meeting of the plaster manufacturers of Australia took place at Mildura. I do not know the date, but I understand the Minister does, because I have been informed that a copy of the minutes of this meeting was supplied to his department and therefore should be on the file. I also understand that Mr. Banfield, a representative of one of the big plaster manufacturing firms here, was the president of this Australia-wide association. I understand that he mentioned this matter of the supply of plaster in Western Australia to plaster manufacturers in the Eastern States who told him that they could see his point of view and that they were concerned with the threat to their monopoly; but as plaster was in such extremely short supply in the Eastern States, the local group ought to take pressure off the Government and allow it to produce.

I believe they further stated that providing they could get a guarantee that the plaster from the State works would not be sold on the local market, that ought to satisfy the Ajax Plaster Company, the Perth Modelling Works, Millars' Timber and Trading Company and the other firm and therefore they should take their pressure off the Government. I understand Mr. Banfield returned to Western Australia and, after inquiry, found out that the proposition was not suitable because he could see they could not enforce such a contract which would be in restraint of trade and which would prevent the produce of the State works being sold locally. Therefore, they had to tell the association that they were not going to allow the Government to proceed.

I have no proof of this, but I think it is in the minutes—I am told it is—that when Mr. Banfield indicated this information to the association, he was told that if the State manufacturers did not take their pressure off the Government the Eastern States interests would withdraw from the association. I am told they did, in fact, withdraw as a protest. On the 28th April of this year the position was becoming extremely acute and Collett's solicitor sought an interview with the Premier, who declined to see him, and I think he informed Collett that the matter had been passed to the Attorney General for his attention.

That is borne out by the fact that on the 3rd May the Attorney General advised Collett's lawyer that the Premier had passed the matter to him and no good purpose would be served by negotiating with him. So he refused flatly to have

any interview whatsoever although we are told that the Government, at that stage, had definitely not made up its mind on this matter. According to a minute sent to the Industrial Development Department, a Cabinet decision on the industry was made on the 19th May, but on the 3rd May the Attorney General informed Collett & Co., who had spent between £2,000 and £3,000 on this project, that no good purpose would be served by their representatives coming to see him.

On the 8th May there was a statement in "The West Australian" which brought this matter right out into the light of day. This statement was not made by a member of Parliament; it was not made by a member of any of the firms interested; it was a statement by "The West Australian" and therefore must have been obtained by one of its reporters. We must assume it was made in good faith and was a statement of the position as that newspaper saw it.

The Minister for Education: On what date was that?

Hon. J. T. TONKIN: On the 8th May. The report reads as follows:—

Alunite and Iron.

Problems for State Industries.

Two of the State's industries, which came into existence as a result of the war, have run into trouble. The charcoal iron and wood distillation plant at Wundowie is facing a shortage of suitable ore within economic distance of the plant and iron ore is being brought from Koolyanobbing, in the Yilgarn goldfield.

The alunite industry, which was started to assist in overcoming the shortage of potash in the war years, but which has not received protection from the Commonwealth against cheaper imported potash from Europe, has been forced to close down. Men employed at the alunite plant, situated at Lake Chandler, have been engaged in breaking ore at Koolyanobbing for the Wundowie plant.

A proposal was made to the Government to use the alunite works for the manufacture of plasterboard which would be exported either to the Eastern States or oversea to avoid government competition with the plasterboard companies already established. Because of the objection by private enterprise that the plaster board would eventually find its way on to the local market if oversea or inter-State markets were unavailable, this scheme has been held up.

The Minister for Industrial Development: There were never any suggestions at any time to produce plasterboard.

Hon. J. T. TONKIN: The report concludes; "This scheme has been held up."

The Minister for Industrial Development: "The West Australian" was obviously misinformed on the subject; there were no suggestions whatever to produce plasterboard.

Hon. J. T. TONKIN: The intention was to produce plaster to supply Collett & Co. which could dispose of it in its raw state or for the purpose of making plasterboard which eventually could be sold.

The Minister for Industrial Development: Never at any stage was there an intention to produce plasterboard.

Hon. J. T. TONKIN: Oh, no, the Government never had any intention to produce plasterboard.

The Minister for Industrial Development: I am glad we agree on that.

Mr. Marshall: But if the Government produced plaster to supply to the company, it could then produce the plasterboard.

The Minister for Industrial Development: I am suggesting that "The West Australian" has been misinformed.

Hon. J. T. TONKIN: That might be so, but nevertheless it was well within the mark. It will be noted that the report states:—

A proposal was made to the Government to use the alunite works for the manufacture of plasterboard which would be exported to the Eastern States

That is wrong; the proposal was to produce plaster, but all the rest, I think, is correct. The proposal was held up because of the position in which private enterprise was placed, which feared that this plaster would find its way on to the local market and, of course, if it did, that would be the end of the monopoly; the end of the control of the quantity and the price. And so one would not expect the boys who had had such a good run for such a long time to view the prospect with equanimity.

The Government made no reply to that newspaper statement. It has been our experience in this State that when matters of this kind are ventilated in the Press and the Government has a case, there has been no dilatoriness on the part of the Minister in stating the Government's point of view.

Hon. A. R. G. Hawke: Mr. Clementson must have been on holidays.

Hon. J. T. TONKIN: However, on this occasion there was no comment of any kind, for the simple reason that the Government had no answer; the statement was true. Then we come to the date on which I asked the Premier over the telephone if he would let me see the papers and he refused to do so. It seems that at that stage the Premier had some doubt about the legal position, and yet this legal

position, which had given the Minister concern in March, was still not determined by the 9th May.

On the 11th May, the Premier's Department, Queensland, wrote to the Government in this State, pointing out the shortage of plaster which existed in its State, and I believe asked the Government to go ahead and produce. On the 1st June, the Premier of Queensland himself wrote—according to the Minister—I believe in similar terms, again stressing the urgency of this matter; pointing out that that State was short of plaster. On this same date, the 11th May, the solicitors for Collett & Co. sent this letter to Mr. N. Fernie as chairman of the board of management:—

re Completion of Memorandum of Agreement between Joseph Harris Collett and the State (Western Australia) Alunite Industry Board of Management for the supply of plaster from Chandler.

Further to the writer's recent conversation with you we have to advise that the matter of the agreement entered into between you on behalf of the State (Western Australia) Alunite Industry Board and our client, Mr. Joseph Harris Collett, to supply him with certain quantities of plaster has been further considered by our client and he is very concerned at the delay in the completion of the documents recording the terms of the contract and is being considerably embarrassed and prejudiced in consequence of a certain contract made by him for the disposal of the plaster to be supplied by you.

Our client submits that there has been a completed contract entered into between himself and the board of management of the aforesaid alunite industry and it seems to us that that is abundantly clear from the following circumstances:—

- (a) Our client had proposed to apply for a lease from the State of Western Australia for certain mineral deposits containing gypsum and had discussed the matter with the Under Secretary for Mines and learned that the leases were available.
- (b) Our client was approached by yourself on behalf of the board of management of the aforesaid alunite industry and offered that if he would desist from making application for the aforesaid leases and satisfy you that he had markets for a sufficient quantity of Western Australian plaster you would undertake to supply that plaster to him.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. J. T. TONKIN: I shall continue my reading of the letter from Collett's solicitors to Mr. Fernie—

Our client accepted your offer and proceeded to give effect to the terms agreed upon by him. He abandoned his intention of applying for the aforesaid leases and to that extent partly performed the contract. He then at considerable expense to himself visited the Eastern States of Australia on more than one occasion and secured orders for large quantities of the plaster to be processed at Chandler and to further satisfy you that he had performed that condition precedent he transported at considerable expense to the Eastern States your manager, Mr. Fitzgerald. It is understood that both yourself and Mr. Fitzgerald were completely satisfied on the point.

Having completely satisfied the condition precedent required by you at the request of your office he had prepared the requisite draft agreement for execution.

A representative of the Eastern States also came to Western Australia and furnished you with further information as to the bona fides of the proposed purchases from our client.

It seems to us also that you have acknowledged that there was in existence a concluded contract.

We have been instructed to inform you that our client requires the requisite documents recording the terms of the contract between you to be completed within seven (7) days from the date hereof and to inform you that unless this request is complied with he will have no alternative but to consider that you have defaulted on your contract and institute proceedings for damages.

Apart from the legal position we desire to point out that our client will be most reluctant to have to institute proceedings against an instrumentality of the State of Western Australia for breach of contract since it is a well recognised maxim of public policy that the word of the State should be honoured without legal sanction. Our client cannot understand the delay since it appears as a result of his enterprise and the expenditure of a considerable amount the State of Western Australia is being supplied with an Eastern States market for a commodity the manufacture of which will utilise a plant belonging to the State that has been installed at, we understand, a cost of nearly one million pounds and which, if not used, will become valueless. We understand that certain personnel interested in the

plaster industry in Western Australia have been endeavouring to induce your board not to carry out its obligations to our client. While our client very much resented having their lawful activities circumvented and the welfare of the State prejudiced by such aforesaid operations, nevertheless, rather than have any hold up, he has agreed not to deliver any plaster supplied to him from the Chandler works to be sold for use in Western Australia. In these circumstances, it is very difficult to understand why the aforesaid parties are persisting with their objection to processing the plaster at Chandler and supplying it to our client. Furthermore, the parties concerned cannot supply the Eastern States demand, with the result that plaster is being imported into the Commonwealth of Australia from overseas.

Owing to our client's commitments to sell Chandler plaster in Eastern Australia, an early reply will be appreciated.

On the 5th June, the Government invited tenders for the leasing of the Chandler plant. From a statement made by the Minister for Industrial Development, it was expected that Mr. Innes, of Australian Plaster Industries, would submit a tender, because, contrary to business ethics, the Government had gone behind Collett & Co., with whom the department had been carrying on negotiations, and had got into touch with Collett's prospective client. It was Collett & Co. who got into touch with Innes in the first place and obtained an order for plaster from him and then, at the department's request, Collett & Co. put Mr. Fitzgerald into touch with Innes. At Collett's expense, Fitzgerald went to the Eastern States to interview Innes. Subsequently the Government asked Innes whether he was interested in leasing the works.

This reminds me of what is sometimes attempted in connection with the sale of property—something the law will not permit. If a man has a house for sale and asks a land agent to sell the property and the land agent incurs the expense of advertising and taking prospective clients to see the property, and subsequently the owner tries to do business direct with a client introduced to him by the agent, the owner is not allowed to get away with it. The law provides that the agent shall receive his commission.

Here is a case where the Department of Industries wanted to be assured that the purchaser existed, so Collett had to disclose where his client was. After Collett had disclosed that, the Government got into touch with Collett's prospective client and asked him whether he would lease the works and so cut Collett out altogether despite the fact that he had spent some few thousands of pounds. The Government

has continued along that line because it is now negotiating and possibly has completed an agreement with Innes to take over the works, and Collett, so far as the Government is concerned, can whistle for the money he has spent. In land sale transactions, the law does not permit that sort of thing; nor should a Government countenance it, either.

When tenders were called, a tender was not submitted by Mr. Innes. He submitted a letter, and that letter ought to appear amongst the papers for which I am asking. I believe that Innes told the Government that the best thing it could do was to go ahead with the original proposal, produce the plaster and supply it to Collett. I believe that is what Mr. Innes told the Government, because he definitely did not submit a tender, and when tenders closed the Government did not have one. It then got in touch with Mr. Innes and endeavoured to persuade him to take the works, even going so far as to offer them to him at his own price.

That is a fine way to safeguard the interests of the State! Mr. Innes was not interested in the works at the original figure in the tender; because his organisation was in the Eastern States, and he would far rather have had the original arrangement which would have given a satisfactory profit to him, a satisfactory profit to Collett & Co., and a satisfactory profit to the Government. So he did not tender. But when he was offered the works practically at his own price, of course he was interested!

We have not seen the terms of the agreement; but I believe that, when we do, they will disclose that the amount to be received will not cover interest and sinking fund, let alone provide a profit. That is why I say the welfare of the State has been sacrificed. Where we could have made a profit at so much per ton out of this manufacture, now somebody else will make that profit, using the State asset for the purpose, and the State will lose money in order that the request of the plaster combine can be met. The members of that combine are governing the country.

Because of continued criticism of the Government which appeared in the Press in connection with this matter, at long last the Deputy Premier and Minister for Industrial Development made a statement, which appeared in "The West Australian" of the 23rd June, this year. It is a long statement, headed "Negotiations for Chandler Works." I will not weary members by quoting all of it, but I want to refer to certain portions. The report begins—

No tenders had been received by the closing date—June 19—for the leasing of the State Alunite Works at Lake Chandler for the manufacture of plaster of paris.

The Government will now approach a Melbourne company—

This suggests that the Government had not been anywhere near this company previously, which was not true, because the Government had been in touch with Mr. Innes before the closing of tenders. This is significant.

This information was made available yesterday by the Acting Premier and Minister for Industrial Development (Mr. Watts) in a statement dealing with the State alunite works. He said that the Cabinet had decided on Tuesday afternoon to approach Australian Plaster Industries Pty. Ltd. of Melbourne, to negotiate a lease on satisfactory terms, even if less than those contemplated by the conditions of tender.

And they were low enough!

Failing agreement on those lines within three weeks, a Bill would be prepared authorising the production of plaster by the State for a period of up to three years. The latter course would be unlikely to result in a parliamentary decision until late in September.

Then the Minister traversed the history of the establishment of the original syndicate which, he said, was "formed to develop the production of potash and by-products from alunite deposits at Lake Chandler." Then he set out the amount of money spent on the works and the fact that no tangible asset remained. He added—

In view of these circumstances, the board of management have recommended that production should cease.

Later he said—

After considerable delay, the Commonwealth agreed to appoint a technical committee to investigate the matter.

That refers to the matter of a subsidy.

The necessary work would take some time, possibly three years.

So the Government knew that the works would be available for use in any way it desired while the research was taking place, with a possibility of a profit being made during that period. That possibility should have appealed to the Government and, in ordinary circumstances, would have appealed to it, in my view, if it had not been subjected to such strong pressure from the plaster manufacturers. The Minister went on—

The board of management had suggested that the works should be given over to plaster production during the investigation. There were substantial deposits of gypsum near Chandler and reports indicated that for two years there would be a market for plaster of up to 25,000 tons a year in the Eastern States.

That was a very conservative estimate, because the information shows that the market is substantially in excess of 50,000 tons a year. So it looks to me as though the Minister was at some pains to keep the figure as low as possible. It is not the true figure.

Mr. Watts said that some time ago it had been decided to seek the advice of Crown Law officers on the right of the Government under the Alunite Industry Act to spend money on production which did not emanate from alunite deposits and, alternatively, on the leasing of the plant, except that portion required for further research purposes.

Further on, the Minister said—

It was decided to call tenders for leasing the premises and the conditions of tender provided for a minimum rental of £15,000 a year for two years with an option of renewal for a third year. As rental was to be calculated on a tonnage basis, a greater rent might have been obtained. The minimum rental would have covered interest on the written-down capital, so that for the first time there would have been no loss.

I would point out to the Government that if it had gone ahead with the proposal to produce plaster and supply it to Collett & Co., not only would there have been no loss but rather would there have been a substantial profit running probably into £30,000 or £40,000 a year. The Minister continued—

Tenders had closed on June 19, but no tender had been received, although two or three interested parties—including at least one from the Eastern States—had visited Lake Chandler to consider a tender. Further communications had been received from Eastern States sources pointing out the need for plaster in the immediate future.

I have reason to believe that these communications were in pretty strong terms. I understand there was one from Mr. Casey, the Commonwealth Minister for Housing. No reference was made to that by the Minister; but I am told that the plaster interests in the Eastern States, in an endeavour to get the Government to see the right way to travel, went to Mr. Casey and asked him to use his influence with the State Government to persuade it to get on with the job of producing plaster to relieve the shortage in the East. I have reason to believe that that letter should appear amongst the papers. The Minister went on—

The Government found itself in a difficult position.

I have no doubt it did!

Mr. Marshall: A very difficult position! [Resolved: That motions be continued].

Hon. J. T. TONKIN: He continued—

If, in the interest of relieving the apparent though temporary shortage of plaster in the Eastern States, it had felt disposed to embark on production itself, it would have acted illegally.

I do not believe a word of it! The Minister further said that—

negotiations had been re-opened for a private company to lease the premises and no parliamentary action would be necessary if an agreement was reached.

I disagree with that too.

"There the matter stands at present," said Mr. Watts, "and it will be quite evident that certain public criticisms of late have been founded on a necessarily quite incomplete knowledge of the facts. On the other hand—

and this is the real gem—

—the taxpayers of this State will realise that in their interests the Government is fully justified in making its efforts to ensure that no further losses are made."

We ought to examine that. Here is a proposal under which the Government would receive at least £25,000 a year over and above interest and sinking fund. It let that go. The works were made available to Mr. Innes at his own figure, which, I understand will not even pay interest and sinking fund. And the Government has the audacity to make this statement that it is looking after the interests of the people of Western Australia! Not only that, but under the original proposal the works could have been in production in February of this year, and could have produced about 30,000 to 40,000 tons of plaster which could have been supplied to the Eastern States, but they are still not producing.

Then the Premier went East for the purpose of inducing the manufacturers in those States to supply us with much needed material. There is a reference to that in "The West Australian" of Saturday, the 20th May, as follows:—

Premier's Mission. Visit to Other States. Mr. McLarty will endeavour to expedite the supply of certain commodities from the Eastern States, and will visit Port Kembla and Whyalla.

I would like to know what sort of a reception he got when he talked to those in the East who wanted plaster.

The Premier: None of them came near me.

Hon. J. T. TONKIN: The Premier must have kept out of their road.

The Premier: No, not one came near me.

Hon. J. T. TONKIN: It was good luck for the Premier that none did. There is no doubt about the shortage there, and this Government turned a deaf ear to the

request that we should produce here in order to relieve that shortage. These works could have been producing plaster, so the documents we have show, about February of this year, and ought to have produced, up to this time, from 30,000 to 40,000 tons, which the Eastern States urgently needed. But no, we kept our works idle. Yet, our Premier went over there and urged those people to help us out of our difficulties.

So that we may know that Collett and O'Connor were acting on something very definite when making their arrangements, I propose to read what I regard as a very important letter, because they believed the works were to go right ahead with the production of plaster. The date of this letter is the 8th December, 1949, and it is addressed to Messrs. J. A. Collett and D. O'Connor, of 96 St. George's-terrace, Perth. It is signed by M. L. Fitzgerald, manager, and states—

We have railed to you this morning, by passenger train from Merredin, one bag of finished plaster, representative of the larger three ton sample, also completed. The three tons will go forward as soon as possible.

We have estimated the cost of producing plaster on a large scale, and are now in a position to quote you for the finished material. The following are the terms and conditions under which we would be prepared to supply:—

It would be necessary for us to have a contract for an order of 50,000 tons minimum, before proceeding with such a scheme.

In his published statement through the Press, the Minister said that the figure was 25,000 tons, indicating a market in the Eastern States limited to that extent, yet we have the board of management telling Collett & Co. that the works could not go into production unless they had a guarantee of 50,000 tons; and furthermore Fitzgerald was aware that it was not intended to supply plaster on the local market! So, Fitzgerald was, in fact, telling Collett that he had to get orders for at least 50,000 tons in the Eastern States, and Collett was able to prove to Fitzgerald's satisfaction that such orders had been obtained.

Thus, there was a contemplated output of 50,000 tons per annum, and if we take the Minister's statement of an estimated profit of 10s. a ton—I say it would be nearer £1 a ton—there was £25,000 a year profit, over and above production costs, to the Government. The letter proceeds—

We would supply at works, Chandler, or f.o.r. Burracoppin, Nungarin or Weira, as you required. It would be your responsibility to arrange for rail transport.

The price would depend on the amount which you would be prepared to receive, either at works or at rail. The minimum amount would be 250 tons per week, as below this figure it

would not pay us to operate. For tonnages between 250 and 500 tons per week, the price, ex works, would be £3 5s. per ton, excluding cost of bags. For tonnages between 500 and 750 tons per week this figure would be reduced to £2 13s. per ton and for tonnages over 750 tons per week the figure would be £2 5s. per ton.

The above tonnages referred to would be calculated over regular four-weekly periods, or calendar months, as desired, and all payments would be monthly. As a result of discussion it may be possible to arrange for a sliding price scale in smaller steps than 250 tons per week. In this case we would have to be protected against low and high surges in the amount you were prepared to receive.

We would be prepared to transport plaster by road to any of the three sidings mentioned, up to 500 tons per week. Above that tonnage, we would endeavour to arrange for suitable transport, without obligation. Up to 500 tons per week our charges per ton would be:—

	per ton.
Weira	8s.
Burracoppin	12s.
Nungarin	14s.

You would be responsible for the hire of sheets used on rail trucks, but we would be responsible for the fitting of same.

The above prices do not include stencilling, branding or repairing of bags, but do include the cost of transport of bags to Chandler from any one of the above sidings.

Prices ex works and cost of transport would vary with the basic wage and be proportional to it.

We would require two months after placement of order before delivery could commence.

Acceptance of the terms stated in this letter will not be construed as a contract. It will be necessary to have an official document drawn up.

We would be pleased to receive your comments.

In an ordinary business dealing between two reputable persons, a man who received a letter of that kind would be entitled to assume that everything was clear, and he could go ahead with his arrangements. But if he received such a letter from a Government instrumentality, he would be more entitled to assume that there would be no possible hitch with regard to it. So, Collett went ahead and spent considerable sums in furtherance of his project.

As I said before, something happened after that. There was a visit from representatives of the Chamber of Manufacturers to the Premier, and that was the end, for the time being, of the negotiations. The plaster manufacturers were too

strong for the Government. I mentioned earlier that because of the existence of the combine, it is not possible for a person who desires to set up business in Western Australia to get a supply of plaster if he is going to enter into competition with the firms already operating. As an indication that that is the position, I propose to quote from a letter dealing with this matter.

In the South-West a small company was formed for the purpose of making plasterboard so that houses belonging to farmers in the district could be lined. There was a considerable amount of work to be done. This small company was formed. Manpower was available and the men knew the job. They got some uncontrolled material to set up their factory and they had the land and applied to Millars' Timber and Trading Company for a supply of the necessary plaster, having already made arrangements to get their fibre from an indent agent in Perth. An excerpt from the letter I referred to and from which I said I would quote, reads—

Some three months ago the company was formed and land acquired and also some uncontrolled material to build a manufacturing premises gathered together. The land is situated close to all transport, both road and rail. Labour, both skilled and unskilled, is available at a day or two's notice, light and water are also available. An indent agent situated in St. George's-terrace, Perth, has undertaken to attend to the importing of fibre from Colombo and we can also obtain flax, if necessary. The moulds for fancy designs can be procured within two weeks. An approach was made to Millars' Timber and Trading Company, St. George's-terrace, to supply plaster but this was refused by letter after our representative, Mr. Giles, had volunteered the information about our desire to commence operations. We have been informed by reliable and reputable persons that there was definitely no chance of obtaining the supply of the vital product required, that is, plaster of paris. As people who have given of their best to this State and district, we cannot understand why this commodity is denied to us, mainly because there is no other industry of this kind in our district and the building tradesmen and house-hungry populace are screaming out for homes and goods and many of them cannot even line their houses because of lack of plasterboard and are forced to live in structures little better than hovels when they could, with our assistance, improve their homes and live like decent city people.

That does not prove what I said—that one cannot get a supply of plaster from the combine—but it indicates the truth

of my statement because there is an instance of where people who tried to set up in business were prevented from doing so because the combine would not supply them with the material.

Mr. Fox: Was that in a farming district?

Hon. J. T. TONKIN: Yes, a farming district in this State. In order to satisfy myself that plaster was really in short supply in the Eastern States—I felt it must be so or the Premier of Queensland and the Premier of New South Wales and the Commonwealth Minister for Housing would not have written to this Government about the matter, had it been otherwise—I made direct communication with the people who should know. I wrote to the secretary of the Victorian Plasterers' Society and under date the 28th August received the following reply:—

Relative to yours of the 24th inst. The supply of plaster in this State is definitely acute. I understand the position in New South Wales and Queensland is as bad as that of Victoria, if not worse. Small manufacturers of plaster are buying imported plaster at exorbitant prices and are never certain of regular supplies. This is most unsatisfactory as it retards completed construction and creates a black market in both materials and labour. As economics always strike a balance it will ultimately have to be paid for by the worker. One thing I should point out is that some fair method of distribution must be arrived at. At the present time in this State no small manufacturer outside the Fibrous Plaster Manufacturers' Association of Victoria has any chance of getting a share of locally or any other Australian-produced plaster.

So the experience in Victoria is apparently the same as that in this State. If one comes up against the combine they will not supply plaster to anyone on the outside. That is why I am so concerned about the Government's proposed agreement with Mr. Innes. It keeps the State works within the combine. Mr. Innes is the manager of Australian Plaster Industries, Melbourne, the big firm in the combine.

So the same policy will be maintained—a policy of no plaster to the small man who is outside the combine and no relief to the people who are building homes, and no possibility of cheaper plaster, and the position adequately safeguarded in the interests of the combine and this Government securing that position for it. I wrote also to the secretary of the Plasterers' Union in Queensland, and under date the 6th September received the following reply:—

Your letter of the 24th August in which you request information relative to the supplies of plaster to this State was received by me some days ago. I have visited several of the factories here, where members of this union are engaged in the manufacture of fibrous plaster, and have been advised both by our members and the employers in the various establishments, that supplies are only up to 50 per cent. of their requirements. The secretary of the Fibrous Plaster Manufacturers' Association, has advised me that supplies are only up to 50 per cent. also. Although this information from him was given to me per telephone, it fits in with the information given to me by employers and our own members in the industry.

Last Christmas numerous members of ours were put off work for anything up to one month owing to lack of supplies of plaster, and up to date there is nothing to indicate that a similar position will not arise this Christmas.

The shortage of both plaster and hemp has been the subject of discussion between representatives of this union, the Fibrous Plaster Manufacturers' Association and the Premier's Department of this State, which I am pleased to say, have helped us all they can, but I regret to state the position has only been eased temporarily as a result of such help.

We welcome your interest in the welfare of our industry and are appreciative of your activity on its behalf, and I intend submitting your letter to a meeting of our members on Monday, the 11th September, at which the whole matter of supplies will again be discussed.

I might add that were it not for the fact that once an employer dispenses with any of his men he would find it hard to replace them, as they would leave the industry, many of our members would be unemployed.

They would be unemployed because of the lack of plaster which this State could have been supplying since early this year if the Government had continued with the original proposal and if the plaster manufacturers had kept out of the picture and allowed the Government to go ahead as it originally intended to do; but because of their intervention the industries in the Eastern States are crying out for plaster.

I have told the House what the men in the industry had to say and I will now tell members what plaster manufacturers in the Eastern States think about it, and they are members of the combine. When Mr. Innes came over here it was not for

the purpose of tendering for the State works but for the purpose of telling the Government the best thing it could do was to adhere to the original proposal and supply plaster to Collett & Co. That was the intention of Mr. Innes when he came over here but when he found that the Government would not do that and he himself was going to accept the proposal that he might take over the works, he received a number of communications from the plaster manufacturers' associations in the various States. I will quote from a telegram from Mr. Jarman, of New South Wales association to Mr. Innes—

New South Wales association fully behind your company regarding Chandler plaster. Stop. Supply position this State desperate. Stop. Offer you every support in your efforts to alleviate shortage. Stop. Trust the Government will decide to reverse present policy immediately.

That is what the plaster manufacturers of New South Wales thought about the Government's decision not to use the works to produce plaster. The next is from Mr. Cowley, Tasmania, to Mr. Innes—

Tasmanian association trusts your efforts will be successful securing lease of Chandler mill.

The next is from Mr. Hurst, of Melbourne, to Mr. Innes—

Victoria at emergency meeting held today expresses fullest confidence in your company. Stop. Regards lease Chandler mill vital to desperate housing programme here Eastern States and Tasmania. Stop. Offer you every support in your efforts. Stop. If possibility Government reversing present policy essential that decision be made immediately. Stop. Ring this office.

From Dunn, Brisbane, to Mr. Innes—

Queensland Fibrous Plasterers' Association expresses complete confidence in Australian Plaster Industries in securing lease of Chandler mill production which is vital to our home building programme. Stop. Also continuity of employment for those in trade. Stop. Hope W.A. Government will co-operate. Matter is urgent.

That is what the plaster manufacturers themselves—

The Minister for Lands: Are they all on the same date?

Hon. F. J. S. Wise: The Minister's comment was obvious.

Hon. J. T. TONKIN: I have the date of only one of them and that is the telegram from Mr. Hurst to Mr. Innes. That is dated the 7th June.

Hon. F. J. S. Wise: This is the Government's Mr. Innes.

Hon. J. T. TONKIN: They might have the same idea, but do not forget that they are all members of the same combine in which Mr. Innes is interested, and the Government seemed to be concerned that the State works should remain within the combine. Do not forget, too—and there is no doubt about this, because Mr. Innes told me himself—that Mr. Innes did not desire to take over the State works. He wanted the Government to do the work in accordance with the original proposal, and so did the plaster manufacturers generally in the Eastern States. That is why, at the Mildura meeting, they endeavoured to get Mr. Banfield to agree that if a clause were inserted in the agreement that the product would not be sold on the local market they would take their pressure off the Government and permit it to produce plaster at Chandler. Just imagine that!

Mr. Marshall: A great Government!

Hon. J. T. TONKIN: We have a Government in this country, which is in charge of the State's assets, and yet it is not allowed to use the State's assets to produce plaster until the Plaster Manufacturers' Association says that it can, and the Plaster Manufacturers' Association was not prepared to say that it could.

Mr. Fox: What a spineless Government!

Mr. Styants: That is the policy of more production.

Mr. Marshall: The Honorary Minister for Housing was right when he said that private enterprise had let the Government down badly.

Hon. J. B. Sleeman: Have you anything there about the donation given by the plasterers to the Government for the elections?

Hon. J. T. TONKIN: The Government has attempted to defend itself in this matter by saying that it had no power to produce plaster because the Act denied it that power. The Minister first became concerned about this in March. At the end of March he submitted the question to the Solicitor General and according to the information supplied, he received his reply from the Solicitor General some time in May.

In order to enable the Solicitor General to make up his mind, he referred the question as to whether alunite contained gypsum to Mr. Rowledge, the Government Analyst. Apparently the Solicitor General thought that the question turned upon that—if alunite contained gypsum, then the Government had power to produce plaster; if alunite did not contain gypsum, then the Government did not have the power. So, he submitted the question to Mr. Rowledge. Mr. Rowledge had not visited Chandler for at least two years and he did not make a visit for the purpose of making any inquiries up there in connection with this matter.

Instead of doing that, he sought out some charts already in existence in the department. These charts had been made many years before and upon an examination of them Mr. Rowledge gave the Solicitor General the opinion that Chandler alunite did not contain gypsum in sufficiently large quantities to warrant his saying that it existed in payable quantities. Apparently upon that information the Solicitor General determined that there was no power to produce. It is obvious to me that that was the answer the Government wanted. It wanted to be told that it could not produce plaster. If the Government had desired the real answer to the question of whether Chandler alunite contained gypsum, it would not have been submitted to Mr. Rowledge but would have been submitted to the men who are processing the alunite at Chandler to see what percentage of gypsum they are recovering from the process.

For the benefit of those who do not know, the Chandler deposits of alunite consist of layers of alunite about 18 feet thick, overlaid by deposits of gypsum up to 12 feet thick and, in addition to that, the alunite contains gypsum. In order to work the deposits it is first of all necessary to recover the gypsum by taking it off the alunite—removing the overburden. What is to be done with that? Is it to be thrown away? Then the alunite is taken and roasted, leached with water and, in addition to potash, they get sodium sulphate and gypsum.

Sodium sulphate and gypsum are by-products from the processing of the alunite. Under the processing operation at Chandler, the quality of potash being produced was an impure one and the potash contained considerable quantities of gypsum and sodium sulphate. This is the alunite which is supposed not to contain gypsum. After processing the alunite the works got a product—an impure potash product—which contained gypsum and sodium sulphate. The process being used was not an efficient one and the works contemplated a more efficient process which would have resulted in extracting from the potash the gypsum and sodium sulphate which, under the existing process, remain.

When that sodium sulphate and gypsum were extracted they would be in the form of saleable products, having a definite bearing upon the economics of the industry. Now, the works have been selling sodium sulphate, but the Solicitor General apparently says, "You must not sell the gypsum." We are told that the State has the power to sell the sodium sulphate, but it has not the power to sell gypsum. A most remarkable decision! Under the Act the Minister is authorised to produce products. He is enabled to establish the works and carry them on for the production of products. The definition of a product is—

"product" means any product produced by treatment by any process of alunite and alunite deposits and includes potash, other minerals chemicals and by-products.

I submit there must be contemplated a difference between alunite and alunite deposits, otherwise the two terms would not be used in the definition in the Act. If an alunite deposit did not mean something different from alunite, it would be just redundancy to use the words, but the Act states, "any product produced by treatment by any process of alunite and alunite deposits."

I submit that an alunite deposit is a place where alunite might be co-existent with other minerals, and if one has power to process alunite deposits, then one has power to process all the co-existent minerals. To prove that, we must go back to the original alunite partnership Act, which was introduced when these works were first started. Under this legislation power was given to establish certain works and carry on a certain business. I quote from the schedule to the State (Western Australian) Alunite Industry Partnership Act, 1942, as follows:—

Whereas by virtue of National Security (Western Australian Alunite Deposits) Regulations numbered 342 of 1942 the Treasurer with the approval of the Governor in Council may engage in and carry on either alone or in conjunction or in partnership with any person or firm the business of acquiring leasing or otherwise obtaining possession of lands in the said State in which deposits of alunite may be found and of working and developing those lands

So he was empowered to acquire lands in which deposits of alunite might be found and having done so he was authorised to work them and also any deposit in those lands which were co-existent with the alunite deposits. That was the original partnership Act and when the alunite Act was passed, although it was not as definite as that, it said that the Minister had power to produce any product produced by the treatment by any process of alunite and alunite deposits. I have also shown that sodium sulphate is a by-product from the treatment of alunite and so is gypsum.

Apart altogether from the gypsum obtained from the over-burden, gypsum is also obtained from the leaching liquor which is used on the roasted alunite, so if the Government has power to sell sodium sulphate, and it has been doing so for months, it has power to sell gypsum either in its raw or processed state. Therefore, if the Solicitor General wanted to ascertain whether there was any gypsum in the alunite, he should have gone to the works, the Director of Industrial Development or the board of management, and

he soon would have been told that gypsum was being extracted from the alunite by the process in operation.

But he did not go there; instead, he asked Mr. Rowledge to supply information and he supplied it not from an examination of the flow charts at the works, but from some charts which existed in the department I am not blaming Mr. Rowledge; possibly the necessity had not been impressed upon him of having a look at the works and testing the material. I suppose he thought it was just a routine query and therefore dug up some charts which had been in existence for many years, examined them, and came to the conclusion that the gypsum did not exist in any quantity. Seeing that the potash being produced was a by-product, in the same way as gypsum was and knowing full well that the new process was to extract that gypsum and sodium sulphate from the potash, we must conclude that the gypsum and sodium sulphate would be saleable products and would have a definite bearing on the economics of the industry.

What member of this House would deny the Government the right to dispose of those products? To do so would be to insist that the works should be run at a loss when we want to run them at a profit, and assist in every way to carry them on. I put this further submission: If there had been any doubt as to the Government's power to produce plaster and it had taken the risk and put these works into operation in February, and had been supplying plaster to those who required it in the Eastern States, and it subsequently required Parliament to authorise its acts, would there have been one man in this House who would have denied such authorisation?

Mr. Marshall: Not one; nor one woman, either.

Hon. J. T. TONKIN: But no, the Government did not want the works to produce plaster and so it left the Eastern States to cry out, month after month, for supplies; but to no avail. Earlier, I made a charge against the Ministers that they had broken their oaths and I now propose to show how I came to that conclusion. I have a copy of the oath which a Minister of the Crown takes when he assumes office. It reads as follows:—

I, (name of Minister) do swear that I will well and truly serve our Sovereign, King George the Sixth, his heirs and successors, in the office of and I will do right to all manner of people after the laws and usages of this realm without fear or favour, affection, or ill-will.

Here is a case where a Government department had led Collett & Co. along to spend a sum of money, in excess of £2,000, I understand, in the belief that plaster was

to be supplied to them. Then, because of pressure from the plaster manufacturers, the Government cuts the negotiations off, gets in touch with one of the prospective clients of Collett & Co., and finishes by making the works available to that gentleman.

Mr. Marshall: The Government double-crossed them.

Hon. J. T. TONKIN: Is that not a breach of the oath a Minister takes? Is that carrying out the duties of office without fear, favour, affection or ill-will? What redress had Collett & Co., so far as the Government was concerned? Does the Premier think that is the way to do business—to allow a man or a company to go on spending money in the belief that an agreement will be reached between them, and subsequently tell them that it is off? It is a definite breach of the Minister's oath of office.

Furthermore, when one comes to consider that the Government's action in this matter was dictated to it, the position is made much worse. The Minister for Industrial Development stated in his public statement that he has nothing to regret, and nothing to be ashamed of. I can only conclude from that, that some power stronger than he was responsible for what was done. If he were responsible for what has occurred, surely it would be a matter for regret.

Is it not a matter for regret that this State is going to lose some thousands of pounds annually in connection with these works, or are we to pass over that lightly? Surely all that is a matter for regret! Is it not a matter for regret that Collett & Co. have been encouraged to spend money, only to see the business pass to one of their prospective clients? Should we not expect a man responsible for that to regret it? I conclude, therefore, that if the Minister has no regrets that somebody else must have done all this over his head. Therefore, we want the papers to try to find out who is responsible.

We now come to the question of leasing these works behind the back of Parliament. I say, very definitely, that no authority exists to do it. In 1916, the Liberal Government of the day proposed to amend the State Trading Concerns Act to enable it to do the very thing the present Government is now doing. I propose to quote from a leading article in "The West Australian" of the time which dealt with the proposal. It can never be said that "The West Australian" favours the Labour Party more than those opposed to it. As this was not a Labour Government, criticism of the Government of the day must be taken pretty seriously. This leading article is dated the 17th November, 1916. It refers to the State Trading Concerns Bill, and reads as follows:—

If, as we think, objection is made on some grounds to the measure 'it

will be because the Bill is too sweeping and general in the powers the Government proposes to take unto itself.

Then the article sets out the financial provisions in the measure, and goes on to say—

But after all this careful effort to secure their control, the Government, under Section 25, strangely asks that the Minister shall have power to sell or lease any or all of the assets of a trading concern for such amounts and on such terms and conditions as may be approved by the Governor-in-Council. Most people will rub their eyes when they read this section, wondering if they have read aright. In the present Bill it is expressly stipulated that no trading concerns, except ten named in the Schedule, shall hereafter be established or carried on by the Government of the State except under the express authority of Parliament, and we remember that Mr. Wilson has inveighed time and again against the last Government for starting enterprises without getting the sanction of Parliament. Nevertheless, he proposes, if Cabinet should see fit at any time, this Cabinet or any Cabinet which may succeed, to sell them without so much as by-your-leave to the Houses.

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

With those sentiments I completely agree. But with regard to the State Alunite Works at Chandler, the Government put through a regulation to enable it to enter into an agreement behind the back of Parliament. We are to have no opportunity to see whether the terms are just; no opportunity to examine the agreement

to see whether there is the possibility of a secret commission. When this House gave authority to the Minister for Works to establish, maintain and carry on the Chandler works, it gave no power to sell or lease, and the Minister does not possess that power. He has power to make regulations.

Accordingly, the Government makes a regulation to confer upon the board of management a power which the Minister himself does not possess. It then proposes under that power to lease the works without reference to Parliament. When the agreement was completed, I was told by the Minister, it could be made available to me for scrutiny. He said it was against the interests of the public, or something like that, to disclose the terms at this stage. So we shall have it signed, sealed and delivered, when it will be too late to do anything, before we know the terms upon which these valuable works are to be handed over to private enterprise.

I have discussed this matter with some eminent legal men and they have laughed at the idea as being preposterous that the Government can do this without the authority of Parliament. They point to the fact that the Government Railways Act gives power to establish railways, but, once they are established, they cannot be discontinued without the authority of Parliament. Yet the same power exists in the Government Railways Act to make regulations as is contained in the alunite Act. If it is legal to dispose of the State Alunite Works by regulation, it would be possible similarly to dispose of the railways.

The Premier: I would not mind disposing of them.

Hon. J. T. TONKIN: But the Premier would not attempt to do it by regulation. He would bring the matter before Parliament and let Parliament decide. With the alunite works, however, the Government, to get out of the mess it is in, proposes to enter into a lease of these works with Mr. Innes. I say the Government has no power to do so and I am backed in that opinion by some eminent legal men. In view of what has happened, I shall quote some statements from Liberal propaganda which are rather amusing. I have a copy of the "Liberal News" of April, 1947, in which appears an article headed "Fruits of Victory."

Hon. J. B. Sleeman: It has a different name now.

Hon. J. T. TONKIN: In it the following gem appeared—

In this period of our success, we must prove, no matter at what individual sacrifice, the benefits of a Liberal Government, rebuilding in all people a faith in the integrity of Parliament and honesty of purpose in administration.

Hon. A. R. G. Hawke: The Premier is looking quite embarrassed.

Hon. J. T. TONKIN: The article continued—

Sectional interests must give way to the needs of the community in general.

That is a laugh.

The Minister for Lands: But no-one is laughing.

Hon. J. T. TONKIN: The community in general is to suffer a loss of at least £25,000 a year at the dictates of a monopoly.

The Minister for Lands: That remains to be proved.

Hon. J. T. TONKIN: And the Government, by withholding the papers, is doing its best to ensure that it shall not be proved. The article continued—

The democratic spirit must permeate all the Government's actions. Initiative, so long as it does not exploit the State, must be encouraged.

The democratic spirit, if observed, would determine that this lease of the Chandler works should not be proceeded with until Parliament had made a declaration.

Hon. A. R. G. Hawke: The writer of that article must have been imbibing some democratic spirit.

Hon. J. T. TONKIN: But the Government has entered into the lease behind the back of Parliament. The article stated that initiative, so long as it does not exploit the State, must be encouraged. Here is a case of initiative exploiting the State, without doubt.

The new social and economic spirit which inspires the Liberal Party's platform must be used to lead the State to a period of prosperity and happiness which the people have believed impossible under Labour domination.

The Premier: I am very glad that we have been able to live up to those high ideals.

Hon. J. T. TONKIN: Had the Government been able to do so, there would be reason to be glad.

The Premier: We have done so.

Hon. J. T. TONKIN: If the Premier can reconcile that statement with what has happened in the plaster industry, I shall be interested to hear his remarks.

Hon. A. R. G. Hawke: And reconcile it with the recent statement by the Honorary Minister for Housing about private enterprise.

Hon. J. T. TONKIN: The following quotation about outside domination is appropriate. I quote from the "Liberal News" of August, 1947.

The Premier: Are you a regular subscriber to that paper?

Hon. J. T. TONKIN: No, only indirectly.

Hon. F. J. S. Wise: The party has to get rid of a few copies of it.

Hon. J. T. TONKIN: The quotation is from an article headed "The Broad Stream of Liberalism."

Hon. F. J. S. Wise: The writer must have had a blood transfusion.

Hon. J. T. TONKIN: The statement reads—

The Liberal-C.D.L. coalition is government by men not slavishly tied to a formula or hampered by a platform which has become creaking with the passage of years.

Hon. F. J. S. Wise: It required one versed in satire to write that.

Hon. J. T. TONKIN: The statement continues—

It is government by men who will do their best for the State without finding themselves at the dictates of a powerful organisation such as Trades Hall.

The Minister for Lands: That is the spirit!

Hon. J. T. TONKIN: Yet here is a Government acting at the powerful dictates of the plaster manufacturers of this State. I remind members that, when "The West Australian" made a statement, not in those words but to the same effect, the Government made no attempt to refute it. The statement was that the proposal to produce plaster at Chandler was being held up because of the fear on the part of local manufacturers of plaster that the product would ultimately find its way on to the local market. In order to meet their objection, it was thought that if the works produced plaster and did not market it locally, that would be all right, so the local people were to be sacrificed to meet the objections of the plaster manufacturers. When they found that any such clause in the agreement would be worthless, they would not take their pressure off the Government and the result was that the Government works did not produce plaster.

Under existing conditions, gypsum is mined at Yellowdine and Nungarin, railed to Perth and processed in Perth, and some of it is sent back to the central wheat belt and the Eastern Goldfields. I understand that the plasterboard manufacturer at Merredin has to pay more than £10 per ton for his plaster and so when he manufactures his plasterboard and adds his profit, it means that plasterboard is being supplied to the farmers in the central wheatbelt and the people of the Eastern Goldfields at considerable cost.

The State works were going to produce this plaster at £2 to £3 per ton, or £3 to £4 per ton at Merredin, as against £10. Would not that be something to encourage? If that were prevented, would not that be something to regret? But the

Minister has no regrets. That is the true position. On the calculated figures, the cost of producing plaster at the State works at Chandler would have been between £2 and £3 per ton, and it could have been supplied at Merredin at £3 to £4 per ton, whereas it is now costing £10 per ton at Merredin. How can that be justified? So we cannot look forward to a reduction in the price of plasterboards because the State works are being handed over to the combine.

The State, with the power to supply, is not able to function because that course would not suit the combine. Surely there is something to answer! Yet we talk about urging people to produce. The Government could have been producing plaster at Chandler for many months past, but the works have been idle. I have a couple of sheets of "The West Australian" of Tuesday, the 29th August, containing the following statement under the heading "Double Task for Australia. Prime Minister's Call to the Nation."—

He saw the task confronting Australia as constituting three main responsibilities to be performed at the same time—to accommodate our rapidly growing population, build up high living standards and get on with national development (for which he had obtained the dollar loan); wage a much more successful battle for production if costs and prices were to be stabilised, and inflation defeated.

Wage a battle for production if costs and prices were to be stabilised! Had the Government proceeded with the proposal at Chandler as Mr. Innes suggested, there would have been production of plaster in this State many months ago, and the price must have been forced down. But because the Government would not act in that way, we have been deprived of this production of plaster; and the price will remain up because the works are in the hands of the combine. What a wonderful gift the State has made to Australian Plaster Industries! The works are well established in the midst of magnificent deposits of gypsum; and I daresay that, at the figure at which Mr. Innes will get those works, there will be a very handsome profit for the Eastern States firm instead of the people of Western Australia getting the profit and selling the product at a cheaper price.

There is a lot in this matter that requires further investigation. If the Government had nothing to hide, it would readily make available the papers. There is a responsibility on every man in this House who has the interests and welfare of the State at heart to see that the Government is obliged to put the papers on the Table so that they can bear the fierce light of public scrutiny. If they can, we will be able to satisfy the people. If the Government withholds the papers, how can we come to any conclusion other than

that a powerful monopoly has been squeezing the Government to the detriment of the State?

THE MINISTER FOR INDUSTRIAL DEVELOPMENT (Hon. A. F. Watts—Stirling) [8.53]: The member for Melville, in consonance with the recent practice he has adopted, seeks to impute the worst possible motives to all that has taken place in regard to this matter. But I say, without fear of successful contradiction, that those base motives which he imputes are not justified by the facts. His statement and his repetition of similar statements to the effect that it was at the dictates of certain plaster manufacturers in Western Australia that the Government did not decide to support the board of management in its wish to convert the works at Chandler for a time to the production of plaster of paris—those allegations or implications, I say, and I hope to be able reasonably to establish, are not true.

To begin with—although there are other matters to which I could turn first which were dealt with by the hon. member first—I propose to say one or two things about his allegations concerning the Plaster Manufacturers' Association in this State. I have told him in the House and privately, and I repeat now, that I do not know of any discussion with any member of the Plaster Manufacturers' Association in Western Australia prior to the 10th or the 11th January, 1950. It was on one or the other of those dates—and I think it was the 11th, as I told him in the House—that I received a deputation from this association.

At the time I did not attach very great importance to that deputation and therefore no record of what transpired was made in writing; but my memory of the matter has been very clear and is still very clear, and it is to this effect: I told them, after they had raised certain objections to the Government's undertaking such a business—(1) that the matter was being considered purely on an export basis; (2) that no decision had been arrived at; and (3) that the advice of the Commonwealth Government would be sought, (a) as to the continued production of potash in the national interest, and (b) in the absence of that desire, as to the demand of the Eastern States for plaster of paris.

So far as I was concerned, the deputation left on that note, and I have said nothing since nor seen anybody since to change the information I gave at that time. Where the hon. gentleman got his information from—unless it is pure supposition—that influence was brought to bear on some Minister, presumably the Premier—I think he named him—who, in turn, brought pressure to bear on me on the 22nd December, which is the date I think he quoted, I do not know. I do know this: At no time prior to the 22nd December did the Premier mention to me that he

had seen any such people, supposing he had seen them, which I still do not know, or give me any direction or attempt such direction as to what should be done in this particular matter at that time. I do know that on the 13th December, 1949, I sent this memorandum—a very short one—to the Director of Industrial Development—

I shall be greatly obliged if you will give me full information as to what it is intended to do with this reservation so that I may give consideration to the plans, if any.

That was on the 13th December, 1949, and was due to the fact that I had received from the Minister for Mines a memorandum informing me that an area in which there were gypsum deposits had been reserved from alienation at the request of the Department of Industrial Development.

Prior to that time, with the exception of a suggestion made at the meeting on the 16th November, 1949, the Council for the Development of Industries, which suggestion was properly read from the minutes by the member for Melville, I was unaware that the board of management had proceeded as far as subsequently appeared to be the case in its negotiations with anybody in this matter. It was in consequence of the setting aside of this reservation and my incomplete information as to what it was intended to do, that on the 13th December I passed the minute, which I have just read, to the Director of Industrial Development, who was also chairman of the board of management. These were the words I said, "I would be greatly obliged if you would give me full information as to the plans, if any."

Consequent on that I had interviews in the next few days both with him and his deputy. I told them I had reason to believe that the Government would rather cut its losses in regard to the Lake Chandler industry than engage in any fresh ventures there; that it was not its policy to extend State enterprise unnecessarily; and I suggested they should await the decision of Cabinet, which I did not expect to receive for a few weeks, as it was unlikely that I would be able to bring it forward at that time of the year until some time in the second week in January. It was as a consequence of these discussions, to the best of my recollection, that the communication of the 22nd December was sent to Mr. Collett informing him that negotiations were at an end.

Never, with my permission, had these negotiations been entered into. I do not know Mr. Collett; I did not know him then, and I do not know him now. I have no reason to believe that he is in any way superior to anybody else, as being someone with whom the State should negotiate. I do not think that the estimated profits which it was claimed would have been made—and they varied from 10s. a ton to 15s. a ton—would have been realised any

more than the previous expectations with respect to this and other places, but particularly this one, have been.

The whole story of this industry from the point of view of State finance, making full allowance as I do for its commencement during the war for quite other purposes, has been disastrous, particularly in recent years. I was disinclined, and I am becoming more disinclined every day, to accept the estimates of these proposed profits to be won from these ventures. Allow me to quote just a line or two from a document sent to me on the 19th August, 1947, by the Director of Industrial Development. I, as a comparatively new Minister for Industrial Development at that time, was seeking to formulate ideas as to what should be done with this industry. I was informed that the estimated cost of completing the plant for production would be £120,000 and that the total capital expenditure on Chandler would then be—

	£
Plant and equipment	500,000
Housing services	50,000
Developmental expenses	200,000
Total:	750,000

The document then went on to state—

The value of the plant and equipment when completed will be no more than £300,000 and it will be necessary to write off £200,000. The Commonwealth Government could reasonably be expected to contribute half the amount involved in the write-off.

It then continued—

With the eventual capitalisation of £300,000, the estimated revenue would be £294,395, and the estimated profit would be £123,339, thus the share in the writing down of the capital would be more than offset by the profit in the first year's operation.

We were to make, on these estimates in August, 1947, a profit of £123,000 if we would spend another £120,000 on the works. Well, we spent another £120,000 upon the works.

Mr. Styants: From whom did that estimate come?

THE MINISTER FOR INDUSTRIAL DEVELOPMENT: From the Director of Industrial Development. We spent that sum and the result was that we accumulated losses of between £70,000 and £80,000 per annum and finally received a recommendation, on account of the difficulties associated with trying to perfect processes which might turn out something which could compete in price and quality with the imported French potash, that the production of potash should cease. In consequence we find today that we have an asset there, worth, probably, £150,000 to £200,000, and the balance of £750,000 or more must be written off.

So, while I am not at all anxious to criticise the well-intentioned efforts of the gentleman who put up these latest estimates of profit, I was sceptical of them—and I am just as entitled to my opinion on this matter as anybody else. I did not believe that the profit estimated would be realised. I thought we could just as likely put ourselves, as we had done before, in an unsatisfactory financial position with respect to this matter.

I will now for a moment turn to the earlier observations of the member for Melville. On the 9th June, he told us, he wrote to me, as Acting Premier, asking for the right to peruse these papers as he alleged it was in the public interest that he should be able to do so. At that time the writ had been issued by Mr. Collett against the board of management. That writ was issued on the 26th May. It was a well-known fact to me that the member for Melville was in close communion with Mr. Collett—at least at frequent intervals. Therefore, because the matter was sub judice, it was not, in my opinion, or in that of the Government, in the best interests of the State that, at that time, the hon. member should have the papers; and I believe that any right-thinking man or woman would agree, in those circumstances, with that contention.

Hon. J. T. Tonkin: You overlook the fact that the writ had not been issued when I first asked for them.

THE MINISTER FOR INDUSTRIAL DEVELOPMENT: The hon. member complained about the reply—a flat refusal—that I sent to him. Prior to that time the Premier had offered justification for refusing the papers. The letter I wrote was that we did not propose to make them available to the hon. member. That communication was dated the 13th June in reply to the hon. member's letter of the 9th June. I recollect the reply quite well, although I have no copy of it here. The member for Melville also made reference to Messrs. Temperley and Meecham as members of the Council for Industrial Development. These men have been members of the council for a long number of years. To the best of my knowledge, information and belief, they were nominated, or their appointment to the council was agreed to, by my predecessor in office, the member for Northam. Until quite recently, when a vital change was made in the whole matter, I made no effort to displace any of the appointees that had been appointed prior to my coming into office.

Hon. J. T. Tonkin: I did not suggest you should have done so.

THE MINISTER FOR INDUSTRIAL DEVELOPMENT: No, but I think the hon. member endeavoured to impute that these two gentlemen had acted dishonourably. The imputations throughout his speech,

supposititious though most of them were, were directed along those lines, and while it is no business of mine to defend Messrs. Temperley and Meecham, the fact remains that, as I think I am entitled to mention, they have held under two Governments of different political complexion, honourable—and as far as I know, honoured—seats on this Council for Industrial Development.

It ill becomes the member for Melville or anyone else to suggest that, because they were members of that council, or on account of the fact that they got some slight information from that council, they took advantage of it immediately to press on the Government for something in their own private interests. I think members of that council were conspicuous for not doing that sort of thing, and, from what I have heard of them both before I took office and since, they were appointed because they were men of repute, and they have behaved as such.

It was perfectly clear to me—particularly subsequently—why these leases at Chandler were reserved, but I was not aware—and it is unknown to me now—that any undertaking was given by Mr. Fernie to Mr. Collett that if he would withdraw the pegging of his leases, he would get this contract. That may or may not be so, and I am not prepared to refute it as having been a statement by Mr. Collett, but it was certainly not made with my knowledge or approval, and I say that without question. The member for Melville observed that Mr. Collett had no redress. He had redress if he saw fit to carry on with it, when he issued the writ on the 26th May last against the board of management.

To members it will be clear that we would not be discussing the matter this evening, after the ruling upheld by the House a week or so ago to the effect that unless the writ in this matter was withdrawn such discussion could not proceed, unless the writ had been withdrawn. It will be quite clear that it is within my knowledge that today the writ has been withdrawn and therefore, whether Mr. Collett had a right of redress—which was a matter for the court to decide on those proceedings—or not, he has decided not to go on with the writ; otherwise we would not be discussing this matter now.

During his speech the member for Melville observed that the leases at Chandler were reserved because the board, with the Minister's knowledge, had decided to use them to produce plaster, but I have indicated, from my minute of the 13th December, which was subsequent to the time of their reservation, that at that time there was certainly no full understanding and certainly no approval of any such proposal—otherwise that minute would not have gone to the Director of Industrial Development, from whom I expected, and subsequently did receive, information.

The hon. member also said that on the 22nd December, 1949, Collett received a message to call on the Department of Industrial Development and was told that the plaster manufacturers had been to see the Government. I have already dealt with the question of my lack of knowledge of any such interview with members of the Government and I want to make it quite clear that I do not know of it. I am not in a position to say the hon. member is untruthful in this direction—

Hon. J. T. Tonkin: Do not attempt that.

THE MINISTER FOR INDUSTRIAL DEVELOPMENT: I have not done so.

Hon. J. T. Tonkin: If you do, I will put the whole question straight to the Premier.

THE MINISTER FOR INDUSTRIAL DEVELOPMENT: I say that if such an agreement was made, it was made without authority. This matter largely resolves itself into a question of conflict of policy. When I come to that point, I will make some reference to the observations of the member for Melville with regard to the Kent River case mill. Almost simultaneously with the decision to commence operations there, because of the difficult position regarding fruit cases and representations of the fruit industry, it was arranged to give the fruit industry an option of lease and purchase over the Kent River case mill as soon as it was completed and in working order, and a letter was written to those concerned accordingly. The mill is not working yet, and is not likely to be working for some months to come, but I have reason to believe that the offer will be accepted.

Based on that, the Government finally agreed to the proposition because, so far as the recommendations were concerned, they were coincidental. There we had a situation quite different from that which the hon. member, in his suppositions, put forward. I do not hold it to the discredit of the hon. member, who, of course, believes in State enterprise or perhaps more than that—the socialisation of the means of production, distribution, and exchange—which I do not, but I believe there are a few occasions when, in the absence of private enterprise or where it cannot, or will not undertake some essential work, it is the duty of the State to assist in some way.

Mr. Styants: Like the North-West shipping service.

THE MINISTER FOR INDUSTRIAL DEVELOPMENT: Yes.

Mr. Styants: That lost half a million pounds of the taxpayers' money last year.

The Premier: The railways also lost a bit.

Mr. Styants: You are carrying them on.

THE MINISTER FOR INDUSTRIAL DEVELOPMENT: Those undertakings are products of the past and cannot be thrown

aside, as the hon. member knows perfectly well. We must take a rational view of the situation. I am talking about new enterprises.

Hon. A. R. G. Hawke: What about the State hotels?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: They were there when we took office.

Mr. Oliver: What about the new water supply schemes?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Water supply is a social service nowadays. If we wished to denude the countryside completely we could perhaps do without water supply schemes. As I have said, the matter really resolves itself into a conflict of policy. We were not anxious to start any new State enterprises and therefore decided to submit the whole matter to the Commonwealth Government, which I think was the most sensible thing that could have been done.

Before coming to that, I propose to mention something that the Director of Industrial Development wrote, on the 22nd December, to the manager at Lake Chandler. It confirms to some degree what I had obviously told him, as otherwise he would never have written as he did. He wrote—

Interviewed our honourable Minister this morning regard proposed production at Chandler of gypsum and plaster of paris. Unfortunately we are not yet authorised to proceed. Apparently there is quite a strong feeling in the Government that the State should cut its losses and not undertake any new production.

That was the point of view I had expressed to him. He continued—

The matter will be decided by Cabinet about the 9th or 10th January, but I may have the opportunity of discussing it again with our Minister towards the end of next week.

Hon. A. R. G. Hawke: Was that all he wrote?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: No, but it is all that is apropos of the question.

Hon. A. R. G. Hawke: You mean that is all you will read.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: On the 23rd December there followed a letter which the member for Melville read as having been addressed to Mr. Collett. On the 17th January, Cabinet met and considered the matter, and this is the minute that was recorded—

(a) that the production of potash should be continued pending negotiations with the Commonwealth as hereunder—

(b) that the Prime Minister be approached asking for further consideration of our claim for assistance for a

Commonwealth decision as to whether the production of potash is essential in the national interest or as a defence measure, in which case the Commonwealth should accept responsibility for maintenance of the industry;

(c) that the request include that the Commonwealth Minister concerned should visit this State and inspect the works and obtain first-hand knowledge;

(d) that the opinion of the Commonwealth be obtained as to the necessity for the supply of plaster to the Eastern States by this State and the quantities considered necessary to be supplied, if any.

That followed a minute from the Under Treasurer, dated the 30th December, in which he said—

I have not had an opportunity of examining the estimates of the cost of producing plaster, nor do I know whether there are other supplies of gypsum in the Eastern States which could be developed to compete successfully with the plaster produced at Campion. These are factors which, I suggest, would require close examination.

Pending this close examination of the economics of the production of plaster at Campion, I think the Government would be wise to continue the potash industry at Campion. If the examination reveals that plaster production is economically sound, then I would recommend that an approach be made to the Commonwealth Government for a subsidy to continue the production of potash.

Those were the views of the Under Treasurer under date the 30th December. He is a member of the board of management, and from his remarks it will be seen that he did not know whether the estimates would measure up. He said that he had not had an opportunity to examine the estimates of the cost of producing plaster and he wanted further information. He considered that the production of potash should be maintained, pending Commonwealth consideration of the matter at the very least. So it is no wonder that in face of the two opinions—the one that I had expressed to the Department of Industrial Development on behalf of the Government and the other from the Under Treasurer—that Cabinet passed the minute that it did. There was certainly no decision to take notice of anybody who might have brought pressure to bear in this State. We sought, in each case, the opinion of the Commonwealth. We were impressed with the idea that the works might be still more useful to Australia as a producer of potash.

We, as a Government, felt that the international situation was likely to deteriorate, as it has since done. There was

a distinct possibility that if that should happen to a greater extent than we anticipated, the quantity of potash available in Australia would again become precariously small, because there are little or no means of obtaining it in this country except at Lake Chandler, or by importation. As long as the world is mainly at peace, its importation at a price better than that for which we could produce it is easy, but if the world is at war, and we get back to where we were in 1943, when the project was first taken up, then we might easily find that the production of potash, even of a lower quality than we would desire, might be of great importance in the national interest. So we contended that it was not our obligation to maintain the works but that of the Commonwealth to assist in financing it.

Subsequently, a letter was addressed to the Prime Minister, and I will read an extract from it. This letter, dated the 3rd February, was signed by the Premier—

In regard to paragraph (d), it is felt again by my Government that the arriving at an alternative decision to produce plaster from the gypsum deposits is a matter which, taking into consideration our reluctance to extend State enterprise unnecessarily, must be determined in the light of the necessity for the supply of plaster outside this State and the possible requirements and production of the Eastern States for, say, the next decade. If the information available to your departmental officers concerned were to indicate an evident necessity for production of plaster on a far wider scale than private enterprise has yet undertaken, or is likely to undertake, and the possibilities of that demand being profitably possible and the opinion expressed that this Government should proceed to production, then in the absence of Commonwealth support of the other proposals, further consideration would be given to the matter.

My Government would be greatly obliged if you would take this matter up as early as possible so that the necessary information may be obtained as quickly as possible and particularly that arrangements should be made for a visit of your Minister in the very near future.

So I think it will be quite obvious to every member of this House that up to that stage the mighty pressure of the combine to which the hon. member referred had not had much effect, or, as a matter of fact, been given much consideration; certainly not any more than any other representation would, and should, be given. It will be noted that the decision of Cabinet—which I have already quoted—was no less than six days after these gentlemen waited upon me and of which discussion I gave a brief but accurate resume a few moments ago.

The board of management, as I understood the position, was still hopeful that it would be carrying on with the production of plaster, and so it continued negotiations and discussions in various places. It is perfectly true that on the 14th March, I think, Mr. Reid and Mr. Fernie had a discussion with members of the Plaster Manufacturers' Association. It is equally true that in a report which they furnished to me subsequently, under date the 17th March, they referred to the concern which had been expressed by the manufacturers regarding the possible competition from Chandler at the end of a few years, when the Australian Plaster Industries' plant at Fisherman's Bend would be completed and in full operation.

As I have understood the position, the likely demand for any quantity of plaster from Western Australia to the Eastern States was dependent upon the time it would take to bring the Australian Plaster Industries' new factory at Fisherman's Bend, or wherever it was in the Eastern States, into operation. When that was in operation, there would be no requirement from Western Australia of any substantial quantity of plaster, so far as my information goes, and therefore the proposals that were discussed were for the production of plaster at Lake Chandler for a period of three years at most. Mr. Fernie and Mr. Reid informed us that this fear of the plasterers' organisation was countered by an assurance that the Chandler plant would cease production of plaster as soon as the export market disappeared which, they were of the opinion, would be in the proximity of two or three years' time, I understand. It was pointed out to members that if the Chandler plant were sold or leased, the new owner or lessee would be able to compete in the local market, a procedure which would have the effect of reducing the cost of plaster in Western Australia and lowering building costs.

We were being requested to execute an immediate order for 25,000 tons for 1950, to be followed by similar orders for 1951 and 1952. Therefore, on that date, the 17th March, the Director of Industrial Development was of opinion that 25,000 tons for the years 1950, 1951 and 1952 was the quantity that would be required and therefore I had to use those figures, the latest which I had, in the statement of the 23rd June—I fancy it was—to which the hon. member referred as having appeared in "The West Australian." I have already said that I had told the deputation that we were considering this matter on an export basis only and that was afterwards borne out by the interview which the Under Treasurer and Mr. Fernie had with the representatives of the Plaster Manufacturers' Association.

Their position, I contend, is extremely weakened by the fact that there is no restriction of any kind being placed on

Australian Plaster Industries as to where they may sell their plaster if and when they produce it—no restriction at all! I had been informed during one of the conversations I had with Mr. Innes that he was certainly going to offer his production in Western Australia because it suited him to do so. If the member for Melville is in any way correct in his assertion that by pressure from these people the Government was induced to do these things, then those very people, by exercising that pressure—as the Director of Industrial Development points out in his memorandum—have certainly run the risk of some loss because the monopoly to which the hon. member refers, which is their own monopoly, can be interfered with by somebody from another State.

While the hon. member speaks very strongly against these combines and alleges that the Government is one which is dear to them and supported them most strongly, might I ask the hon. gentleman to remember the observations made by the late Hon. W. D. Johnson, from his seat on the front cross bench, regarding the fact that it was a Labour Government that placed the sawmills in the timber combine and let me remind you, Sir, that this Government has taken them out because it did not consider that their remaining where they had been put by a Labour Government many years ago was to the best advantage of the community.

For the hon. member to allege, as he does, based almost entirely on supposition, that these people had had any more than the proper consideration that would be given to anybody who makes representations to the Crown is, and I have said enough to establish it, to assert that which is incorrect. They got their full share of consideration and no more, and the suggestion that a discussion should take place with them by Mr. Reid and Mr. Fernie came neither from me nor the Government. As I said, in my opinion, the board of management still hoped that it would be able to carry on with its original plan and so Mr. Fernie and Mr. Reid were willing to interview these people and endeavour to remove any misconception. That they did not succeed was not their fault and it ultimately made no difference whatever to decisions that were made.

As I said, it was then that we were being pressed with an immediate order for 25,000 tons of plaster for 1950 to be followed by similar orders for 1951 and 1952. It was unfortunately a considerable time before any reply was received from the Commonwealth—a considerable time. As I will show in a minute or two, a couple of telegrams were despatched to the Commonwealth Government in order that its reply might be expedited, and as I will also indicate, the reply received was never a completely satisfactory one.

Meantime, and not until then—I think I told the hon. member, in answer to questions, it was June, and that would be right if I did—communications started coming from the Eastern States, but the ones he spoke of were from Governments and there were one or two that came asking for plaster from Western Australia that possibly were inspired in some instances—I do not know, but I have been given reason to believe that they were, and have taken it for granted—but the one from the Premier of Queensland was bona fide.

I understood that the Queensland requirement was 12,000 tons, but that when a big factory was erected by Australian Plaster Industries, as I mentioned just now—because they had ample deposits of gypsum more accessible to them in the Eastern States than were ours here—they would be quite able to cope with whatever demand there might be in Queensland or elsewhere. But I have been giving the matter some consideration with a view to mapping out whatever might be done in the event of this Government having to consider proceeding further with the matter of the production of plaster. I had come to the conclusion that it was about time to consult the Crown Law Department.

I had two or three oral discussions with the Solicitor General. My apprehension—if that is the word—had arisen out of discussions I had had with him as to the removal of some minor plant from Lake Chandler to the Kent River sawmill on the recommendation of the then Director of Industrial Development. That was early this year. So after those talks with him I finally asked him straight out to inform me if he was of the opinion that it was lawful for the State to undertake the production of plaster of paris.

Some reference was earlier made by the member for Melville to the certificate given to the Solicitor General by Mr. H. F. Rowledge, the director of the Government Chemical Laboratories. He indicated that Mr. Rowledge had paid scant consideration to this matter; that he had not bothered to go into it, and that he had just rattled off a reply to the Solicitor General as to the chemical situation regarding this particular case. The hon. member also tried to give the impression, as far as I could see, that Mr. Rowledge's opinion was virtually valueless. It did occur to me, as the hon. member was speaking, that he was trying to indicate that Mr. Rowledge was making it easy for the combine. I do not suppose any member would think that Mr. Rowledge did not give the matter consideration. He is well known as a competent and conscientious person. He is reluctant to pass any opinion unless he is sure of his ground.

That he had not been to Lake Chandler for two or three years does not appear to me to concern us, because I do not sup-

pose the structure of Lake Chandler had changed to any degree in that period. The Solicitor General sought his opinion as officer-in-charge of the Government Chemical Laboratories because he wanted to give a legal opinion based on the best information he could obtain. I venture to say that the chief of the chemical laboratory, Mr. Rowledge, is just as competent, and probably more so, than anybody else in the Government service to give an opinion. This is what he said—

If plaster means "plaster of paris" then it is a product obtained by calcining a mineral known as gypsum (hydrous calcium sulphate). It is a distinct chemical entity from alunite (hydrous potassium aluminium sulphate).

If gypsum occurs with the alunite necessitating the working of the gypsum to mine the alunite and is subsequently recovered in the course of treating the alunite it could be considered under "other minerals" obtained as a by-product.

If, however, the gypsum deposit is worked separately from the alunite deposit then it could not be considered a "product produced by treatment by any process of alunite."

The analyses of Chandler alunite in our records do not show the presence of any commercial amounts of gypsum in the alunite and as far as I know gypsum has not been separated at Chandler in the course of treatment of the alunite.

If it were possible, as the hon. member says it is, to have produced gypsum from the alunite deposits themselves—and it is well known that the alunite deposits are of a tremendous size—was it necessary for the board of management, in contemplating the production of this plaster of paris, to seek reserves miles away from the place where they were working the alunite, in order to obtain gypsum to make plaster of paris? Why was it necessary subsequently to consider working a large overburden three miles away from the work which was in another part of the lake altogether and was composed entirely of gypsum?

It was not a practical proposition as I understand the position—or as Mr. Rowledge understands it from a far better knowledge than I possess—to work the alunite deposits in order to make these many thousand tons of plaster that were likely to be required. I have no doubt, therefore, that Mr. Rowledge's opinion is a sound one and, as he was entitled to do, the Solicitor General acted upon it. So subsequently did Messrs. McDonald and Louch—two learned King's Counsel, one of whom at least is well known in this House—when they were asked to give an opinion for the reasons I will mention later on. The opinion of the Solicitor General, which

was forwarded to the Attorney General and subsequently to me on the 1st May, was as follows:—

The State (Western Australian) Alunite Industry Act empowers the Minister for Industrial Development to establish, maintain and carry on works, plant and undertakings upon certain lands "for the purpose of producing products" to sell such products and for other purposes connected with the business of producing products. The word "product" is defined to mean "any product produced by treatment by any process of alunite and alunite deposits and includes potash, other minerals, chemicals and by-products." The board constituted under the Act has the management and control of all works, plant and undertakings established under the Act and of the business carried on therein (s. 22 (1)) with power, inter alia, to make and enter into contracts in connection with the carrying on of the said business as agent or representative of the Minister (s. 22 (2) (c)).

Pursuant to the Act, the Minister established alunite works at Chandler. The proposal on this file is to work the gypsum deposits near Chandler with a view to producing plaster. There is no authority in the above Act for the Minister to carry on the business of production of plaster unless plaster is included in the definition of "product" in s. 5 of the Act. On this point I have received the advice of the Director of the Government Chemical Laboratories to the effect that plaster is not a product produced by treatment by any process of alunite and alunite deposits. I further understand that no part of the gypsum deposits has to be worked in connection with the carrying on of the alunite works under the Act. In these circumstances, I must advise that the Act does not authorise the Minister to produce plaster. No other statute appears to bear on the point and I must advise, therefore, that neither the Minister nor the board may validly enter into a contract for the supply and delivery of plaster.

It is no use saying, therefore, that when we subsequently reached the conclusion that it was not lawful for the Government, even if it wished to do so, to carry on the production of plaster at Lake Chandler, it arrived at that conclusion for some base and ulterior motive. Subsequent to the receipt of this opinion the Under Treasurer and Mr. Fernie—two members of the board of management—myself and Mr. Good, Solicitor General, met, I think in Mr. Fernie's office, on at least two occasions to discuss the ramifications of this business, and the question of leasing the plant to private enterprise. These conferences lasted well over an hour each, and I was present at both.

By this time we had come to the conclusion that somebody should produce plaster of paris at Lake Chandler for a period; that it was unlawful for the Government to do it—and the Government in any case was not anxious to do it; and that the opportunity should be afforded private enterprise to produce the plaster of paris if that were practicable. A great number of suggestions were put up as to how the matter might be managed, but throughout the Solicitor General adhered to the point of view in his opinion and refused to be converted to the new points of view advanced from time to time, and his colleagues in the Crown Law Department were, he said, of the same opinion.

So we come now to the reply which was ultimately furnished by the Commonwealth. On the 14th April, the Premier sent a telegram to the Prime Minister as follows:—

When can I expect reply to my letter February third regarding potash fertiliser at Campion. Have discussed this matter with Mr. Beale and Senator McLeay.

On the 17th April, he received this reply—

Reference your telegram 14th April concerning potash fertiliser at Campion, hope to let you have reply next week.

On the 3rd May, the Premier telegraphed the Prime Minister as follows:—

Reference your telegram 17th April concerning potash fertiliser at Campion, letter mentioned not yet received. Please advise if and when despatched.

On the 2nd May, the Premier received by telegram a communication from the Prime Minister which read—

Reference your letter third February potash project Campion Commonwealth Government feels that the main difficulties of this industry have been on the technical side and proposes appoint a Commonwealth technical committee consisting of Mr. H. J. Cook, mining engineer, Commonwealth Bureau of Mineral Resources, Ministry of National Development, as Chairman, a nominee of the Division of Industrial Development and a nominee of the Chief Chemical Engineer, Department of Supply, to examine all aspects of proposals. Felt that officers comprising committee sufficiently familiar with enterprise to complete at least an interim report without much delay. If procedure acceptable to you, committee will be instructed to begin its investigations immediately. Glad early advice.

I referred that telegram to the Director of Industrial Development who, on the 12th May, wrote—

The Prime Minister's telegram advising the intention of the Commonwealth to appoint a technical investigating committee is, in my opinion, most satisfactory.

Before we can expect Commonwealth participation in the industry, it is reasonable to expect that the technical officers should be satisfied that the process to be adopted is sound and capable of producing potash in competition with overseas supplies.

Even with the joint technical resources of the Commonwealth and the States, I am satisfied that a period of 18 months to two years will be necessary before a process can be safely applied.

With a view to keeping the plant maintained and the present plant personnel together pending the completion of the investigation, in addition to making profits for the State, I strongly recommend that the plant be utilised for the production of plaster of paris to supply urgent demands in the Eastern States.

I forwarded the file to the Premier with the comment that I thought everything possible should be done to ensure that the technical committee started operations immediately. I asked him to advise the Prime Minister accordingly, and stated that I would discuss the matter with him next week. The Prime Minister was advised that the appointment of the committee was acceptable to the State.

This had not brought forth any information from the Commonwealth regarding the plaster position, so, as I have stated, having been advised that the carrying on of the project by the Government would not be in accordance with the law and having been informed that it would be practicable to lease to private enterprise the portion of the plant required for the purpose, we decided to call for tenders, confidently expecting that a tender would be submitted.

The member for Melville suggested that we specifically asked Mr. Innes of Australian Plaster Industries to come here at that stage and interest himself in the matter. Mr. Innes was in Western Australia interesting himself in the matter before I saw him or even knew of him. That he should interest himself in the matter did not seem extraordinary to me, in view of the fact that he was apparently well-versed in the position of plaster of paris in the Eastern States, and I certainly know of nothing to justify the strictures of the hon. member in regard to Mr. Innes's presence here at that time. The fact remains that he did not submit a tender and neither did anyone else.

If Collett and the Western Australian Plaster Manufacturer's Association had been sufficiently interested

in this profitable, this exceptionally profitable business, and the possibility of producing plaster of paris at the reasonable rental suggested, why did not they submit a tender? In my opinion, they were far more interested in getting the State to run the risk of loss than they were of doing so themselves. We were advised, in a communication received at the end of the tender period from Mr. Innes, of Australian Plaster Industries, to take on the job. He pointed out the great difficulty of shifting technical staff and so forth to this State and how much nicer it would be if we did it, and so forth.

When no tender was received, notwithstanding that we had been accused in the Press by the member for Melville of being utterly callous to the shortage of plaster in the Eastern States, it was a request by the Government of Queensland in particular that influenced me, in the absence of the Premier, to decide, in consultation with the Attorney General, to seek other legal advice as to whether it was lawful for the State itself to carry on this industry. It was decided that the matter should be referred to Sir Ross McDonald and Mr. T. S. Louch, both K.C.'s, of Perth. In the course of a few days, we received their opinion, which bore out completely the views that had been expressed by the Solicitor General. Consequently, having the best legal advice I knew of, that left me with no option except to do something illegal or leave the matter alone.

Hon. A. R. G. Hawke: On what did Sir Ross McDonald and Mr. Louch base their opinion?

THE MINISTER FOR INDUSTRIAL DEVELOPMENT: Largely on Mr. Rowledge's chemical report, and, if I remember aright, also on other factors.

Hon. A. R. G. Hawke: Do you remember the effect of their opinion?

THE MINISTER FOR INDUSTRIAL DEVELOPMENT: I thought I had a copy here, but unfortunately I have not. One point brought to light during these inquiries was that the land upon which the buildings at Lake Chandler were situated and the industry carried on had never been dedicated as required by the Act. The Act was assented to in the first week of January, 1947, and was proclaimed shortly afterwards, but no information had come to light meanwhile that the land had not been dedicated. Therefore, in the absence of dedication, the question whether the industry meanwhile had been carried on lawfully had cropped up. Members may recall that the other day I gave notice of a Bill for an Act to remove doubts regarding the alunite industry Act, and one of those doubts is as to the validity of the industry having been carried on at all, in the absence of any dedication of the land, since the passing of the Act at the end of 1946. The second point the Bill proposes to remove doubts about is the question of leasing portion of the works to third parties.

Hon. A. R. G. Hawke: Is the Minister going to quote the legal opinion upon which the Government based its decision that it already had the power to lease the whole or portion of the works?

THE MINISTER FOR INDUSTRIAL DEVELOPMENT: I will look to see whether I have it with me. At the moment I would like to continue what I was saying and point out that we have a Bill ready for the second reading stage to remove doubts that have arisen on both these questions. While the opinion of the Crown Law officers is that there is no doubt about the legality of the lease, I understand that the solicitors for the company are about evenly divided on the question. They have taken up two points of view; one that it is quite all right, and the other that it possibly is not.

Hon. A. R. G. Hawke: It is very unfortunate if the Minister has not with him to quote to the House the legal opinion upon which the Government acted.

THE MINISTER FOR INDUSTRIAL DEVELOPMENT: There are two or three of these documents. I have one here. It reads—

In accordance with your instructions, I attach argument to show that the Crown has a prerogative to dispose of its assets subject to any qualification or limitation imposed by Parliament, and that no such qualification or limitation has been imposed by Parliament in relation to personal property acquired by the Crown under the State (Western Australian) Alunite Industry Act, 1946.

That is signed by Mr. S. H. Good, Solicitor General. The argument to which reference is made includes the following:—

In feudal times the Crown had an absolute prerogative to dispose of its property. Feudalism fostered the confusion between proprietary and Government rights—it being both a system of property law and a system of government. "No distinction is drawn between the King's private property and the property he holds in right of his Crown." (Holdsworth's History of English Law V. 3 p. 462). Subsequent limitations have been imposed by Parliament upon this unrestricted Royal prerogative. "The King's Prerogative was subject to the law but there was a wide sphere within which the King could act as he pleased." (Holdsworth V. 4, p. 206). "The general rule is that prerogatives cannot be affected or parted with by the Crown except by express statutory authority" (Halsbury's Laws of England, V. 6, p. 444). "Where by statute, the Crown is empowered to do what it might heretofore have done by virtue of its prerogative, it can no longer act under the prerogative but must act under and subject to the con-

ditions imposed by the statute. The prerogative is not confined to the British Islands but extends to the dominions and colonies as fully in all respects as to England unless otherwise prescribed by Imperial or colonial enactment" (6 Halsbury, 445).

Hon. A. R. G. Hawke: None of that would give power to lease.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: The Crown can dispose of any property it likes unless expressly restricted by Parliament, and there is no such express restriction in this legislation. But what I was aiming to do by my reference to the proposed Bill was to correct the member for Melville's impression that no opportunity was to be afforded him to ventilate this matter. He will remember that the day he last tried to move this motion, I gave notice of that measure and it was taken exception to by him as being for another purpose altogether, which purpose I had not in mind at all.

Hon. J. T. Tonkin: Not by me; by one of my colleagues.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I beg pardon; that is so. It was taken exception to, but not by the hon. member. The motion happened to come up at the time notice of the Bill had arrived from the Crown Law Department and I proposed to go on with the measure straight away. I was not going to waste any time. I had no thought that it would concern the hon. member or his colleague. About that stage—after we took the second option—I had a look at the Audit Act and found that any officers who incurred expenditure which was not lawful could be surcharged with it; and I did not get very enthusiastic over that. So Cabinet considered the matter again and decided that the only course open was either to lease to a private enterprise, if a reasonable arrangement could be made, or alternatively to seek power from Parliament to carry on the works itself.

We decided that as Mr. Innes, of Australian Plaster Industries, was the only person, or that concern was the only company that had taken an interest in tendering, we would advise him that if he cared to make an offer within three weeks that was satisfactory to the Government, it would be accepted. About the end of that time such an offer was made and was dealt with mainly by the Under Treasurer. Consultations took place between him and Mr. Innes and a basis for an agreement, somewhat different to that which had been suggested by Mr. Innes, was reached with Australian Plaster Industries through its managing director, Mr. Innes.

Hon. J. T. Tonkin: Was not the Minister for Lands in the discussion too?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: He was to be the recipient of the tenders, if any. He did not discuss the question with Mr. Innes—

Hon. J. T. Tonkin: I understood he did.

The MINISTER FOR INDUSTRIAL DEVELOPMENT:—only prior to the tenders expiring. I am referring now to discussions after the offer was made for leasing by private contract.

Hon. A. R. G. Hawke: If there was such a discussion, it would have been one-sided.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I cannot make the assertion definitely, but I understand Mr. Innes did inform the Minister for Lands, naturally, because tenders were returnable at his office on the advice of the Crown Law Department since the land, which had never been dedicated for the purpose of the industry, was Crown land in the ordinary way. The arrangement is regarded by the Government as being fairly satisfactory. We can hardly expect to receive, as the member for Melville appeared to indicate, interest and sinking fund on assets that do not exist. The value of the assets there today is hardly above £150,000.

I am informed that the outside figure would be £200,000; and, in consequence, a rental which will range between, I think, £9,000 and £12,000—if my memory serves me aright—and which can be increased if production rises above a certain figure, and will be increased by so much a ton if that occurs, is a rental which will pay interest and sinking fund on the value of that asset and leave a margin over. I venture to say that there is more certainty in a profit of that kind than there is from the somewhat doubtful collection of profits from Government production. In order that I may offer some verification of my statement that the assets are worth only the figure I mentioned, I have here some information supplied to me by the Treasury which will indicate not only the truth of my assertion, but also what a heavy medium of loss this industry has succeeded in being, notwithstanding its good intentions, since it commenced.

It will be remembered that the Government came into the industry as a partner with a syndicate, under an Act of 1942, to which the member for Melville made some reference. In 1943, the Government became the sole owner, buying out the interests of the members of the syndicate for various amounts, as follows:—Mr. Jackson, £6,000; Mr. Hardy, £2,000, and Messrs. Martin and Norwood, £6,000, making a total of £14,000 for the purchase of their interests. The control was then vested in a board of management. The Government carried on the industry under National Security Regulations which were invoked by the Commonwealth Government for the purpose. In 1944, the industry commenced its operations but, for technical reasons, it was in difficulty from the commencement. It could not get the expected extract of potash on which the estimates were based.

The imported potash gave 60 per cent. K_2O , and the Chandler potash about 30 per cent. K_2O , so that it took about two tons of Chandler potash to equal one ton of the other. Confronting the industry there were difficulties such as corrosion, plant break-downs, loss of production, poor quality of product, and too much moisture content. So, in 1944, a modification of the plant was commenced. In 1945, the war came to an end, and shortly after it was decided to introduce legislation—the existing legislation that we have—which was passed at the end of 1946. In that year, the plant, after further costly modification, was not able to produce the required grade of potash to enable it to compete successfully on the market. Estimates to produce 1,000 tons of potash of 50 per cent. K_2O from the treatment of 9,300 tons per month never materialised. On the 30th June, 1946, the cost of producing potash, per ton, was £58.

We find that at the end of that year the then Minister for Industrial Development, Mr. Hawke, in a Press statement said he had received an order from Queensland for 1,500 tons of potash, and that at least three trainloads would be involved in the order, which was the biggest yet received by the local industry. He said the product would be used for agricultural purposes, mainly in the sugar industry. The price at which the potash was sold to Queensland was £13 6s. 3d. per ton, Brisbane. The shipping costs, freight, wharfage, etc., per ton amounted to £5 16s. 4d., so the net return was £7 10s. per ton. Therefore that potash, which cost £50 a ton, or more, to produce at that time, returned £7 10s. a ton from this sale to Brisbane.

It will be seen, therefore, that that one venture cost the State something in the vicinity of £60,000. I do not know that I was much more hopeful in regard to the plaster of paris proposition. As I said, I read another estimate, made in good faith I have no doubt, in August, 1947, but it was not impressive in its ultimate result. So the position was that up to the 30th June, 1947, the loss for the year was £72,899; up to the 30th June, 1949, for the year, the loss was £73,827; up to the 30th June, 1949, the loss for the year was £86,076. To the 30th June, 1950, the loss for the year is not yet available, but it will be substantial. So the accumulated losses to the 30th June, 1949, amounted to £459,690. In addition, there is the cost of the pilot plant, £37,204, and the 1950 losses. Therefore, out of a total expenditure, including interest on loans unpaid, and the original capital cost of the partnership, of £797,000, about £600,000 has been lost.

Hon. J. T. Tonkin: That is not in accordance with your published statement.

THE MINISTER FOR INDUSTRIAL DEVELOPMENT: These figures have been brought up to date. The figures I had

before were, I understand, approximately a year old. I obtained these from the Assistant Under Treasurer a matter of days ago.

Hon. J. T. Tonkin: I think you mentioned an amount of £450,000 for which there was no tangible asset.

THE MINISTER FOR INDUSTRIAL DEVELOPMENT: That is so. According to the Under Treasurer now, there is approximately a total loss of at least £600,000. I would say, taking it by and large, that the action of the Government in this matter has been that of reasonable and prudent men. I contravert entirely the idea—and I think I have said sufficient to establish the truth of my submission, without going further—that the alleged pressure by the plaster people amounted to anything at all. Their representations received the consideration they were entitled to get, and no more. The Government's policy was not, however, to plunge into a further State enterprise of this character, but to maintain the production of potash, especially if it could be shown to be in the national interest to do so. It was not until the question arose, by communications from the Governments of the Eastern States, of the necessity for plaster of paris there that we began to consider whether we could temporarily endeavour to fill the bill, or whether it would be better for private enterprise to do it, and whether private enterprise would do it. So we decided to call for tenders, with the result that everyone knows.

I say, and I think there is no reasonable doubt about it, that the contract that has been made with Australian Plaster Industries—it is not yet completed, but I hope it will be in the course of the next week—will be quite a satisfactory document for the State. It will certainly pay more dividends to Western Australia than we were likely to have received from the industry itself, despite the optimism expressed in the estimates that were put before us. I think there is little more I might say at this stage. I have spoken at some considerable length because I wished to correct one or two of the statements made by the member for Melville that obviously needed correction.

Before I reach my final stanza, however, I would like to make some reference to the difficulties that arose in connection with transport from the Chandler works to the coast. Obviously the Railway Department was unable to enter into a definite undertaking to cart the whole of 500 tons of anything per week from that spot to the coast. The people concerned in the tenancy desired to transport all the matter by road. Most members will recognise that it would be far better if transport by road were minimised. So discussions had to take place between the Railway Department, the Transport Board and the interested parties as to just what

arrangements could be made. It now appears that the railways may be able to handle about half the weekly requirements, and what they cannot cope with will have to be the subject of a road transport license. These negotiations held up matters for some little time.

I come now to the hon. member's reference to the statement that appeared in "The West Australian" of the 8th May, and which apparently did not emanate from anyone in particular. It certainly was not authorised by me or anyone that I know of. It was a statement with reference to the manufacture of plaster-board—

Hon. J. T. Tonkin: I think it had its genesis in the Chamber of Manufactures.

THE MINISTER FOR INDUSTRIAL DEVELOPMENT: It was not brought to my notice until two or three weeks ago, when it was too late to reply to it. By what error it was not brought to my attention, I do not know. Had I known of it corrections would have been made with regard to plasterboard and the other item relating to the association. The hon. member also said that we gave Mr. Innes opportunity to name his own terms. As I have already explained, that matter has been the subject of considerable negotiation, most of which was conducted by the Under Treasurer after a preliminary discussion between Mr. Innes and myself.

If the House agrees to the motion—and I have no objection to it—I am prepared to table the papers, providing the hon. member will make no complaint about them not being tabled until the week after next. The House will not be sitting next week and I think that by that time the Crown Law Department will have finished with the papers. I have had great difficulty in getting them recently, because they have been so much in use at the Crown Law Department. That is the suggestion I wish to make.

HON. J. T. TONKIN (Melville—in reply) [10.22]: In view of the promise of the Minister for Industrial Development I will not have much more to say. I am glad the Minister has realised that the vote of the House was likely to go against him and that therefore he should agree to make the papers available.

The Minister for Industrial Development: That was my view all along, but the hon. member knew too much about Mr. Collett, for my liking.

Hon. J. T. TONKIN: I do not like the suggestion of the Minister that I do not think much of Mr. Rowledge. As a matter of fact, I think Mr. Rowledge is a fine officer, but in this regard my information is that the matter was not submitted to Mr. Rowledge in such a

way as to indicate to him its great importance, and apparently he did not think it necessary to visit Chandler and discuss the question with the board of management. Had he done so he would have ascertained from the board of management that they had actually been recovering gypsum in the process they were carrying out.

He said, "so far as he knew," and he would have known further had he discussed the matter with the board or with the manager of the works, because it is an established fact that in the process being carried out gypsum was being recovered from the treatment of the alunite itself. That was why I made that statement. It was not in complaint against Mr. Rowledge, but in order to show that the Solicitor General could have got more up-to-date and reliable information on the point had he sought it from the board of management or the manager of the works instead of going to Mr. Rowledge, who gave his opinion purely upon data in the possession of the department—data which was somewhat old. I have great admiration for Mr. Rowledge and do not wish in any way to disparage his ability.

I am surprised at the Minister's statement that the reason why he made no rejoinder to the statement in "The West Australian" of the 8th May was that it was not brought to his notice, because immediately I saw it I wrote to "The West Australian," which published what I had to say quite prominently as follows:—

Mr. J. T. Tonkin, M.L.A. said yesterday that a proposal had been before the State Government for approximately six months to use the State Alunite Works at Chandler for the manufacture of plaster of paris which is in very short supply in Western Australia as well as in the Eastern States. Those persons interested have spent considerable money and given a tremendous amount of time in securing firm offers from persons in the Eastern States and New Zealand to purchase quantities approximating 35,000 tons annually of plaster of paris, which there is no doubt the State works at Chandler could supply. In view of the urgent necessity to increase production in various directions it has been a matter of considerable wonder until this morning why the McLarty Government is refraining from allowing the Chandler works to go into production. It now appears, according to an article in Monday's "The West Australian" that the scheme has been held up because of the objection of private enterprise that the plasterboard would eventually find its way on to the local market if oversea or interstate markets were unavailable. This

discloses an extraordinary state of affairs, namely that apparently you must do nothing to increase present production of any commodity if eventually any of it might find its way on to the local market.

I can only assume that as the Minister for Industrial Development did not reply to that, either, he did not see it, and I wasted my time. I find it hard to believe that no-one in his department read "The West Australian" and saw that the bonafides of the Government were being attacked in connection with this matter and that it called for a reply from some responsible person. Since I have been in this House, whenever a statement has been published against a Government department almost invariably the Minister for Education has not let it pass. If, for example, I mention the size of school classes, or some promise that the Minister has made in connection with education, he rushes into print the next day.

Hon. A. A. M. Coverley: He has been in the Press a great deal lately, with regard to education.

Hon. J. T. TONKIN: Therefore I can do nothing but accept the explanation the Minister has made.

The Minister for Industrial Development: It is the exception that proves the rule.

Hon. J. T. TONKIN: In view of my reply to that article having also been passed over it would appear that the departmental officers were completely asleep. I come now to the question of the papers, and I trust they will be complete when we get them—

The Minister for Industrial Development: They will be all I have ever had.

Hon. J. T. TONKIN: I am looking forward to being able to seek out those things that I feel sure should be there, but to which the Minister made no reference at all while dealing with this matter. If the Minister has any doubt that representations were made to the Premier by the Chamber of Manufactures he should ask the Premier. If the Premier does not give him the names of the gentlemen concerned, I will.

Question put and passed; the motion agreed to.

BILLS (3)—FIRST READING.

- 1, Bulk Handling Act Amendment.
- 2, Marketing of Eggs Act Amendment (Continuance).
- 3, Superannuation, Sick, Death, Insurance, Guarantee and Endowment (Local Governing Bodies' Employees) Funds Act Amendment.

Received from the Council.

BILL—BUILDINGS (DECLARATION OF STANDARDS).

Second Reading.

MR. GRAHAM (East Perth) [10.32] in moving the second reading said: This measure which, if it is passed, is intended to be of limited duration, is perhaps unusual because it seeks to relax or ease restrictions whereas in recent times the tendency has been in the opposite direction. It seeks to overcome some of the restrictions and difficulties which confront would-be home builders. I want to make it perfectly clear at this juncture—because I anticipate opposition from certain quarters—that I am not in the least concerned with the powers or rights of local governing bodies, or any other authorities. I am influenced in a desire to have something done to improve the lot and make possible, within measurable time, the achievement of homes by many thousands of people who are at present without proper accommodation. At the 1st July of this year, no less than 23,309 applications were outstanding on the books of the State Housing Commission. It requires no words of mine to stress the importance of doing something to assist in this direction. I do not need to paint harrowing pictures of the distress being suffered by very many people whose families are both small and large because cases are well-known to members.

I repeat that my motive in submitting this measure is to do something, or endeavour to do something, to speed up home building and overcome certain of the difficulties that confront persons who seek to erect dwellings for themselves. As I have already stated, the number of applications outstanding, at the 1st July this year, was 23,309. Of this number, 11,555 are waiting to erect houses on their own account, made up of those who desire State housing homes, totalling 1,076, those seeking war service homes, 4,572, and those seeking permits, 5,907. In addition to these figures, I would say that no less than 2,000 persons have already received permits under the 12½ squares system and although they may have permits, they have nothing else. They have very little, if any, prospects of erecting houses for themselves, because permits have been issued so far in advance of the available material.

It is understood that this measure in itself, if it becomes law, will do no more than make a contribution towards the solution of the problem. There are other steps, a number of which have been suggested by several members, including myself. With your permission, Mr. Speaker, I would suggest to the Minister for Housing that if he has not already given consideration to the proposal that I submitted several weeks ago, then he should do so. My proposition was that the

Housing Commission should find accommodation for many hundreds of families, not necessarily by erecting new homes but by purchasing and, in certain cases, altering and subdividing already existing premises which, under the present state of affairs in the great majority of cases, are going to people whose needs are not to be compared with many thousands whose names appear on the books of the State Housing Commission.

Hon. F. J. S. Wise: Are they not putting twelve into one house in Mt. Lawley?

Mr. GRAHAM: The particular suggestion that I mentioned would require an amendment to the present statute but because it would involve the Crown in the expenditure of money, it is not within my province to introduce such a measure, otherwise it would have been coupled with this Bill. It should be understood by all members that what is proposed in this measure establishes no new principle whatever; it is merely an extension of an existing state of affairs. Those who are familiar with local government will probably appreciate that Section 208 of the Roads District Act already gives the Minister power over-ride decisions in respect of the erection of dwellings. For the information of members I will read a portion of the relevant section:—

The Government may at any time, and from time to time by proclamation, declare that in any district or in any portion of a district it shall be lawful to use wood in the construction of the external and internal walls of any building intended for use as a dwelling-house,

So it is realised that notwithstanding any decision by road boards that there shall be a brick area, it is possible for the Minister of the day to over-ride that decision or building bylaw. All I seek is that some power shall be given the Minister in respect of municipal councils and that two further powers shall also be vested in him. On the 16th August last I asked the Minister for Housing several questions as to the restrictions and difficulties being encountered by the State Housing Commission, which were created by local governing bodies. My question was in relation to the metropolitan area. The commencement of the reply given to me for one of my questions was in these words,—“There is necessity for uniform building bylaws.”

At the present moment when there are so many different local governing bodies, and with so many having a different outlook and approach to this question, the matter of any uniformity, of course, becomes absolutely impossible. I do not know that there is any monopoly of wisdom reposed in those who, for the time being, happen to be occupying seats on those local governing bodies. After all is said and done, the Government is responsible to the whole of the people of

the State and this is a most vital question affecting the people. As I have so often said, it is one approaching a state of national emergency. Those are not extravagant words because I repeat that if there are 23,309 outstanding applications on the books of the State Housing Commission and if they average four units per application, immediately there are approximately 90,000 Western Australian citizens who are affected.

I am hopeful that the House will be impressed with the seriousness of the situation and therefore be prepared, because of the circumstances—because of them only—to take steps along the lines which the Bill suggests, to which under ordinary circumstances, they would, perhaps, give very little consideration. There is no need to weary the House as to the differences in the outlook of various local governing bodies. Differences exist as to ceiling heights, types of dwellings to be erected, and also other restrictions into which I shall go with a little more detail presently. The replies given by the Minister to my questions on the 16th August indicate, to some extent at any rate, that the State Housing Commission has been able to achieve a reasonable measure of satisfaction with the houses which that Commission itself erects. However, the private builder is in a very desperate position because the bylaws are applied to him much more harshly.

As the whole policy trend of the State Housing Commission and of the Government is towards inducing, so far as is possible, people to erect houses for themselves, it will be appreciated that the difficulties being experienced at present will grow in intensity because of the increased number of persons who are receiving permits and who, ultimately, will desire to proceed with the building of their homes. The Bill gives power and discretion to the Governor which he can exercise if he considers it necessary.

If the measure is passed there is no suggestion whatsoever that the Minister should, in an irresponsible way, willy-nilly over-ride all the building by-laws of the various local authorities. It is only when in the opinion of the Governor there is some impediment to the housebuilding programme, that he would, in the interests of the people seeking homes, take any action under the powers which it is my wish should be vested in him. The first provision of the Bill deals with the type of building materials that can be used in the construction of a building. At present, as is known, the local governing bodies and, particularly municipal councils, do declare certain areas to be brick areas only, and structures constructed of any other building material are not permitted.

Personally, I am aware of a number of instances where the Minister, under the powers vested in him by virtue of the

Road Districts Act, has used his authority and over-ridden the local governing body concerned. I should say, without detriment to anyone, that it has had the effect of allowing—and I am thinking of a particular case—persons to erect houses for themselves far cheaper than they otherwise would. The particular instance I have in mind concerns the person who happens to be president of the Perth Trades Hall at the moment. A very fine house, which would do justice to any suburb, is erected just off Canning-highway in the area controlled by the Melville Road Board. The Minister at the time used his authority, and that individual was able to erect, for himself, a timber-framed asbestos house which does not in any respect suffer by comparison with other houses that have been built in the district.

So we come to realise that there is, unfortunately, an old-fashioned prejudice on the part of many local governing bodies in this State against our own hardwoods which, in many respects, compare favourably with those grown in any other part of the world and in some respects, even surpass them. Apropos of that matter, some of the finest and most expensive homes that can be found in the United States of America are constructed of timber and scarcely any brick or stone is used in them. But there is a prejudice on the part of many local governing bodies in Western Australia against the construction of timber dwellings, which are much cheaper—perhaps not as cheap by comparison with brick houses in pre-war days, but nevertheless cheaper today. In view of the excessive prices which people are now compelled to pay, the opportunity should be given them to use timber and effect savings to that extent, if in no other way.

Some thought should also be given to new types of material that can be used for homes. It is well known that experiments have been made in many parts of the world and houses have been constructed of steel, aluminium, plastic material and so on. I say very definitely that it is not a simple proposition at the present moment, and will not be for the next 20 years or so. It is not a question of choice between a brick house and a home built of other materials; it is a question of homes of any description to relieve the present plight of those thousands who are living in hotels or in apartment houses which they cannot afford; of those who are compelled to live huddled together in groups of families under the one roof; of those living on cold, bleak back verandahs and of those compelled because of circumstances to live in caravans, garages, hutments and other makeshifts.

Mr. Totterdell: With mothers-in-law.

Mr. GRAHAM: Great disabilities do not originate in all cases only from in-laws. It is inevitable that where there are a

number of families grouped under the same roof, it is only a matter of time before friction develops, and then anybody's guess is as good as mine as to the ultimate outcome of the family and the domestic circumstances under those conditions.

Hon. J. T. Tonkin: I think the outlaws are worse than the in-laws.

Mr. GRAHAM: That is a different story. In my own district I know that the erection of houses with materials other than brick and cement is prohibited under the bylaws of the Perth City Council. I do not seek to condemn or unduly criticise the type of dwelling place that is unfortunately found in great numbers in East Perth. Suffice to say these houses could be much better. It is ridiculous to think that a local governing body should have power to insist in a district such as mine—particularly in the poorer section of it—that the closing in of a back verandah or a sleep-out cannot be done with timber, asbestos or other such materials, but that bricks, which are so difficult to obtain, must be used. Under the edicts of the Perth City Council this is insisted upon. In the present serious circumstances I think this is very wrong.

The Minister has a staff of over 300 officials in the State Housing Commission, a number of whom are inspectors and therefore thoroughly familiar with the districts in the metropolitan area. These people could report to him the type and nature of the district and whether there would be any grievous or permanent damage done to a particular suburb if some relaxation were determined upon by him. Personally I do not think it would be doing an injustice to anybody or that any vital principle would be infringed.

Mr. Totterdell: It would convert the Minister into a dictator.

Mr. GRAHAM: The position is exactly the opposite. Local governing bodies and members of councils and road boards are not responsible to the people of this State. They are responsible to a select few. I should say that of the 23,309 applicants on the books of the State Housing Commission perhaps only one per cent. would be entitled to vote in a road board or municipal election. Those who are compelled to live in hotels, boardinghouses, apartment houses or in rooms with their parents and in-laws, are not entitled to vote at local governing body elections.

Local governing bodies accordingly are unresponsive to the plight of these people, but the Minister has a responsibility to all the people of the State. He has a responsibility to his own Government and to Parliament. I repeat, that those who serve on local governing bodies do not represent any but the minutest fraction of those who are in distress. For that reason, local governing bodies are able to ignore the serious conditions under which they live. In the very nature of things it is surely

natural for a local government body to be interested in the aesthetics of the State rather than the harrowing misery and suffering of the individual.

To suggest there is some form of dictatorship is incorrect. After all, the decision will be made by the Governor-in-Council—which means the Government. If it is suggested that the Government is a dictatorship, I would suggest to the member for West Perth that he venture across to this side of the House and assist to get rid of such a dictatorship. I feel sure the hon. member thinks nothing of the sort. He is apparently numbered among those who, for the time being, are members of local authorities and whilst not being responsible to the people, are responsive to their wants.

Mr. Totterdell: To whom are they responsible?

Mr. GRAHAM: To the ratepayers, not necessarily the property-owners, as the member for West Perth knows. Unfortunately, I did not obtain the figures, but it would be very interesting to compare the number of persons on the roll of the Perth City Council with the number on the State electoral rolls covering the same territory.

Mr. Totterdell: There are about 28,000 on our roll.

Mr. GRAHAM: In the electorate of East Perth alone, I represent 10,000 people, and the hon. member will agree that there is no real comparison. What I am seeking to do in the present critical situation is to place in the hands of the people, through the Government, the responsibility of determining whether the restrictions imposed by local authorities shall be allowed to continue, or whether some relaxation is not desirable. I repeat that at least in one respect, the Governor already has that authority under the Road Districts Act. That power was inserted in comparatively normal times about 20 years ago, and in view of the crisis now confronting us, there is every necessity for an extension of the principle.

To give emphasis to my point, there is a local authority on the other side of the Swan River which has permitted houses to be erected of materials other than brick for the State Housing Commission, but is adamant in its refusal to allow persons who desire to build of their own volition to follow the same course. That is entirely wrong. In the case of so many people, it is necessary, owing to existing economic conditions, to build at the lowest possible figure. I do not know whether there is a general ban on brick veneer houses. Quite a few years ago, I read reports in favour of that type of construction, and I understand that in Tasmania, it is the practice to construct on those lines rather than adopt the more orthodox types adopted here.

Mr. Totterdell: That type is just as costly.

Mr. GRAHAM: For the time being, that may be so, but while the price trend is upwards, there are occasions when certain materials are cheaper than others for the construction of homes. I know from figures recently supplied that various materials are costing about the same at present; the differences that prevailed previously have shrunk.

The second matter which it is sought to give the Governor power to control is that of the height of ceilings. Local authorities declare a minimum height of ceiling, which, in recent times, has undergone considerable change, though in the metropolitan area, there is some sort of uniformity. I think the general standard is 9ft. 6in.

Mr. Totterdell: Nine feet.

Mr. GRAHAM: Yes, but there are some differences. I wish to make it clear that, while it is proposed to empower the Governor to over-ride the laws of local authorities and declare, in respect of ceiling heights, for instance, a figure that those bodies are not prepared to accept at present, it does not mean, and is not intended, that anybody or everybody should be compelled to adopt that minimum height. For the purpose of illustration, let me point out that if the Minister determined that, south of a given latitude, the minimum height of ceilings should be 8ft. 6in. and anybody desired to have a height of 9ft. or 10ft., he would be at liberty to adopt that height, but if anybody desired to build a house with ceilings 8ft. 6in. high, he would be legally entitled so to do. This is something that he would not be permitted to do at present.

I have no intention of entering upon a lengthy dissertation on ceiling heights, but I understand that at the Commonwealth Housing Experimental Station in the Eastern States it has been found, after exhaustive tests and under all the conditions imaginable, that there is no inconvenience and no less advantage in having rooms with a ceiling height as low as 8ft. Tests have been made in all kinds of weather conditions and with artificially produced conditions, both external and internal. Generally speaking, we have been accustomed to ceilings having a height of 10ft., sometimes a little more and sometimes a little less, and many of us are inclined to look askance at any suggestion of a ceiling as low as 8ft.

I am not in a position to pronounce any judgment on the point, but the officers I have referred to have, over a considerable period of trial and experimentation, unhesitatingly come to the conclusion that an 8ft. ceiling accomplishes everything desired and, in certain respects, achieves far more than ceilings of greater height, and this without regard to the saving of material and the saving in the cost of construction. I have been informed that one or two, if not more, of the local bodies in

the metropolitan area have refused to accede to a request by the State Housing Commission to lower their minimum ceiling heights to 9ft. The request for this permission has something to do with the intention of the Commission to erect a considerable number of prefabricated houses. Apparently the materials or components are to that particular height.

So it will be seen that even if there be only one or two municipal councils or road boards averse to these changes, they can have an effect upon the building programme; and anything, irrespective of what it is, that has a retarding effect on the provision of homes is something with which members of Parliament should deal. I am fully conscious that proposals such as those I am outlining will be unpalatable to local governing bodies. They are probably exceedingly jealous of the powers vested in them under their respective Acts. But, in the circumstances, I feel it is not necessary for one even to contemplate apologising for taking action that, in the normal course of events, one would not take. But if members will have some regard for the Bill they will see that there is a provision for it to continue in operation until the 31st December of next year and no longer, which will give us an opportunity to review its operations in the light of the experience that will have been gained in the next 12 months or so, if the measure becomes law.

The third provision has to do with the type of construction. It is designed largely to permit, where there is a ban at present, the erection of duplex houses, expansible houses and flats. I know that the word "flats" is most unpalatable to quite a number of people, not excluding certain members of this Chamber. But flats do not necessarily have to be tremendous piles, several stories high. Many people, because of their circumstances; because of disabilities; because of the nature of their employment; and on account of many other considerations, do not need or seek gardens or any extensive properties. Here again the Minister or the Governor—which means the Government—would naturally exercise discretion and not allow a building of some stories high to be erected in the residential section of any suburb or township.

When I say residential section, I mean such as we might have in the avenue at Mt. Lawley where the houses are all practically individually owned and occupied. There is a general tendency, even in existing circumstances, for areas in which flats are built to be greatly extended. I have made it my business to inspect various parts of the metropolitan area, such as Nedlands, Hollywood, Mt. Lawley and some of the better parts of East Perth, like Adelaide-terrace, and I can find nothing objectionable in the construction of flats there. But I am more concerned with the duplex houses, and perhaps more concerned still with expansible homes. There are

many people today who are valiantly battling, and with considerable success, to erect humble quarters for themselves, including people who have never previously done any building construction.

To a very great extent they are people of humble means. Ordinarily a man with a few pounds of his own could have borrowed the balance necessary to erect a reasonably decent house for £1,000. But, at present, something in excess of double that amount is required. Unless it is with a terrific burden of interest and debt, a house of ordinary dimensions and proportions is beyond the realm of practicability to many thousands of people who are seeking homes; and it is necessary for them to cut their coats according to the cloth available.

While they desire, as much as any local governing authority could desire for them, to have a full house for themselves and their families, they have to be satisfied with a portion of a house only, and with the hope, as more resources become available to them, of adding a room or several rooms so that they may have the type of accommodation to which they are entitled. But even the two- or three-roomed expansible house they are able to erect for themselves at present is far preferable to their being jammed together with other families, and living under conditions with which I think the great majority of members are familiar.

It will be noted that the Bill refers to buildings, and therefore is not confined to dwelling places. I have been appalled, in quite a number of instances, to observe the quantity of building material used in factories, showrooms, shops and garages, all with the sanction of the State Housing Commission. In several cases new premises have become essential because of the restrictions imposed by local governing bodies. I have one case in mind—and the Minister for Industrial Development will recall it, because I took him to the workshop concerned. All that was required was something in the nature of a lean-to at the back of the premises being used for the purpose of housing materials and extensive plant and machinery. The Perth City Council would have none of it, and insisted that the structure should be of brick. But it was impossible to obtain a permit. Industries or commercial activities of that kind, after a period of time, ultimately obtain a permit if they receive sufficient sponsorship; and then valuable materials, which might easily be used for the construction of homes, are used to erect factories merely because the local authority would not allow the minor additions of which I spoken.

Of course, that position is on all fours with the cases I mentioned earlier where there is a bar against closing in a verandah, or building a sleepout of material other than brick. That, unfortunately,

happens in many instances. I have personally witnessed many cases where fine structures of timber and asbestos have been erected at the rear of premises to provide better washhouse facilities than previously existed, and the inspector of the Perth City Council has somehow been informed, with the result that an order has been issued against the owner of the premises requiring him to demolish the structure within a limited period, or else have action taken against him. If circumstances were normal, perhaps we could afford such luxuries, and such a finicky attitude. But in view of all the people who are, and have been, waiting for many years, we should take every step possible to alleviate the situation.

It will be seen that the powers which it is proposed to vest in the Governor are to be used by the issue of an order. I want to say quite frankly that I prefer determinations such as might be made under this Bill, if it becomes an Act, to be made by regulation so that all members of Parliament can take some action to disagree with them if that be their point of view. I regard the provisions of the Bill as being in the nature of an experiment. Very little opportunity will be given to see how the Minister uses the powers, or to find out the effect of them before we reach the stage of having to give consideration to an extension of the period of the measure.

Particularly do I think that something in the nature of a trial should be given to the proposal, and if it is found to work reasonably satisfactorily and to make some contribution, no matter how small, towards the provision of accommodation for persons in dire need, then action could be taken by any member to amend the provisions which I have suggested. Thus it becomes essential for the House to be informed. In any event, the position is that if the Bill becomes law the greater part of 12 months will have expired before we will have a chance to further consider it. That is, perhaps, only a minor matter. Finally—

The Minister for Industrial Development: We would have passed the Bill half an hour ago if you had shut up.

Mr. GRAHAM: If the Minister for Industrial Development had interjected at 5 o'clock this evening what he told us getting on towards 11 o'clock, I would have had the privilege of introducing the Bill about 5 p.m. instead of the hour at which I have. It has been no particular pleasure for me to have to submit the Bill after 11 o'clock, realising that members have had a strenuous day. All I want to say in conclusion is that I consider the measure at least worthy of a trial. It is, in a humble way, an earnest of my desire to do something to help people who are in such distress. As a final word, I emphasise that if the Bill is passed it will not compel either the

Minister, or any individual, to do anything different from what he has to do at the moment. All it will do will be to give the individual who desires to erect a structure—and the cases may be very few—a greater choice than he has now.

Mr. Read: Sub-standard.

Mr. GRAHAM: I did hear the interjection "sub-standard," which precludes me from resuming my seat. I hope what I have said tonight has been taken seriously. If members' experience with regard to housing were half as serious as mine there would be no levity in connection with this matter. This is not a question of a brick house with tiles and replete with every modern convenience situated on a large block of land versus whatever might be envisaged in the Bill, but a question of some relaxation in the discretion of the Government so that these people for whom we should feel some concern should be given a house of some sort and not be condemned for ever and a day to continue living, not only in garages and tents, as I have mentioned but as I have seen with my own eyes, under hessian and even in fowl houses. I move—

That the Bill be now read a second time.

On motion by the Honorary Minister for Housing, debate adjourned.

BILL—PUBLIC TRUSTEE ACT AMENDMENT.

Returned from the Council without amendment.

House adjourned at 11.29 p.m.

Legislative Council.

Thursday, 28th September, 1950.

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