

Court shall be able to give effect to what the Federal regulations provide at the present time, and the second is that the Federal regulations will not always prevail. This war will end some day, and these regulations will then go out of existence. We desire that the provision contained in this amendment shall be in our Arbitration Act so that when the court is dealing with the basic wage at intervals between the periods of the annual declaration the workers will be entitled to receive whatever the Statistician's figures indicate to be the proper amount having regard to the increase in the cost of living.

I recognise that it will cut both ways; that whilst the cost of living is rising at the present time, notwithstanding all the methods adopted by the Commonwealth Government, there will come a time when it will commence to fall. If this amendment is passed, when it does fall then the workers will be expected to accept the decision of the court just as we are asking this House to agree that the court shall provide the increase for the workers at the present time. There is nothing unfair in that. I cannot for the life of me see why there should be all this strong objection and why some of the arguments that have been used should have been raised. Some aspects have been introduced into this debate which have no connection with the subject matter of the Bill. I, of course, could deal with the various statements made but I do not propose to do so. I think sufficient has been said to indicate that all that this Bill does is to render to the workers of this State a measure of justice which has been denied to them. It will give to them something which the workers in the other States have received. We are not asking for something unfair or unjust.

This Bill will put right a state of affairs which should not have arisen, and which only occurred because of a misunderstanding in another sphere. Had it been known or understood at the time that there were no automatic adjustments in this State, I feel sure that the regulation would have been so worded that our workers would have been placed in no different position from those in the rest of Australia. I hope, notwithstanding the strong objections raised, that the House will agree to the Bill as it stands. I give my assurance that it only affects the quarterly adjustments and nothing

else. When the Arbitration Court declares an annual basic wage, these quarterly adjustments will only have the effect of maintaining the full basic wage so declared on that annual occasion. That is the whole position, and the Bill is one to which members could agree.

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

Ayes	..	..	..	9
Noes	..	..	..	16
Majority against				7

AYES	
Hon. J. M. Drew	Hon. T. Moore
Hon. G. Fraser	Hon. C. B. Williams
Hon. E. H. Gray	Hon. G. B. Wood
Hon. E. M. Heenan	Hon. W. R. Hall
Hon. W. H. Kitson	(Teller.)
NOES.	
Hon. C. F. Baxter	Hon. J. G. Hislop
Hon. L. B. Bolton	Hon. G. W. Miles
Hon. Sir Hal Colebatch	Hon. H. V. Pliesse
Hon. J. Cornhill	Hon. H. L. Roche
Hon. C. R. Cornish	Hon. H. Seddon
Hon. J. A. Duggitt	Hon. H. Tuckey
Hon. E. H. Hall	Hon. F. R. Welsh
Hon. V. Hamersley	Hon. W. J. Mann
	(Teller.)

Question thus negatived.
Bill defeated.

House adjourned at 4.47 p.m.

Legislative Assembly.

Tuesday, 10th November, 1942.

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

QUESTIONS (3). REDCLIFFE BUS SERVICE.

As to Improvements.

Mr. J. HEGENY (without notice) asked the Minister for Works: 1, In view of the criticism made on the Estimates in respect to the transport operating through the

Belmont district, has he taken up with the Transport Board the question of effecting any improvement, more particularly from the point of view of providing a Government bus service? 2, If he has not done so, will he do so at the earliest opportunity?

The MINISTER replied: This question should be put on the notice paper as it involves a matter of policy.

COMO BUS SERVICE.

As to Removal of Public Convenience.

Mr. J. HEGNEY (without notice) asked the Minister for Works: Is it a fact that a certain interested party has made representations for the removal of the public convenience near the Como bus service, on the ground that it creates congestion and also that it is an eye-sore to the travellers using that bus service?

The MINISTER replied: I am not aware of that.

REDCLIFFE SCHOOL.

As to Improvements to Playground.

Mr. J. HEGNEY (without notice) asked the Minister for Works: 1, In view of the criticism made in respect to the playground at the Redcliffe school, has he discussed with his officers the question of effecting improvements? 2, If he has not done so, will he do so?

The MINISTER replied: That is a matter which would first go through the Education Department. I do not know whether it is on the urgent list.

Mr. J. Hegney: We go to the Education Department and are told to go to the Public Works Department.

BILL—STATE (WESTERN AUSTRALIAN) ALUNITE INDUSTRY PARTNERSHIP.

Second Reading.

THE MINISTER FOR INDUSTRIAL DEVELOPMENT [2.23] in moving the second reading said: This Bill deals with a partnership entered into between the Government and certain private individuals for the purpose of developing extensive alunite deposits at Lake Campion. As members will see, the measure asks Parliament to ratify and approve the agreement which has been made. That agreement constitutes the schedule to the Bill. I have had a memorandum prepared and printed setting out as

briefly as possible the essential steps that had to be taken to enable the State to be finally in a position to develop this industry. Copies of that memorandum have been circulated to members so that the information set out in it might be easily and clearly available to them. These deposits were first brought under the notice of the Government in 1924 when Mr. J. Chandler, who was farming in the district, inspected them and formed the opinion that there was something unusual about the material. He gathered some alunite and had it forwarded to the Mines Department for examination. An intense examination was made by the officers of the Mines Department in 1927, when it was found that the alunite from Lake Campion was a potential source of great quantities of potash and alumina. Mr. Bowley, who has since become Government Mineralogist and Government Analyst, was keenly interested in the matter at the time and continued to interest himself in it. At a later date he brought the existence of the deposits under the direct notice of the Department of Industrial Development.

Inquiries were then made as to the quantities of potash, both muriate and sulphate, that were being imported into Australia from overseas and the cost to the primary industries of the potash landed in Australia and made available for use. As a result of the information, and in view of the fact that war had commenced at the period of which I am speaking, the Department of Industrial Development and the State Government began to take a very keen interest in the possibility of having these deposits developed for the purpose of exploiting them commercially. Some 3½ years ago two brothers, M. and E. J. Martin, members of the Martin Investment Co., decided to carry out an exhaustive investigation of certain of our mineral resources. They had an idea that there existed in this State many minerals that could probably be commercially exploited if intensive investigations were made, and if experiments could be put in hand and carried to a successful conclusion. The Mines Department and the Department of Industrial Development co-operated in making available to the company all the information in the possession of the Government bearing on the alunite deposits at Lake Campion.

The Martin brothers made several visits to Lake Campion. They put down bores to a depth of 8ft. over a

wide area of the deposits in order to ascertain the approximate quantity of alunite in the district. Subsequently they took up 300 acres of the deposits by way of a mineral lease, because they were convinced there was a strong possibility of developing an industry for the production of potash and by-products. Subsequently a syndicate was formed known as the Potash Alumina Development Syndicate, the original members of which were the Martin brothers and Messrs. H. B. Jackson, D. Brisbane and A. Hardy. Later the membership was increased by the inclusion of Messrs. A. F. B. Norwood and J. F. Thorn, both of Kalgoorlie. The syndicate gathered all the information available regarding the experiments previously carried out at Lake Campion, and also obtained data relating to experiments and research regarding the possibility of successfully extracting the potash from the alunite ore. They found that all the experiments and research previously undertaken had failed absolutely to show a successful method of treatment. All attempts to overcome treatment difficulties had failed because of certain matters to which I shall refer later.

Several large companies, some with international affiliations, had been concerned in the carrying out of the experiments and research. The Broken Hill Proprietary Co. had been interested at one stage; Dr. Douglas Mawson, the world-famed explorer, representing oversea interests, had been interested at another stage, and later still the Western Mining Corporation had taken an interest in the deposits and given close attention to the possibility of exploiting them for the commercial production of potash and other chemicals. As I have stated, all the previous experiments and research had failed, and the result of the failure was to cause the greatest measure of discouragement to members of the syndicate as well as to the Government departments concerned, and, of course, in a larger sense, to the State Government. In spite of this discouragement, the syndicate was keen to go ahead with the idea of trying other methods of experiment and research, in the hope that processes of treatment might be pioneered that would enable past failures to be overcome and permit of this very valuable potash industry being established here.

The members of the syndicate approached the Department of Industrial Development

and the two bodies together met Professor Bayliss, Professor of Chemistry at the University, with the object of enlisting his co-operation and help so that experimental and research work might be undertaken at the University. Professor Bayliss readily agreed to give the fullest measure of co-operation and a position was thus established which made it possible for new experiments and new research to be commenced. Several early difficulties were met with. These are clearly set out in the memorandum to which I have referred and are, to some extent, the difficulties that were met with by previous persons and companies that had tried to find a successful method of treating these deposits. As a result of trial and error methods, and as a result of the most intensive research, a successful method of extracting potash from alunite was discovered. It takes me only a matter of seconds to say that, but I assure members that it took all of those concerned, including the experts, many months of hard labour and continuous application to reach the stage when it could be proved beyond doubt that potash could be successfully extracted from this alunite.

Not only did Professor Bayliss carry out considerable research and experimental work at the University, but the Council of Scientific and Industrial Research took an extremely keen interest in the question, making available to the University of Western Australia for this purpose two chemists who were employed on a full-time basis in connection with the experiments and research work.

Mr. Doney: Was that the first time this extraction was done?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: In addition to those two chemists, the syndicate itself employed a number of chemists. One of these was employed full time by the syndicate, the others being employed at various periods by the syndicate whenever their services were required. Altogether, seven chemists were employed and I am proud to be able to say that six of these received their entire training at the University of Western Australia. This, I think, speaks volumes for their training at our University. The School of Mines at Kalgoorlie was also brought in for the purpose of assisting in the experimental and research work; and, although the problem upon which the officers and ex-

perts of the School of Mines concentrated was not solved along the lines they anticipated, nevertheless the work done at the School of Mines was very helpful in showing other possible lines of research and experiment that, if followed, would probably have led to the right solution, as indeed eventually happened.

I have already mentioned that Mr. Norwood, a metallurgical chemist well known on the goldfields, joined the syndicate as a member some time after it was formed. Mr. Norwood became interested in the matter following a visit by one of the Martin brothers to the Eastern States many months ago. The object of that visit was to consult with the chief officers of the C.S.I.R. to try to obtain a recommendation from that organisation as to the best chemical engineer available in Australia to carry out experimental and research work in regard to the various difficult problems associated with the attempt to discover a successful method of treating the alunite ores at Lake Campion. The chief officers of the C.S.I.R. informed Mr. Martin there were only two men in Australia whom they would recommend for the work. One was a Mr. Hayes of the Electrolytic Zinc Corporation; the other was Mr. Norwood, the metallurgical chemist of Kalgoorlie. Little difficulty was therefore experienced in finally deciding who should be offered the responsibility of taking charge of the chemical side of the industry. The choice fell on Mr. Norwood, who as he had been in this State for many years, was well known and highly recommended.

When Mr. Norwood was approached, he became very interested in the possibilities of the proposal. Because of his expert training and knowledge, he could see the great possibilities that would arise from the establishment at Lake Campion of a chemical industry that would be of world-wide importance. He agreed to take charge of the chemical side of the industry and to give his services without fee, so long as he was assured he would be granted some interest in the industry in the event of some method being discovered of placing the industry on a sound commercial basis. In addition to the technical work carried out by Mr. Norwood, he designed the treatment plant, and in doing so he had to carry out delicate, difficult work. The designing of the plant was completed several months

ago. It is more than half constructed today and the remainder is being built with all the speed possible in these days of difficulties with respect to manpower, materials, machinery and the like. I propose later on to give members some details of the actual progress made to date in the establishment of the plant and the erection of the necessary machinery. The plant has been designed on a long-range basis.

We found on investigation that we could instal a plant capable of producing economically one-third of Australia's total potash requirements. The estimated cost of establishing that plant is £110,000. We found at the same time, by other inquiries and investigation, that we could establish that plant in triplicate at a cost of £220,000 and thus be in a position to produce the whole of Australia's requirements. After a great deal of consideration had been given to that matter, we decided it would be the wisest, in all the circumstances, to establish the smaller plant for the purpose of thoroughly testing it and getting all the benefits from its practical operation and then, as soon as circumstances justified it, we could easily treble the plant and thus be ourselves in the position of producing and supplying the complete potash requirements of Australia's primary industries.

Mr. Warner: Is there any other plant in Australia?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: No. The small one-unit plant we are now installing will produce 130 tons of potash a day, which is one-third of Australia's total requirements. When we triplicate that plant we shall produce 390 tons of potash a day, and thus be able to supply all Australia's requirements of potash from the deposit existing in our State.

Mr. Patrick: What about the price?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I will come to the question of price at a later stage. At this point I would like briefly to refer to the main product of potash, which I have already mentioned, and also to the by-products which will be produced at Lake Campion. The main product of potash, as members representing farming districts know, and as other members may also know, is used as a fertiliser for certain important primary industries in Australia. Probably the most

important industry in which it is used is the sugar industry, which requires very great quantities of potash each year in order that the best possible production of sugar cane per acre may be obtained. It is also used in the tobacco-growing industry, in the potato-growing industry and in connection with the production of pineapples and in regard to a number of less important industries.

Mr. Patrick: It is used for fruit trees and vines.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Yes.

Mr. Patrick: It is one of the most important requirements for trees and vines.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Yes. Members will have no difficulty in realising the vital importance of potash to some of our principal primary industries. It is not now possible to obtain any potash anywhere in Australia. I think the last shipment to come from oversea arrived as far back as nine to 12 months ago, and no further shipments have arrived at any Australian port since that date. It is therefore quite easy to realise that primary industries depending to any great extent upon potash as a fertiliser are suffering somewhat severely from the fact that that fertiliser is not now available.

The main by-products are several but I propose to refer only to the more important of them. Alumina is a vital by-product because it is the basis of aluminium. Strangely enough, almost double the quantity of alumina will be obtained from a ton of alunite as compared with the potash to be obtained. In other words, the alumina content of the alunite is much greater than the potash content. Members may be aware of the fact that the Commonwealth Government has, for some 18 months, been concerned and interested in a proposal to establish in Australia an industry for the production of aluminium. Members will have no difficulty in understanding why the Commonwealth Government should be anxious to establish in Australia at the earliest possible date an industry for the production of aluminium. I understand that negotiations are now proceeding between the Commonwealth Government and the American Government for the purpose of enabling practical steps to be taken at the earliest date to establish this industry in Australia.

If the Commonwealth Government does establish an industry for the production of aluminium in Australia, the alumina produced from Lake Campion alunite, or produced from any other suitable raw material anywhere in Australia, will be in great demand as the basic material for the production of aluminium. As members may quite easily guess, we have been in continued negotiations with the Commonwealth Government regarding the suitability of alumina to be produced from Lake Campion alunite as a basic material for the production of aluminium. The Commonwealth Government has been provided with full information regarding the experiments and research work carried out and with estimates of the likely production costs of alumina at Lake Campion. The technical experts of the State Government, together with Mr. Norwood, are convinced, as a result of the work done regarding the production of alumina, that the material to be produced at Lake Campion can be produced at a much cheaper cost than alumina could be produced from any other suitable raw material in Australia. The only other suitable raw material of which I know is bauxite.

We have several very good bauxite deposits in Western Australia, as the member for Swan would agree if he were taking a keen interest in what is being said. There are also very large deposits of bauxite in other States of Australia and our theory is that if it came to a question of choosing, in the production of alumina, between our bauxite and bauxite in eastern Australia, eastern Australia might win because of the fact that eastern Australia might be that part of the Commonwealth in which the aluminium industry would be established. But if it becomes a question of alumina from potash residues being used as against alumina extracted from bauxite, we feel that there is no doubt whatever that alumina extracted from our potash residues would be chosen against the alumina possible of being produced from other raw material anywhere in Australia, because we believe the alumina extracted from potash residues can be produced at half the cost at which alumina could be produced from bauxite or any other raw material.

The next by-product is aluminium sulphate, which is used for purifying water. It is also used in the paper-making indus-

try and for making cloth fire-proof. The next by-product is potash alum which is used in the textile industry for dyeing purposes and also as a substitute for cream of tartar. Aluminium chloride is another important by-product. This is used mainly in the refining of petroleum and also in the manufacture of various types of disinfectant. Hydrochloric acid is another by-product of considerable importance. This acid is used mainly as a source of chlorine for cleaning of materials and as a solvent, and is used also in the manufacture of chloride of metals. It is required also in the manufacture of transparent paper, which is sometimes known as celophane.

This is a very important point, because members may recall that prior to the war the State Government was having steps taken with the object of establishing in our South-West an industry for the production of transparent paper from our south-west timbers. At that time the State Government brought from Switzerland an expert in the production of transparent paper. He was in Western Australia for some six to eight weeks. He investigated in detail the possibilities of establishing the industry in our State and finally made a report to the Government, which was favourable to an attempt being made to establish the industry. A company was formed in Perth to go ahead with the proposal. In the meantime the war had begun and restrictions were applied to the raising of capital for new undertakings. An application was made by the company to the Commonwealth Government for permission to raise a large sum of capital to develop the transparent paper industry in the South-West but the Commonwealth Government considered that the proposal was one that should not be gone on with, that it was not directly or even indirectly associated with the war effort. Therefore, the proposal had to be allowed to fall by the wayside, but it was not abandoned. When the war is over and more or less normal conditions exist again, there can be no doubt that the State Government will make every effort possible to revive that proposal so that Western Australia might obtain the benefit of that highly important industry if it be humanly possible to establish it after the war.

Sulphuric acid is another important by-product from potash residues, and I think

most members are aware of the important uses of sulphuric acid. It is mainly used in connection with the manufacture of super. That brief explanation of the main product of potash, and the more important of the by-products to be produced at Lake Campion, will indicate to members the tremendous possibilities wrapped up in the industry now being established.

I have already referred to the important help given to the State Government, to the syndicate, and to the University of our State by the Council for Scientific and Industrial Research. I have made some references to the splendid valuable work done by Professor Bayliss, Professor of Chemistry at the University, and his assistants. Early in 1940 the syndicate, supported by the State Government, applied to the Commonwealth Government for a bounty to be applied towards the production of potash at Lake Campion. I mention that only for the purpose of indicating to members just how strange and unsympathetic the view of those interested in eastern Australia is when applied to a proposal to develop any new undertaking in Western Australia. The reply we received from the Commonwealth Minister for Supply and Development—at that time Sir Frederick Stewart—was that the deposits were too remote, too far removed and too far inland, and, further, that the time for the development of the industry in Australia was altogether too inopportune.

Mr. Warner: He thought it was too far from the Sydney Town Hall!

THE MINISTER FOR INDUSTRIAL DEVELOPMENT: The letter, most appropriately, carried the date, the 1st April, 1940! It is remarkable that the Commonwealth point of view at that time—early in 1940—should have been that the location of the proposed industry was too remote and it would certainly seem, as suggested by a Country Party member by way of interjection, that the Commonwealth at that time felt that the proposed location was too far removed from Sydney and Melbourne. For the Commonwealth Government to suggest at that stage that the time was inopportune for the establishment of the industry indicated an attitude that is even now very difficult to understand. At that stage it must have been clear that the supplies of potash likely to be sent to Australia from overseas would seriously and

quickly diminish as the progress of the war made the economic position increasingly worse.

Mr. Patrick: That was apparent from enemy countries early in the piece.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I have mentioned that point merely for the purpose of giving members an insight into the difficulties we are up against when we endeavour to establish any new industry in Western Australia. Those difficulties confront us irrespective of whether we endeavour to establish a new big industry or a new small industry. Early in 1940 the Potash Alumina Development Syndicate had succeeded on a laboratory-scale basis in its tests and experiments respecting the extraction of potash from alunite. The desire then was that the small-scale experiment should be tried out on a larger dimension. The syndicate therefore approached the State Government with a request that it would finance the construction and operation of a pilot plant to be established at the University. With that end in view the Government was asked to provide £600 to enable the pilot plant to be constructed, and to provide for certain operating expenses when the plant had been put in. After making the necessary preliminary inquiries the Government agreed to the request, made the required money available, and had the pilot plant constructed and installed at the University where it was operated and supervised by Professor Bayliss. The operations of that pilot plant played a vital role in eventually finding successful processing and treatment methods for the extraction of potash from alunite.

In May, 1941, all the necessary tests regarding the production of potash were completed and the processes for its economical treatment were clearly defined. The syndicate then proceeded to form a company with a capital of £150,000. The syndicate approached the State Government with the suggestion that the Commonwealth Government should be asked to provide £45,000, the State Government to provide £45,000, and the syndicate to raise the balance of £60,000. The State Government supported the syndicate in its application to the Commonwealth Government for a grant of £45,000 for the purpose of helping to provide the amount of £150,000 estimated at that time to be required to establish a plant of sufficient capacity to

produce the whole of Australia's potash requirements. The Commonwealth Government subsequently notified the syndicate and the State Government that it could not see its way clear to make any financial assistance available, but at the same time indicated its willingness to help in any other way possible to secure the establishment of the industry.

Mr. Stubbs: When was that?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: That was towards the end of 1941. In December of that year the State Government agreed to make £45,000 available on certain conditions. The syndicate undertook to raise £30,000, which would make a total of £75,000. When the Commonwealth Government indicated it was unable to make any financial assistance available, the proposal to establish the industry on the basis of being immediately able to provide for the whole of Australia's potash requirements was abandoned, and it was decided to establish a plant adequate to provide for one-third of the national requirement. Thus, at that stage, the proposal was that the industry would be started by the syndicate with financial assistance from the State Government. Negotiations proceeded in connection with the conditions upon which the State Government would make the money available. The Government considered it was entitled to majority representation upon the board of management to be appointed, if it was to supply more of the money required for the development of the industry than was to be made available by the syndicate itself. That particular point entailed much negotiation. Members will easily realise that there was ground for a strong difference of opinion between the Government and the syndicate on that phase. The latter quite naturally desired to have majority representation on the board of management and to have majority control, thereby having a deciding voice in the way the industry should be established, but more particularly regarding the manner in which it should be controlled and operated.

Mr. Stubbs: What is wrong with that?

Mr. Warner: It should have been the other way about!

The MINISTER FOR INDUSTRIAL DEVELOPMENT: The only thing wrong about it was that the State Government was

to supply from 60 to 70 per cent. of the capital required and the syndicate from 40 to 30 per cent. of that capital. In the circumstances we thought strongly that the State Government itself was entitled to majority representation on the board of management in order that it might exercise majority control and direction when circumstances justified it in exercising that right. Before the negotiations were completed and any agreement arrived at, the war had created certain serious difficulties for the financial members associated with the syndicate. When I refer to them as such, I do so in order to distinguish the financial members from the working members of the syndicate. Messrs. Jackson, Thorn, Brisbane, and Hardy, were the financial members, and the working members were the two Martin brothers and Mr. Norwood. As a result of the war-created difficulties, the financial members of the syndicate were not able to carry out their undertaking to raise £35,000. Thus we were confronted with another very serious difficulty in our effort to establish the industry.

To the very great credit of the members of the syndicate it can, and should be said that very soon afterwards they approached the Government and offered the whole of their leases covering the alunite deposits at Lake Campion, the whole of their treatment processes, together with the benefits of all the expenditure to that date by the syndicate, and the value of the whole of the services given by every member of the syndicate to the development of the proposal for the establishment of the industry. They made that offer to the Government, and the offer was to operate for the duration of the war and for a short period afterwards. A condition that the syndicate attached to it was that the Government should proceed with all possible speed to develop the industry in order that its products might be available to assist the nation's war effort and to aid in a vital way the primary industries of the Commonwealth, mainly through the development, production and availability of potash. The Government accepted the offer and approached the Commonwealth Government with a request that it should issue National Security Regulations so that the State Government could proceed with all possible speed to take the initial steps for the development of the industry.

The required National Security Regulations were gazetted in July, 1942, and the State Government, in respect of all the actions it has taken and the arrangements and agreements made, has operated under those regulations. In February of this year the necessary main staff officers were chosen. Mr. Norwood was appointed to act as Superintendent of Works and Development, Mr. M. Martin as Works Manager, and Mr. E. J. Martin as Secretary to the undertaking. In April last a board of management was officially set up by the Government to manage the whole of the operations associated with the establishment of the industry and later, of course, to manage the production side of the industry through the staff officers already appointed. The board of management consists of the Director of Industrial Development, Mr. Fernie, as chairman; the Under Treasurer, Mr. Reid; the Government Geologist and Analyst, Mr. Bowley; and Mr. E. J. Martin, representative of the remaining private members of the syndicate.

In May of this year the syndicate submitted to the Government proposals for the purpose of defining, or trying to define, the financial interests of the Government on the one hand and those of the members of the syndicate on the other hand in the industry, after the war was over and the members of the syndicate could be brought actively into the industry again. The Government submitted a counter proposal setting out the Government's interest to be 75 per cent. and the interests of the general members of the syndicate as a whole to be 15 per cent., with a special interest to the Martin brothers and Mr. Norwood of 10 per cent. This would mean that the Martin brothers and Mr. Norwood would share in the 15 per cent. interest made available to the syndicate as a whole, and would retain to themselves the special interest of 10 per cent. offered to them by the Government. The Government's counter proposal in this respect was not acceptable to all the members of the syndicate. There was much discussion and debate about the matter, and negotiations with the Government were continued regarding its counter proposal. The members of the syndicate placed before us other proposals, but the Government had given a great deal of consideration to the whole subject and had reached the position where we could say that our counter proposal was definite and could

not be deviated from, that it was fair and just to all parties concerned and would have to be accepted or rejected.

As a result of a difference of opinion among the members of the syndicate concerning the acceptance or otherwise of the Government's counter offer, the financial members of the syndicate desired to retire completely from that body and to offer to the Government their entire interest in the syndicate and in the industry. They offered their entire interest to the Government for a sum of £6,000, which in all the circumstances the Government considered to be very acceptable, especially bearing in mind that the syndicate as a syndicate had expended at least £7,000 of actual cash in its activities while trying to develop proposals for the establishment of the industry at Lake Campion. In addition to the actual cash which the syndicate expended, it put in, individually and collectively, much time and much specialised work, particularly on the part of its working members. So at that stage, in about June or July of this year, the financial members of the syndicate, in the persons of Messrs. Jackson, Brisbane and Thorn, sold out their entire interest in the syndicate and the industry for the figure I have mentioned.

The Government continued to negotiate with the Martin brothers and Messrs Norwood and Hardy. Finally it was agreed that the basis of the partnership between the Government and those remaining members of the syndicate should be set out as consisting, in all, of 420 shares. The Government would hold 342 of the shares, each of the Martin brothers 23 shares, Mr. Norwood 23 shares, and Mr. Hardy nine shares. Subsequently Mr. Hardy offered his interest in the syndicate and the industry to the Government for a sum of £2,000, and we purchased his entire interest in the syndicate and the industry, thus reducing the private syndicate's remaining members to three—the Martin brothers and Mr. Norwood. I have no doubt it will be noted with interest by members that the actual private individuals now remaining in the industry are the three men who were the working members of the syndicate, and who played a very vital part in bringing us to the stage we are at today, where the plant is being constructed and when it is anticipated the actual production of potash will commence in March of next year. The percentage of the financial in-

terests of the Government in the industry is now approximately 83.5 per cent., and the interest of the Martin brothers and Norwood together is about 16.5 per cent., if my mental arithmetic is correct.

Mr. Stubbs: How long is that arrangement to continue?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: It will continue for a period of ten years. As I have already mentioned, we anticipate that the production of potash will commence in March of 1943.

There are several others who have played an important part in assisting to bring the proposal to the stage it has reached at the moment. The Solicitor-General and the Crown Law officers have, of course, as members will realise, had a great deal of difficult drafting work to do in connection with the several agreements which have been necessary; and they have done a splendid job in that direction. The Agent-General for Western Australia, Mr. Troy, has been very helpful in work he has been able to do in London in ensuring that specialised equipment which could not be made in Australia would be manufactured in England, and shipped to this State with the least possible delay. Sir Owen Dixon, the Resident Commonwealth Minister in Washington, America, has also rendered services similar to those given to us by our own Agent General in London. I would point out that whilst we give to private individuals who play an important part in the development of an industry of this character a financial interest, the officers of the State departments and officers associated with the University, and also officers associated with the Council for Scientific and Industrial Research and other public or semi-public bodies do not obtain any financial share in an industry of this kind, no matter how great a part they may have played in making the industry possible.

I consider that the public might very well take a reasonable and fair view of work such as this carried out by public and semi-public officers from time to time. There is, we know, a popular feeling in the community that civil servants do hardly any work, and that they receive very high salaries and all kinds of concessions; but it can be said that many Government officers, particularly technical officers, would probably be ever so much better off financially if they were prepared to accept employment in private industry as against continuing

in the employment of Government or semi-governmental authorities. I desire this afternoon, in dealing with this important matter, to express my very great thanks and admiration for the efforts which have been devoted to the task of developing the potash industry at Lake Campion by officers of the State Government, by officers of the University of Western Australia, by officers of the Commonwealth Government, and also by officers of the Council for Scientific and Industrial Research.

It has been proved that there are 16,000,000 tons of alunite ore at Lake Campion. Those 16,000,000 tons of alunite ore will yield 1,750,000 tons of potash, 750,000 tons of sulphur, and 3,250,000 tons of alumina. Potash imports into Australia for the year ended June, 1939, totalled 11,155 tons. The landed cost in Australian currency was £126,500. The average landed cost of potash for the five years prior to the declaration of war was—in the form of muriate of potash £11 per ton, and in the form of sulphate of potash £12 15s. per ton. It is the sulphate type of potash which will be produced at Lake Campion. That is the more valuable type, and naturally the more expensive type. The last shipment of potash brought to Australia, some nine or 12 months ago, was offered to those who wished to purchase, at £25 per ton. On the basis of the one-unit production plant, which is the plant we are now establishing at Lake Campion at an estimated cost of £110,000, it is calculated that we shall be able to make available from Lake Campion potash at a sale price of £15 per ton.

Mr. Stubbs: Half the money!

THE MINISTER FOR INDUSTRIAL DEVELOPMENT: When the three units of production are established and we are producing the whole of the Australian requirements, it is estimated that we shall be able to offer potash for sale at a price not higher than £12 per ton. This would be below the average landed cost per ton for the five years immediately preceding the war.

Mr. Stubbs: It sounds like a romance to me!

THE MINISTER FOR INDUSTRIAL DEVELOPMENT: We feel, and are very confident in the feeling, that when we establish the three units of production and produce the whole of Australia's requirements, we shall be able to sell the potash at a price that will compare quite favourably

with the price which the Australia primary industries paid for the imported potash before the war.

I desire now as quickly as possible to give members some indication of the progress that has been made at the location site of the industry in the establishment of the plant and the erection of the necessary machinery. The concrete foundations and supporting piers for the rotary furnace kiln have been completed. The furnace itself, together with all accessories, is on the site and is in course of installation. This is the biggest and most vital part of the whole plant, and it will be seen that considerable progress has been made with the establishment and erection of the rotary furnace at Lake Campion. The crusher foundations, together with the housing for the foundations, are very well advanced. The concrete beds have been completed, and the housing is now in course of construction. Advice has been received from the United States that the Dixie hammer-mill which is to be imported from that country is now ready for shipment, and will shortly be placed upon a vessel for despatch to Western Australia. The equipment for the leaching vat and centrifuge is on the site, and the excavation work for the concrete foundations is under way.

Advice has been received that the delivery of Redler conveyors which were promised from England for November will not be made until March, 1943. In view of this information, we are now taking steps to obtain the right to use the manufacturer's patents and processes in Australia, so that this urgently required and involved machinery may be manufactured within our shores. The No. 1 receiving pocket is well advanced, and the concrete work has been completed. The grislies are in place, and the earth-works have been practically completed. The No. 1 conveyor is on the site and is in course of erection. In connection with the No. 2 conveyor, the towers and foundations have been completed, and the conveyor has been assembled and is in position up to A frame. The foundations for the A frame storage have been completed, and the steel work is partly erected. All the steel work for this section is now on the site. The foundations for the 500-ton feeder storage bin have been completed, and the bin itself has been erected. The excavations and concrete foundations for the fur-

nace feed have been completed, and everything is in readiness for the installation of the feed conveyor and motor. The concrete foundations and supporting piers have been completed, and the furnace, together with all accessories, is on the site and in course of installation.

The five 500 h.p. gas-producer units for the firing furnace are on the site and are being installed on concrete foundations. The fabrication of the necessary crystallisers in stainless steel is practically completed. For the power house, a 350 k.w. steam generating set has arrived and is now being overhauled, prior to installation. Advice has been received that the 500 k.w. Diesel generating set ordered from England will not arrive until March. It is therefore proposed to commence operations with a steam set only. For the housing of the workmen, 15 houses have been completed and are now occupied, and five other houses are in course of erection. Two stores and an office have been completed, and a laboratory is in course of erection. A contract has been let for the cartage of firewood, and steps are being taken to secure cutters and commence the building up of reserve stocks. A water pipe-line has been brought from the goldfields water supply main at Burracoppin to the works, and the necessary production and domestic water supplies are now available at the site. A through road has been built to the works, and is now being used for all road traffic purposes.

We have heard a great deal in this House and outside it about the failure of the Government to do anything regarding post-war reconstruction. The idea has been spread abroad that the Government has been asleep concerning any proposal having that object in view. I put this proposal forward as being one of the most important that is possible in connection with reconstruction in Western Australia for the purpose of re-absorbing into civil occupations soldiers and other service men who have enlisted from this State and have gone oversea to fight in the war.

Mr. Doney: That was not your initial purpose in establishing this industry? It just happens to have come in that way.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Whether it so happens that this industry will be of the utmost value for post-war reconstruction purposes, or whether it has been deliberately designed

for that purpose, does not matter a row of pins.

Mr. Doney: But it was not deliberately designed for that purpose, all the same.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: The fact is that the State Government since 1939 has put forward every possible effort to develop this industry. I hope there will not be any what might be described as carping criticism of the kind that we are having some good luck here, or some good luck there, or some good luck somewhere else, and that it is only because of good luck that this industry will play an important part in providing civil occupations for men who are demobilised after the war is over.

Mr. Doney: I think you are deliberately provoking criticism.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I now come to the final section of my consideration of the matter, which is the Bill itself. I have already pointed out that the Bill is an agreement between the Government and Messrs. Martin Bros. and Norwood. That agreement has been signed, sealed, delivered and registered, and is now brought before Parliament for ratification and approval. The agreement sets out much of what I have already explained to members regarding the financial relationship between the Government and the private individuals who are now in the partnership. It sets out the steps taken by the Government to purchase the entire interests of the financial members of the syndicate. It sets out the total amount to be regarded as the capital of the industry. That total amount is £85,000, which will include the £6,000 paid by the Government to Messrs. Norwood, Brisbane and Jackson, and also the £2,000 paid subsequently by the Government to Mr. Hardy for the purchase of his entire interest in the syndicate and the industry. I have already mentioned the respective financial shares of the Government on the one hand and of Messrs. Martin Bros. and Norwood on the other hand. I have referred to the fact that a board of management has been set up, and have explained how many members the Government will have on that board, and what representation private individuals will have. The Government will have three members on the board, and the private individuals in the partnership will have one member. The partnership is to

continue for ten years certain. Any partner who desires to retire from the partnership at the end of the ten years will have to give six months' notice of his intention to do so, and the other members of the syndicate will have first right to purchase his shares in the industry.

The powers of the board are set out in the schedule of the Bill, which is the agreement, and its powers and decisions are to be subject to review by the Treasurer. It will be understood that the Treasurer does not desire to look at every decision made by the board. It certainly is not desired to hamstring the work of the board by doing that, and so the agreement provides that the Treasurer may from time to time, and whenever he thinks fit, delegate certain of his authority outright to the board of management, so that it will not be delayed in any action it may consider necessary to take in the way of general or urgent matters, or matters which are not of vital importance, or matters which do not contain some element of policy which it will be necessary for the Treasurer to consider and decide upon. Members will see from other clauses of the agreement that the accounts of the partnership are to be kept at the Treasury; in other words, the Treasury will be the banker for the industry.

Proper books of account are to be kept, and proper records established and maintained. As soon as practicable after the 30th day of June in each year accounts are to be prepared showing the profit and loss, and a complete balance sheet. These accounts and statements are to be referred to the Auditor General for his report, and the Auditor General will each year as soon as possible after he has completed it, lay his report upon the Table of the Legislative Assembly and of the Legislative Council.

Mr. Stubbs: How soon does the Minister anticipate that the present plant that is now being erected will be put into operation?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I mentioned earlier that the plant would be completed and ready for operation at the end of next February, and that the actual production of potash would commence in March of next year. There is only one other point in the agreement to which I desire briefly to refer, and that will be found in the last paragraph. The last paragraph of the agreement binds all

the partners not to engage directly or indirectly in the production of potash or its by-products without the consent of the other partners until three years have elapsed following the completion or termination of the partnership. In simple words that means that the partnership must continue for ten years certain. Any partner who wishes to retire from the partnership at the end of that period must give six months' notice, which makes a total of ten years and six months, and he could not, except at the expiration of another three years, engage in an industry in this State for the production of potash or the by-products to be produced at Lake Campion. That means that the industry at Lake Campion will have a clear run so far as the present partnership is concerned and the industry itself is concerned, for a period of at least 13 years and six months.

We feel that as the Government is so vitally interested in the industry it is not likely any of the present partners in the industry, or any individual or company outside of it, will in future set up any industry in competition with the one to be operated under the present partnership.

Mr. Patrick: Are there any other deposits available?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: There are no other deposits available at Lake Campion, because we have taken steps to ensure that the leases covering every deposit there are held by the Government. There may be small deposits in other parts of the State, but if so not very much is known about them and it is not considered that they would be of any great extent.

Mr. Stubbs: There are deposits at Ravenshorpe.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: That may be so, too. Members will note that in the last paragraph of this agreement one by-product is exempted from the prohibition, and that is alumina. That exemption is provided because it may well happen that within the next three, six or twelve months, the Government will find it necessary to go ahead and produce alumina to meet the requirements of the Commonwealth Government if that Government decides to establish an industry in Australia for the production of aluminium. We have, therefore, taken especial care to exempt from that prohibitory paragraph the

by-product, alumina. The Government will be in a position, without any delay, restrictions or prohibitions, to go right ahead and produce whatever alumina is required by the Federal authorities as a basic material for the production of aluminium.

Much more could be said. This industry has taken some three years to develop to its present stage. It has received the almost constant attention of the Government officers concerned. It has been a matter of delicate and detailed negotiation. All kinds of difficulties have arisen. Some of them have been created entirely by the war and some would have arisen even in peace-time. The explanation I have given this afternoon, although of considerable length is not by any means the most complete that could be made. I feel, however, that I have given sufficient information to indicate to the House the vital importance of the industry that is being established and the vital part it is likely to play, particularly in the post-war reconstruction period. I am hopeful that it will be developed to an extent that will make it one of the most important chemical industries in the world. I move—

That the Bill be now read a second time.

On motion by Mr. Stubbs, debate adjourned.

BILL—ADMINISTRATION ACT AMENDMENT.

Returned from the Council with an amendment.

BILL—WEST AUSTRALIAN MEAT EXPORT WORKS.

Second Reading.

THE MINISTER FOR AGRICULTURE [3.50] in moving the second reading said: This Bill is brought down to ratify the purchase by the Government of the West Australian Meat Export Works at Robb's Jetty, and to bring the concern under the State Trading Concerns Act. For the information of members I will give the background of the company which originated as the West Australian Meat Export Company Ltd., and also the circumstances which caused the Government to be approached to take the works over, and all the details of the transaction. The company was formed in 1920, being registered with a nominal capital of £250,000 in one pound shares. In the flotation of the company, which was intended to establish a meat

treatment works to deal mainly with export mutton, great difficulty was found in placing the shares with the public and only 74,064 shares at £1 each were allotted, a great number of which had to be taken up by the promoters of the project. Of this allotted capital the prime movers carried the bulk of the shares. Forty of them held 60,000 shares. Of the balance, 307 shareholders took only 4,935 shares. During the existence of the company no shareholder has received any interest on his capital invested.

Because of the lack of public support at the time of the origination of the company it quickly found itself in financial difficulties. For the first 14 years it carried on its operations at a loss and from time to time found it necessary to approach the Government for loans so that it could carry on, and to alter its works to include other activities that promised to show some profit. Up to the 30th June, 1941, the Government had supported these works to the extent of £167,000 or 70 per cent. of the capital employed in them.

Mr. Marshall: Does that include interest payments?

THE MINISTER FOR AGRICULTURE: Yes, some! During the last 10 years there have been no accumulated interest payments because during that period the company has operated at a profit. Since the vigorous activity in the promotion of the export lamb industry it seems that the tide turned in regard to the whole future of the works and those associated with them. It is interesting to note how the profits have substantially increased since 1936, when they first commenced. In 1932, 65,000 odd lambs were treated and a profit of £1,120 was made after providing for depreciation. The gross profit was £12,566, but the balance sheet showed a net loss of £87. In 1933 only 10,000 odd lambs were treated—not quite 11,000. The loss for that year was £734. In 1934 when 40,000 odd lambs were treated the profit was £887, and progressively through the years 1935 to 1941 the following profits have resulted from the operations of the works:—

	£
1935	9,075
1936	10,265
1937	6,661
1938	20,064
1939	19,749
1940	10,436
1941	7,875

Mr. Seward: Have you the number of lambs treated?

The MINISTER FOR AGRICULTURE: I have the complete schedule. The numbers of lambs treated each year are as follows—

1935	..	..	..	..	142,000
1936	..	..	..	..	171,000
1937	..	..	..	..	116,000
1938	..	..	..	..	246,000
1939	(peak year)	..	..	..	338,000
1940	..	..	..	..	225,000
1941	..	..	..	..	186,000

The profit shown in these years is arrived at after deducting the interest payable annually to the Treasury on the debt due to the Government. Prior to the outbreak of war the company was able to work in with the shipping companies and had very little difficulty in supplying, from its refrigerated space, sufficient lambs to satisfy the weekly or fortnightly over-sea vessels taking part cargoes from this State to London, and to keep within the measure of their refrigerated space. When the war broke out it became necessary, in order to cope with the normal killing season, considerably to extend the works. As shipping became more and more irregular so did the cold storage problem of the works—particularly during the lamb-killing season—increase. Almost at the outbreak of war it became necessary to erect additional cold storage facilities to cope with a total of 3,800 tons. The company was unable to raise the capital required for the additional storage, the sum involved being £21,000, which made a total Government holding in the works of £188,000, or nearly 75 per cent.

The principal directors of the company, Mr. Ernest Lee Steere and Mr. Alec Monger, have grown old in the service of the company. They took it through some very troublous years and following on the lack of appreciation of their initial project when they first approached the public to subscribe to this company, they had at times been hard pressed to see it through and to conduct it in any way in the interests of the shareholders. In recent years a total of £42,396 has been written off for depreciation. That amount has been met from the profits. Unfortunately in spite of that and all the bad years, and in spite of the company being an excellent undertaking, when it began to make some headway almost all the profits were absorbed in taxation. The directors have, therefore, been as far off as ever in their attempts to secure a return

to the shareholders as interest on their capital. They originally approached the Government about 18 months ago with the suggestion that it should either purchase outright the shareholders' interest, or permit the directors to sell to a foreign company, or other treatment works operating in Australia. They were very reluctant to take that course, but were quite prepared to do so. It was known that there were firms interested had the project been offered to them.

After considerable thought had been given to the matter and when the Government had made every inquiry from the company's shareholders it agreed, rather than let the activities of such a company as this pass out of State control, it was better, in the interests of the State and all sections, that the Government should accept the opportunity offered and take over the works at a valuation. The Government could, in the company's more difficult days, have exercised its right of foreclosure. Not many years ago it could have taken over these works without any apology, because of the apparently hopeless condition they were in prior to the development of the fat-lamb industry. The Government decided to agree to the directors' request and said that, if a majority of the shareholders agreed to the actions of the directors, it would take the works over after a valuation had been made of the asset. This was done. By a very large majority of the shareholders, authority was given to the directors to negotiate, and in order to fix an equitable price the Government appointed a committee of three to value the works and report on the whole project. The committee consisted of Mr. W. L. Brine, managing director of A. T. Brine & Sons, one of the largest building contractors in the city; Mr. J. J. Farrell, manager of the Wyndham Meatworks; and Mr. Byfield, Assistant Under Treasurer.

The committee investigated the matter from several angles. Mr. Brine made an actual valuation of buildings, plant, equipment, yards and other appurtenances. Mr. Farrell considered the earning capacity, the prospect of the works coping with the demands of the future, and the provision for the production of fertiliser, there being a fertiliser establishment attached to the works. Mr. Byfield dealt with the project from the financial side. The committee advised the Government that the capital value

of the assets was sufficient to return to shareholders the money they had invested in it, and that as the shareholders had invested their capital for 22 years without any return, the Government should purchase the interest of shareholders on a pro rata basis of the written capital value of the shares. At present the activities carried on at the meatworks are not confined to the treatment and storage of lambs for local consumption and export. They include wool-scouring, fruit storage during the off season—last year we had 330,000 cases of apples stored there awaiting export—the storage of butter, potatoes and other lines of produce, and the manufacture of fertiliser from the offal.

For many years the Department of Agriculture has been actively associated with the lamb-raising industry. It has followed the industry from the point when 10,000 lambs were available for export to the peak year of 338,000. Last year the works were operating for a little longer than usual, because manpower shortage had caused great difficulty in obtaining the labour necessary to permit of 185,000 lambs being exported as well as dealing with the local abattoirs situation. For many years the Government has rented from the company part of the premises for abattoirs purposes. We have paid £6,000 a year for use of this part as abattoirs for Fremantle and district, and this is now portion of the undertaking controlled under the Abattoirs Act.

Owing to the various types of commodities being dealt with by the works, the Department of Agriculture is considered to be the suitable department under which this State trading concern should operate. The Under Secretary for Agriculture, as administrative head, is to be chairman of a committee consisting of Mr. Farrell, general manager of the Wyndham Meatworks, Mr. J. J. Dunbar who supervises the whole of the killing for local consumption and Mr. Byfield, Assistant Under Treasurer. For several years Mr. Byfield has been the Government nominee as one of the directors of the old company. Mr. Farrell is actively interested in the meat export trade and until recently was Western Australia's representative on the Australian Meat Board.

This year we expected considerable difficulty in coping with the export trade on account of the shortage of manpower. This difficulty has been worrying in the extreme.

We could see the prospect of 4,000 or 5,000 lambs coming forward for treatment daily and all the labour we could expect was a scratch team with a few skilled men—labour drawn from every possible source—that could cope with perhaps 2,000 carcasses a day. The release of some men from the Army and the use of enemy aliens made available by the Allied Works Council and of other men wherever we could get them have enabled us to meet the situation. The total number of lambs treated up to Saturday last was 114,320, while the number to the corresponding date of last year was 117,294. I am aware that some members opposite, who are interested in the lamb trade, were very fearful that we would not be able to meet the situation.

Mr. Mann: Were not lambs held back in the country?

The MINISTER FOR AGRICULTURE: For a while we encouraged the holding back of some.

Mr. Mann: I mean at the Midland markets?

The MINISTER FOR AGRICULTURE: When we had 7,000 or 8,000 coming forward daily we had to take some action. Intense labour difficulties confronted us, and we had to ask agents to steady up in the country and not force numbers into Midland Junction, even though they ran the risk of getting grass seeds in the wool. Some lambs were kept back; some will have to be treated as summer lambs. The price variation will not be serious; producers will probably gain rather than lose by the action we have been forced to take. This has had the effect of spreading the killing season over a longer period, which is an advantage in that there will be no undue strain on the storage.

These are the circumstances attending the approach to the Government by the original directors for the taking over of the works. They felt that unless arrangements could be made to waive taxation their prospects, even though the lamb industry continued to expand, offered little hope of their getting either interest or capital return for their shareholders. It is unfortunate that, after having run the risk of losing all their money they had to retire simply with the repayment of the original capital. The reports bearing on the whole of the transactions may be scrutinised by any member who is interested. In them the whole pro-

cess from the first approach by Messrs. Lee Steere, Monger and Forrest can be traced. Arrangements have been made for the shareholders to be paid the value on presenting their shares. Approval has been given to the transaction by the Commonwealth Government, and it was passed by Sir Harry Brown as one of the undertakings to be financed from loan funds. I move—

That the Bill be now read a second time.

On motion by Mr. Mann, debate adjourned.

BILL—BUSINESS NAMES.

Second Reading.

THE MINISTER FOR JUSTICE [4.11] in moving the second reading said: This is an important consolidating measure. The effluxion of time since the passing of the present legislation in 1897 has shown the necessity for certain alterations and amendments to the law relating to the registration of firms. Since then business has taken new forms and different conditions now prevail. The existing legislation has become obsolescent and falls far short of reasonable present-day requirements.

In 1940 the present Act was amended by the insertion of Section 4A prohibiting the use of certain words and titles by persons carrying on business under firm names. Two years' experience in the administration of this new section has revealed great difficulties in applying it effectively because of the shortcomings of the original legislation. Rather than attempt to improve the law by further piecemeal amendments, it is desirable that a new measure be introduced repealing the Act of 1897 and bringing Western Australian legislation on this subject into conformity with the law in England and in South Australia, Victoria and New South Wales, where it has been dealt with in recent years. This Bill is based on the Victorian Act of 1928 and the New South Wales Act of 1934, both of which are reported to have proved effective. The Bill is not of a controversial nature. War-time conditions have not seriously affected the number of registrations made annually under the existing law. Business changes at present are continually occurring.

The Bill incorporates the provisions of Section 4A in substantially the same form as they were enacted. The new features

introduced by the Bill may be summarised as follows:—

- (a) The provision of machinery for purging the register of the very large number of extinct firms which have accumulated since 1897 and whereby it may be kept free of defunct firms in future.
- (b) Machinery enabling the effective enforcement of the duty of registration under the Act and, in particular, providing for prosecutions for non-registration notwithstanding that a period of more than six months from date of commencement of business by the offender has expired.
- (c) More extensive information to be given on an original registration and on any change taking place.
- (d) Special provisions dealing with cases where corporations are members of firms or carrying on trade under firm names.
- (e) Penalty provisions under which prosecutions may be taken for false statements or returns, instead of the Registrar being compelled to have recourse to Section 170 of the Criminal Code, as at present.
- (f) Power for the Registrar to call for particulars from persons or corporations for the purpose of ascertaining whether registration under the Act is required.
- (g) An individual registered under a name not including his surname shall display his surname, together with at least the initials of his Christian names outside his place of business. Also, where the business name of the firm does not include the surname of one of the partners, the names of the individual members of the firm must be displayed outside the premises. This is to enable persons doing business with firms operating under business names to know with whom they are dealing, without being forced to search the register.
- (h) Any person, firm or corporation seeking to carry on business or abandoning the use of a business name under which he or it is registered will be obliged to notify that fact to the Registrar so that the registration may be cancelled.
- (i) Generally, to improve the Act so as to enable the public to obtain better and more reliable information as the persons, etc., carrying on business under business names.

The urgent need for the purging of the register will be realised when I point out that, since the coming into force of the Act of 1897, over 25,000 registrations have been made, and of these it is estimated that at least two-thirds are of firms no longer in business. A business is discontinued or a firm name abandoned without the knowledge of the Companies Office. Consequently, persons searching the register cannot ascertain whether a firm is still in existence or whether a registered firm name is

still being used. The amendment of 1940 of the principal Act prohibiting the use of a firm name identical with or resembling one already registered, in view of the very large number of firm names registered, puts the Companies Office to much unnecessary trouble in making searches of prior registrations whenever an application for registration of a firm name is received. Many popular firm names now probably in disuse cannot be allowed to applicants because they cannot prove, as required by Section 4A, that the firm already registered under that name has ceased carrying on business for more than a year.

Under the proposed measure, firms registered under the Act of 1897 will be protected in respect of such registration; but, with the object of bringing the register up to date, they will be compelled to re-register within 12 months of the commencement of the new Act. Subject to this, a registration will endure for three years. This will enable the register to be checked and overhauled at regular intervals. Re-registration will entail no hardship, as the registration fee is only a nominal one of 5s. It is believed that at present many businesses are being carried on under firm names which have not been registered. Because of deficiencies in the Act of 1897, registration may be said to be more or less on a voluntary basis and little can be done by the Companies Office to remedy this. The maximum penalty of £5 for a first offence of non-registration is not a deterrent. Prosecutions for non-registration cannot, because of the effect of Section 51 of the Justices Act, be maintained after six months from the date the offender commenced to carry on business, and generally that time has elapsed before the offence comes—if it comes at all—to the notice of the Registrar. Companies are dealt with under the Bill only in so far as they may be members of some firm or may be carrying on a business under a firm name, in either of which cases they must be registered.

The Government's object in bringing forward this Bill is to improve the administration of the law relating to the carrying on of business under trade names and to provide necessary information and a reasonable measure of protection to both the public and the business community with respect to concerns which trade in this manner. Since the principal Act was passed

in 1897, businesses have changed considerably. New firms have come into existence. As a matter of fact, I find it hard to understand why the principal Act has survived so long. As I have said, 25,000 registrations have been effected since the Act came into force and of that number two-thirds of the firms are defunct. Members will therefore clearly realise the necessity for this measure. There is at present a shortage of staff in the Companies Office, and if an applicant wants to adopt a particular firm name the whole of the register must be searched. And it must be remembered that the onus is on the applicant to prove that the name he wishes to adopt is not already in use. This Bill will remedy that trouble and will bring our legislation into conformity with that of England, Queensland, New South Wales and Victoria. The Bill has been framed on the Victorian Act of 1928 and the New South Wales Act of 1934. These Acts, from what we can learn, have proved to be effective.

Mr. Sampson: Many names used in the Old Country are names of deceased persons.

The MINISTER FOR JUSTICE: The legislation in that respect has been altered in England in recent years.

Mr. Sampson: Is there any special virtue in altering the names?

The MINISTER FOR JUSTICE: No; but owing to the state of the register, it is almost impossible to ascertain whether a firm registered is defunct or not.

Mr. Sampson: Does it affect the matter?

The MINISTER FOR JUSTICE: War-time conditions have not reduced the number of registrations. As members are aware, there is a restriction on the formation of companies, and as a consequence more firms are now being registered than were being registered in peace-time. The real need for this legislation is to provide a better system of registration and to purge the register—a very important matter. The Bill is really a machinery measure. It contains nothing contentious or controversial, with the exception, perhaps, that existing firms will be compelled to place below their firm name the names of the partners in the firm, with their initials. That is only reasonable. It is only fair that the public should know with whom they are trading.

Mr. Cross: Especially if they are foreigners.

The MINISTER FOR JUSTICE: Yes. In many instances we find foreigners are

using British names. The public could not ascertain who were the proprietors of the business unless they went to the Companies Office and searched the register. Of course, not many people will do that. New South Wales and Queensland have seen the necessity for this type of legislation, and I feel sure members will realise how necessary it is that we should have similar legislation on our statute-book.

Hon. N. Keenan: What does the Queensland Act provide?

The MINISTER FOR JUSTICE: I have the Queensland Act here, if the hon. member wishes to see it afterwards. I move—

That the Bill be now read a second time.

On motion by Mr. Watts, debate adjourned.

BILL—CONGREGATIONAL CHURCH (LANDS) AMENDMENT.

Second Reading.

Debate resumed from the 5th November.

MR. THORN (Toodyay) [4.25]: A grant of land was made to the Congregationalists, or Independents, as they were known in 1855, under an Ordinance made in that year. On various occasions similar measures have been brought down to validate land transactions entered into by churches of different denominations. This Bill has that object in view. From the Minister's remarks when moving the second reading, I notice that the piece of land in question has changed hands more than once already, but that the purchasers are unable to obtain a title because of some technical difficulty, which this Bill will adjust. The Bill is merely meting out to the Congregationalists the same treatment as has been meted out to other denominations in the past. I support the second reading.

MR. MARSHALL (Murchison): Since I have been a member of this Chamber, many similar Bills have been brought forward. I am not intending to oppose this one, but I remind members that there is a tendency to alter the conditions under which these grants were originally made. They were made for church purposes. Such grants, I understand, are made to various denominations in all countries so that they may carry on their religious beliefs and erect buildings in which to hold services. Lat-

terly, there seems to be a disposition on the part of denominations to use the grants for other purposes, for example, to raise money on the land, to lease it, or exchange it.

Mr. Thorn: The Congregationalists have not built on the land in question; they sold it in order to raise money to purchase a more convenient site on which to build a church.

Mr. MARSHALL: True, but that block was not granted—

Mr. Thorn: You know how conditions change in towns.

Mr. MARSHALL: That cannot be helped. It is time the denominations who wish to obtain land other than that granted to them allowed the land originally granted to them to revert to the Crown. That is not what is happening at present. Some of these allotments are valuable. I do not say the one in question is, but it was granted for a specific purpose. The principle of making the grant is being departed from in this as in other instances; perhaps not in this instance, but it has been in previous cases. It ought to be understood by the various denominations that they should not secure a grant of land for one purpose—to which no one takes exception—and then later on use it for some other purpose, such as leasing, mortgaging or exchanging. This Bill, if carried, will enable the Congregationalists to lease the land. That was not the original intention. It was never intended that churches should be enabled to lease, mortgage, sell or exchange land granted to them for religious purposes, thus preventing its public use. That is wrong in principle. I do not mind their getting free grants for their institutions, to carry on their religious beliefs. That does not worry me in the slightest. But I do not think they should be allowed to trade in the land after they have obtained it. I am not opposing the measure, but I consider the principle should be closely watched, and in future we should say "No. These grants were given for a specific purpose. You can enjoy them as a free gift from the nation, but you are not allowed to trade in them."

THE MINISTER FOR LANDS (in reply): I cannot allow the remarks of the member for Murchison to pass without comment. What he desires is exactly what we

are endeavouring to do in this instance. The very first grant to a church in this city was made in 1830. The area—now known as Victoria Square—was offered to the Church of England community, but was considered by the authorities of that church to be too far out of the city, and was rejected. Ultimately the Roman Catholic community secured the area by a grant from the Crown. The one principle has been adhered to from that time onwards. In the case of all our towns and cities, whether in the suburban or country areas, the Lands Department has, from the very inception, given every encouragement to the establishment by religious denominations of churches or places of worship.

At the time of a grant it may be that a few enthusiasts desire to establish their religion in a particular town, but the where-withal that the enthusiasts are able to muster is insufficient to finance the erection of a building. In the meantime the town progresses. It shifts, as in the case of Bunbury. The area suitable for a place of worship is not near the locality referred to in this measure. Consequently permission was sought under the Ordinance of 1855 to arrange for a sale. The authorities thought they had the necessary power to effect such a sale. They may have had such authority, but the legal opinion today is that there is some doubt. The point has been raised by the Titles Office as to whether the transactions that took place 20 years ago are valid, inasmuch as it is doubtful whether, under the 1855 Ordinance, that area would be free of the original trust. However, I can see nothing improper, either on the part of the Administration or the church interests, in the proceeds from the land being used in connection with a more valuable area that it has been possible for the religious denomination concerned to buy. The grant was made for ecclesiastical purposes, and the money from the sale might be properly directed to the purpose of enabling a church structure to be built on a newly-acquired site.

This has been done for several denominations. I can assure the member for Murchison that every such claim is closely scrutinised whether the land is granted to the Country Women's Association, the R.S.L. or a religious denomination or for fire brigade, kindergarten or any other purposes. All the town planning arrange-

ments in respect of the town or district concerned are considered, and if the site is suitable and not too valuable consideration is given to making a grant. All this Bill does is to ratify an arrangement made with the religious authority concerned under the 1855 Ordinance, which does not clearly define the position. The Bill enables the purchasers of the old site to obtain a title free from the trust.

Question put and passed.

Bill read a second time.

In Committee.

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

BILL—LOCAL AUTHORITIES (RESERVE FUNDS).

In Committee.

Mr. Marshall in the Chair; the Minister for Works in charge of the Bill.

Clauses 1 to 4—agreed to.

Clause 5—Governor may require a local authority to close and wind up a reserve fund:

Mr. DONEY: I move an amendment—

That in lines 5 and 6 of Subclause (2), the words "according as the Minister may direct" be struck out.

This subclause vests the Minister with altogether unnecessary and useless authority. I can understand his authority being needed for the purpose set out in the last three lines of the subclause but I cannot understand it in respect of the first four lines. Surely no special authority should be required by the Minister to transfer money from the reserve fund into the ordinary revenue account. After all, that is the normal procedure and no more machinery is required.

The MINISTER FOR WORKS: The local authorities officially requested the introduction of this Bill for the purpose specified, since when I have had no official intimation that they require any alteration to the Bill. They are perfectly satisfied. They are used to working with the department, which exercises a general oversight, particularly in respect of road boards. The powers given to local authorities are delegated. Certain conditions are also imposed. Who is to say that those conditions are observed, except the Local Government Department? Having given them authority

to establish a reserve fund, we state under what conditions the fund should be established and for what purpose it may be used, and how it should be wound up. Again there must be some uniformity in respect to these funds. In giving these powers to local authorities, what guarantee has Parliament that the conditions will be carried out? The local authorities are not given complete autonomy but restricted power. That is the principle of local government, whether municipal or road board. One road board has £6,000 in hand. Even some country road boards have as much as £2,000. When it comes to winding up, some substantial amounts will be held by the various local authorities.

Mr. Doney: Do you not think they are qualified to determine what shall be done with the money?

The MINISTER FOR WORKS: Yes, to administer these funds as set out in this measure and in accordance with the other Acts, but not willy nilly. There must be proper supervision and some uniformity, and some one must see that the conditions imposed in this Bill are carried out. It is necessary to establish some supervision in connection with the distribution of the funds at the winding up. There will be a certain quantity of material available for road-making.

Mr. Doney: This deals with the situation before it reaches that stage.

The MINISTER FOR WORKS: Therefore a conference will be necessary so that there shall be some reasonable rationing of the available material. That could be done through a central authority, with the assistance of the Commissioner of Main Roads and his organisation. The proposal is in accordance with the spirit of the Municipal Corporations Act and the Road Districts Act. When it is a matter outside the ordinary powers of a local authority, a recommendation from the Local Government Department has to be sent for the approval of the Minister. No objection has been raised by the local authorities to that provision, which represents a safeguard. It should be easy to comply with this provision, which will make for uniformity throughout the State.

Mr. DONEY: I hope the Minister will not mind my saying that in his remarks he covered altogether too much ground and rather clouded the specific issue. The main

point I wish the Minister to elucidate is this: Why should not the money go into a board's general revenue account? The Minister has not explained why Ministerial approval should be necessary in that case and in his remarks he dealt with the question generally. Why is his authority necessary before money can be paid into the general revenue account? I admit that later on in the measure the Minister takes power to give approval for the diversion of money to another account, and I do not object to that. Surely the Government will not deny the local authority the elementary right to pay money into its general account without the necessity for his concurrence.

Mr. WATTS: I agree with the view expressed by the member for Williams-Narrogin, who suggested the Minister is going a little too far in the Bill. What the member for Williams-Narrogin wishes to do is to avoid the necessity for the Minister's consent regarding the payment of the money he referred to into the ordinary revenue account of a board. The Minister will know all about the position of the reserve fund account. The local authority has two alternatives; it can either pay the money into the general revenue account or use it for some other purpose.

The Minister for Works: Or both.

Mr. WATTS: If it intends to use the money for both purposes, then, even if the amendment be carried, Ministerial approval will still be required, because the money will be used for some other purpose. I do not object to the Minister being required to authorise the action of a local authority that wishes to make some use of its reserve fund by other than paying the money into its ordinary revenue account. To require Ministerial assent in the direction referred to by the member for Williams-Narrogin, is to ask a local authority to agree to altogether too much governmental control. The Minister said that no objection had been taken to the Bill by local authorities. I do not know if the legislation in detail has been submitted to local authorities and their opinions sought. I submitted a copy of the Bill to local authorities in my electorate without adding any comments of my own, and asked for their views. The secretary of the Plantagenet Road Board, in his reply to me, stated—

It seems to me that a simple request for authority to establish reserve funds has been

tightly wrapped in a cocoon of Ministerial (civil service) control. This attitude towards local authorities should be changed.

I agree that there should not be any necessity for duplication of authority in such a matter. The secretary of the Katanning Road Board, in replying, made the following comments:—

Clause 8: This clause is considered unnecessary, and should be deleted. Local authorities should be capable of using their discretion regarding this matter.

Clause 10: This clause does not give sufficient time for the wise expenditure of the reserve fund in view of the difficulty of repatriation and supply of materials that will probably arise at the end of the war.

Clause 11: This clause should be deleted. In our opinion, money raised for roadmaking should be used for that purpose; not for loan works such as public halls, electric light plants, or many of the other works that are usually regarded as loan works. Would this clause prevent the health board from raising a loan whilst there was money in the road board reserve fund?

The same objection would be raised by other local authorities. The inclusion of the words referred to would mean that local authorities would have less rights over that money than they have over moneys they collect in the ordinary way. When the Minister directs them to close the fund, the money will be spent on lawful works, but not on any specific thing outside, which might require Ministerial consent.

The MINISTER FOR WORKS: The argument of the Leader of the Opposition is quite apropos of all powers conceded to local authorities. All such powers are wrapped in a cocoon of public service control. A road board would simply put up a request that so much of the money be brought into its ordinary account, which it would control, or alternatively the road board might desire to liquidate either a loan or part of a loan. It might, again, require money for a specific purpose which it would indicate. The fund in question is a kind of reconditioning fund which boards will have over and above their ordinary revenues. I fail to see any hardship whatever. The officers of the Public Works Department are more than mere auditors; they are also advisers, and their advice will be sought in these matters. By such means I hope to establish some uniformity and some system. Therefore, although the words appear to be objectionable, I am confident that they are not.

Mr. Doney: Are they necessary? That is the point.

The MINISTER FOR WORKS: They are necessary.

Mr. Doney: You have not demonstrated that.

The MINISTER FOR WORKS: They are necessary to the carrying-out of the measure. The supervision here proposed is the usual supervision exercised over local bodies.

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

Ayes	..	..	..	..	13
Noes	..	..	..	..	24
Majority against					11

AYES.	
Mrs. Cardell-Oliver	Mr. Sampson
Mr. Hill	Mr. Seward
Mr. Keenan	Mr. J. H. Smith
Mr. Kelly	Mr. Watts
Mr. Mann	Mr. Willmott
Mr. McLarty	Mr. Doney
Mr. Patrick	(Teller.)
NOES.	
Mr. Berry	Mr. Needham
Mr. Collier	Mr. North
Mr. Coverley	Mr. Nulsen
Mr. Cross	Mr. Panton
Mr. Fox	Mr. Shearn
Mr. Hawke	Mr. Tonkin
Mr. J. Hegney	Mr. Trist
Mr. W. Hegney	Mr. Warner
Mr. Hughes	Mr. Wilcock
Mr. Johnson	Mr. Wiae
Mr. Leahy	Mr. Withers
Mr. Millington	Mr. Wilson
	(Teller.)

Amendment thus negatived.

Clause put and passed.

Clause 6—Local authority may not voluntarily close and wind up its reserve fund without consent of Governor:

Mr. DONEY: The amendment appearing in my name on the notice paper cannot, of course, in the circumstances, very well be proceeded with.

Clause put and passed.

Clause 7—Governor may limit the amount of surplus revenue which a local authority may pay into its reserve fund:

Mr. DONEY: I have an amendment on the notice paper, but shall merely speak against the clause. A municipality or road board is entitled to whatever it can collect from its ratepayers and no-one else can lay claim to it. The municipality or road board should have the same say as to the disposal of the money. What safer resting place can there be for those rates than the reserve fund? What sound reason is there for insistence by the Minister upon de-

positing the money elsewhere? Would the Minister tell the Committee what is in his mind as to this alternative use for the money?

THE MINISTER FOR WORKS: The clause merely gives discretionary power. If it is struck out, it will do away with the discretionary power to allocate funds. It may be that there is a surplus of £1,000 for a given year; then this clause gives the board authority to say what portion of that sum shall be placed in the reserve fund and what portion shall be used for ordinary purposes. It does not follow that the total surplus in any given year shall be paid into the reserve fund. There may be excellent reasons for not paying it into that fund. A board I know of has to meet £1,000 for interest on a loan; it certainly will not be able to pay the money when it falls due, so it will either have to default or raise an overdraft. In such a case, the board could, under this clause, instead of paying the surplus to its reserve fund, pay the interest on the loan. The clause is permissive and it would be a mistake to strike it out.

MR. SAMPSON: I realise the Minister is all-powerful in regard to this Bill. There are innumerable references to the necessity for obtaining his approval. Surely, justification exists in limiting the amount which shall be collected from the ratepayers and put away for future works. The Minister should have power to restrict the amount of money to be collected and invested—put aside, as it were—for the rainy day that is to come.

THE MINISTER FOR WORKS: The Minister cannot restrict the amount to be collected; that is a matter for the board.

MR. SAMPSON: I think the ratepayers should be considered, or at least receive consideration. No-one knows when the war will end and consequently no-one can say how much money will be put aside, because at present manpower and materials are not available on which to spend the money.

MR. WATTS: Clause 4 gives the Minister all the power you desire.

MR. SAMPSON: I desire to make it obligatory upon the Minister to limit the amount. I move an amendment—

That in line 2 before the word "reserve" the word "limited" be inserted.

The ratepayers should not be left entirely in the hands of the local authority.

THE MINISTER FOR WORKS: That will be limited by the amount collected, so the word need not be inserted.

Amendment put and negatived.

MR. SAMPSON: I move an amendment—

That at the end of the clause the following words be added:—"nor to exceed the aggregate sum approved."

There is a silence in regard to the aggregate sum but a persistent reference to paying so much a year into the reserve fund. Since we do not know how many years are involved, I submit there is justification for limiting the aggregate sum paid.

THE MINISTER FOR WORKS: The amendment does not improve the clause nor extend the powers. It is not necessary.

MR. SAMPSON: We want to limit the power of building up a reserve.

Amendment put and negatived.

Clause put and passed.

Clause 8—Surplus moneys to be paid into reserve fund and withdrawals to be approved by Minister:

MR. DONEY: I move an amendment—

That paragraph (b) be struck out.

This is an altogether unwarranted interference with the normal practices and responsibilities of local governing bodies. Penalties and obstacles are already laid down in the Road Districts and Municipalities Acts for the control of expenditure and positions such as arise here. The Minister will not gainsay that the money is the property of the local authorities concerned. If it is felt that any such authority has not the ability properly to spend its own funds collected from its own people, power to operate on the reserve fund should not be granted. I ask the Minister whether there is in this State any local authority without the necessary sense of responsibility in such a matter. Personally I should say there is no local governing body of which that can be said. No matter how small the amount of the withdrawal there would have to be correspondence, and consequent heavy delays. All this will entail the Minister and his department in a tremendous amount of writing and I cannot see the slightest reason for it. I do not think that the uniformity of treatment between all the bodies, at which the Minister aims, will be furthered by this provision. It is proper to allow some little discretion to these responsible bodies.

The MINISTER FOR WORKS: If this be deleted, the Bill may as well go by the board. All moneys administered by the local authorities are administered in accordance with powers contained in either the Road Districts Act or the Municipalities Act. Local authorities are not a law unto themselves. They administer this money, which is actually trust money. In this instance we are establishing an extraordinary fund. It is not asking too much to require the local authorities to state the reasons why they desire to withdraw money from the fund, especially when it is remembered that the department is the auditor for all the road boards. The local authorities put up a requisition for so much for a given purpose, and, provided it is for a reasonable purpose, there is no delay. Immediately a recommendation is received it is approved or otherwise dealt with and the board is notified.

Mr. Doney: Do you think that responsibility is beyond the capabilities of the local authorities?

The MINISTER FOR WORKS: No, but this is how anybody administering a trust fund would like to be treated. It would like to have the approval of the department. If they could say to the ratepayers that they are obliged to spend this money with the approval of the department and the Minister that, in itself, would show that every precaution had been taken and the money properly expended. These are trust funds.

Mr. Doney: I do not see why it is a trust fund.

The MINISTER FOR WORKS: It is paid into a reserve fund. A trust fund is paid into a separate fund; and so is this. When it is withdrawn the authority which creates the fund is consulted as to the amount to be withdrawn and the manner in which it is to be spent. The local authorities would welcome that safeguard.

Mr. Doney: They would rather follow their own initiative.

The MINISTER FOR WORKS: It is the usual practice.

Mr. WATTS: This is no more a trust fund than is any other fund collected by a local authority.

The Minister for Works: They are all trust funds.

Mr. WATTS: If this one is, they all are. This Committee knows perfectly well that

for years past we have been slowly adding to the responsibilities of local authorities. Every year or so something fresh has been put into their hands. Originally road boards were simply road boards and then they became local health authorities, vermin authorities, and in many cases local water boards. They have interests in other Acts—the Bush Fires Act, Civil Defence Act and so on. They have carried their responsibilities in a most praiseworthy manner. Rarely, if ever, have we come across cases where they have failed to satisfy their ratepayers or the Government departments that they are not carrying out their duties properly. But now, all of a sudden, the association of local authorities approaches the Minister and asks for the right to create a reserve fund—a very wise request—and the Minister comes to the conclusion that they are to be treated like a lot of children. We have already in this Bill passed a provision that there shall not be any reserve fund unless the Minister determines that there shall be one, and that there shall be no permission granted unless the Minister is satisfied that it can be provided out of the surplus revenue. We already have in the Road Districts Act provision that the rates cannot be struck beyond the minimum figure without the permission of the Minister, so there cannot be revenue unnecessarily raised under the existing law without his approval. Now we are told that, with all these provisions of the Road Districts Act relative to rates, the local authorities shall not be able to withdraw any money from the fund for the purpose of carrying on existing affairs without the permission of the Minister. As far as I am concerned that subclause will not be passed.

The MINISTER FOR WORKS: I know one argument that will appeal to the Leader of the Opposition. It must be remembered that not only have the local authorities limited powers in connection with the collecting of revenue, the imposing of rates and so forth, but also in respect to how that money shall be spent. They are, therefore, mostly sailing pretty close to the wind. Now we come to the stage when very large surpluses are being collected, and naturally we impose conditions. We are not interfering with the rate struck. We will assume that it is the same as for last year and that the revenue is the same, but it cannot be spent because the men and

material are not available. It is, therefore, right that this money should be put into a reserve fund. It would normally be spent, when the time comes, as ordinary revenue. That is what I think will happen.

Mr. Warner: They might otherwise want to build a town hall with it!

The MINISTER FOR WORKS: These reserves are being collected for a specific purpose. This Bill would not otherwise have been brought down. That being so, is it asking too much that we shall be satisfied as to the amount they desire to withdraw and how they propose to spend it? In each case this Bill sets out how the money is to be expended.

Mr. Doney: No!

The MINISTER FOR WORKS: There is a string to this. It is a large amount. It might in the aggregate amount to over £100,000 of extra money. The manner in which it shall be spent is not specified in the existing law. This Bill is for the advantage of those who desire to collect and invest this money. No one is compelling them to take advantage of it, but if they do so they do it under these terms, which do not ask too much. If this portion is deleted, the necessary part to supervise the whole scheme is taken away.

Mr. DONEY: The Minister is fond of reminding the Committee that when the Bill seeks to lay responsibility on the Minister it really means no more than the authority, by way of suggestion generally, from the auditor. I take the Minister up on that point. He would not agree, surely, that one auditor entirely unused to roads and their requirements should outweigh the collective sense and responsibility of the road board authorities.

The Minister for Works: That is exactly what I do say. He keeps them within the four corners of the law?

Mr. DONEY: I know. He certainly has the law at the back of him, but that should not be so. The collective sense of the chairman, secretary and board members should not be overborne by a visiting official who plainly would know little of the requirements of roads, etc. If the question happened to be a purely financial one, then they should accept his guidance in the matter, but he should not be in a position to over-ride them on all these local questions.

Amendment put and negatived.

Clause put and passed.

Clause 9—agreed to.

Clause 10—Local authorities not to maintain reserve fund after the present war:

Mr. DONEY: I move an amendment—

That in line 5 after the word "fund," the words "for longer than twelve months" be inserted.

The Minister for Works: That is acceptable.

Amendment put and passed.

Mr. DONEY: I move an amendment—

That in line 6 after the word "such," the word "further" be inserted.

In regard to any further period this will give the Minister the desired power.

Amendment put and passed; the clause, as amended, agreed to.

Clause 11—Local authority prohibited from raising loan while it maintains a reserve fund:

Mr. DONEY: The clause as drafted might operate harshly. A local authority wishing to erect a hall or add to an existing structure would desire to finance the work from loan funds, but would be precluded from raising a loan if it had money in the reserve fund. Is it the intention that a local authority should spend road money on a hall and let the road programme look after itself?

The MINISTER FOR WORKS: If there was money in the reserve fund, a loan should not be raised except to supplement the fund to the required extent. A board might have £500 in the reserve fund and, if it required £1,000 to build a hall, the raising of a loan for £500 would be permitted.

Mr. Doney: That would be to the extent of only half the amount required.

The MINISTER FOR WORKS: The intention is that a local authority shall not raise a loan while it has money in the reserve, but it may borrow sufficient to make up the difference between the amount in the reserve and the total sum required.

Mr. WATTS: The clause should be re-drafted. The reserve fund will probably consist of money raised by road rates, which therefore should be expended on road work. A board might wish to raise a loan for other than road work. If money was required to alter a hall or do other work of the kind, the board would be obliged to use the money raised for road work, and avoid raising a loan. What is wrong with the clause is

its failure to provide that the reserve fund, if created out of road rates, shall not be allowed to be used for loan expenditure on some other class of work. The clause should either be redrafted or taken out altogether.

THE MINISTER FOR WORKS: The reserve fund under consideration is a temporary, not a permanent, fund. If temporary, it must be used. Whilst it is there, its existence prohibits the raising of a loan if the amount of this reserve fund equals or exceeds the amount proposed to be borrowed. While the special reserve fund is collected for a certain purpose, there must be some discretionary power as to its expenditure. It could be spent, as I said previously, for the purpose of paying off, or partly paying off, a loan even before repayment is due. The clause is a prohibition against the raising of a loan whilst there is something in this reserve fund, which is not intended to be permanent. The clause gives quite sufficient discretionary power. A work could be carried out partly with funds from this reserve and partly with funds from loan.

MR. DONEY: We agree with the Minister as to the need for discretionary power. The clause does not deal with discretionary power, but on the contrary imposes a definite bar.

The Minister for Works: There might be license fees included in this particular reserve fund.

MR. DONEY: There is nothing whatever in the clause to indicate that. The whole trend of the debate on this clause points to the need for redrafting it. The Minister should hold the matter over. Would the Minister object to funds being recouped from this special reserve fund?

The Minister for Works: The existing law empowers local authorities to make such recoups.

MR. DONEY: Our objection to the clause is that loan funds must be used for loan purposes. The matter should be closely re-examined. The Minister might report progress.

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

Ayes	..	..	..	..	19
Noes	..	..	..	..	17
					—
Majority for	..	..	..	..	2

Mr. Collier
Mr. Coverley
Mr. Cross
Mr. Fox
Mr. Hawke
Mr. J. Hegney
Mr. W. Hegney
Mr. Johnson
Mr. Leahy
Mr. Millington

AYES.

Mr. Needham
Mr. Nulsen
Mr. Panten
Mr. Tonkin
Mr. Triat
Mr. Willcock
Mr. Wise
Mr. Withers
Mr. Wilson

(Teller.)

NOES.

Mr. Berry
Mrs. Cardell-Oliver
Mr. Hughes
Mr. Kelly
Mr. Mann
Mr. McDonald
Mr. McLarty
Mr. North
Mr. Patrick

Mr. Sampson
Mr. Seward
Mr. Shearn
Mr. J. H. Smith
Mr. Warner
Mr. Watts
Mr. Willmott
Mr. Doney

(Teller.)

Clause thus passed.

Clauses 12, 13, Title—agreed to.

Bill reported with amendments.

ANNUAL ESTIMATES, 1942-43.

In Committee of Supply.

Debate resumed from the 3rd November;
Mr. Withers in the Chair.

Vote—Agriculture, £94,370 (partly considered):

MR. McLARTY (Murray-Wellington) [5.57]: I would not have spoken on this Vote had it not been for a matter that I regard as particularly urgent. Recently I asked the Minister for Agriculture a question with regard to the potato crop and he gave me an assurance that everything possible was being done to have the crop lifted. Digging is not proceeding as it should, however; the aliens engaged in the work are not playing the game, and that is a very mild expression to use. I recently heard of 12 aliens who in one day dug only 50 or 55 bags of potatoes. The average potato digger will dig 16 bags a day in a five or six ton crop. Four men could easily do the work that these aliens are doing. Their reason for not digging a bigger quantity is that they consider they should be on piece-work.

These aliens are provided by the Allied Works Council and are paid by that Council. I understand—the Minister will correct me if I am wrong—that they receive a daily rate of pay, but what it is I am not sure. At all events these men are not satisfied with it and, to show their dissatisfaction, are digging as few potatoes as they possibly can. Surely that amounts to sabotaging the production of food. What would happen to our people interned in any of the Axis countries if they took up a similar attitude?

Mr. J. H. Smith: Are these men internees?

Mr. McLARTY: I think they are classed as friendly aliens. They are called up by the Allied Works Council. I would like the Minister to say whether some steps cannot be taken to ensure that these men should do a fair day's work. The growers are naturally alarmed at the position. Many of them have sons in the army, and some of these are probably now fighting in New Guinea for 6s. a day—fighting day and night. Yet we have the spectacle in this State of internees, who are enjoying our protection, refusing to dig potatoes and to help in the production of food. I do not know what power there is to make them work, but surely the power exists. They should be forced to dig the potatoes and, if they persist in their refusal, action should be taken to punish them in some way.

Mr. J. H. Smith: They are only getting 6s. a day.

Mr. McLARTY: The Minister can say what they are receiving; but if they are receiving that amount, then they are getting the same payment as our soldiers are. If our soldiers refused to obey orders they would be court-martialled and severely punished. Anyhow, the aliens' refusal to work is causing much dissatisfaction.

The Minister for Agriculture: You know it is giving us a lot of worry.

Mr. McLARTY: I do not doubt that. I am sure the Minister is concerned, but I draw the attention of the Government to the grave dissatisfaction existing in the South-West district. If it is not righted trouble may arise. I am glad of the opportunity to bring the matter under the notice of the Government and I hope steps will be taken immediately to rectify the position. Dealing with the potato crop generally, I read an article recently in one of our South-Western papers advocating that the crop should be ploughed out. It was stated that the work could be done in half the time by this method. Probably the Minister's attention has been drawn to the article. Already experiments have been made.

Mr. Cross: A lot of potatoes might be missed by that method.

Mr. McLARTY: No. The report states that the potatoes are turned out without loss or damage. In fact, it is asserted that less damage is done to the potatoes by ploughing them out than by digging them

out. It is further stated that in the digging of an ordinary crop about seven per cent. of the potatoes is damaged on account of being forked, whereas the claim made for ploughing out is that the damage is not so great, while the work is done in half the time. Of course, the potatoes cannot be left very long in the sun and the difficulty is to get the labour to pick them up. It would be well worth while for the Minister to ascertain by some practical demonstration which would be the better way of dealing with the potato crop. I think that if the officers of his department agree that ploughing out would be in the best interests of the crop, it should be done.

I desire to say a word or two about the dairying industry. I am sorry the Minister, in his interesting address when introducing the Estimates, did not refer at any length to that subject. I hope he does not think all is well with it and that dairy farmers generally are in a prosperous condition. I trust that when replying to the general debate he will have something to say on this matter. I asked the Minister, by way of question, how much he considered the dairy farmers in this State would get per lb. of butter fat, as the result of the Federal subsidy that is being made available. The position is exceedingly difficult to understand. Reading the Prime Minister's remarks, I noticed he said that the subsidy is to be paid according to the disabilities of certain districts. Drought comes into it and any disabilities which may affect the farmers. There is a particular clause in the Bill in question which states that dairy farmers have to pay a wage fixed by the Arbitration Court. I do not think there is any provision to pay anything to a dairy farmer who does not employ labour and who has only his family to help him. It appears to me that this subsidy, which is supposed to be a help to the dairying industry will not be of much assistance to it at all, particularly in this State, because only a limited number of farmers will get the subsidy and they will have to pay it out in a wage that will be fixed by the Arbitration Court. Some of them will be paying out more to their employees than they will actually receive themselves.

The Prime Minister, in making a statement in the House of Representatives, said something to the effect that the dairy farmers in the past had not made any at-

tempt to pay what might be called a reasonable wage, and further that they did not seem to be very concerned as to what wages were paid. Here are his exact words:

An attempt has not hitherto been made to establish reasonable living conditions for workmen in the dairying industry, nor has the small working proprietor been assured of a reasonable living standard.

The Minister for Agriculture: Who said that?

Mr. McLARTY: The Prime Minister.

Mr. Doney: He simply did not know; that is all.

Mr. McLARTY: That was a very sweeping statement for the Prime Minister to make. I know many dairy farmers, and numbers of them have tried to give their employees all the comfort possible. Many of the employees I know have been very happy with the dairy farmers. They have been treated as part of the family, and their living conditions have been as good as it was possible for the farmers to give them. But the Prime Minister says that no attempt has been made in the past to give these men decent conditions.

Mr. Fox: No organised attempt.

Mr. McLARTY: You, Mr. Deputy Chairman, know what the position is in the dairying districts. For years past the dairy farmers have had a continuous struggle, and had it not been for the help of their wives and families would not have been able to remain on their farms. Unless they can be given a price for their products that will enable them to pay a decent wage it cannot be done, and I am afraid this amount being provided by the Commonwealth Government and the way in which it is to be distributed will not assist.

The Minister for Agriculture: Do you think they will be worse off without it?

Mr. McLARTY: I want to know from the Minister—

The Minister for Agriculture: It is not my idea!

Mr. McLARTY: I know, but the Minister for Agriculture may be able to tell us—

The Minister for Agriculture: I am getting the blame for a lot of other people's sins!

Mr. McLARTY —what amount farmers in this State can expect to receive. I am told they are going to receive less than 1d. per lb. of butter-fat. That is not going to be of much use, especially when a demand is to be made for the basic wage to be paid

to their employees. I think they would be better off without it.

Mr. Watts: It seems to be a much greater figure than the basic wage.

Mr. McLARTY: I have heard it said by practical dairy farmers, and men who have studied the question closely, that 3d. per lb. would be required to give them a payable price. If it is less than a penny—

The Minister for Agriculture: Would that be mostly because of labour shortage and the cost of commodities?

Mr. McLARTY: The shortage of labour, the cost of fertiliser and costs generally. The Minister knows that the costs to the dairy farmer since the outbreak of war have risen considerably. I would have liked to hear the Minister protest against the fact that the committee appointed by the Commonwealth Government to investigate the dairying industry did not include anyone from Western Australia. I believe the committee came over here for a day or two to take evidence, but there was no representative on the committee from this State, which indicates that the Commonwealth Government does not consider the dairying industry in this State worth very much consideration. Our difficulties in Western Australia are entirely different, or different to a very great extent, from those facing the dairying industry in the East. That being so, surely it was the duty of the Commonwealth Government to appoint a representative from this State on that committee. Again, it seems remarkable that the committee should make investigations and not present a copy of the report. I doubt whether the Minister himself has seen a copy of the report.

The Minister for Agriculture: I have not.

Mr. McLARTY: Surely that is wrong! I know a number of Federal members have been asking to see a copy of the report, but before anything is done in that way it is decided what amount should be made available, how it shall be paid and the conditions to be attached. When the Minister replies, I hope he will have some further information on the matter. I can assure him, though he probably knows it, that dairymen in this State are very dissatisfied with the conditions under which the subsidy is being made.

I come now to the question of the rabbit pest. I realise that the Minister is concerned about the matter, and it does not need many words from me to stress the

importance of the increase in rabbits. I cannot see how we are going to cope with it. Poison is difficult to get. In many districts I believe strychnine is almost unprocureable. Owing to enemy action I believe it is not possible, or at any rate it is exceedingly difficult, to import strychnine. Many of our farmers use strychnine with apples and that has been a most effective means of getting rid of the rabbits. Phosphorus is very scarce owing to its being required for shells. Added to that, there is a very limited amount of manpower. I cannot see how the farmers, situated as they are today, are going to cope with the rabbit pest, and it looks to me as though it must go on increasing. I do not know whether the Minister can offer any suggestions, but I hope he may be able to give us some encouragement in regard to this matter.

The Minister referred to manpower generally. You, Mr. Deputy Chairman, know the position in the country districts. Many a farmer's daughter who is useful on the farm is feeling that she should be in some of the Services, whereas in actual fact she is doing more valuable work where she is than she would be doing if she was dressed in uniform and serving with the Forces, which are calling for her. Young men or girls in the country areas who are today manpowered are in a difficult position. Certain people tell them that they ought to be in uniform and that, by remaining where they are, they are not assisting the war effort. Something should be done to protect them. They should be given a badge, or something of that sort. They should not have to suffer the indignity of being told that they are not doing something for their country. It makes them dissatisfied. I know many of them who are manpowered and who, if they could follow their own wishes, would be in one of the Fighting Forces. If they left the farms on which they are now engaged, there is no doubt that production would suffer, and we are continually being told that we must maintain production.

It seems that the difficulties in regard to production are increasing every day. I often think of what has happened. When recruiting started in the early stages of the war many of our most experienced farm hands enlisted, and were taken straight away. Unfortunately the military authorities did not seem to realise that it takes

years to make an efficient farm hand. The Minister knows that. A stockman is not made in a few months; no more is a farm hand, generally. He can truly be classed as a skilled worker. In other trades the skilled workmen were kept back, but nothing like that was done regarding farm hands. The most skilled men in the farming areas who wanted to enlist were taken at their word, and allowed to do so. Today, as a consequence, the men who have had to take their places are neither skilled nor efficient. As a result, production must suffer.

I do not know how we are going to get over the difficulty now, but it would be wise if some of these skilled men were brought back to the farming areas and men from other walks of life put into the Army in their place.

Mr. Doney: From what other walks in life?

Mr. McLARTY: There are men doing less valuable work.

The Minister for Mines: It takes a long time to make a good soldier.

Mr. McLARTY: That is so, and I sympathise with the Army today, with the hundreds of applications it receives to release men after they have been a long while in training. It must be most embarrassing to battalion and other commanders. I do not intend to detain the Committee any longer. My principal reason for speaking this afternoon was to draw attention to the conditions in regard to the potato industry and the dissatisfaction felt, and once again to impress upon the Minister that all is not going as well as we would like so far as the digging of the crop is concerned.

Progress reported.

House adjourned at 6.20 p.m.