tives have been placed into service. I represent some people who live along the Perth-Armadale route.

Mr. Graham: You misrepresent a lot of them, too.

Mr. GRIFFITH: I will treat that remark with the disdain it deserves.

Mr. Graham: And that flatters me.

Mr. GRIFFITH: I represent these people, and when the services were cut out it was natural that some of the people should approach me on the matter. Together with the Minister for Housing, whose border touches mine in the East Cannington section, I approached, through the Minister for Transport, the Kalamunda Bus Company with a view to providing a service in the week-ends. This service has been provided, and has proved quite satisfactory. I have received a number of communications from people in the district expressing thanks for the fact that the service has been placed there.

In moving the motion, the member for Guildford-Midland desired the restoration of train services. I, too, would like to see that restoration for the benefit of the people who live along the Perth-Albany line, and also for the benefit of others who live in the metropolitan area who are obliged to use trains in the week-end. But surely the time has come when we should have progressed a little more than to have merely the fond hope that we can sit down and wait until the people responsible for repairing the engines, which are in a bad state of repair due to the strike, can do something. The member for Guildford-Midland said—

> The Government will tell the public that it is hanging on to these services until the diesel engines arrive next year. In other words, it is trying to convey the fact that it is hanging on to these services so that the people will get accustomed to using buses until next June or July.

We heard the Minister for Education, representing the Minister for Railways, say that the Government would be prepared to put trains into service in the week-ends for trips to certain resorts if the patronage for those journeys became evident; and we also heard him say that the Minister for Railways was prepared to run diesel-electric coaches in the suburban areas, provided the patronage warranted it. To my mind, it would be advantageous if we were to change over to diesel-electric coaches in order to provide residents of the suburban areas with a fast modern service which can be given so much more economically by means of such coaches than is possible by the use of steam trains. I agree with the principle of the motion, but do not think the member for Guildford-Midland used much foresight in framing it. If we are to rely on steam trains for these services—when the trains are again available—I do not think it will be possible to restore them on a payable basis. I move an amendment—

> That all words after the word "House" be struck out with a view to inserting other words.

The words that I propose should be inserted will make the motion read, "That in the opinion of this House steps should be taken to afford suburban residents railway services on Saturday afternoons and Sundays by diesel-electric coaches."

On motion by Mr. Styants, debate adjourned.

House adjourned at 11.22 p.m.

Legislative Assembly

Thursday, 6th November, 1952.

CONTENTS.

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

QUESTIONS.

CHURCH MISSIONS.

As to Assistance to Construct Buildings.

Hon. A. R. G. HAWKE asked the Chief Secretary:

What amounts have been provided in the Estimates to assist the church missions concerned to construct additional buildings at Roelands and Carnarvon?

The CHIEF SECRETARY replied:

Estimated expenditure for buildings at (a) Carnarvon Mission, (b) Roelands Mission, is as follows:—

(a) £3,750.

(b) £846.

STREET LIGHTING.

As to Belmont Park Road District.

Mr. J. HEGNEY asked the Minister for Works:

(1) Is he aware that the population of the Belmont Park Road District has increased from 5,700 at June, 1948, to 15,700 at June, 1952?

(2) Is he aware that the Belmont Park Road Board has made application for the installation of at least 100 new street lamps to serve the needs of this rapidly expanding district?

(3) What are the reasons why the Commission is unable to meet the requirements of the board?

(4) Is it a question of finance, or material supply?

(5) If it is a shortage of material supply, what material is in short supply?

(6) When is it expected that the shortage will be overtaken?

(7) If it is a question of finance, then in view of the recent success of the S.E.C. loan, will this mean that arrears of supply of street lamp lights will soon be overtaken?

(8) Will he take up with the Commission the subject-matter of these questions to see if the requirements of the Belmont Road District can be expedited?

The MINISTER replied:

(1) Yes.

(2) Yes. Since 1948, 107 additional street lamps have been erected in the Belmont area. Of the lamps applied for there are at present 22 outstanding. All these lamps require extensions to our street lighting mains. The total number of street lamps in Belmont is 411. Three hundred and four lamps were erected between 1919 and 1948.

(3) Shortage of materials and finance. It should be noted that during the war and for some time after, the erection of new street lights had to cease completely for considerable periods because the scarce wire was used for coupling up new houses. The Commission's policy is to provide electricity for new homes and industry before street lights.

(4) See No. (3).

(5) Material supply is short in copper wire and materials for the making up of street light fittings.

(6) The shortage is gradually being overtaken. It should be noted that in the last 12 months 317 additional street lights have been erected in the metropolitan area by the Commission. Forty-eight were erected in the first six months, and 269 have been erected in the last six months.

(7) See No. (6).

(8) Yes.

TRANSPORT.

(a) As to Proposed Zoning.

Mr. J. HEGNEY asked the Minister representing the Minister for Transport:

(1) Is the proposal to zone metropolitan transport, as announced some months ago, still receiving consideration?

(2) When is it expected that the report will be available?

(3) Will the report be presented to Parliament?

(4) Will Parliament be given the opportunity to discuss the proposals contained in the report before effect is given to it?

(5) If not, why not?

The MINISTER FOR EDUCATION replied:

(1) Yes.

(2) No specific report is being prepared but the Government has adopted a scheme for the division of the metropolitan area into seven passenger transport zones each serviced by one operator for the purpose of eliminating overlapping and wasteful competition.

The hon. member is at liberty to discuss the same with the chairman of the Transport Board.

(3) Answered by (2).

(4) It is proposed to effect the necessary changes by transfers of licenses. There are opportunities for the hon. member to raise the matter in Parliament during the current session.

(5) Answered by No. (4).

(b) As to Provision for Eastern Suburbs.

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

Has any arrangement been made by the Government for road or rail transport to enable residents of the eastern suburbs up to Bellevue, to be able to visit the beaches at Leighton or South Beach, or other venues such as Karrakatta, Shenton Park, Claremont, etc., without having to de-bus at the Treasury buildings, walk to Newspaper House and em-bus to destination with the reverse procedure on the return journey?

The MINISTER FOR EDUCATION replied:

In the course of my reply to the hon. member's motion last evening, I informed him that the Minister for Railways had already stated he was prepared to run week-end services to the resorts or places mentioned, provided sufficient patronage offered.

Details will be published very shortly.

(c) As to Transfer of Services and Goodwill.

Mr. BRADY asked the Minister representing the Minister for Transport:

(1) When did the Inter-Suburban Bus Co. take over the Bassendean-Perth bus route?

(2) Did the company pay any goodwill to—

(a) the Government; or

(b) the Federal Bus Co.

for the bus route?

(3) If the answer to (2) is in the affirmative, then how much, and to whom was goodwill paid?

(4) Is the Government about to take over the Bassendean-Perth bus route from the Inter-Suburban Company?

(5) If the answer is in the affirmative, what goodwill is being paid?

(6) Are goodwill payments made on the basis of average takings over the period the Inter-Suburban bus has been running, or on the past 12 months, which included the period of rail stoppage?

The MINISTER FOR EDUCATION replied:

(1) 25th June, 1951.

(2) (a) No.
(b) No.

(3) Answered by No. (2).

(4) Negotiations are at present in progress with that object.

(5) There is no intention to make any payment for goodwill.

(6) Answered by No. (5).

ELECTRICITY SUPPLIES.

(a) As to Kwinana and Safety Bay Sections.

Mr. LAWRENCE asked the Minister for Works:

(1) When is it intended that electric power and light will be made available to the following sections:—

(a) That section of the Kwinana townsite between Mandurah-rd. and Kwinana?

(b) That section of the Safety Bay townsite known as the Shoalwater Bay Estate?

(2) If it is not intended to proceed with this work, will he give the reasons why?

The MINISTER replied:

(1) (a) This matter has already been discussed with the Progress Association. Those prospective consumers able to be supplied low tension will be connected early in the new year. The remainder in the area require a high tension extension, and no definite answer can be given because it depends entirely on future developments.

(b) At present this would require a high tension extension, which is not warranted in the present stage of development.

(2) See No. (1).

(b) As to Bibra Lake District Extension.

Mr. LAWRENCE asked the Minister for Works:

Will he inform the House when it is intended to extend the power lines along North Lake-rd. to Warwick-rd., and thence along Warwick-rd. to Jeannette-rd., as requested by the Bibra Lake District Association?

The MINISTER replied:

The Commission has already arranged to extend its low tension mains to Waverley-st. This is the technical limit in this case for low tension supply. Further than this and along Warwick-rd. needs a high tension extension. With our present commitments, it will be some considerable time before this high tension supply can be given.

COLLIE COAL.

As to Analyses of Open-cut Samples.

Mr. MAY asked the Minister representing the Minister for Mines:

Will he arrange to have samples of coal taken from the following open-cuts at Collie:—

Stockton open-cut;
Ewington open-cut;
Black Diamond open-cut;
Collie-Burn open-cut;

for the purpose of ascertaining the calorific value and ash content of each?

The MINISTER FOR HOUSING replied:

Yes.

TRAFFIC.

(a) As to Authorising Use of "Trafficators."

Mr. OLDFIELD asked the Minister for Local Government:

In reply to a question asked by me on the 9th September in relation to the use of "trafficators" he stated that "the question of the use of 'trafficators' would be considered."

(1) Would he inform the House what consideration has been given to this matter?

(2) What are the recommendations resulting therefrom?

(3) When is it expected that the regulations will be amended to allow the use of "trafficators"?

The MINISTER replied:

(1) The question of using "trafficators" has been fully considered.

(2) The recommendation was for "trafficators" to be permitted on vehicles and a regulation was made to this effect reading as follows:—

> Any motor vehicle may be fitted with one or more lights, lamps, or luminous indicators, capable of clearly indicating any intention of the driver of such vehicle, to turn either to the right or to the left, and which when in operation shall be visible from both the front and rear of the vehicle. Any such light, lamp or luminous indicator shall not project a glaring or dazzling light. Every signal given by any such light, lamp or luminous indicator shall be additional to any signal required by these regulations to be given by the driver of a motor vehicle which is about to turn or stop.

(3) Regulation came into force on the 30th March, 1951.

(b) As to Licenses for Motorised Wheel Chairs.

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

If and when the Traffic Act Amendment Bill (No. 1) becomes law, will the Government declare those persons who use motorised wheel chairs to be exempt from payment of vehicle license fees and drivers' license fees set out under Clause 9 of the Bill?

The MINISTER replied:

Hitherto, in a number of cases, free vehicle licenses have been granted to such persons, but it is intended to provide under the amending Bill for the issue of both drivers' licenses and vehicle licenses free of charge, to all persons compelled to use motorised wheel chairs.

FREMANTLE GAOL.

(a) As to Prisoners and Sexual Offences.

Hon. J. B. SLEEMAN asked the Chief Secretary:

(1) Will he inform the House of the number of prisoners in Fremantle gaol?

(2) What percentage of them have been convicted for sexual offences?

The CHIEF SECRETARY replied:

(1) Two hundred and forty-four.

(2) 11.471 per cent.

(b) As to Cost of Bathroom.

Hon. J. B. SLEEMAN asked the Chief Secretary:

What was the cost of the large bathroom recently constructed in the Fremantle gaol?

The CHIEF SECRETARY replied:

£4,996 2s. 1d. For the whole of the ablution block, including laundry, calorifier and 30 hot and cold showers.

RAILWAYS.

As to Homes for Employees, Geraldton.

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

(1) Is the material for the pre-fabricated railway houses now stored in Geraldton being used for maintenance purposes?

(2) In view of the difficult financial position, will he consider a proposal to have these houses erected on a self-help basis by employees who are in urgent need of a house?

The MINISTER FOR EDUCATION replied:

(1) No.

(2) This proposition has received consideration, but no acceptable solution has emerged to date. Tenders have been called for the erection of houses at Geraldton, and a commencement of the work should be made shortly.

QUEEN'S CORONATION.

As to Invitation to Premier.

Mr. J. HEGNEY (without notice) asked the Premier:

(1) Has he received an invitation to attend the coronation service to be held in June, 1952?

(2) If so, is it his intention to accept it?

The PREMIER replied:

(1) and (2) I understand that such invitations have been received by the Premiers of all States. I have not yet given any consideration to the invitation I have received.

ASSENT TO BILLS.

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

1. Rents and Tenancies Emergency Provisions Act Amendment (Continuance).
2. Margarine Act Amendment (No. 1).
3. Physiotherapists Act Amendment.
4. Pharmacy and Poisons Act Amendment.
5. Health Act Amendment (No. 1).

LEAVE OF ABSENCE.

On motion by Mr. Griffith, leave of absence of two weeks granted to Mr. Cornell (Mount Marshall) on the ground of ill health.

BILL—TRAFFIC ACT AMENDMENT (No. 1).

In Committee.

Resumed from the 30th October. Mr. Perkins in the Chair; the Minister for Local Government in charge of the Bill.

The CHAIRMAN: Progress was reported on Clause 4, to which Mr. Graham had moved an amendment as follows:—

> That in line 3 of proposed new Subsection (2) the word "ten" be struck out with a view to inserting the word "five" in lieu.

The MINISTER FOR LOCAL GOVERNMENT: I oppose the amendment. If it is agreed to it will mean that the clause will be of no value. The hon. member referred to the increase in the driver's license fee from 5s. to 10s. as being camouflaged taxation.

Mr. Styants: It is not camouflaged.

The MINISTER FOR LOCAL GOVERNMENT: I agree with the hon. member because I do not object to anyone claiming that it is taxation, as it obviously is. In this State we have the lowest driver's license fee in the Commonwealth. I would also point out that the Grants Commission is keenly interested in license fees, because the Government will be penalised by that Commission if more revenue is not obtained from traffic licenses in order to bring them into line with the fees levied in the Eastern States. In this State a fee of only 5s. is charged for a driver's license which covers four vehicles; a car, motor wagon, motor cycle and tractor and it is proposed to increase that fee to 10s.

A comparison of the fees of the Eastern States will prove interesting. The fee for a driver's license covering three vehicles in Victoria is £1. In this State we propose to charge only 10s. for a driver's license to cover four vehicles. In New South Wales the fee is £1 5s. for three vehicles, and in South Australia and Queensland it is 10s. for three vehicles. Every State charges a separate license fee for the driver of a passenger vehicle and all States, except Western Australia, charge a separate fee for a tractor driver's license. This comparison makes it difficult to consider seriously the hon. member's amendment.

Under the Bill it is proposed to charge a separate fee of 5s. for a passenger vehicle driver's license in addition to the 10s. fee for the license to drive three other types of vehicle. The reason why a passenger vehicle is selected by all States for individual treatment is because the drivers of such vehicles have to undergo an intensive check-up by the Police Department. They need to have tests for medical fitness, for more or less habitual sobriety and certain other special efficiencies. The driver has also to be coached in the responsibility that lies in the large number of people whom he takes in his vehicle. When we discussed this matter in debate previously, I had wished to be on the safe side and had said that the present fee of 5s. had been in practice since 1935. I have since made inquiries and find it has not been changed—that is to say, the license fees have not been changed —since 1919.

Members will realise, therefore, that the value of the 5s. or even the 10s. which we propose to charge is not in actual practice as much as the 5s. in operation at the date I have mentioned. The question was raised that if a passenger goods vehicle should still remain at 5s. for a license, why should not the commercial goods vehicle be charged 5s. The reason is that the commercial goods vehicle is one of the four vehicles covered at present by the 5s. licensing, whereas of course the passenger vehicle does not enjoy that privilege.

This means that the commercial goods vehicle is on the same favourable basis as cars, motor cycles and tractors, whilst passenger vehicles are the subject of a separate special license and always have been since licensing has been in vogue for motor vehicles in Australia. In the circumstances, and because of the attitude, in particular, of the Grants Commission, I hope members will not support the viewpoint expressed by the member for East Perth.

Mr. RODOREDA: Can the Minister tell the Committee what the present charge is for the driver of a passenger vehicle?

The Minister for Local Government: According to the information supplied to me, 5s.

Mr. RODOREDA: He gets it now for 5s.

The Minister for Local Government: He would continue to get it for that sum.

Mr. RODOREDA: It is quite possible for a vehicle to have a passenger vehicle's license without having an ordinary vehicle license. So he gets his driver's license for 5s., under this Bill without having any other license.

The Minister for Local Government: Yes.

Mr. RODOREDA: So there is still a differentiation; the commercial vehicle driver who only holds a commercial driver's license pays 10s. I want to know why there should be this differentiation. I am not so concerned about the charge of 10s. because this is very light. I cannot see why the bus driver does not pay 10s. also; that is the point on which I want to be clear.

Mr. Totterdell: Why not make them all 10s.?

Mr. Graham: Why not 5s.?

Mr. RODOREDA: I want to know why there is this differentiation. I fail to see why this license was superimposed on the other one. I still maintain that the driver of a passenger vehicle—and I suppose that would include a taxi driver—would get his license for 5s., whereas the man who drives a commercial vehicle has to pay 10s. Why? I cannot agree to a proposal without having a reason; and perhaps the Minister will explain the reason.

Hon. J. T. TONKIN: Is not the Minister going to answer the question? It is a relevant one on which we want some information. As I see it, a taxi driver can get a license for 5s. and after he has finished driving people about he can use his car in the same way as an ordinary car driver and still pay 5s. to do that.

Hon. J. B. Sleeman: Can he do that?

Hon. J. T. TONKIN: He can, as I read the Bill. The Minister proposes that the ordinary private person who does not earn his living driving a car around with passengers in it should pay 10s. It is the Minister's job to justify the increase. Is there any sound ground for the differentiation? The member for Pilbara asked if there was any reason for this and the Minister made no attempt to answer the question.

The Attorney General: Ninety five per cent. of passenger drivers also hold an ordinary license. You do not want to make them pay £1.

Hon. J. T. TONKIN: They would not necessarily have to.

The Attorney General: But they do.

Hon. J. T. TONKIN: What about those who do not?

The Attorney General: Does it matter?

Hon. J. T. TONKIN: It does matter. We want the thing on a proper basis, and not according to the number who take out two licenses or one. I can see no sense in deciding in Parliament that if a man takes out a passenger driver's license and gets it for 5s., he can when he has finished his ordinary work do the same with his motorcar as an ordinary owner-driver does without a passenger license.

The Attorney General: It is merely laxity in drafting.

Hon. J. T. TONKIN: We do not want laxity; we want a commonsense provision to ensure that if it is necessary to increase the payment for licenses it will be done in a sensible way. We should not say to the ordinary owner-driver of a car that he has to pay 10s. and that we are not concerned with the other licenses he happens to take out and that for two he will be paying 15s. but for one 5s. There is no sense in that. It would be better to say that if he is going to drive a motor vehicle the cost of a license for that is so much.

The Attorney General: If you want to drive passengers you say "pay that and so much more."

Hon. J. T. TONKIN: Why?

The Attorney General: That is what you want.

Hon. J. T. TONKIN: It is not.

The Attorney General: It is.

Hon. J. T. TONKIN: I should know what I want. I want uniformity and a logical proposition. That in the Bill is not sound and certainly not fair.

The Attorney General: Why do you worry about trifles like that?

Hon. J. T. TONKIN: It is not a trifle; there is a principle involved and principles are not trifles.

The Attorney General: There is no principle in it, and the matter is not involved.

Hon. J. T. TONKIN: The Minister might not recognise a principle, if it were put under his nose!

The CHAIRMAN: Order!

The Attorney General: I can recognise trifles.

Hon. J. T. TONKIN: This is not a trifling matter. Before a proposition of this description is placed before the Committee, it should be able to stand up to analysis from the points of view of fairness and logic, and this proposal could not stand the test. No one has advanced any sound reason for the provision in the Bill. As the member for Roebourne pointed out, there is no ground for differentiation and the obligation rests upon the Minister himself to justify what I regard as an outstanding anomaly and not a trifle.

The Minister for Local Government: Just precisely what is your question?

Mr. YATES: I cannot agree with what the member for East Perth has said regarding taxi drivers and owner drivers. Occasionally a taxi driver might use his vehicle to take his family on an outing, but, generally speaking, after working for a stretch of 15 hours, he would not be likely to drive for pleasure.

Hon. J. T. Tonkin: Have you not seen taxi drivers driving round for pleasure?

Mr. YATES: On occasions, yes. A large proportion of them are employed by firms to drive for them, and they could not use the cars without payment to those employing him. In the circumstances, those affected would be very few. The reason why the Government has not considered increasing the fees for passenger vehicle licenses from 5s. to 10s., is that the license is for that particular type of vehicle.

On the other hand, others can drive four vehicles although having only one license, hence the differentiation. That is

quite logical. If there is to be any increase, surely it should apply to the license that has the greatest range to which it applies. Farmers are in that position because the license they hold enables them to drive a car, truck, tractor or motor cycle. An increase is justified in the instance under review. If we compare the position here with that obtaining in New South Wales, we find the license there for the right to drive a car is 25s. while in South Australia the license for a car is 10s. and in Victoria, 15s. This is the cheapest State in the Commonwealth as regards the fee for ordinary licenses. One reason for the increase proposed is to obtain added revenue.

Hon. J. T. Tonkin: That is the only reason; there can be no other.

Mr. YATES: Yes, there can.

Hon. J. T. Tonkin: What is it?

Mr. YATES: The cost of administration has vastly increased.

Hon. J. T. Tonkin: And you suggest more revenue to pay for it!

Mr. YATES: I am informed that the cost of producing the license itself has increased over 350 per cent.

Mr. Graham: From ½d. to 1d., I suppose.

Mr. YATES: I do not know the actual cost. The fact remains that we charge 5s. in this State as against charges in other States up to 25s. I do not think the increase suggested is out of proportion at all.

Mr. RODOREDA: After listening to the explanation I can only conclude that in the majority of instances a passenger vehicle driver will have to pay 15s. for his licenses.

Mr. Yates: He pays 10s. now.

Mr. RODOREDA: He pays 5s. for one license and will have to pay 10s. for the other license.

Mr. Yates: He pays 5s. for one and 5s. for his car.

Mr. RODOREDA: I do not know whether it is provided for in the regulations, but it certainly is not in the Act.

Mr. Yates: It may be dealt with by way of a regulation.

Mr. RODOREDA: At any rate, I would like to know the reason for the discrimination between the two types of drivers.

Mr. Yates: The discrimination is because the taxi license is obtained for business purposes, whereas the other license is for the purposes of pleasure.

Mr. RODOREDA: The taxi driver is not interested in any other vehicle. I would like the Minister to explain the position, but apparently he cannot. This is only a minor matter, and he has to deal with so many questions of vital importance that he cannot bother himself about such a minor detail.

Mr. GRAHAM: The further the discussion proceeds, the more confused the position becomes. It is illogical to provide that the driver of a commercial vehicle that carries passengers should be charged a lower fee than the driver of a truck. Such men would have to take out licenses because of the nature of their work, but one is to pay 5s. and the other 10s. The great majority of licenses apply to private cars. Taxis, commercial trucks and commercial vehicles are on the roads every working day and require more supervision and control by the police, but a family man as a rule uses his car only occasionally, and yet he is to be charged double the amount.

The contention that the position is being met by the ever-increasing number of licenses issued has not been answered by the Minister. The revenue being received is constantly increasing, and there is no need to alter the rate. From the point of view of the service rendered, the present charge is adequate. I hazard a guess that of the 70,000 or 80,000 people in the metropolitan area who hold drivers' licenses, not 100 would have occasion to drive a tractor.

Mr. Yates: What about motor-cycles and trucks?

Mr. GRAHAM: If a person wishes to drive a tractor, he should pay for a license, but why give a private motorist three licenses that he does not want? If the Minister desires to issue a license for each type of vehicle, I shall feel inclined to support him.

The MINISTER FOR LOCAL GOVERNMENT: The existing position has obtained for many years. This argument would not have arisen but for the proposed increase in certain fees. Admittedly, there is room for some confusion of thought. The charge for a passenger vehicle license is 5s. and the holder of such license is entitled to drive for hire and reward. If he used his car to take his family or friends out for pleasure, and not for hire or reward, he would become liable for another 5s. That driver would be regarded not only as plying for hire, but also, under the proposal in the Bill, as the driver of a private vehicle for which the license fee would be 10s.

Amendment put and negatived.

Clause put and passed.

Clauses 5 and 6—agreed to.

Clause 7—Section 47 amended:

Mr. STYANTS: I have no objection to the proposal to prohibit or restrict the parking of vehicles in specified roads or specified parts of roads at specified times, but I have a decided objection to the amendment indicated in the latter part of the clause. Provision is made for prescribing the penalty for a breach of a regulation applying to such parking, but then reference is made to "a particular regulation," and the penalty for a breach of the particular regulation is to be a maximum of £50 and a minimum,

irreducible in mitigation notwithstanding the provisions of any other Act, of £20.

Under Clause 7, it is proposed to give the police or local government inspectors the right to prohibit parking of vehicles in certain places. The phraseology is "prescribe the penalty mentioned in paragraph (xiv) of this subsection". That provides for a monetary fine of £20 or a month's imprisonment with or without hard labour. I have no objection to that; but after the word "paragraph" in subparagraph (zm) the words "other than a particular regulation mentioned in subparagraph (zn) of the "paragraph" occur. Therefore subparagraph (zm) proposes that this Committee shall sign a blank cheque to allow the Police Department to bring down a regulation of which the Committee will have no knowledge whatever and prescribe a penalty of £50 with an irreducible minimum of £20. The Committee should refuse to grant that permission.

I do not mind prescribing penalties if I know to what type of offence they are to be applied, and when I think that the penalties fit the crime. I know that the Minister for Education intimated that this was something to do with parking of vehicle on highways without tail-lights. Why are we not told what the offence is? The Police Department might introduce a regulation providing a penalty for the absence of a tail-light. A person may be driving a vehicle on the main road and might stop for five or ten minutes to visit a friend. The tail-light globe might fuse or there might be a short circuit in the system, and when a policeman or a local government inspector found the vehicle without a tail-light the driver could be liable to a maximum fine of £50, with an irreducible minimum of £20. I move an amendment—

> That all the words after "paragraph" in subparagraph (zm) down to and including the words "Twenty pounds" at the end of subparagraph (zn) be struck out.

That will have the effect of prescribing a fine of £20 or a month's imprisonment with or without hard labour for a breach of the parking regulations as proposed in subparagraph (zl), and will delete all reference to giving the Police Department the right to bring down a special regulation for the purpose of providing a fine of £50. This is about the most extraordinary provision I have seen in a Bill brought into this Chamber. If the offence envisaged by the Minister for Education by interjection the other night is the one sought to be dealt with, I believe that a fine of £20 or a month's imprisonment with or without hard labour is ample.

The MINISTER FOR LOCAL GOVERNMENT: I have had some trouble myself in endeavouring to understand thoroughly just what is implied here. I think that to a reasonable degree I have managed to do that, but I still have to admit that understanding this particular clause is not just like going through the alphabet. While I am not especially keen to see the penalties reduced, I still do not mind the hon. member having his way with respect to the amendment, with the object of a further examination of the position and thereafter inserting it in another place in what I hope will be an improved form.

Mr. RODOREDA: That is rather an amazing admission from the Minister.

The Minister for Local Government : It may be.

Mr. RODOREDA: It certainly is. The Minister in charge of the Bill comes along and tells the Committee that he does not know what he is doing.

The Minister for Education: No, he did not.

Mr. RODOREDA: That is what he suggested.

The Minister for Education: No.

Mr. RODOREDA: He said that he had had tremendous difficulty in understanding it but thought he had overcome that difficulty.

The Minister for Local Government: The hon. member is exaggerating. I did not speak of tremendous difficulties.

Mr. RODOREDA: The Minister spoke about wanting a knowledge of the alphabet.

The Minister for Local Government: I said that I had some little difficulty in understanding the position.

Mr. RODOREDA: Surely it is the Minister's job to tell us the meaning of the Bill he introduces!

The Minister for Local Government: I am not perfect in the way you are.

Mr. RODOREDA: Do not let us get away from the point! Who is going to explain this matter to the Committee if the Minister cannot? Surely the Committee has a right to ask the Minister for some explanation of what these subparagraphs mean! Surely we have had enough, during the last five or six sessions, of Ministers admitting quite frankly that they do not know what a Bill is about! It is time we made a protest. I agree with the member for Kalgoorlie that we have a penalty prescribed in the Act for a breach of any regulations. A penalty not exceeding £20 or imprisonment not exceeding one month with or without hard labour for a breach of any regulation is prescribed. The Bill will alter this. That penalty still holds for the parking of vehicles, etc. in specified roads, but under the portion of the Bill that the member for Kalgoorlie wants to delete, a maximum penalty of £50 with a minimum of £20 for the breach of a particular regulation, in respect to parking

in prohibited places, is provided but we do not know what the regulation will prescribe. The Chamber has always adopted the attitude of leaving the imposition of the fine to the magistrate's discretion.

The Minister for Education: Not always.

Mr. RODOREDA: Mostly. To provide a minimum of £20 for parking of vehicles seems extraordinary. I hope the Minister will agree to the deletion.

The Minister for Education: He has already done so.

Mr. RODOREDA: Yes, but with the proviso that he will put it in again.

The Minister for Education: No, in quite a different form, he said.

Mr. RODOREDA: The only form that would be acceptable to me would be for it not to be there at all. It is proposed to allow these words to be struck out with the idea of submitting something else to the Council.

The MINISTER FOR LOCAL GOVERNMENT: The hon. member seems to think it remarkable that someone on the Treasury bench can admit he can learn from what is said in debate by the other side. This is constantly happening irrespective of who might be over there.

Mr. STYANTS: I stressed on the second reading what I considered to be an extraordinary provision in the Bill and I went to some pains to make clear what my objections were. The Minister is missing the important point. I am not out to reduce the penalty. I do not know what will be contained in the special regulation. If I knew that, I might agree to the provision of the penalty of £50.

The Minister for Local Government: I follow what you mean.

Mr. STYANTS: I do not propose to sign a blank cheque to allow the Police Department to make a regulation under which a person could be fined a maximum of £50 or a minimum of £20 when I do not know what will be in the regulation.

The Attorney General: How could you? The police would apparently apply the regulation to places considered to be particularly dangerous.

Mr. STYANTS: I do not agree with many interpretations of the traffic law by the Police Department. I am agreeable to the present penalty, but now we are asked to sign a blank cheque.

Mr. GRAHAM: I support the amendment but for a slightly different reason from those advanced by the member for Kalgoorlie. I agree with the Attorney General that it is practically impossible to be specific. It might be decided that semi-trailer vehicles should not be permitted to park in certain congested streets in the metropolitan area, and there would be a regulation to that effect.

The Attorney General: Or at certain times of the night.

Mr. Styants: I think £20 is enough for that.

Mr. GRAHAM: It is on this point that I am at variance with the Minister. Under the traffic regulations, which cover many things, the maximum fine, forgetting about imprisonment for the moment, is £20, but it is within the discretion of the magistrate to impose a nominal fine of £1. Here a minimum of £20 is prescribed merely for parking. The portion to which the member for Kalgoorlie takes exception means that the wrongful parking of vehicles is the most serious offence that can be permitted under the Act.

The Attorney General: That is the point.

Mr. GRAHAM: I do not think that is so.

The Attorney General: It could be because it is dangerous to life.

Mr. GRAHAM: If a man were travelling at 80 miles an hour on the wrong side of the road without lights, his offence could be more serious.

The Attorney General: And he could be penalised much more.

Mr. GRAHAM: The magistrate could fine him a minimum of £1 if he felt like it. The penalty should be left to the discretion of the court. The amendment seeks to have this traffic offence dealt with by the court in the same manner as all others so that the magistrate will determine the severity of the penalty.

Mr. RODOREDA: If the subparagraph is deleted it will have an effect on the preceding subparagraph. I would like the Attorney General to say what subparagraph (zm) means in a legal sense. What is the difference between a regulation made to look after ordinary traffic, and a particular regulation? What is the legal meaning of "particular" in this case? There are different penalties provided for different offences under the regulation.

The ATTORNEY GENERAL: The object is to prevent the type of parking that has resulted in a number of dangerous accidents—the parking of heavy vehicles, particularly on country roads, perhaps lighted and difficult to see or perhaps unlighted. It is not a question of parking generally but of parking in a particular manner, at a particular place and at a particular time. It is intended that those things should be specified in the regulation. Members may be diffident about giving any department or executive discretion to invoke a minimum penalty of £20, but this regulation is intended to apply only in respect of particular places, conditions and times. However, as the hon. member has agreed to the ordinary penalty of £20 and imprisonment for one month as the maximum penalty I do not think there is anything more to be said.

Mr. RODOREDA: I do not agree with that. How will the public or Parliament know which is a "particular" regulation?

The Attorney General: It will be a regulation particularly setting out these conditions.

Mr. RODOREDA: But that obtains now under the Traffic Act.

The Attorney General: But not under this particular regulation.

The CHAIRMAN: The Attorney General may speak when the member for Pilbara has finished.

Mr. RODOREDA: There are particular places now where one may park at one time but not at another time.

The Attorney General: Not under this subsection, because it does not exist yet.

Mr. RODOREDA: The regulations would have to be under this proposed subsection. Would the public be made aware of the position?

The Attorney General: Yes.

Mr. RODOREDA: I take it that the regulation would be tabled in both Houses and that would be our only chance to object to it?

The Attorney General: Yes.

Mr. RODOREDA: That is provided that another place passes the measure with this provision in it.

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

Clause 8—agreed to.

Clause 9—Section 71 amended:

Mr. GRAHAM: During his second reading speech the Attorney General said that by this provision it was intended to dispense a special favour to the Lord Mayor of the City of Perth. Without any prejudice to the position of Lord Mayor, and from my observations and discussions with other people, I believe there are other categories of persons at least as deserving of some distinguishing badge on their cars as the Lord Mayor might be. This is a general clause under which such favours could be granted to a number of people and I would like the Minister, therefore, to indicate what classes of persons are likely to come under its provisions. At present it seems to be pandering to the vanity of an individual or a certain local governing body, as there is no warrant for it on the ground of necessity.

The Premier: It is customary in nearly all the capital cities of the Commonwealth.

Mr. GRAHAM: I may, later, remind the Premier of certain customs in other States that could be adopted with advantage here. If he thinks we should automatically adopt them because they would be advantageous, I will produce to him a lengthy list of them.

The Premier: Some are good and some are bad.

Mr. GRAHAM: The fact that some procedure is followed in another State does not necessarily mean it is a proper one. There are many people occupying more prominent positions in the community than does the chairman of a local governing body, who after all represents only a privileged few. Surely the Preimer and his fellow Ministers occupy positions higher than that of Lord Mayor, as do also the State leaders of the more important churches.

The Attorney General: They have never asked for this.

Mr. GRAHAM: No. The Government is including this provision to pander to the vanity of a certain position.

Mr. Styants: Would the provision cover members of Parliament?

Mr. GRAHAM: I do not think they would be anxious to have a particular type of badge emblazoned on their vehicles.

The Minister for Health: Ministers have it in New South Wales.

Mr. GRAHAM: If it is for the purpose of facilitating the course of the vehicles through traffic I would remind the Committee that there is already an emblem on the Lord Mayor's car, with a coat of arms and a few other things on it, as well as a driver in silver-grey livery. That vehicle is easy to identify. I am concerned particularly about the diplomatic representatives of other countries. If they have a certain immunity in the matter of traffic regulations, in fairness to them, the public, and more particularly young constables whose job it is to police the various traffic regulations, are entitled to consideration on this other point. It does not matter whether it takes the form of some sort of insignia, a registration number plate or a sticker on the windscreen of the car. So far the Minister has not given any reason for introducing this amendment to cover the Lord Mayor's car.

The MINISTER FOR LOCAL GOVERNMENT: It is readily admitted that one of the objects of the clause is to pass on a certain concession to the City Council and through the Council to its Lord Mayor, whether it be the present one or those who occupy the position in the future. Two or three members, by interjection, have shown their dislike of the idea but three or four others, or possibly more, have stated that they favour it. No one could claim that there is any harm in this amendment or that it involves an expenditure, except perhaps of a minor sum.

This amendment will enable us to follow a principle which is in vogue in many British cities throughout the world. What is wrong with local authorities in any State having what is generally known as a good conceit of themselves, as the Scotch people would put it. Also, there are other

benefits which are inherent in the clause. If this is passed the Act may be made to apply, in selected circumstances, to almost any type of activity, or the vehicle used for the purpose of that activity. The exemption is to be made to apply to His Excellency and in course of time it may be needed with respect to certain diplomatic and other high rating visitors. During question time the member for Canning asked me whether this power might be applied to the users of what are usually termed "motorised chairs" in order to free them from payment of license fees. There are a number of useful purposes to which this amendment could be applied.

Mr. JOHNSON: I, too, wish to raise some objection to this provision and having heard the Minister I still feel that it is not a good one. The object of the provision is to enable certain persons to be exempt from the wearing of number plates on their motorcars. To the man in the street that implies that those persons are excused from the law. There is a special provision in the Act to provide for the King's Representative who is traditionally above the law.

The Attorney General: It is not in the Act now.

Mr. JOHNSON: It is in the Bill.

Mr. Griffith: The King's Representative does not break the law.

Mr. JOHNSON: He is outside the law for the majority of purposes; he represents Her Majesty. There is nothing in the provision to prevent this exemption being applied to Ministers, ordinary members of Parliament and councillors. It could go to any extreme although I do not say that it will. What is wrong with a car having to carry a number plate? There is no reason why, if people wish, they should not place badges on their cars to indicate that they are people on special business. High ranking members of the Forces have number plates on their cars but they also carry a pennant to denote their rank, and that pennant varies according to the rank of the officer. In that case why should not our Lord Mayor carry a pennant? Why should not special provision be made for doctor's cars, as is done in Melbourne, to enable them to get through the traffic quickly? We are living in a democratic age when all people are equal.

The Minister for Local Government: What is wrong with copying an outstanding example from other cities?

Mr. JOHNSON: I consider it is out of date; it is a relic of the old days.

The Minister for Local Government: It is a pity that some of the old customs were still not being observed.

Mr. JOHNSON: We are living in more modern times; the days of democracy. So I say that certain people should not be excused from the laws that apply to the common people. Therefore, I object to the provision.

Mr. STYANTS: I have no great objection to the provision relating to the exemption for the Lord Mayor's car, but its implementation could embrace almost any type of vehicle that the Governor may consider should be exempt under the Act. The provision could be extended to include the cars of all Lord Mayors in the State, to chairmen of road boards, and all high ranking officers of the Navy, Army and Air Force. It could be carried too far. I would like the Minister to explain another portion of the clause for my enlightenment because I cannot understand it. That portion includes the words commencing from the word "Council" in line 39 to the end of the clause. Section 72 which is mentioned reads as follows:—

> If the complaint in any case of a simple offence or other matter negatives any exemption, exception, proviso, or condition contained in the Act on which the same is framed, it shall not be necessary for the complainant to prove such negative, but the defendant shall be called upon to prove the affirmative thereof, in his defence.

I would be glad if the Minister would explain what effect the application of that section has to this proposed clause. I cannot understand it although its application may be simple. In any event, it is a bad principle to refer to something contained in another Act instead of lifting it out and inserting the whole reference in the Bill.

The Minister for Local Government: Unless it happens to be of exceptional length.

Mr. STYANTS: This is not of exceptional length, but it is exceptionally ambiguous. I have asked other laymen their views, and they cannot understand what is intended by the application of this section of the Justices Act to this provision.

The ATTORNEY GENERAL: The Justices Act applies generally to all simple offences, the majority of which are constituted under various Acts. Where the offence is established, under some Act, ordinarily the prosecution would not have to prove that the exemption did not apply to the case before the court. The proof might be the signature of a Minister or a regulation. The onus is on the defendant to prove that it does apply. The Bill proposes to establish an exemption. If it rested there, then it would have been necessary in every complaint to allege that the exemption did not apply. Had they done that, then Section 72 of the Justices Act would have applied and they would not have had to bring proof that no exemption as a fact had been granted. But even to have to allege that in every complaint issued under the Traffic Act,

would have been a very great burden. So the draftsman has drafted that, even if it is not alleged in the complaint, nonetheless the provisions of Section 72 shall apply and it will be presumed that the exemption does not apply to the particular matter before the court in the first case, and the onus of proving that as a fact it does apply is then left on the defendant.

There is quite a strong argument in the contention of the member for Kalgoorlie that it is often simpler to repeat in the Act the full provision. Maybe the draftsman should have done it here. That officer necessarily is a technical man, drafting for interpretation mainly by the courts, and therefore he naturally looks at it from a judicial point of view, and rightly so. He simplifies it to make it as easily interpreted as he can from the point of view of the court. Section 72 of the Justices Act has been before the court on many occasions. The exact meaning is known to the court because it has been interpreted by judges and magistrates for many years; it is a very old provision. So there can be no doubt exactly what that provision means. Therefore the draftsman wanted not only to incorporate the words just as they were, but also the interpretation put upon them in the courts on many occasions. So when this new section comes before the court there will be no hesitation in knowing what it means judicially.

Clause put and passed.

Clause 10, Title—agreed to.

Bill reported with an amendment.

BILL—UNIVERSITY BUILDINGS.

Second Reading.

Debate resumed from the 4th November.

HON. J. T. TONKIN (Melville) [6.11]: The purpose of this Bill is to enable the University to lend money to the Government and, so that it can do that, it is to be authorised to pledge its trust funds and sell its investments. The Government will then use that money to pay for the erection of certain buildings which the University requires. It has agreed to pay interest on the loan during its currency, and to make the payments on the erection of the buildings in such a way that as the buildings are completed they will be paid off and the loan which has been advanced will be repaid over a period of 50 years, because it is provided that 2 per cent. of the amount involved shall be repaid each year. So, if no more than 2 per cent. is paid, then the loan will be available to the Government for that period, or portion of it, by reducing the amount as each 2 per cent. is paid.

The Premier mentioned that he thought the University would be in a position to repay the overdraft which it proposes to raise within a period of five or six years. If that is so, then it is not likely that the University will suffer because of the way in which the interest rate is to be fixed. When the University borrows money from the bank on security of its trust funds or investments, it will pay the ruling overdraft rate and, should interest rates rise in the future, the University will be called upon to pay that increased rate whereas the rate which the Government will pay will be a fixed rate for a period of 15 years, when a revision will take place. So it is possible that if the University is unable to repay the overdraft within five or six years, it might find itself paying more interest for the money than the Government is paying the University on the money loaned to it.

The Premier: That is quite likely; you mean by bank overdraft?

Hon. J. T. TONKIN: Yes, because the rate which the Government will pay will be the rate of the next loan to be issued in the Commonwealth and that rate, having been decided upon, will remain the rate for the next 15 years.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. J. T. TONKIN: Prior to the suspension I was explaining that although the loan had a currency of 50 years, it was expected that the money—that is, the loan which the University would raise on its securities—would be repaid within five or six years. If that is so, then the University would not have much to fear from the fact that, because of rising interest rates, it would pay more for its money than the Government would have paid the University for the loan made to it. The provision in the Bill is that the rate of interest, which shall apply to the loan which the University will make to the Government, will be the rate of interest applicable to the next Commonwealth loan.

That interest rate will remain fixed for 15 years when it will be revised, and if any change has taken place in the meantime, then the next interest rate to be paid by the Government will be that carried by the last loan issued by the Commonwealth prior to the conclusion of that 15-year period. The University will be subject to the interest rate ruling for overdrafts from time to time, and rates are on the increase. It is quite possible that in the next 10 years interest rates may be as high as 2 per cent. more than they are now. If that should happen then the position would be that the University would be paying more for the money it borrowed from the Government that the Government would be paying it for the loan.

The University will be in a position to safeguard itself against that if, within the five or six years mentioned by the Premier, it has repaid this loan on over-

draft. If it has not and it has to continue the overdraft for a very long term, then, as a result of any difference in interest rates, it might find itself up for some additional expenditure not now contemplated. On the other hand, we must realise that if the University is unable to repay the money for 30 or 40 years, although interest rates may rise within the next 10 or 20 years, they might also fall after that.

The Premier: There is power for the University to sell its securities if it wishes.

Hon. J. T. TONKIN: That is true. The University, strictly speaking, is not in a position to lend money to anyone because it, like all universities, is going through a crisis in finance, so much so that quite recently the vice-chancellors of the Australian Universities got together and decided to embark upon some publicity on the subject. I have in front of me a small booklet which purports to have been prepared by the Australian Vice-Chancellors' Committee and it is entitled, "A Crisis in the Finances and Development of the Australian Universities." Just as the Australian Governments are experiencing a financial crisis—and a very bad one, too—so are the universities, and the crisis in relation to the universities is brought about because of the financial position of the various Governments. All universities lean very heavily upon Governments for financial support, and in this State more heavily than elsewhere because ours is a free university.

No revenue is received here from students' fees whereas elsewhere revenue is so received. Then again, although our university has been fairly well treated, it has had no very large endowments made available to it as have other universities. It is true, however, that the University of Western Australia possesses some trust funds and endowments largely in Commonwealth bonds that, if sold today, would result in a substantial loss of capital. Therefore, it is undesirable that the University should be forced to realise on those bonds. The Bill provides a method by which the bonds can be pledged until maturity and the face value of the bonds will then be received and no loss of capital will result.

Although the University here has felt the impact of inflation in common with Governments and universities elsewhere, it nevertheless feels bound to take the step now contemplated. If it did not, it would not be able to obtain the buildings it urgently needs because the Government is in no position to provide them. The proposition here is a matter of the University either lending the money to the Government so that the buildings can be erected or going without those buildings until the Government is in a position to finance their construction. The University elected to take the former course. This is not the first time this method has been adopted.

In the early depression years much the same course was adopted although the procedure was slightly different, and again a similar method was adopted in 1938. The path it now proposes to travel is therefore by no means new to it, and there should not be very much concern about it. There is just one objection that I shall raise to the proposal in the Bill and I hope the Premier later on will accept a small amendment to deal with that phase. While I agree that the loan moneys can be used in putting up buildings and installing fixed furniture in them, I do not think it is a good principle to expend loan funds on equipment. The loan will have a currency of 50 years and if any part of it is spent on equipment, that equipment might suffer damage many years before the loan is due for repayment.

The position would then arise where we would have a debt with no corresponding asset as an offset against it. If we use loan money for a building and allow for maintenance and depreciation, we have something to show for the expenditure, but if loan money is spent on equipment such as glassware, chemicals and things that may be used up, then we have the debt but no asset. My view is that loan money should not be used for that purpose; such expenditure should be financed out of revenue, and loan money should certainly not be utilised to equip a building when raised as a result of pledging trust funds. I am not prepared to agree to the spending of loan money in that way.

I am willing to allow the University to arrange with the Government for the erection of any buildings it requires and any built-in furniture, but that is as far as I would go. When it comes to putting equipment in a building, revenue should be used to finance the purchase because the equipment may not last. For example, take a science laboratory: It would be quite sound to spend loan money on building a laboratory and putting in cupboards, benches and things of that sort that would form part of the building, but a lot of beakers, test tubes, chemicals and things of that nature would be required and they get smashed, used up, outmoded and therefore destroyed. These things are subject to considerable wastage and it is wrong to provide for their purchase out of loan funds.

Where the loan has a currency of 50 years and £500 may be spent this year on such equipment, it could happen that, in two years' time, none of it would be left, but there would be a debt of £500 that would not be repaid for 50 years. That would be bad finance and, if it were carried on to any large extent, we could easily find ourselves in a difficult situation. I am opposed to allowing the principle to creep

in in this way and, at the appropriate place I shall ask the Premier to agree to an amendment to strike out the words "and equipment" so that the loan will then be limited to the erection of buildings and the whole or part of their furnishing. That is the only objection I have to the proposal.

It would be more desirable if the Government could pay for these buildings as they are being erected instead of piling up debts for succeeding Governments to meet, but that situation cannot be avoided. It would be obliged to deny the University the right to have these buildings erected, if this method were not adopted. Under the Bill the University will be able to find the money immediately and will be guaranteed a rate of interest and the repayment of the loan over a period of 50 years. In the public interest, the buildings are certainly required.

The maximum amount of money permitted under the Bill will be £100,000. There is nothing to say that the University intends to expend the whole of that amount although, having regard to present-day costs, it is extremely unlikely that the expenditure will amount to very much less and the University will not get many buildings for that sum. The University authorities will not put up buildings of a temporary nature; I take it they will erect buildings in keeping with the general structure of the institution. This being so, it will not be possible to erect any great number of buildings, probably not more than one or two, and it is unlikely that less than £100,000 will be required.

In all the circumstances, it is desirable that this arrangement be sanctioned. It is requested by the University Senate, which deems it necessary to have the buildings, and it is to the public advantage that they be provided. Not only does the Bill authorise the Senate to pledge its trust funds, but it also authorises the Government to repay out of public moneys the loan that will be advanced. Both of those authorities are required, and if we pass the Bill, Parliament will give authority to the Government to use public moneys to repay the loan, and give authority to the University to pledge its trust funds in order to raise money on overdraft.

I suggest to the Premier that it may be necessary to identify this measure a little more clearly. The Title proposed is University Buildings Act, and there are already two such Acts on the statute book, one entitled the University Building (Agricultural and Pastoral Research) Act and the other the University Buildings Act. It may be desirable to add to the Title some words in parenthesis in order to distinguish this measure from the previous Acts.

Mr. Needham: Would not the year be sufficient?

The Premier: I think it should be.

Hon. J. T. TONKIN: I do not. We usually distinguish Acts other than by the year. There are several lawyers in the Cabinet who will know whether there is any substance in the point. To my way of thinking, confusion could arise. One might refer to the University Buildings Act and find that there are three or four, and how would one know which was meant? One finds that an Act was passed in 1930 and another in 1938 and then there will be this one in 1952, and I think it would be better to add a few words in parenthesis to identify the measure definitely with the purposes for which the loan is being raised. I have directed attention to this difficulty because I believe that some confusion might result. If the Premier disregards my suggestion, I shall not worry, but I deemed it my duty to mention this point.

THE PREMIER (Hon. D. R. McLarty—Murray—in reply) [7.49]: The member for Melville has fully dealt with the provisions of the Bill as I explained them when moving the second reading the other evening. He expressed the opinion that this arrangement might involve the University in some cost, because, on overdraft rates, it will have to pay bank rates. That is perfectly true, but that expenditure will be shown in the annual budget that comes along to the Government each year and will be considered by the Government as legitimate expenditure and as something that will have to be taken into consideration by the Government when arranging University finances for the year. The hon. member took exception to the fact that in the definition of buildings in this Act, furniture is included.

Hon. J. T. Tonkin: No, equipment.

The PREMIER: Yes, equipment. I do not think any objection should be taken to that provision. This is not an ordinary building and special equipment is needed for it. The building would not be any use unless it had the equipment. It might be said that a house would not be any use, either, unless it had furniture.

Mr. Needham: It is a disappearing asset.

The PREMIER: I do not think so. Special equipment is required; and, in a building such as this, I think it naturally follows that great care would be taken of the equipment. It would require a lot of money if the Government had to finance the provision of equipment. As the hon. member knows full well, the financial position is such that the Government has a very difficult problem to face every day in deciding which way money shall be spent, and that applies both to revenue and loan money. So I hope the hon. member will not press his amendment.

I do not think the University has anything to lose if the amendment is not carried, because, as he stated, the Gov-

ernment has to carry by far the greater burden of all University finance. The hon. member said he thought the University had been fairly well treated. As a matter of fact, if members will look at page 41 of the Estimates, they will see that the estimate for 1952-53 is £204,166. This is an additional grant to the base figure of £40,000 which is written into the Act. So I do not think there is any need, or that the hon. member should desire, to carry on with the amendment he has suggested.

I come now to the other point, that this measure should be given some specific title. The hon. member mentioned that one of the two previous Acts, similar to this one and introduced some years ago, was given a specific title, being named after buildings which were provided as a result of money made available under similar conditions. But on this occasion I do not know what buildings will be erected as the result of this money being made available. In the two previous Acts it was set out that certain specified buildings should be provided out of the money obtained. This time the Senate will decide what buildings shall be erected, with the permission of the Treasurer.

I have an idea that it is very probable one of the buildings will be for the faculty of arts. I know there is a desire to do something about the geology and agricultural departments. But I could not tell the House exactly on what buildings this money will be spent. So I think, and I hope the hon. member will agree, that if this measure is called the University Buildings Act, 1952, that will distinguish it from other Acts. After all is said and done, this, the third Act to be introduced, is certainly apart from the original Act. I do not think members will have much difficulty in finding information they may seek in future years, and in the circumstances we can safely pass the Bill as it stands. I certainly do not discard the suggestions made by the hon. member, who I know is very interested in University work and has demonstrated, by his speech, that he has given very full and careful consideration to the Bill. However, I do not believe there is any need to make either of the amendments he suggested.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Perkins in the Chair; the Premier in charge of the Bill.

Clause 1—agreed to.

Clause 2—Interpretation:

Hon. J. T. TONKIN: I listened carefully to the Premier's reply to my objection to paying for equipment out of loan money. He was not at all convincing. It is a pretty sound principle that when money is being borrowed, the asset upon which it is being borrowed, or the asset to be created by the borrowed money, shall at least last as long as the currency of the loan. It is a principle usually adopted that the shorter the life of the asset, the shorter the currency of the loan. Here we have a loan that will last possibly for 50 years, but the money to be provided under it might be spent on equipment that will not last one year.

Mr. Needham: It might not last a month.

Hon. J. T. TONKIN: That is so. We have the situation that the asset might have disappeared while the loan remains, so that in 50 years' time people could be paying for something destroyed 49 years before. That is a bad principle and, if used to any extent, it could land an individual or a State in disaster. I have no objection to a loan with a currency of 50 years covering land, buildings and built-in furniture, but when it comes to providing equipment as well, I am not prepared to go that far. The Premier mentioned that the money might be used for an arts building. The equipment in an arts building would probably be books, which would not last 50 years but might be obsolete and useless much earlier than that. I cannot see that a very large expenditure will be involved in the necessary equipment. Only £100,000 is to be provided altogether, and £10,000 for equipment would be out of all proportion.

I am concerned with the principle. If this is agreed to we will find the Government providing school readers, chalk and easel-blackboards out of loan money, when that should not be done. Loan money should be used for substantial assets which will remain during the currency of the loan, and not on wasting assets which might cease to exist years before the loan has to be repaid. We have only to go to the field of business to find out the general practice. According to the life of the item to be pledged, so will the term of the loan be fixed in order that the asset will be there after the loan has been repaid. If we spend money on equipment the debt will remain long after the asset has ceased to exist, which is the antithesis of what should happen. I am not going to agree to this. I move an amendment—

> That in paragraph (b) of the interpretation of "building" after the word "furnishings" the word "and" be inserted.

If I am successful I will then move to delete the words "and equipment". I could go a little further and move to strike out the words "furnishings and fittings," but I realise that some furniture could be built into the building, and so remain as long as the building lasts, but equipment might have to be replaced forty or fifty times before the loan is repaid. Perhaps the Premier will say, if the words "and equipment" remain, whether it would be pos-

sible for the University to keep on replacing equipment out of this money, and so use £10,000 of loan money on £1,000 worth of equipment. It seems possible in the circumstances that £1,000 worth of equipment initially provided could, if it became destroyed, be replaced by the expenditure of another £1,000, and so on until £10,000 of loan money had been spent on no more than £1,000 worth of equipment. That would be a new use for loan money. I hope the Committee will agree to my amendment.

The PREMIER: It is true that some of this furniture may deteriorate, and it is equally true that in fifty years a building could deteriorate, but I do not think members would argue that that would have any really detrimental effect on the security which the Government had. Even if some of the furniture were destroyed or disposed of the Senate would replace it, so the Government would still have the security. This agreement was arrived at after consideration by Government advisers and the Senate. I agree with the hon. member that it is our duty to see that Government securities are fully protected, but we must remember that furnishings will run into a considerable sum of money and at this juncture the Government just has not got it.

Hon. J. T. Tonkin: I am not cutting out furnishings.

The PREMIER: Well, equipment. The same thing applies. The building will require a substantial amount of equipment costing a considerable sum. The Bill contains provision for the buildings to be erected as quickly as possible, and it is the objective of the Senate to have that done because it wants to get its money from the Government so that it will not be involved in the interest rates to which the hon. gentleman has referred. It is, therefore, extremely unlikely that the Senate is going to indulge in an orgy of spending money over and over again on equipment. The hon. member need have no fear in regard to a deteriorating asset, because it will be brought into use immediately, and will be in the hands of a responsible body with which the Government has a close connection and over which it has a substantial measure of control by reason of the fact that it provides the greater part of the finances necessary to carry on the University activities. That being the case, I feel it is perfectly safe to agree to the clause as printed.

Mr. NEEDHAM: I do not think the Premier has understood the amendment. The member for Melville, I believe, is not concerned about depreciation of the furniture in the new buildings, but depreciation of the equipment for which the Bill provides. That equipment certainly will be a disappearing asset. The guiding principle in the expenditure of loan money is that it must be spent on reproductive work and not on wasting assets, so I think the Committee is going far enough in agreeing to loan money being spent on furniture for these buildings. That, in fact, is a breach of the usual practice regarding the expenditure of loan money. When money is lent under the Workers' Homes Act or the Commonwealth-State rental scheme, it is lent for the purpose of erecting homes, but not for the purchase of furniture to go in them. That is something that the home owner must provide for himself. It is certain that at the end of 50 years at least some of the equipment necessary in these buildings will have disappeared. For those reasons I think the Premier should accept the amendment.

Mr. BRADY: There is some validity in the contentions of the member for Melville, but the Bill contains adequate safeguards, inasmuch as the Treasurer must authorise the spending of these moneys by the Senate.

Mr. J. Hegney: But not only on the buildings. The measure refers to furniture and equipment.

Hon. J. T. Tonkin: That is the weakness.

Mr. GRAYDEN: I do not think the Senate is likely to spend money obtained under this measure on equipment that would deteriorate. I understand that the buildings on which the money is to be spent are the faculty of arts, which includes a number of subjects such as the schools of English, languages, history, economics, mathematics, psychology and so on. Of them all, the only one in which there is much in the way of equipment needed is the School of Psychology. No books are needed as they are already to be found in the University Library, which has its own funds. I cannot see the Senate spending more than a small sum on equipment in the various schools. Even that expenditure must be authorised by the Senate and approved by the Treasurer. That should be sufficient safeguard to overcome the objections of the member for Melville.

Mr. OWEN: Although I agree, largely, with the sentiments expressed by the member for Melville, I do not favour the amendment. I do not know specifically what this money is to be spent on and I think it might be necessary to provide some equipment of a more or less permanent nature, particularly in the laboratories for physics, agriculture and geology. At all events, I believe that by the end of a 50-year period a large part of any equipment installed would have had to be replaced. The member for North Perth said that a loan for housebuilding does not cover the furniture for the house, but it does in fact include stoves and things of that kind which may not last many years. The equipment mentioned here might well

be reasonably permanent equipment such as electric motors or something of that kind. I do not think the money would be spent on glassware or anything of that nature such as the member for Melville mentioned. I oppose the amendment.

Mr. JOHNSON: I support the amendment because the matter is one more of principle than of any great urgency. The amendment would not in any way affect the total amount of loan which the Senate can use, and I have sufficient faith in that body to know that it has in mind projects other than are envisaged in this loan. I am not greatly worried about how the University will spend its money because, in effect, it is all provided by the Government, but the point behind the amendment is the principle that loan money should be spent on permanent or productive assets. I agree with the member for North Perth that to spend it on furnishings is stretching the principle a little too far. The principle concerned is far more important than the few pounds involved. So I believe that we should support the amendment now before us.

Mr. J. HEGNEY: I do not intend to support the amendment because, as the Bill stands, the Treasurer has to authorise the expenditure. Also, the furnishings and fittings in those buildings would undoubtedly be part and parcel of the buildings. As the University was established by a Labour Government as a free university—and I believe the only other free university is in Norway—I think we should do what we can to assist it. I am sure that the Senate would do the right thing by the University, and this measure is a means of finding a way out of our temporary financial difficulties.

I know that the Deputy Leader of the Opposition put up a sound case, but this proposition is a litle different from an ordinary asset because the buildings actually belong to the State. On numerous occasions we have come to the aid of the University. I realise that these buildings could not be classified as a reproductive asset, but they are an important part of an institution set up to increase the knowledge of our young folk. The University is a great credit to this State, and students come to it from many parts of the world. The Senate is a responsible body and I am prepared, in the circumstances, to trust it.

Hon. J. T. TONKIN: If we agree to the proposal in this Bill, it will be a departure from normal practice. Would the Premier agree to provide from the Loan Funds necessary to equip the Department of Agriculture or the Department of Education?

The Minister for Education: Some of it is provided out of Loan now.

Hon. J. T. TONKIN: What equipment is that?

The Minister for Education: Some desks have been purchased out of Loan Funds.

Hon. J. T. TONKIN: That is furniture.

The Minister for Education: It is equipment.

Hon. J. T. TONKIN: It is furniture.

The Minister for Education: Is there a distinction?

Hon. J. T. TONKIN: Yes. The provision in the Bill is that a building means firstly, a building, and then the whole part of its furnishings, fittings and equipment. I agree to Loan money being used for the building and for its furnishings, but I will not agree to the use of it for equipment. If the Government tried to spend Loan money on equipment the Auditor General would not pass it.

Mr. Grayden: Under what heading would blackboards come?

Hon. J. T. TONKIN: Under furnishings.

The Minister for Education: What type of school building would you class as equipment?

Hon. J. T. TONKIN: Chalk, school books, charts, diagrams; items which might last 12 months or two years and have to be replaced. This provision opens the way to a continuance of this practice. The Premier is to provide up to £100,000 and the University might spend £80,000 on buildings and £10,000 on equipment. Later on it might want to replace some of that equipment so it uses some more of the £100,000 loan for equipment and it will continue replacing it at intervals if it so desires. That is a principle that is never agreed to.

When the member for Nedlands says there is a safeguard in the Bill because the Treasurer has to authorise the expenditure he shows that he does not understand the proposition. That is actually a weakness, not a safeguard. If the clause remains as printed the Premier, instead of finding the money for equipment will say to the University, "Equip it out of the loan." He will fall over himself to authorise it. What safeguard is that? If the University is faced with the alternative of having to use moneys already provided by the Government it will not hesitate to ask to be allowed to use the loan. So what safeguard is that? We never use loan money for equipment. Fancy using Loan money to put glass beakers or test tubes in science rooms! They would properly be a charge against income.

The Attorney General: Cannot you leave the spending of it to the discretion of the Senate? It is a responsible body.

Hon. J. T. TONKIN: There would be no discretion shown if there was a shortage of money. Equipment with a short life is provided not from loan money, but

from revenue. This money ought to be ear-marked for building purposes because the University wants buildings and the Government ordinarily would provide them. But it cannot, so it says to the University, "You let us have the money and we will put up the building." Are we to extend that principle of pledging Loan moneys for equipment?

The Attorney General: I think I fully understand your argument.

Hon. J. T. TONKIN: But there are some who do not.

The Attorney General: I should not think so; you have made it very clear.

Hon. J. T. TONKIN: Therefore, if the Attorney General understands my argument I ought to be satisfied.

The Attorney General: That was what I was thinking.

Hon. J. T. TONKIN: What I want to be sure of is that it will produce results—

The Attorney General: I will never guarantee results, even for the Attorney General.

Hon. J. T. TONKIN: —because it is not much use expending energy with futility. No Minister with any sense of responsibility would permit of the replacement of equipment from loan money. If my amendment is agreed to the University will not go short of equipment but will have more money for building.

The Premier: I think the University wants to make sure that it can spend money on equipment. I do not know that I can provide it.

Hon. J. T. TONKIN: If the Government has reached such a sorry pass that it has to depart from an established principle of finance and provide equipment from loan money we should not permit of such a departure and should call upon the Government for an extra effort.

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

Ayes	15
Noes	22
Majority against	7

Ayes.	
Mr. Graham	Mr. Needham
Mr. W. Hegney	Mr. Nulsen
Mr. Hoar	Mr. Rodoreda
Mr. Johnson	Mr. Sleeman
Mr. Lawrence	Mr. Styants
Mr. May	Mr. Tonkin
Mr. McCulloch	Mr. Kelly
Mr. Moir	*(Teller.)*

Noes.	
Mr. Abbott	Mr. McLarty
Mr. Brand	Mr. Nalder
Mr. Butcher	Mr. Nimmo
Dame F. Cardell-Oliver	Mr. Oldfield
Mr. Doney	Mr. Owen
Mr. Grayden	Mr. Read
Mr. Hearman	Mr. Totterdell
Mr. J. Hegney	Mr. Watts
Mr. Hill	Mr. Wild
Mr. Mann	Mr. Yates
Mr. Manning	Mr. Griffith
	(Teller.)

Pairs.

Ayes.	Noes.
Mr. Guthrie	Mr. Bovell
Mr. Hawke	Mr. Hutchinson
Mr. Sewell	Mr. Cornell
Mr. Coverley	Mr. Thorn

Amendment thus negatived.

Clause put and passed.

Clauses 3 to 7, Title—agreed to.

Bill reported without amendment and the report adopted.

BILL—HEALTH ACT AMENDMENT (No. 2).

Council's Amendment.

Amendment made by the Council now considered.

In Committee.

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

The CHAIRMAN: The Council's amendment is as follows:—

> Clause 8—Page 5—Delete the words "is entitled to payment of" in line 20 and substitute the words "shall be paid."

The MINISTER FOR HEALTH: This is a very small amendment. Subsection (2) of Section 276 reads as follows:—

> The local authority shall pay to the medical practitioners a fee of two shillings for every case notified in accordance with this section.

The Bill altered the fees but made no provision that the medical practitioners "shall be paid." They are entitled to payment. I move—

> That the amendment be agreed to.

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

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

BILL—BROKEN HILL PROPRIETARY STEEL INDUSTRY AGREEMENT.

In Committee.

Resumed from the 4th November. Mr. Perkins in the Chair; the Minister for Industrial Development in charge of the Bill.

Clause 1—Short Title:

The CHAIRMAN: Progress was reported on this clause.

Clause put and passed.

Clause 2—Agreement approved, ratified and confirmed.

Mr. RODOREDA: This, of course, is the vital clause in the Bill, and after it is passed there is no other clause of any consequence except, perhaps, Clause 4, which safeguards the Koolyanobbing leases from being given by any government to any company promoters and so on. I had

wished to say a few words during the second reading debate but the Premier decided to force the second reading through and kept us here until 2 o'clock in the morning, with the result that I would like now in Committee to use the time allowed me. On examining an agreement of this nature, it is always my practice to look for the reasons that have actuated the parties concerned in formulating it. If those reasons are not apparent, one has to dig a bit deeper and look for what I might describe, for want of a better phrase, as the nigger in the woodpile—if indeed such a nigger exists.

Having listened very carefully to those who spoke during the second reading debate, it became quite obvious to me that Broken Hill Pty. Ltd. would not, of its own volition, establish a steel rolling mill in this State. The establishment of such a mill does not mean that any extra fabricated steel will be produced or that instead of Australia's total requirements of iron and steel being manufactured in the Eastern States, the production will be split between two sets of rolling mills. In view of the extra capital expenditure involved in establishing the mill at Kwinana, together with the added overheads in which the company would be involved in fabricating billets at the mill here, as against what would be involved in carrying out the work in the eastern mills, the company would obviously require some inducement to commence operations in this State.

One has to look for the reason why this apparently uneconomic steel rolling mill is to be established in Western Australia. The only conclusion I could arrive at is that apparently during the last few years or so the directors of B.H.P., through their world-wide contacts, must have become aware that other British or foreign financial interests were diverting their attention to the iron-ore deposits in this State and had in mind the possibility of establishing steel mills here. Perhaps because of that, B.H.P. decided to "get cracking" and to do everything possible to tie up the bulk of the iron-ore deposits in Western Australia. That was good business from the company's point of view. I do not blame it in the least. While I would not go so far as to say the company put it over the Government, it is apparent that under the agreement it has the thick end of the stick.

To my mind, that is still more obvious because there was nothing whatever to prevent B.H.P. establishing a steel rolling mill in Western Australia without the advantage of the agreement under discussion. It already has ample supplies of iron-ore on Cockatoo Island to keep a mill going for 50 years or so. It did not decide to do that but said, "Oh, no. If we are to establish a steel rolling mill in Western Australia which will be quite uneconomic, as it must be, we must have some very big inducement. We must do our best to stop some other company, Australian or foreign, from establishing an integrated iron and steel industry in the West and we must tie up the iron-ore deposits." The Government, in its natural desire to get big capital interested in this State, went a long way too far in giving a quid pro quo. It must be obvious to everyone that the Koolan Island deposits will not be worked by the company, seeing that under the labour and capital clauses of the agreement it need not do so. It will certainly not work the iron-ore deposits on Koolan Island until those on Cockatoo Island are cleaned out.

The Attorney General: The ores are not of the same type.

Mr. RODOREDA: That does not make any difference.

The Attorney General: We are told that Koolan iron-ore will be mixed with Iron Knob ore so that the percentage will be average. At any rate, I understand the ores are different.

Mr. RODOREDA: That is the first time that explanation has been given to members, and I doubt if it is the real reason. I think that explanation is something that just came into the fertile brain of the Attorney General.

The Attorney General: No, I just happen to know that the ores are different.

Mr. RODOREDA: Take the matter of the royalty—6d. per ton! From time immemorial 6d. per ton has been the recognised royalty.

Mr. Needham: Yes, since 1904.

Mr. RODOREDA: It is simply unrealistic to compare a royalty of 6d. per ton today with what that meant 25 or even 15 years ago. I think the Government has been led by the nose in the negotiations as a result of which it will get £25,000 a year if 1,000,000 tons of iron-ore are mined and transported.

The Attorney General: Would you suggest we charge a royalty on all metals, including lead and gold? They are making big money out of lead in the North.

Mr. RODOREDA: Who told the Minister that?

The Attorney General: I just happen to know.

Mr. RODOREDA: I doubt very seriously if the Minister's information is reliable.

The Attorney General: Yes, pretty big sums of money.

Mr. RODOREDA: The men work hard for it and are certainly not making big money. I can give the Minister that assurance. Owing to the recent fall in the price of lead, a great many of the miners have left the field.

The CHAIRMAN: Order! I do not think lead comes within the scope of the Bill.

Mr. RODOREDA: Surely, Mr. Chairman, you will allow me to reply to the Minister's interjection.

The CHAIRMAN: The Attorney General was out of order.

Mr. RODOREDA: With respect to the royalty, let us look at the practical side of the proposition involved in producing and shipping 1,000,000 tons of iron-ore per year. I do not know if any member of the Committee has visited Cockatoo Island, apart possibly from the Premier. I have visited the island twice, one stay being fairly extensive. The job of transporting 1,000,000 tons of iron-ore a year from Cockatoo Island to the blast furnaces in the Eastern States is a colossal one. A ship can be loaded in from 26 to 30 hours and between 12,000 and 14,000 tons of ore are lifted.

It would require two ore ships to be loaded every week throughout the year to lift 1,000,000 in the 12 months. The task would require, I should say, a fleet of at least six and possibly 12 vessels, depending on the port of destination. Transportation at that rate would have to proceed without interruption weekly throughout the year. In my opinion, B.H.P. will not endeavour at any time to lift 1,000,000 tons of iron-ore from Cockatoo Island in a year. I would like to know from the Minister for Industrial Development how much iron-ore has been shifted from Cockatoo Island during the last 12 months.

The Minister for Industrial Development: The rate of shipment is now rapidly increasing and it has risen to 450,000 tons a year.

Mr. RODOREDA: How many ships have been handling the ore?

The Minister for Industrial Development: I do not know the number. I know that ships are going to be chartered at the beginning of next year.

Mr. RODOREDA: It is of no use saying that the Government will collect £25,000 a year because it will not. The member for South Perth spoke of the advantage that the work on Cockatoo Island will be to the North-West. As to any advantage to the North-West, the plant might as well be established at Cocos Island. Cockatoo Island is in the North but is not of the North. It has no contact with the North except now and then when a patient is conveyed to the hospital at Derby for treatment. The discovery of a treacle mine in the wilds of Subiaco would be of as much benefit to the North.

What benefit will this development be to the State ships? Actually the vessels are losing money by going into Yampi Sound. In reply to questions, I have been informed that about 600 tons of cargo was taken to Cockatoo Island during the last 12 months. The "Koolinda" made two calls involving half-a-day each at a cost of £647 per day and she earned £280 for freight, a loss of about £350. The "Kabbarli" made six calls at a cost of £370 per day and earned £960 at a total cost of £1,100. The "Dorrigo" made seven calls at a cost of £450 a day and, at a total cost of £1,575, earned £1,785, a profit of £210. This is the story of the freight that was going to be of such benefit—600 tons of cargo taken in and not one ton of cargo out, and there never will be any outward cargo. There is no reason why the State vessels should continue to call at Cockatoo Island. Let the company run the "Yampi Lass" or a lighter to Derby and pick up its cargo there.

The CHAIRMAN: The hon. member has been speaking for the limit of 15 minutes.

Mr. RODOREDA: Then I shall have to speak again later on.

Mr. W. Hegney: I suggest that the hon. member be granted an extension.

The CHAIRMAN: There is no provision for an extension in the Committee stage.

Mr. W. HEGNEY: I must reiterate my protest against the passing of this iniquitous and diabolical measure—one of the most unjust Bills ever introduced into this Parliament. I suppose it would not be politic to alter the second "e" in "steel," to "a", making it read "steal." The company is not doing any actual stealing but, in my opinion, the people of the State are having the Koolan Island ore deposits stolen from them. A persual of the agreement must satisfy anyone that the Government is acting detrimentally to the interests of the State and of posterity.

I should like to know what induced the Government to give so much for so little. What is the company to do in return for nearly 200,000,000 tons of iron-ore? The only legal obligation on the company is to establish a steel rolling mill at Kwinana and, as has been mentioned, the company will be able, in the course of a comparatively few years, to recoup the capital outlay. There can be no opposition to the activities of B.H.P. once it obtains complete control of the ore deposits at Cockatoo Island, Koolan Island and Irvine Island.

Mr. Yates: Do not you think that its operations will be of benefit to the Commonwealth as a whole?

Mr. W. HEGNEY: The Minister endeavoured to show that other companies would be able to start steel works in this State. The agreement sets out that B.H.P. must provide 200,000 tons of iron-ore a year at the request of the Government. We have been told that B.H.P. will require 1,000,000 tons a year. The logical conclusion is that any other company desirous of starting steel works on an economic basis would also need 1,000,000 tons a year. Is there a member on the Govern-

ment side who believes that any company would establish a steel industry under those conditions?

The Minister for Works: It would be a long time before any new company came along and wanted 1,000,000 tons a year.

Mr. W. HEGNEY: No company would be so foolish as to attempt to start the industry under those conditions.

The Minister for Works: It could not start on the basis of B.H.P. at the present time.

Mr. W. HEGNEY: The Government, in its anxiety to get B.H.P. to start here, has given the company practically everything and received almost nothing in return. I am not going to reiterate what the Government will incur in the way of expenditure in providing facilities for the company. That is a natural corollary to the agreement. I believe that the Government, urging, as it does, that private enterprise should have full sway, is following the lead of the Commonwealth in disposing of the people's assets. The Commonwealth is getting rid of the Commonwealth Oil Refinery, has done the same in the case of Amalgamated Wireless and intends to dispose of the Commonwealth line of ships. This Government is following that example. It would not be so bad if there were room for competition, which this Government professes to stand for. This agreement, however, does not leave the way open for fair competition but for complete and unadulterated monopoly.

The Attorney General: What about Wundowie?

Mr. W. HEGNEY: The Premier interjected the other night that members on this side just followed the leader. So far as I am concerned, this is a non-party Bill, and I would not need any lead from anybody to make me raise my voice in protest with all the vehemence at my command in opposition to a measure of this nature. Just as the Premier and the Deputy Premier said they were sincere in their action in regard to this matter, so I, too, am sincere in my desire to protect what I believe to be the interests of Western Australians of this generation and generations to come.

If we were going to obtain something tangible and have a fully integrated iron and steel industry established in this State, the expenditure visualised in this agreement would be well and truly made, but the State will have only part of an industry, which may function for some months of the year, and the B.H.P. will get all the huge deposits of iron-ore in the north-west of Western Australia and will be assured of a monopoly. It has been said that the company has done much for Australia; but profit-making is its guiding principle and not philanthropy. We know that this concern and others are interlocked. Newspapers, some of the associated banks, shipping companies and coal-mining companies are interlocked in their directorates and to my mind their influence has borne fruit. When one reads the terms of the agreement one can come to no conclusion other than that they have hypnotised and bamboozled the Ministry of Western Australia and those advising it.

Mr Yates: What has this to do with iron-ore?

Mr. W. HEGNEY: It has a lot to do with it, because iron-ore is the raw material that B.H.P. will get for 6d. per ton. Iron-ore is the theme of this agreement, and the company will get the whole of the deposits in the northern part of the State for 6d. per ton. We know that there are millions of tons at Koolan Island and Cockatoo Island. The Minister, in his defence or apology the other evening said that in any case—

The Minister for Works: There was no apology.

Mr. W. HEGNEY:—the leases of Cockatoo would run for another 11 years and the company would have the option of renewal for a further 21 years and so on. He said they would have the right to hold the leases for 53 years. Nobody on this side objects to the company having the leases of Cockatoo Island for 53 years. But I for one strongly object to its having the leases of Koolan, Cockatoo and Irvine Islands for at least 71 years and thereby obtaining a monopoly of the iron-ore deposits in the northern part of the State.

This is the vital clause of the measure. If it is passed, the whole of the schedule constituting the agreement, automatically follows, to my way of thinking. I hope, therefore, that even at this late hour the Government will refuse, in common with the Opposition, to adopt this clause, and that there will be further negotiations with B.H.P. for the purpose of reaching an equitable agreement. This State would be well served in our playing safe and being cautious. It would be far better for this agreement not to be ratified. As the country develops, the population increases and industry becomes more and more intensified, this State will be able to arrive at a fairer and more equitable understanding with the company, or any other company, in a few years' time than that embodied in the terms of this agreement.

I believe that if the people of Western Australia knew what the terms of this agreement implied they would not hesitate to let the Government know their objections. I have no quarrel with the company in connection with the agreement. It has received the terms set out in the agreement by the Government and would be foolish not to grab them with both hands. My quarrel is with the Ministry, not with those advising it, because in the

final analysis the Ministry has to take the blame. The Premier signed the agreement and the Deputy Premier witnessed it. I hope the clause will be rejected and the Government will be able to open further negotiations with the company for a reasonable and equitable agreement in the interests of the people of this State.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: In reply to the member for Pilbara—

Mr. Rodoreda: I have not finished yet.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: In reply, then, to the first section of the hon. member's remarks! We will take them by stages: it is easier to follow that way. He said other ironmasters could become interested in the other iron-ore deposits with great advantage to the State, or something to that effect.

Mr. Rodoreda: I said nothing of the sort.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: The hon. member said that if we waited a little while others would become interested in the deposits at Koolan Island.

Mr. Rodoreda: No.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: That is what I understood the hon. member to say. Anyway, I shall deal with the matter. There were no such possibilities. As everyone knows, a great part of these leases was made over, by Act of Parliament, in 1947, to Brasserts Ltd., which afterwards became Koolan Island Iron Mines Ltd. Because Brasserts did nothing with the leases, this Parliament subsequently forfeited them by Act of Parliament. In the meantime, the Premier when in England had discussed with these people the possibility of development taking place, and particularly of an industry being established in Western Australia. When he returned, he reported that the main desire of these people, if they developed the leases at all, was to export iron-ore from this country.

The agreement which Parliament had passed allowed them, in certain circumstances, to do that. The agreement made no provision for any royalties. They could take unlimited quantities of iron-ore from Koolan Island. I have had inquiries made in England and other parts of the world, and I find that the maximum royalty is 1s. a ton, and that is only paid where the supplies of iron-ore are particularly close to the place where the industry can be established—for example, in one or two instances in England.

Mr. Rodoreda: How long ago were the royalties agreed to?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Quite recently.

Mr. McCulloch: The Duke of Hamilton received that amount years ago.

Mr. Rodoreda: It might still be paid, but I want to know when it was first agreed to.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I understand, very recently. This agreement was prepared only five years ago to allow the iron-ore to be taken without royalty at all. Now we are told it is a terrific sin to assess a reasonable royalty. What is the value of this iron-ore stuck in the inaccessible spot to which the member for Pilbara made reference? It is absolutely useless for any purpose except as a source of admiration to people thinking of our great iron-ore resources.

Mr. Rodoreda: It will not waste away if it is left there.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: It would be far better if some attempt were made to use it in the interests of the country, and that is the purport of these proposals.

Hon. J. T. Tonkin: How soon will the company start to use it?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I have not the least idea. I am not going to say it is 70 years or 80 years hence, or any other time. The member for Pilbara said there was no reason why the B.H.P. could not start a rolling mill without an agreement. I suppose that could be done, but there would be many difficulties in respect to facilities and limited franchise, quite apart from the question of the iron-ore. I have said before, and so has the Premier, that the suggestion for initiating any development in the State by this company was not forced upon us by the company, but rather was the matter initiated at the suggestion of the Government because, after our experience of nothing but futility over a long period of years—starting almost with the creation of self-government in Western Australia and lasting up to the present time—it occurred to us that it was about time some effort was made to get a substantial organisation which could do something to undertake this work.

Mr. Johnson: So you rushed in.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: There was no rushing in about it. Ad nauseam we have heard these references to unfair competition and monopoly. The member for Mt. Hawthorn made use of the phrase, "The Government has been hypnotised and bamboozled." It has become the popular idea to use phrases of that character, and I suggest that the hon. member was talking "bunkum."

Mr. May: It was "hooey" the other night.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: This is a better word than "hooey". I explained the other night that the supplies, which the company is

under obligation by the agreement to make available to the State, of 200,000 tons per annum, if required, plus an amount of 300,000 tons per annum which could be taken by any other company from Koolyanobbing—there is no limit, but I use the figure of 300,000 tons per annum to make the half million—would suffice for an industry of that size—half a million tons consumption per anum—for 233 years. The present maximum consumption in the State would be in the vicinity of 35,000 to 40,000 tons a year. In order to be sure I am not under-estimating, I will say 50,000 tons a year. Therefore, the consumption in Western Australia would have to rise eight or ten times before the amounts which the Government could make available to any other concern were exceeded.

If this is not looking forward to the future—allowing for an eight to tenfold increase in demand from this State—I do not know what is. I say "from this State" advisedly because I cannot believe it will be profitable or economical for a company in Western Australia to undertake to supply the whole of Australia when we consider the efficient and tremendous organisations which the B.H.P. at present has in two or the Eastern States. Even if they felt competent to face that competition to some degree they would still, in the resources that I mentioned and until the demand in this State increased tremendously—it would mean quadrupling our population—be able to cope with a considerable demand from the Eastern States as well as that of this State.

Mr. Kelly: Why did the B.H.P. come to Cockatoo Island? Are they short in the Eastern States?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I have already said that with the new blast furnaces at Port Kembla and Newcastle, together with the existing ones at those centres and the one at Whyalla, on the basis that it requires 1½ tons of iron-ore to make one ton of pig-iron, they need between 3,000,000 and 4,000,000 tons of ore per year to keep their existing furnaces going.

Mr. Kelly: Are the ore supplies in the East running out?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: No, but they will not last indefinitely as I said when introducing the measure, and the company wants to preserve the continuity of its activities. It is true that there is no real need for B.H.P. to come to this State and establish a big industry. The company could have stayed away and we could have gone on hoping against hope, at times, to get supplies of structural steel, as we have been doing for a quarter of a century.

Mr. Rodoreda: We had no difficulty in getting steel before the war.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Yes we did, and we had a great deal of trouble during and after the war though the position has improved lately owing to the lessening of the demand. Although there may be people who believe the things that have been said about this agreement I say that those things will not stand examination in the light of all the facts.

Mr. RODOREDA: The Minister dodged the issue as to the motive of the company in establishing a rolling mill here. There is no demand for steel here. When I suggested a motive the Minister mentioned an agreement made seven or eight years ago.

The Minister for Industrial Development: I was not referring to what you said. That was dealing with another point.

Mr. RODOREDA: I intend, directly, to move an amendment. Before I was interrupted I was saying that only about 600 tons of cargo went to Cockatoo Island during the last 12 months and not one ton came out of it, yet the company has been given great kudos for what it has done in developing the island. No matter how much money the company spent it was on a certainty there as it had only to put the ore into the ships and charge what it liked for the finished product. I would like to compare with the activities of this company those of Australian Blue Asbestos, which has spent nearly as much money as has B.H.P. in the North-West and has created a great asset for the State, supplying 250 tons of cargo outwards per month and about 1,000 tons inward.

The Attorney General: All at a loss, of course.

Mr. RODOREDA: B.H.P. was on a certainty, but these people were prepared to spend £1,500,000 and employ local labour, use local products and keep our ships and ports working.

The Minister for Industrial Development: As the Attorney General said, the ships are running at a loss.

Mr. RODOREDA: The loss would be very much greater without this cargo.

The Attorney General: The Government gave them a lot of assistance, running into hundreds of thousands of pounds.

Mr. RODOREDA: Only for a water supply, a few houses and roads; no more than to any other mining company. The Government built a railway for Big Bell.

Mr. Griffith: What about Chamberlains?

Mr. RODOREDA: The project at Wittenoom Gorge will eventually be the greatest industry this State has seen. During the war B.H.P. had priority for cargo on all the State ships yet no-one could get a ton of stuff shipped North for Wittenoom Gorge. I have already said that

the B.H.P. is of no more assistance to the State than if it were at Cocos Island. The procedure that should have been adopted was for the Government to bring before Parliament a draft agreement that could have been amended.

The Minister for Industrial Development: Every agreement brought before Parliament for ratification has been fixed before it got here. That is the only way in which to do it.

Mr. RODOREDA: The position would be different if this were a draft agreement.

The Minister for Industrial Development: What a nice position it would be if the other party did not agree to the alterations made!

Mr. RODOREDA: The Government could then make another draft agreement.

The Minister for Industrial Development: That sort of thing has never been tried.

Mr. RODOREDA: It should be. This is a Government Bill and will go through whatever happens. Parliament, and the Opposition in particular, have no say in it. I do not know why the Western Australian manager of the B.H.P. has been so concerned about it. He has spent so much time here that by now he should be a full bottle on parliamentary procedure. The Bill must go through. Yet this is supposed to be democracy functioning. I am sorry for the name of it and what sins are committed in its name. This could have been a good agreement if Parliament had been permitted a say in it. It could have been brought here in draft form before B.H.P. were approached. That is the practical way to do it. All we can do is to voice our objections but they will have no effect. Government members would not be swayed by the arguments put up here.

Mr. Hearman: There is an amendment on the notice paper.

Mr. RODOREDA: That is not to the agreement. When the Bill is passed the public will be told that Parliament has agreed to it. It is the greatest farce in the world. The Premier bludgeoned the thing through in the early hours of the other morning. He seemed worried about it. What is all the hurry when we have waited 50 to 80 years for something to be done? The iron-ore is still there.

The Minister for Industrial Development: We would wait another 50 to 80 years if you had your way.

Mr. RODOREDA: This is a sprat to catch a whale—the sprat being the rolling mill. The fabricated steel that will be required by the State from this rolling mill will not keep the mill going for even a few months in each year. The works in the Eastern States are not rolling to full capacity. It just does not add up.

The CHAIRMAN: I would remind the hon. member that his time is almost up.

Mr. RODOREDA: I move an amendment—

> That at the end of Subclause (1), after the word "confirmed" the following words as a new sentence be added:—
>
> > "Provided that if within a period of twenty-one years from the 31st December, 1952, the B.H.P. Co. Ltd. has not established in Western Australia an integrated iron and steel industry as defined in the First Schedule to this Act, the agreement set out in the First Schedule shall cease to operate."

The other evening the Minister said that they were quite confident that scientists would soon evolve a method of coking Collie coal. Therefore, I cannot see that he can object to this amendment. This will give the State something substantial for the benefits that are being conferred upon the company and, if the Minister objects to this amendment, then we will all know what to think. If it is not agreed to there will be no possibility of an integrated iron and steel industry being established in this State even if a method of coking Collie coal is discovered. All these promises will go by the board.

Mr. NEEDHAM: I support the amendment and I think it will give the Government a chance to prove its sincerity in this matter. We cannot amend the agreement and, if the Government on the one hand and the company on the other are sincere in their desires to establish an integrated iron and steel industry in this State, not only the Government but also the company will agree to the amendment submitted. Surely 21 years is long enough to discover whether or not the company is sincere in its part of the agreement. If the company is sincere in its offer to continue and pursue investigations into the use of coal from Collie in primary furnaces for the conversion of iron-ore into pig-iron, and to keep closely in touch with oversea developments in blast furnace practice, this amendment will be accepted. Surely a period of 21 years is sufficient! This will ensure that the people of the State are not giving away all their iron-ore for nothing except this mess of pottage in the shape of a steel rolling mill. I have no hesitation in supporting the amendment and I think the Government would be well advised to accept it. The further the debate proceeds, the more it disturbs the usual calm of the Minister for Industrial Development. I have never seen him more animated in his speeches than I have in this debate.

The Minister for Industrial Development: That is really enthusiasm in a good cause.

Mr. NEEDHAM: When he realises that there is something very practicable and sensible in the amendment moved by the member for Pilbara it should quieten him down. The proposal for the B.H.P. Company to pay a royalty of 6d. a ton on the iron-ore produced is absurd. That royalty was fixed nearly half a century ago. Prices have advanced considerably over that period and are rising at such a rate that they will soon break through the sound barrier. Surely out of the £3,000,000 profit the B.H.P. Company made last year it can pay much more than 6d. a ton in royalty. No matter how one looks at the agreement, it is absurd and if the amendment were agreed to we would at least be saving something. A period of 21 years should be enough to prove the sincerity of the company and if it prosecutes its inquiries energetically and sincerely, I am sure it could discover a method to use Collie coal for the establishment of an iron and steel mill in this State.

Mr. JOHNSON: I support the amendment because it gives the agreement a certain degree of value. The Minister has stated that the agreement could produce something of value, namely, an iron and steel industry. If the amendment is agreed to it will ensure that the company will make research into the use of Collie coal and produce a method by which iron-ore can be smelted in Western Australia. The object of the clause is to ratify the agreement. Consideration is an important factor in the making of a contract because without it the contract is voidable.

What is the consideration offered in this contract? It is permission to use the people's iron-ore deposits and to tie them up for 71 years and for a further period of 21 years until apparently the leases are nothing but a hole in the ground. In return for that we are to be promised the establishment of a steel rolling mill. Although the mill is reported to be costing £4,000,000, all of that sum will not be spent in Western Australia. Materials for its establishment will be imported by the company which no doubt have been manufactured by itself and they will be sold at retail prices for the construction of the mill in this State.

The Attorney General: What a stupid argument!

Mr. JOHNSON: If it produces the materials and supplies them at retail prices for the erection of the steel rolling mill in this State, the £4,000,000 which is to be used for its construction will be reduced considerably as far as the cost to the company is concerned. The only portion of that £4,000,000 that will be spent in this State will be for wages. There is a provision in the agreement that the mill shall operate, so I presume it will operate at least once. However, there is a further provision which gives the company the right to decide whether it will continue to operate. Knowing that the company has other works in the Eastern States capable of being expanded to meet our requirements now, it is only logical to assume that those facilities could be expanded very readily to meet our future requirements.

As the Minister pointed out, the consumption in this State is not sufficient to absorb the production of the steel mill even if it comes into operation. Assume it does go into production, runs for six months, fulfils the requirements of the State, and closes down! Its staff is then laid off and naturally they find other jobs. In the next year or two, in order to meet the State's requirements the company once more needs staff. Are the people previously employed going to wait during the intervening six months or longer, or are they going to find other jobs? Is the Government assuming that they are going to be on unemployment relief for the whole of that time or is it assuming that the company is going to run for the six months—

The Premier: I am perfectly certain the company is not going to sack its workers and experienced tradesmen every six months.

Mr. Lawrence: It might take them back to the Eastern States.

The Premier: You know it would not do that.

Mr. Lawrence: How do I know?

The Premier: I give you credit for a little sense!

Mr. Lawrence: That is most generous!

Mr. JOHNSON: I think we can assume that there is a possibility that the company once having operated will discover some difficulty in getting back into full production on the second occasion, and it will find it is more suitable for it to supply the requirements of the agreement from the Eastern States. The result will be that we will have a steel rolling mill rusting away. I am reminded of the terms of a somewhat similar agreement with a certain cattle company for a meat processing works near Darwin. This was never operated and it cost millions at a time when money was worth more than it is now.

The B.H.P. is to erect a rolling mill here under Government pressure and is to receive a quid pro quo; I think it is "quid pro sixpence!" It does not appear to be a bona fide consideration for the assets that are being offered to the company. There is some consideration which has not been disclosed: I cannot conceive that so much should be given for so little. Even the people who have seen articles appearing in the Press are wondering what is behind it. The members of the Government driven by doctrinaire beliefs of a political nature are attempting to

prevent any future chance of Government expansion in industry. Government competition in the airlines proved too good for private industry.

The Attorney General: There has never been any competition; now we will see.

Mr. JOHNSON: With the Government side hamstrung! The Government should acknowledge that this is being done for political reasons, otherwise the public will think there is something they have not been told.

The Attorney General: You would not say we are keeping Wundowie for political reasons.

Hon. J. T. Tonkin: You did your best to find a reason to close it.

Mr. JOHNSON: It is producing pig-iron of a special kind.

The Attorney General: What for?

Mr. JOHNSON: For the steel industry.

The Attorney General: You do not know.

Mr. JOHNSON: Neither does the Attorney General.

Mr. Hoar: Charcoal-iron is the best iron.

The Attorney General: It varies too much in quality.

The CHAIRMAN: Order! I think the hon. member is getting away from the amendment.

Mr. JOHNSON: I am sorry. Perhaps I have been led astray by these interjections. I would like to continue to support the amendment. We must remember that included in the agreement is the permission to assign all rights under this and, though those rights are confined to prevent the export from Australia of iron-ore, they do not prevent the export of steel. There is no reason to assume it is not possible.

The Minister for Works: What would you achieve by prohibiting the export of steel if we had enough of it here?

Mr. JOHNSON: Nothing more than preventing the export of iron-ore. There is nothing in the agreement to prevent the leases being assigned to anybody.

Mr. BUTCHER: If the Government would accept the amendment, I would be the first to applaud it.

The Minister for Industrial Development: We will not accept it.

Mr. BUTCHER: I thought the Minister presented the case fairly when he said that if B.H.P. did not start an integrated iron and steel industry here, no other company would do so. I believe that is the position.

The Minister for Industrial Development: I did not say anything of the sort!

Mr. BUTCHER: I thought the Minister made that statement.

The Minister for Industrial Development: Certainly not.

Mr. BUTCHER: Then I will say it.

The Minister for Industrial Development: That is different. I did not make the statement at all.

Mr. BUTCHER: Then I withdraw what I said.

The Minister for Industrial Development: I said it had been so argued, but I did not subscribe to the argument.

Mr. BUTCHER: Then I will say that B.H.P. is the only company I would look to for the starting of an integrated iron and steel industry in this State.

Hon. J. T. Tonkin: Is the Minister sure he did not make the statement referred to?

The Minister for Industrial Development: Yes, but if I did say it, it was a lapsus linguae.

Hon. J. T. Tonkin: Several members on this side of the House thought they heard it.

The CHAIRMAN: Order!

Mr. BUTCHER: In my opinion, if we can get the company to start operations here we should be prepared to make very big concessions. In so far as I am concerned, the company could have all our iron-ore deposits if it established an integrated steel industry within the State. To give the company a lease for 21 years as an inducement to start the industry here represents quite liberal terms. Any more I could say on the subject would be so much reiteration, and so I merely support the amendment and trust the Government will accept it.

Mr. HOAR: In common with other members on the Opposition side of the House, I support the amendment which, if passed, will give the Government some control over the situation. I never was one to agree to the method adopted in this instance, whereby Cabinet exercises the right to come to an agreement with a private company, giving it an asset that belongs to the people, without any previous reference to Parliament. In my opinion, that is an entirely wrong method to employ in order to secure the establishment of the steel industry in Western Australia. If the true principles of democratic government were adopted, the proper procedure would be for the Government to indicate by way of a Bill what it proposed to do and what B.H.P. needed.

Point of Order.

The Minister for Industrial Development: On a point of order, Mr. Chairman! I invite your attention to Standing Order 144 and ask for your ruling on the matter. The observations being made by the member for Warren are almost identical with those voiced by the member for Pilbara.

I think some restriction should be imposed on the debate which is proceeding along those lines.

The Chairman: I have listened to the member for Warren who, in his remarks, may be leading up to some other aspects. I think he should be given some opportunity to develop his point.

Mr. Brady: A very sensible ruling!

Debate Resumed.

Mr. HOAR: Whatever the member for Pilbara may have said, it is my opinion that Parliament should be given a say with regard to any agreement arranged between the State and any other body, particularly in a matter that affects so much of the real wealth that belongs to the State. The Bill is actually holding a gun at members of Parliament. First of all, by some means or other, as a result of a conference with representatives of B.H.P., a tentative agreement was drawn up. The Government found out what the company required from the State and decided what it was prepared to give in return. As against that, no member of Parliament had any opportunity of discussing the matter before the Bill was placed before the House. The agreement cannot be amended.

It is a matter of take it or leave it. From that point of view, I do not like the clause under discussion, and that is why I favour the amendment, because it places some obligation upon the company to do something within a reasonable time. I do not know that anyone would complain about the intention of the Government to assist the country to become self-supporting by means of the establishment of the steel industry in our midst. We fully appreciate that the future of the State is assured and it is a question of whether the State or some private company should act. Situated as it is, Western Australia must develop. We must have steel and we must develop our iron-ore deposits. Therefore the question of whether the State or a private company should undertake the task arises for consideration. There is no quarrel in that respect.

The Bill provides no guarantee that B.H.P. will establish an iron and steel industry in Western Australia, because there is a loophole in the agreement that enables B.H.P. to gain complete control over our best and most valuable iron-ore deposits. If the company did not desire to do so, we would be faced with the position of having no iron and steel industry here and at the same time our valuable iron-ore deposits would be owned by a company operating from the Eastern States.

The Premier: It is an Australian company with 30,000 Australian shareholders.

Mr. HOAR: That does not mean a thing to me. What does matter is the fact that the company can do what it likes with our Western Australian iron-ore, provided it gives the State a small quantity for our own requirements. I remember either the Premier or the Minister saying that the iron-ore would be used for Western Australian purposes.

The Minister for Industrial Development: For Australian purposes.

Mr. HOAR: If we examine the Bill we find that it contains nothing to prevent the company from exporting the iron-ore.

The Minister for Industrial Development: The agreement says that it cannot export the iron-ore. Should it attempt to do so, it would have to face an action.

Mr. HOAR: The reason I support the amendment in preference to the clause is the fact that the agreement represents not only a sell-out to the company by the Government, but is far worse than that. It is a complete rake-off of some of the most valuable wealth of the State, in return for which we get nothing. All the company is prepared to do under the agreement is to sell back to us our own iron-ore at a profit.

If members look at the agreement they will note the clause which sets out that the company will make available 200,000 tons of iron-ore in any one year for the use of the State. The ore so made available is to be delivered at the company's loading plant at the islands and the price is to be the cost of production, plus 5 per cent. Thus we are asked to allow the company to take control of our most valuable iron-ore deposits and then sell back 200,000 tons a year to us at a profit of 5 per cent. over all charges. In addition, any deposit found adjacent to the boundaries of the company's leases will automatically go to the company. Hence the agreement ties up completely the real wealth of iron-ore to this company in the vague hope that at some time it will manufacture a small quantity of steel for the State.

The Government has been recreant to its trust. It has not paid regard to the possible development of the State. A member opposite stated that the company had only about 15 years' supplies ahead, and therein lies the explanation why our wealth is sought. The company, because of its political affiliations elsewhere, has found the Government here ready to make iron-ore available to it. When the ore is mined, it must be transported to the Eastern States before the product is returned to this State, and this additional expense must be reflected in the price of steel.

The Minister for Industrial Development: And we buy the product at the same price as is charged at Newcastle.

Mr. HOAR: Those costs have to be included in the price of the product.

The Minister for Industrial Development: I indicated that we do not pay more for the product than do people at Newcastle.

Mr. HOAR: The member for Gascoyne, in an informed and enlightened discussion of the Bill, said that Collie coal could not be effectively used in the manufacture of pig-iron. Yet we are asked to tie up large coalfields to this company.

The Minister for Industrial Development: That has nothing to do with B.H.P.

Mr. HOAR: Then what has it to do with?

The Minister for Industrial Development: Those coal reserves are subject to Clause 4 of the Bill, which does not give anything to anyone except the Crown.

Mr. HOAR: But is it not a question whether iron of better quality can be manufactured from coal or charcoal?

The Minister for Industrial Development: That is quite a different matter from your statement that the coal deposits are tied up to this company. That is the statement I objected to.

Mr. HOAR: In any event, it is wrong to assume that the best iron is manufactured with the use of coal. Although Wundowie has shown a loss, it has made a great contribution to the knowledge of what may be done with the use of charcoal. Its iron has threefold advantages and is unequalled anywhere.

The Minister for Industrial Development: I wish you could convince our people who have to use it that that is so.

Mr. HOAR: That is the information I have. B.H.P. has no interest in Western Australia other than to secure wealth from it. The Government should have approached Parliament in the first place for permission to negotiate an agreement, and then Parliament could have had a say as to the form the agreement should take. Tonight we have to accept the agreement without amendment, or reject it. A sensible amendment has been moved that should appeal to the Government if it has any real interest in the welfare of the State.

Hon. E. NULSEN: The amendment represents a fair compromise. A period of 21 years is a long time in which to ascertain whether Collie coal can be adapted for use in the smelting of iron-ore. Supplies for Yampi are transported around the north coast and only a few perishables are obtained from Perth. I have always objected to any proposal to export our iron-ore, though I would not object to export if the ore were first processed in the State. But the State is entitled to something out of it. Our iron is the most important mineral we have and we must conserve the interests of posterity. Here, however, we have an agreement which gives this company a monopoly over our iron-ore for the lifetime of the rising generation. It is given a lease until the whole of the ore is exhausted. The amendment is a reasonable compromise.

Generally speaking the Minister is very fair, and I hope he will be so on this occasion, unless he has committed himself already to the company with the understanding that he will stand by the agreement under all circumstances. I feel that he would not do that. If in 21 years' time we obtained a fuel that was suitable for establishing an iron and steel industry in this State, then, if the B.H.P. was not prepared to go on with it under reasonable conditions, we could get a company with English or American money to establish itself in this State. But as things stand, we are giving this company the monopoly. I cannot understand how Ministers committed themselves in that way. They do not believe in these monopolies.

The Minister for Industrial Development: Tell us where the monopoly is.

Hon. E. NULSEN: We are giving the company the best of our ore in Western Australia to do as they like with. The ore left is not sufficient to allow any other great company to come in and establish a mill in opposition.

The Minister for Industrial Development: Is not 200,000 tons plus 70,000,000 tons sufficient?

Hon. E. NULSEN: Two hundred thousand tons is a very small quantity.

The Minister for Industrial Development: Plus 70,000,000 tons! Let us do it properly. It is 200,000 tons plus 70,000,000 tons. Do you not think that is reasonably sufficient for competition?

Mr. Johnson: How far is that 70,000,000 tons from water?

The Minister for Industrial Development: It is probably more advantageous in its present position than if it were subject to a long water haul.

Hon. E. NULSEN: When all is said and done, 70,000,000 tons is not very much.

The Minister for Industrial Development: Nor 200,000 tons for a period of 233 years?

Hon. E. NULSEN: It is not really competition. It is not comparable with what the B.H.P. is seeking! It has a monopoly of the iron-ore in the rest of Australia. We are going to give it a monopoly here, with the exception of Koolyanobbing.

The Minister for Industrial Development: Plus!

Hon. E. NULSEN: Not much plus.

The Minister for Industrial Development: Two hundred thousand tons a year.

Hon. E. NULSEN: Subject to B.H.P. letting us have it.

The Minister for Industrial Development: It has to do so, or forfeit the leases.

Hon. E. NULSEN: That will be subject to the company's convenience. The Minister cannot get away with that. I feel this is only hindering competition. I ask the Government to be reasonable and agree to this compromise. I do not suppose that 10 of us sitting here will be here in 21 years' time.

The Minister for Works: That is a very disappointing end to your speech.

Hon. E. NULSEN: I am looking at myself as well. I hope the Government will agree to the compromise.

Mr. LAWRENCE: I support the amendment. As the Government desires the establishment of an integrated steel industry in this State, so do we on this side. The whole question resolves itself into what is the best way on the one hand to establish that industry and on the other hand to protect the interests of the people of this State. The Minister remarked a little while ago that there was sufficient ore to provide competition for other companies that wish to engage in the steel industry in Western Australia. I agree. But I would point out that there is enough ore at any of the three islands —Cockatoo Island, Koolan Island, and Irvine Island—to keep B.H.P. in production for many years to come.

The Minister for Industrial Development: I think there is comparatively nothing at Irvine Island. There are really only two islands of any consequence.

Mr. LAWRENCE: I accept that information from the Minister, but I would pursue my argument by saying that on any one of those two islands there is enough ore to enable the company to carry on with a steel rolling mill and provide an integrated steel industry within a certain period in Western Australia. The Government is not satisfied with that, however, but must give the company both islands, which means that a monopoly is created to some extent. I am sure the Minister agrees with me on that point.

The only part of the Bill that I can see would ensure the establishment of an integrated steel industry in this State is that which has reference to Collie coal being coked. However, no assurance has been given by the Government, or B.H.P. experts, or any other experts that that end can be achieved. So we can say that the Government is in hopes that the industry will be established in Western Australia. That should add further incentive to the Government to protect these iron-ore deposits that really belong to the people of Western Australia and not to Cabinet. It was purely the Cabinet and one or two other people that drew up this agreement. It was not brought before Parliament, which consists of the people's representatives elected by secret ballot.

The Minister for Industrial Development: You have it now. What are you complaining about?

Mr. LAWRENCE: We have it, but when the Bill was first put before us the Government had made up its mind that it would be accepted whether we liked it or not. We are here to do the best for the people. I cannot accept the Bill when I am convinced that there is sufficient iron-ore in one of these leases to allow the B.H.P. to establish an integrated iron and steel industry in W.A. I urge the Government not to ratify the agreement because there is no urgency in the matter. It could be further discussed and a better agreement, fully protecting the interests of the people, arrived at. The amendment is quite fair. If no industry were set up by the B.H.P. in 21 years I feel sure that whatever Government occupied the Treasury bench would have no hesitation in extending the term of the leases.

If it were found that Collie coal could be coked, and the integrated industry were established within ten years, it would still be advantageous to the State and would do no harm to the interests of the B.H.P. In fact, it would be to the company's advantage. The B.H.P. is not coming here simply to help our economy but to make profits for its shareholders. It is a mighty firm, controlling tens of millions of pounds. Its profit last year was in the vicinity of £3,000,000. A near monopoly will be set up under the agreement and it will discourage any other company, either oversea or Australian, from establishing an integrated iron and steel industry here.

The Minister for Industrial Development: I wish I knew where these people were. We have not been able to find them.

Mr. LAWRENCE: The Minister has said that quite often, but that is not to say that in the future many firms will not come forward.

The Minister for Industrial Development: I suppose your guess is as good as mine.

Mr. LAWRENCE: It is possible that other firms might want to set up the industry in this State. The B.H.P. is to have a monopoly of the iron-ore for 71 years. What is wrong with giving it a monopoly for 21 years, as suggested by the amendment, and then, if we were on the eve of discovering how to coke Collie coal, the Government of the day extending the term for another 21 years? If the Government objects to this proposition I feel there must be something more behind the agreement which has not been made known to members. If that is correct, it is a crying shame, and the Government will have much to answer for to the people at some future date when the facts are known. At the moment the people know nothing about the agreement.

The Minister for Industrial Development: They know everything, because there is nothing else to be told.

Mr. LAWRENCE: Whilst the Bill has been under debate the newspapers have not given to the people any views, except in one instance which was not clearly described, other than those of the Government. I listened to the Premier the other night and he convinced me he knew very little about the Bill or the agreement. It was the worst speech I had heard him make here, yet the next morning he had teriffic headlines in "The West Australian"—a better write-up than the Melbourne Cup winner had.

The Minister for Industrial Development: I thought your Leader got more publicity than anyone else. He had columns of it.

Mr. LAWRENCE: The Government has to realise that once a monopoly is established it will eventually throttle industries and call the tune even to the Government. Therefore it must be the duty of the Government to see that that state of affairs is not brought about by such an agreement as is suggested here. If the Government is genuine, it will accept the amendment. The point I have missed to date is the payment of 6d. royalty on each ton of ore produced by the company. We have no objection to this consideration but I think that the rate could at least be increased commensurate with present-day prices.

Mr. J. HEGNEY: After listening to the debate, and particularly to the Minister's explanation, I am certain there is no justification for the Government's entering into this agreement. The B.H.P. Company has sufficient iron-ore deposits to carry on for another 50 years with the resources available to it on its leases on Cockatoo Island. It is now intended to grant to it the iron-ore deposits on Koolan and Irvine Islands and tie up the future heritage of Western Australians. What is the urgency for the agreement in view of the ample iron-ore resources the company now has? If the Government is so keen to continue with this proposition it should put it before the people, but unfortunately it is reluctant to do so.

The other evening the Premier mentioned that there was not much obligation on the B.H.P. Company, even under the present proposal, to continue its operations in Western Australia for a long period. From the agreement one can infer nothing else but that the company will operate a mill during each year throughout the period the agreement is in force and therefore the company need only operate the mill from time to time. It is possible that it may be in operation for only six months of the year. As a result the opportunity to establish a permanent iron smelting works in this State will be lost. No-one is saying anything against the B.H.P. Coy. and its object to manufacture steel products to meet the demands of the Commonwealth.

I am criticising the Government for relinquishing its control over the iron-ore deposits of the State for such a long period. It might have been a reasonable proposition to extend the currency of the leases the company holds on Cockatoo Island, but there is no justification in tying up practically the whole of our iron-ore deposits for all time. I can remember when the Minister for Industrial Development was on the mat for tying up the extensions of the comprehensive water scheme in the country to the Mt. Barker district alone.

The CHAIRMAN: I think the hon. member is getting away from the subject-matter of the Bill.

Mr. J. HEGNEY: I intend to connect my remarks. The pipeline was to go to Katanning and Narrogin, but the water has not yet reached those centres. In this instance the Minister is again tying up the assets of the people, and if they had the right to make a decision on the proposal they would reject it. I support the amendment because it is a reasonable proposition. If at the end of 21 years no integrated steel works are established in Western Australia, further negotiations could proceed and something might be decided upon at that stage suitable to both parties.

Mr. W. HEGNEY: I move—

That progress be reported.

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

Ayes	16
Noes	18
Majority against	2

Ayes.

Mr. Brady	Mr. McCulloch
Mr. Butcher	Mr. Moir
Mr. Graham	Mr. Needham
Mr. J. Hegney	Mr. Nulsen
Mr. W. Hegney	Mr. Rodoreda
Mr. Johnson	Mr. Sleeman
Mr. Lawrence	Mr. Tonkin
Mr. May	Mr. Kelly

(Teller.)

Noes.

Mr. Abbott	Mr. Nimmo
Mr. Brand	Mr. North
Dame F. Cardell-Oliver	Mr. Oldfield
Mr. Doney	Mr. Owen
Mr. Grayden	Mr. Totterdell
Mr. Hearman	Mr. Watts
Mr. Hill	Mr. Wild
Mr. Manning	Mr. Yates
Mr. McLarty	Mr. Griffith

(Teller.)

Pairs.

Ayes.	Noes.
Mr. Guthrie	Mr. Bovell
Mr. Hawke	Mr. Hutchinson
Mr. Coverley	Mr. Thorn
Mr. Sewell	Mr. Cornell
Mr. Styants	Mr. Mann
Mr. Hoar	Mr. Nalder

Motion thus negatived.

Mr. W. HEGNEY: Before the amendment is put I would like to indicate my wholehearted support of it. I think a few years less than twenty-one would have been a reasonable proposition, but I am quite agreeable in the circumstances to the qualifying period of twenty-one years. An examination of the terms of the amendment will reveal that it is very reasonable. It will test the Government's attitude; it will reveal whether the Government is going to do the reasonable thing in the interests of the State, or whether it will continue to be obstinate and give the company all the leases we have been mentioning in the terms set out in the agreement. If one reads the clauses of the schedule with the amendment one must come to the conclusion that the amendment is fair. These are the terms of the agreement as set out in the first schedule—

> (a) The State of Western Australia is desirous that an integrated iron and steel industry—

Mark those words!

> should be established in the said State and has requested the Company whose principal business is that of iron and steel masters in the Commonwealth of Australia to assist in that objective.
>
> (b) The company from its experience of smelting iron-ores and from investigations already made by technical officers has advised the State that the company has satisfied itself that the State accepts that a practical and economical method of using coal of the type found in the Collie coalfields of the said State for the production of pig iron has not yet been developed.
>
> (c) The Company has agreed in collaboration with the State to continue investigations and research into the use of such coals in primary furnaces for the conversion of iron-ore into pig iron.

Unless what is suggested in those three introductory clauses is a lot of "bunkum", then I suggest the period of twenty-one years is reasonable for the company to conduct its research and to determine whether it will or will not establish a fully integrated iron and steel industry. I will read from Clause 3 (g) as follows:—

> That the Company will continue and pursue investigations and will carry out in collaboration with the State research into the use of coals from the Collie coalfields of the said State in primary furnaces for the conversion of iron-ore into pig iron and will keep closely in touch with overseas developments with blast furnace practice including the production of pig iron by the use of non-coking coals.

The Minister for Industrial Development has endeavoured to impress upon us that he refuses to believe that the terms of this agreement regard the coking of Collie coal as not possible.

He is super optimistic to think it could be so. If he is so optimistic regarding the proposition, I suggest that the Government should appreciate the fact that a period of 21 years from the 31st December next is fair and reasonable to enable B.H.P. to establish an integrated iron and steel industry in this State. If that view is not adopted, one could hardly hesitate to suggest that a few members of the Government might be financially interested in B.H.P.

Mr. Totterdell: Do not say that!

Mr. W. HEGNEY: If the amendment is not accepted by the Government, it will require a fair amount of argument to convince me that, irrespective of what the Opposition may express, it does not propose to pass the agreement as it stands.

Mr. JOHNSON: During the speech of the member for South Fremantle the Premier interjected to the effect that B.H.P. was an important company with 30,000 shareholders. Actually, according to the company's latest annual report, the shareholders number 35,000—an insignificant proportion of the people of Australia, representing approximately .3 per cent. If the Premier regards that percentage as sufficiently important to override the interests of 99.7 per cent. of the population, it indicates a degree of class consciousness on his part, which I do not feel is justly warranted in being ascribed to him.

Mr. Moir: He represents that class.

Mr. JOHNSON: Although the Premier may represent the moneyed class, which is far greater in numbers than .3 per cent., I cannot assume that was entirely in his mind, because the agreement is not in the best interests of the whole of the people of Western Australia. There is no need to rush into it. No one would suggest that if a firm of the status of B.H.P. desired to establish the steel industry in Western Australia, it would be prevented from doing so by a Government of any complexion that happened to be in office here.

Hon. J. B. Sleeman: You know what was said recently about the Government helping its supporters.

Mr. JOHNSON: I noticed some reference to that but I did not connect it up with the Bill. There is no need to assume, as the Minister for Industrial Development apparently does, that any Government, whatever its political complexion might be, would refuse to provide B.H.P. with

the necessary facilities for the development of our iron-ore deposits in the interests of the State. The agreement contains nothing to indicate that the leases, additional to those now held by the company, will be developed within the 21-year period mentioned in the amendment. There is great need for the amendment to ensure that that phase is treated as one of urgency. Under the terms of the agreement, there is no certainty of any development within the State beyond the erection of the rolling mill—that glorified mangle!

The State is to receive a royalty of 6d. per ton on all iron-ore mined by the company, which has been the traditional royalty down the years. At one time it might have represented the return for half an hour's work by an ordinary working man, but in these days it represents the return for about half a minute's work. If we are to be cursed with further Governments such as we now have in the Commonwealth sphere, the return to the State's coffers will be increasingly less in value. The agreement should have related the royalty more to the value of money. I suggest to the Government that the interest of .3 per cent of the people can be neglected in favour of the larger percentage of people who do not hold shares in the company.

Mr. McCULLOCH: I cannot understand why the Government objects to the amendment. Does it really believe that B.H.P. is likely to set up a steel rolling mill here when it has mills of great capacity at Newcastle and Whyalla?

The Minister for Industrial Development: Not at Whyalla.

Mr. McCULLOCH: I understand that the mills at Newcastle are not working to full capacity. Surely it is not suggested that steel will be made available in this State if the iron-ore has first to be transported from Cockatoo Island to Newcastle, there processed, and the product shipped here! Such an idea would be ridiculous. Although 6d. a ton was the traditional royalty recognised in 1904, that is still the amount provided in the agreement. I feel certain that B.H.P. will not stick a pick into Koolan Island in the next 50 years. It has one and a half million pounds' worth of machinery at Cockatoo Island for the development of the iron-ore there, and I cannot believe that it will install another plant to the same value at Koolan Island. Furthermore, the company has not the ships to carry a million tons of iron-ore a year, so why the urgency to pass the Bill and grant the company additional leases?

If this agreement be ratified, there would be no inducement for another company to start operations here because supplies of iron-ore would be effectually tied up to B.H.P. There are iron and steel concerns in Great Britain larger than B.H.P., and it would be beneficial if some of them established themselves in the Commonwealth. This is the vital clause of the Bill and, once it is passed, the whole matter of quantities and royalties will be finalised. We need to populate this country. If we fail to do so, somebody will take it from us.

We ought to maintain a position that would enable us to offer encouragement to big concerns in the Old Country to establish themselves here, but that will never be possible if all the raw material is tied to B.H.P. If they knew of the quality of the iron-ore at Koolan Island and Irvine Island and that it was available, they would appreciate that a fair opportunity existed to compete with B.H.P. The Anglo-Iranian Oil Co. is about to expend £40,000,000 on the establishment of an oil refinery at Kwinana, and I do not think it would be too optimistic to expect some of the big industrialists in England and Scotland to move their works from the small island of Britain to the more secure country of Australia.

Mr. J. HEGNEY: I move—

That progress be reported.

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

Ayes	....	....	....	17
Noes	....	....	....	18
Majority against			....	1

Ayes.

Mr. Brady	Mr. Moir
Mr. Butcher	Mr. Needham
Mr. Graham	Mr. Nulsen
Mr. J. Hegney	Mr. Read
Mr. W. Hegney	Mr. Rodoreda
Mr. Johnson	Mr. Sleeman
Mr. Lawrence	Mr. Tonkin
Mr. May	Mr. Kelly
Mr. McCulloch	*(Teller.)*

Noes.

Mr. Abbott	Mr. Nimmo
Mr. Brand	Mr. North
Dame F. Cardell-Oliver	Mr. Oldfield
Mr. Doney	Mr. Owen
Mr. Grayden	Mr. Totterdell
Mr. Hearman	Mr. Watts
Mr. Hill	Mr. Wild
Mr. Manning	Mr. Yates
Mr McLarty	Mr. Griffith
	(Teller.)

Pairs.

Ayes.	Noes.
Mr. Guthrie	Mr. Bovell
Mr. Hawke	Mr. Hutchinson
Mr. Coverley	Mr. Thorn
Mr. Sewell	Mr. Cornell
Mr. Styants	Mr. Mann
Mr. Hoar	Mr. Nalder

Motion thus negatived.

Mr. J. HEGNEY: The Minister, or some of the members on the opposite side, should make some comment on the amendment; but we have had no remarks from

the Minister for the simple reason that opposition cannot be justified. I doubt whether the member for Maylands and the member for Canning will be able to justify voting against this proposition in a few months' time when they face the electors. When this is submitted for the information of their constituents I do not think they will be able to sustain the attack.

Mr. Griffith: I will not be afraid to face them.

Mr. J. HEGNEY: The Minister will not have the member for Canning as a supporter after the election. This amendment safeguards the interests of the people and the fact that the Minister sits tight and does not give an answer to it indicates that he has none.

The Minister for Industrial Development: I have been waiting to hear arguments in favour of it.

Mr. J. HEGNEY: Goodness knows, many have been advanced! One was put up by myself in simple language.

The CHAIRMAN: I am afraid I cannot let the hon. member advance it again if he has advanced it once already.

Hon. J. T. Tonkin: You can let him state it.

Mr. Rodoreda: It must have been someone else!

The Minister for Works: Not if it was simple.

Mr. J. HEGNEY: The amendment is a different proposition from that in the Bill and the Minister cannot justify his not agreeing to it.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I ask the Committee not to agree to the amendment. When speaking to the second reading, the Leader of the Opposition indicated very strongly that the only thing that would gratify him was for the State to set up an integrated iron and steel industry in the shortest time, based on charcoal. I would assume that if this proviso were incorporated in the agreement, or in the ratification of the agreement under this measure, even the Leader of the Opposition would scarcely then expect to be permitted to do what he wanted to do, namely, establish a substantial industry on charcoal. I do not think anybody would suggest there would be room for two substantial industries in Western Australia. It appears to me that the amendment cuts across the ideology that has been expressed and the ideas that have been put forward by the Leader of the Opposition and others.

Hon. E. Nulsen: Under certain conditions.

Mr. W. Hegney: What is your opposition to it?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: The hon. member does not find me nearly so impatient when he is addressing the Chair as he always becomes when I do it.

Mr. W. Hegney: You look it.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I suggest the hon. member cultivate the art of patience and he will hear all I have to say in the time allotted to me to say it.

Hon. J. B. Sleeman: You had better hurry up.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: The member for Fremantle need not worry about me. There is also such a thing as good faith. Whether individual members actually think the things they say in total or not, I do not know, but whatever they may think of the agreement, it has been arrived at in good faith between the representatives of the Government and the company. I cannot therefore allow it to be departed from. The agreement is subject to ratification, and so far as I am concerned it will be ratified in its present form, or rejected. I cannot see what is wrong with the agreement.

Mr. Rodoreda: Do you think the company would agree to the amendment?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Such a thing has not been put before it.

Mr. Johnson: Ask its representatives.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: They are far from here. I certainly think they would not desire it because it immediately attributes to them bad faith. I have expressed the opinion that if methods can be devised to do this the company will undertake what is implied in the amendment. But suppose that methods cannot be devised, except uneconomically, then although the company has complied with the other conditions, it is to be told that the agreement in the First Schedule has ceased to operate. One hon. member said that if the steel rolling mill was started it could be shut up next year and never opened again, and our products could come, instead of from it, from the Eastern States. If that occurs, the company would not continue to hold the leases. That is to be found on page 19 of the agreement. Subclauses (a) and (b) of Clause 3 are the sine qua non for the holding of the leases, and they provide for the establishment and the running of the mill.

Hon. J. B. Sleeman: Not all the time.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: We do not want to repeat the arguments on that score. I hope the amendment will be defeated.

Hon. J. T. TONKIN: One would have thought the Minister would have made some attempt to advance an argument against the proposal, which is most reasonable. For sheer weakness of argument, what he has put forward takes the cake. To say it would be wrong to bind the company if it finds itself unable to establish a fully integrated iron and steel works here when it has carried out all its other obligations, is to suggest that it has a tremendous amount to do. What has it got to do? It has to collaborate with the State in carrying out research into the practical and economical coking of Collie coal for the purposes of producing pig-iron. It is also obligated to establish, within five years, a steel rolling mill. In return it is to be given complete control for all time of practically the whole of the iron-ore resources—with the exception of Koolyanobbing—of Western Australia; and not only the known resources, but any extensions which may subsequently be discovered.

The Minister for Industrial Development: Less 200,000 tons a year.

Hon. J. T. TONKIN: This control makes it impossible for any other company to come to Western Australia and establish a fully integrated iron and steel works. Instead of the agreement guaranteeing to Western Australia the setting up of a fully integrated iron and steel works, it does the opposite.

The Minister for Industrial Development: Even with the half million tons for 200 years.

Hon. J. T. TONKIN: Yes. The company can have all the good faith in the world as to establishing its rolling mill, but there is not a line here which puts it under any obligation to set up a fully integrated iron and steel works.

The Minister for Industrial Development: That is perfectly true, because it is impossible at the present time.

Hon. J. T. TONKIN: Are we anxious to dispose of our iron; are we anxious to get a steel rolling mill here; or is our objective to have established in Western Australia a fully integrated iron and steel works? Surely we are not concerned with the first and second, so what we desire is the establishment of these works. Are we likely to get them by the Bill?

Mr. Rodoreda: Of course not.

Hon. J. T. TONKIN: As the member for Pilbara says, of course not. But if we agree to the amendment and indicate to this company that it will lose control of these iron resources after 21 years if it does not give us the works, we have a chance of getting somewhere. If the people of Western Australia were fully aware of what was happening here they would not be taking it so quietly. The proposition is the most lopsided that has ever come before us. The State is doing everything, including giving away its bargaining power in order to get a steel rolling mill which may work 12 months every year, but which probably will not.

The Minister for Industrial Development: Two shifts would meet more than the total requirements of the State and it is a three-shift mill. It could work all the year on less than three shifts.

Hon. J. T. TONKIN: I doubt if it will work all the year on one shift.

The Minister for Industrial Development: The hon. member doubts anything in regard to this company.

Hon. J. T. TONKIN: I would not say that. I do not doubt anything in regard to its capacity to bargain with the Government. It has proved that. I do not doubt its efficiency as a manufacturing concern. It has proved that. I do not doubt its wisdom in trying to secure to itself practically all the iron resources in Western Australia. It has proved that. I have a lot of faith in the ability of the company and when it seizes for itself the opportunity to secure these iron resources it would be stupid if it turned it down. It cannot be blamed for that. It is only doing what any other commercial undertaking would do if it had the same opportunity because it is looking after its own interests.

However, the Government has to look after the interests of the people in this State and the interests of those yet unborn, but it is not doing that if it gives away the assets of the people with no guarantee but that a steel rolling mill will be established. With our iron-ore resources still under our control we can induce someone to come to Western Australia to establish these works apart from the B.H.P. The Government has capitulated to this company by handing over forever all our iron resources.

The Minister for Health: If you consider it to be dishonest and your party were in power, would you not agree to nationalise the iron-ore resources and carry on?

Hon. J. T. TONKIN: This is not dishonesty.

The Minister for Health: Then why do you say "forever"?

Hon. J. T. TONKIN: Because under the Bill it is given leases for 50 years with the right to successive renewals for 21 years, and the company must be granted the renewals when it asks for them. So that gives it the leases forever.

The Minister for Health: Only as long as the Government so desires.

Hon. J. T. TONKIN: If the Minister believes that, she is supporting the Bill under a misapprehension. I challenge the Minister for Industrial Development to state that what I am saying is wrong.

The Minister for Industrial Development: Subject to compliance with certain conditions, that is the term of the lease.

Hon. J. T. TONKIN: Of course, and the compliance with the conditions is a very simple matter. This company would be very foolish if it neglected to comply with those simple requirements and lost the leases. It has only to carry out the conditions and the leases belong to it for ever, but we may never get the integrated iron and steel works. If we pass the amendment we give the company 21 years in which to get on with the establishment of the works. If it does so it could have supplies of iron-ore, but if it is not bona fide the Government is in a position to look elsewhere. Even at that stage, if the Government considers that a further term of 21 years is necessary it could grant it or it could grant a further term of five, 10 or 20 years. Even 50 years is not a long time in the life of a nation, but when we give something away in perpetuity there is not much room for improvement.

I would have expected that the Deputy Premier would have made some attempt to put up a case against this amendment, because he is capable of putting up a good case against any proposition. The fact that he has not done so indicates that he has not a case, and it would be difficult to find one against a proposition as reasonable as this. The amendment seeks only to prevent the company from having the leases for ever. It makes a stipulation that within 21 years it must establish what we require. Any Government, if it had genuine evidence before it that the company had attempted to establish the works within that period, would agree to granting a further term before taking the leases away. I fail to see how any member can support the present proposition and call himself a guardian of the State's interests. The amendment is a reasonable way out of a difficulty which creates much conflict between the Government and the Opposition.

[*Mr. Yates took the Chair.*]

The MINISTER FOR INDUSTRIAL DEVELOPMENT: My only reason for rising is to make one or two points perfectly clear as I see them; I think they are essential points in this matter. The Deputy Leader of the Opposition has referred to the "leases forever." I agreed that subject to certain conditions that was the tenor of the agreement, but also by reason of that fact the obligation of the company to supply Western Australia with 200,000 tons of iron-ore per annum from those leases upon demand is also for the same period. So, in consequence, the State, if it requires it, can look forward to those 200,000 tons of iron-ore for that time in addition to the reservation which it has made to the nation of the equally good, if not superior, iron-ore deposits at Koolyanobbing of at least 70,000,000 tons.

Mr. Rodoreda: What benefit is that to the State?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: If 200,000 tons does not appear to the hon member—

Mr. Rodoreda: Who is going to use it?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: The point is that everybody is complaining that this company will have the monopoly of everything. Therefore it becomes my business, I presume, to indicate that that is not correct. As I have said, for the same length of time as the company has the lease it is obligated to supply to the State of Western Australia for any purpose for which it requires it 200,000 tons of iron-ore. There has also been grave doubt thrown on the point as to whether anybody else could or would start such an industry in Western Australia if this company did not. I have said that I do not know. Judging from past experience in the last five or six years, there have not been any people prepared to finance it. The cost, as I have already indicated at odd times, is very considerable; it runs into millions of pounds, exceeding in fact £10,000,000.

That was the reason for the insertion in this Bill, separate from the agreement, of the requirement that any person who wanted to set up this industry on the resources available from the State, from the two factors I have just mentioned, must put up a bond of £100,000 because it was no use dealing with such men of straw as have come forward in the past. If nobody comes forward, and the Parliament of the State at any future time within the period of ten years wants to set up an industry of its own on a socialistic or community basis, the Government would have a perfect right to bring a Bill before Parliament to repeal or amend Sections 3 and 4 of the Act and the Parliament of the day, whether it be in three years, four years or five years or any other period of years, can, in regard to the establishment of an industry based on these resources of Koolyanobbing, decide to do something quite different with those resources. So if the circumstances are right, there is nothing to prevent the Government from getting Parliament to call off the deal. It could do it with an amending Bill—and I am supported in this view by the officers of the Crown Law

Department—simply by creating a corporation who, under the Bill, is a person who can put up the bond.

Mr. Rodoreda: B.H.P. can do that.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Of course. I am only explaining that there are two or three ways of its being done. So there is no need for this amendment, quite apart from the other reasons I gave.

Mr. RODOREDA: The Minister has made great play about the words "reserved to the Government," both from B.H.P. and Koolyanobbing. He says this might possibly induce some other company to come here and start an integrated iron and steel industry. Under the agreement the company is compelled to supply all the demands of the State from its rolling mill, so how can any other company supply the same demand when B.H.P. is under an obligation to do so? The Minister's argument falls down. Let me read portion of the agreement—

> (b) That the Company will operate the mill for such periods in each year during the currency of the agreement as may be necessary having regard to the demand for use in the said State of the products of the mill from time to time.

What does that mean?

The Minister for Industrial Development: That if people want to buy things from the mill it must provide them.

Mr. RODOREDA: It means that B.H.P. can say "We are very sorry, but we have not a bill of sale; we cannot provide them."

The Minister for Industrial Development: Do not talk nonsense.

Mr. RODOREDA: I am not talking any more nonsense than was the Minister. I am not going to have that sort of talk from the Minister; it has been too evident of late on the front benches and they seem to have developed an attitude of complete disregard for the opinions of other members.

The Minister for Industrial Development: I disregarded no opinion of yours.

Mr. RODOREDA: I am not going to take that from the Minister or anybody else.

The CHAIRMAN: Order! I ask the hon. member to keep to the Bill.

Mr. RODOREDA: That is right to the point! I want to know how the cancellation of this agreement after 21 years would affect the company. It has no intention of starting an integrated iron and steel works in this State. There is nothing of certainty about it, not as far as we can see ahead. If ever I have heard nonsense talked in this House, it was what the Minister told us this evening. I suggest that the Minister, to give the company an opportunity to prove its bona fides, accept the amendment, which will do harm to no one. No Government would refrain from extending the leases if B.H.P. played ball. He spoke about the establishment of a rolling mill in this State. There is no need for one here.

This is just a bait in order that the company may secure almost complete control over our iron-ore resources in the North-West, which are the most accessible in the Commonwealth. Previously, the Minister referred to them as being inaccessible. Nothing could be more accessible than the deposits in Yampi Sound, seeing that ore can be loaded direct into ships. They are the most accessible iron-ore deposits in Australia, and that is why the company desires to have control over them. The agreement is presented to Parliament for ratification merely as a matter of form, and the Government intends to bludgeon it through Parliament.

Mr. NEEDHAM: The further the debate proceeds, the weaker become the replies of the Minister for Industrial Development. I have been amazed, because he usually is able to counter arguments that are advanced. I shall deal with two points he raised. He emphasised the fact that the company would be obliged to mine annually 200,000 tons of ore for the use of Western Australia. He failed to tell the Committee what would be done with the ore when it was mined. If that quantity of ore could be converted into steel or iron in this State, it would be of some help. Then again, he said that, in the course of five or ten or twenty years, if B.H.P. did not keep faith by carrying out the terms of the agreement, Parliament could review the position and repeal the Act. There is an old saying that prevention is better than cure.

The object of the amendment is to make sure that, within a reasonable time, the company will prosecute its researches and, with the assistance of science, devise some method of smelting iron-ore in this State for the production of iron and steel. The amendment will ensure that those researches are intensified and expedited, instead of waiting for a period of 20 or more years when, if nothing has been done, the Parliament of the day could be asked to repeal the Act. The amendment seeks to take time by the forelock.

Mr. W. HEGNEY: I cannot let this opportunity pass without making brief reference to one phrase used by the Minister. When asked to give reasons for opposing the amendment, he mentioned the matter

of good faith. I suggest that the people of Western Australia are entitled to a demonstration of good faith on the part of the Government. It appears to me that some Government members are under a wrong impression when they consider the Government cannot retract from the signature of the Premier. That is not so. The agreement will not take effect until Parliament ratifies it. That is apparent from Clause 2 of the agreement. For the time being, the Government is purely in the position of custodian of the assets of the people. If the agreement is to be forced through in toto, it will be an indication of bad faith on the part of the Government towards the people of the State. The Minister talked about certain undertakings that the company would have to carry out and said that those particulars appeared at the bottom of page 19.

The Minister for Industrial Development: I think I quoted the wrong page. I meant to refer to page 13.

Mr. W. HEGNEY: The references at the bottom of page 13 are to the term of the mineral leases and indicate, as the Deputy Leader of the Opposition mentioned, that, in effect, they are to be granted in perpetuity. At the bottom of page 19, there is reference to the company operating its interests in the State as efficiently as can reasonably be expected. When that clause was drawn up, did the Minister consider the question of good faith between the company and the people of the State? The Premier has not informed us of his view of the amendment.

The Premier: The views of the Government have been very well expressed.

Mr. W. HEGNEY: How does the Premier know that other Ministers will support him if they are free to vote according to their consciences? I hope that supporters of the Government will be free to decide what attitude they will adopt to the amendment. They should examine the amendment carefully and decide whether it is unreasonable, impracticable or unfair to the people of the State. If the Government does not accept the amendment, it should withdraw the Bill pending further negotiations with the company to secure a more acceptable agreement. I have occupied a seat in this Chamber for a good many years and have never heard the Minister for Industrial Development make such a feeble reply as he has done tonight.

The Premier: I thought he made a very effective reply.

Mr. W. HEGNEY: Then we think differently.

The Premier: There is no doubt about that.

Mr. W. HEGNEY: If supporters of the Government spoke their minds, I believe they would favour the amendment.

The Premier: Nothing they could say would convince you.

Mr. W. HEGNEY: The amendment is a challenge to the Government on behalf of the people to determine whether it is prepared to safeguard the interests of the State or throw itself into the arms of B.H.P.

Mr. LAWRENCE: I was astounded to hear the Minister say, probably at the instigation of the Premier, that, "of course, he would not change his mind on the question." The Premier has adopted a similar attitude right through. No doubt the whip has been laid hard on members sitting behind the Government.

The Minister for Works: You ought to know all about the whip.

Mr. LAWRENCE: I do. Apart from Ministers, I doubt whether members on the Government side saw the agreement before we did.

The Minister for Works: You are wrong.

Mr. LAWRENCE: I should need proof before I could be convinced of that. Probably the whip has been laid on the Minister also.

The Minister for Works: Do not judge everybody by yourself.

Mr. LAWRENCE: We do not have the whip laid on us.

The Premier: Now say something about the Bill.

The CHAIRMAN: Order!

Mr. LAWRENCE: The probability is that the whip was laid on the Premier by the Menzies-Fadden Government, seeing that he is following the policy of that Government. There is the proposal to sell the Commonwealth ships—

The CHAIRMAN: Order! The hon. member is getting away from the amendment.

Mr. LAWRENCE: The Minister said that the agreement had been made by both parties in good faith. Nobody denies that, but surely acceptance of the amendment would be no betrayal of good faith! The Premier should report progress so that the Government might ascertain from the company whether it would accept the amendment. The Premier refuses to do that and apparently can give no reason for his refusal. How does he know that the company would not accept the amendment? If the company had faith in the Government, it would realise that after the expiration of 21 years, a further agree-

ment could be made. We have been told that the agreement could be cancelled, if necessary. Such a course might be approved by this Chamber, but another place might adopt a different attitude.

I cannot understand why the Government will not agree to hold the matter over because no reasons for any urgency for the Bill to be pushed through have been advanced. Is the Premier prepared to say now that it is urgent that the agreement be ratified immediately? I think the company is quite approachable; and if the matter were left over for a week or fortnight, some other agreement might be reached. After hearing the Deputy Premier, there is no doubt in my mind that this is giving a monopoly of the iron-ore in Western Australia to B.H.P., because the Deputy Premier himself has stated more than once, even this evening, that he knows that no other company will come forward to establish an integrated steel industry in Western Australia. If that is so, what has anybody to be frightened of? What has the B.H.P. to be frightened of? Yet it is proposed to give the whole of our iron resources to the company for ever if it establishes a steel rolling mill here within five years.

It is evident from the agreement that, despite the Premier's remarks, that mill would possibly shut down for six months of the year. By working for six months the company could supply the full requirements of the local market, and I feel confident that in that six months it would make enough profit to enable it to leave the mill idle for the next six months without loss. Those two factors balanced would mean that the company had control over the big percentage of our iron-ore resources in Western Australia for nothing except a royalty of 6d. per ton, which I think was suggested as long ago as 1904.

With advanced values, is it not logical to suggest that the royalty should have increased so that today it would be in the vicinity of 1s. 3d.? But in 100 years' time, when it should be worth 3s. to 4s., B.H.P. would still have the ore at 6d. a ton as the result of this agreement. There is no doubt in my mind that that would be nothing better than a betrayal of the rights of the people of this State who own the iron-ore. I cannot understand the attitude of the Premier. Up to this moment he has made up his mind that whatever arguments are propounded or whatever mistakes and pitfalls are pointed out, he is going adamantly to refuse to agree to the amendment.

Mr. MAY: When I spoke to the second reading the other night I intended that to be my protest in regard to the Bill. But I have been struck tonight by the lack of interest in the debate shown by Government supporters, who have been lolling in their seats. Four of them have been asleep for hours, and one of them, the member for West Perth, made a very pretty picture.

The Minister for Health: That is not fair; he is a sick man.

Mr. MAY: I have been struck by the lack of interest by members of the Government in what has been said in connection with the amendment.

The Premier: Hours of tedious repetition! You made up your minds to do it before you came here.

Mr. MAY: Nothing of the kind.

The Premier: Of course you did! It is stonewalling; all arranged.

The Minister for Works: One round and then another.

Mr. Graham: You do not know what you are talking about!

The Premier: Don't be silly! Do you think we are fledglings?

Mr. MAY: Nobody has said what I am saying now, so there is no reason to declare it repetition so far as I am concerned. Why do we have two Houses of Parliament?

Mr. Griffith: Why have you taken the place of the member for East Perth?

Mr. MAY: In any case, what has it to do with the hon. member?

Mr. Griffith: I was wondering why you were dirt-slinging instead of him.

Mr. MAY: I was not dirt-slinging. I was stating facts.

The CHAIRMAN: Order!

Mr. Griffith: It was not nice.

Mr. MAY: Half the members opposite are taking no interest at all and some are asleep. I think it is particularly rude on the part of Ministers to adopt that attitude in regard to an important measure like this.

The CHAIRMAN: I must ask the hon. member to keep to the amendment.

Mr. MAY: Then you will have to ask the member for Canning to keep quiet. I will reply if he interjects.

Mr. Graham: He is a raving lunatic, that is all.

The CHAIRMAN: Order!

Mr. Graham: Well he is, Mr. Chairman!

The Premier: Don't be silly!

Mr. Graham: You know he is.

Mr. Griffith: You will say something like that once too often.

Mr. Graham: Try to stop me!

Mr. Griffith: It would give me a lot of pleasure.

Mr. Graham: Try whenever you like!

Mr. MAY: Tell me when the dispute is over and I will proceed!

The CHAIRMAN: Order! There is too much hilarity in the Chamber. The hon. member will proceed.

Mr. MAY: We have two Houses for the purpose of making sure that legislation introduced in one Chamber is reviewed by the other, so that in the event of mistakes being made they will be picked up and rectified. In my opinion a mistake has been made in connection with this Bill, and I suggest sincerely and honestly that the amendment is corrective and should be included in the measure. The Minister told us that the B.H.P. is a company of very high principle. I am prepared to accept that. If it is so, the company will not object to provision being inserted in the measure whereby the people of this State will be given a guarantee that a steel plant will be erected in this State within 21 years. That is not asking too much. If the Government also claims to be well-principled I cannot see any reason why it should not accept the amendment. As a matter of fact, only one objection has been made, and that was by the Minister. No one else on the Government side has raised any objection. I hope some consideration will be given to the points made by the Opposition. We are just as interested in safeguarding the welfare of the people of the State as is the Government, probably more so.

The Premier: Well said, anyhow.

Mr. MAY: And well meant, too.

The Minister for Works: We will go you fifty-fifty.

Mr. MAY: I am not prepared to go fifty-fifty with any Government that gives away what this Government is giving. If the Minister looked fairly and squarely at the amendment he would be in agreement with it.

Mr. JOHNSON: The Minister when refusing to accept the amendment said that one of his major reasons for so doing was that it had not been agreed to by the company and he could not consult the representatives of the company who were not in the State.

Mr. Needham: There is the telephone.

Mr. JOHNSON: I was going to remind the Minister that he could instruct the office boy in the morning to send a telegram to the people concerned informing them that at a certain time he would put a trunk call through to ascertain whether they would accept this very reasonable amendment. There is no urgency about the argeement, so there is no reason why the Minister should not now report progress and take the action I have indicated and continue the debate next week. To assume that the company will not agree to this is to assume that it is not prepared to go seriously into the idea of establishing an integrated iron and steel industry here. If in 21 years, which is a fairly considerable time, progress had been made towards an integrated industry, neither party at present represented in the Chamber would object to a further extension.

Mr. BRADY: The Government should realise that this business cannot be looked upon as a small industry like an agricultural implement works or foundry. It could take on an international aspect. The Minister said there would be no monopoly because 17,000,000 tons of ore would be available at Koolyanobbing, and in addition, the State Government could get 200,000 tons from Yampi if required. I do not know whether members realise how much iron-ore and steel are used in Australia in 12 months. In the vicinity of 6,000,000 tons is used. I cannot imagine any company establishing itself to deal only with the State's business. A company coming to Western Australia must realise that it has to compete with the B.H.P., so it would have to be able to produce about 2,000,000 tons of iron-ore and steel to be on a competitive basis. It would have to sell half a million tons in Western Australia and the balance throughout the rest of the Commonwealth and oversea.

If a company came here it would be frustrated from the outset because most of the iron-ore in the State is at Yampi, and it is tied to the B.H.P. The iron-ore that would be available to it has a number of disadvantages. First of all there is a potential life of only 25 years. No company would be prepared to spend £10,000,000 to establish an industry with only that life. The second disadvantage is that the iron-ore available from Koolyanobbing is not of such a high standard as that from Yampi.

Mr. Kelly: It is of a higher standard.

Mr. BRADY: I hope the hon. member is right, but I understood from an article that I read tonight that the highest grade ore is at Yampi because it is of a hematite composition, and that two-thirds of the world's supply of that class of ore is at Yampi.

Mr. May: That must have been written by the Minister for Industrial Development.

Mr. BRADY: Even granting that the Koolyanobbing deposit is a higher grade ore than that at Yampi, there is another disadvantage and that is the difficulty of transporting it to the coast. That also would militate against another company trying to establish itself in Western Australia as against being able to put a ship alongside the deposits in the islands in the North. It is possible to load a full ship's cargo within 24 hours in the North. Shipbuilding could easily use 1,000,000 tons of iron ore annually if the potentialities of this State eventually warranted the establishment of a shipbuilding industry in Western Australia.

The potential wealth of our State is enormous. The population is approximating 1,000,000. In the last five years it has grown from 500,000 to 600,000. If it increases at a greater rate than previously, especially in view of the higher birth rate, the population would warrant greater industrial activity in this State. However, there would be no possibility of encouraging a company to establish itself here if it had available only restricted iron-ore supplies. If we agreed to the cancellation of the agreement within five years and set up a corporation to compete with the B.H.P. Company it would mean that we would have to pay substantial compensation for a breach of the agreement, and I do not think that we should be placed in such a position. I support the amendment.

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

Ayes	16
Noes	18
Majority against	2

Ayes.

Mr. Brady	Mr. McCulloch
Mr. Butcher	Mr. Moir
Mr. Graham	Mr. Needham
Mr. J. Hegney	Mr. Nulsen
Mr. W. Hegney	Mr. Rodoreda
Mr. Johnson	Mr. Sleeman
Mr. Lawrence	Mr. Tonkin
Mr. May	Mr. Kelly

(Teller.)

Noes.

Mr. Abbott	Mr. Nimmo
Mr. Brand	Mr. North
Dame F. Cardell-Oliver	Mr. Oldfield
Mr. Doney	Mr. Owen
Mr. Grayden	Mr. Perkins
Mr. Hearman	Mr. Totterdell
Mr. Hill	Mr. Watts
Mr. Manning	Mr. Wild
Mr. McLarty	Mr. Griffith

(Teller.)

Pairs.

Ayes.	Noes.
Mr. Guthrie	Mr. Bovell
Mr. Hawke	Mr. Hutchinson
Mr. Coverley	Mr. Thorn
Mr. Sewell	Mr. Cornell
Mr. Styants	Mr. Mann
Mr. Hoar	Mr. Nalder

Amendment thus negatived.

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

Ayes	18
Noes	16
Majority for	2

Ayes.

Mr. Abbott	Mr. Nimmo
Mr. Brand	Mr. North
Dame P. Cardell-Oliver	Mr. Oldfield
Mr. Doney	Mr. Owen
Mr. Grayden	Mr. Perkins
Mr. Hearman	Mr. Totterdell
Mr. Hill	Mr. Watts
Mr. Manning	Mr. Wild
Mr. McLarty	Mr. Griffith

(Teller.)

Noes.

Mr. Brady	Mr. McCulloch
Mr. Butcher	Mr. Moir
Mr. Graham	Mr. Needham
Mr. J. Hegney	Mr. Nulsen
Mr. W. Hegney	Mr. Rodoreda
Mr. Johnson	Mr. Sleeman
Mr. Lawrence	Mr. Tonkin
Mr. May	Mr. Kelly

(Teller.)

Pairs.

Ayes.	Noes.
Mr. Hutchinson	Mr. Hawke
Mr. Thorn	Mr. Coverley
Mr. Cornell	Mr. Sewell
Mr. Mann	Mr. Styants
Mr. Nalder	Mr. Hoar

Clause thus passed.

Clause 3—agreed to.

Clause 4—Power to agree as to development of iron and coal deposits in the reserves:

Mr. GRAYDEN: I move an amendment—

That a new subclause be added as follows:—

> (5) Where the Minister does not enter into an agreement under subsection (1) of this section, the reserves shall not after the expiration of the period mentioned in section three of this Act, be declared to be open for mining, cancelled or be temporarily occupied without the approval of Parliament, but the Minister may remove from mining reserve number 1258H at any time and from time to time after the expiration of the period, an amount of ore not exceeding fifty thousand tons in any one year.

Under the mining regulations, when this ten-year period expires, there is nothing to prevent B.H.P. or any other person or company from pegging or being granted these leases.

Mr. May: The Minister says it has nothing to do with B.H.P.

Mr. GRAYDEN: I merely point out that when the time expires it is open to any person to peg those leases and to apply for mineral leases. If B.H.P. took up those leases and they were granted, they would have a monopoly of all the major iron-ore deposits in the State. I do not think members of the Opposition want that any more than I do. In the amendment there is nothing to prevent the leases being granted to any person who engages to set up a blast furnace and to set up an integrated iron and steel industry, so if the Leader of the Opposition intends setting up a charcoal-iron industry in this State, I presume he will form some Commission which, according to the Interpretation Act, will be a person who will make an agreement with the Minister so that the mineral leases can be granted to it. That would mean that after the ten-year period, mentioned in the Bill, expires and before those leases can be granted to anyone there must be ratification by Parliament.

Mr. May: We have some of that ratification stuff here tonight.

Mr. GRAYDEN: This is some more of it and, if the hon. member is honest in his purpose, he will support it. All it does is to help to ensure that after ten years there is still no monopoly of the main iron-ore deposits in the State unless there is set up an integrated iron and steel industry.

Mr. W. Hegney: Does this apply to Koolan Island?

Mr. GRAYDEN: Solely to Koolyanobbing.

Mr. May: Make it Koolan, and I will be with you.

Mr. GRAYDEN: Unfortunately, I cannot make it Koolan. This refers to Koolyanobbing. The leases can be granted to no one under this amendment without Parliamentary approval.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I have no objection to the amendment. The position the hon. member desires to ensure is that after the period of 10 years has expired, during which all leases at Koolyanobbing are reserved to the Crown upon the terms and conditions set out in the clause, they shall still be reserved, subject to the approval of Parliament, for some other use to be made of them. I suport the amendment.

Amendment put and passed.

Mr. RODOREDA: In Subclause (1) there is reference to the establishment of "an iron-ore smelting and steel making plant." I would like some explanation from the Minister as to why that description is set out in the subclause instead of the term we are more familar with in the course of the debate, namely, an "integrated iron and steel industry."

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I cannot give an explanation why the draftsman used the different phraseology. I know, however, from inquiries I made a little while ago, that the term used in the Bill is an alternative for the one that has been used throughout the debate with regard to the industry.

Clause, as amended, put and passed.

First Schedule, Second Schedule, Title—agreed to.

Bill reported with an amendment.

House adjourned at 1.12 a.m. (Friday).