have been successful. The cost, excluding the value of the time spent by departmental advocates in the presentation of cases to the board, and the salaries of the chairman and other members of the board, has amounted to £3,982 or an average of approximately £4 17s. for each case which has come before the board for hearing.

I think all members will agree that the Act has given a great deal of satisfaction to government employees. Proceedings have been conducted generally in a manner which has enabled appellants and their advocates to put forward their views in a friendly and impartial atmosphere. There has been no aftermath of discontent occasioned by the board's findings, which have, of course, been consistently observed. The amendments in this Bill, even though they do not go as far as some might wish, should bring even greater satisfaction to a large body of government employees. I move—

That the Bill be now read a second time.

On motion by Hon. A. R. G. Hawke, debate adjourned.

House adjourned at 1.41 a.m. (Wednesday).

Legislative Council

Wednesday, 3rd December, 1952.

CONTENTS.

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

ASSENT TO BILL.

Message from the Governor received and read notifying assent to the Prices Control Act Amendment and Continuance Bill.

QUESTIONS.

RAILWAYS.

As to Reducing Freights and Fares.

Hon. A. L. LOTON asked the Minister for Railways :

Will the Government give immediate consideration to the advisability of reducing freights and fares on the State railways, with a view to encouraging more

of the population to use the railway services, both passenger and goods, thereby increasing the turnover and making the net return at least equal to that derived at present from a small section of the community that is forced to use the railways for at least the conveyance of their goods or merchandise?

The MINISTER replied:

The Government is well aware of the fact that an increase in the volume of traffic handled by the railways reduces the operating cost per ton mile. With the full restoration of engine power expected next year, and, with the addition of new diesel locomotives and large numbers of new wagons, there should be a reduced overall operating cost, providing that the basic wage and margins remain reasonably static. At the present time, the shortage of locomotive power, consequent on the metal trades strike, still makes it impossible for the railways to carry a normal amount of traffic, and any reduction in freights and fares would result only in the diminution of receipts without any advantage in operating cost.

DAIRY CATTLE COMPENSATION FUND.

As to Contributors and Finances.

Hon. C. H. HENNING asked the Minister for Agriculture:

(1) During the years 1947-48, 1948-49, 1949-50, 1950-51 and 1951-52, what were—

(a) the number of contributors to the Dairy Cattle Compensation Fund;

(b) the total contribution paid by producers;

(c) the contribution by the Government;

(d) the net salvage value of cattle slaughtered; and

(e) the amount received from sale of hides?

(2) What was the balance of the compensation fund at the 31st October, 1952?

The MINISTER replied:

(1)

	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
(a)	476	457	438	477	506
(b)	£2,788	£4,632	£8,621	£9,533	£9,317
(c)	£5,270	£8,186	£8,685	£9,583	£9,317
(d)	£12,821	£14,817	£3,771	£6,334	£3,478
(e)	£2,287	£2,568	£624	£773	£303

(2) Estimated to be £32,740.

ARGENTINE ANT.

As to Infestation, Albany District.

Hon. J. McI. THOMSON asked the Minister for Agriculture:

Because of the alarming spread of the Argentine ant into areas not previously infested in the Albany municipal and road board areas—

(1) Will the Public Health Department, in conjunction with the Department of Agriculture, undertake to carry out a similar eradication campaign in these areas as is being carried out in Bunbury at present?

(2) If so, when could such an undertaking be carried out?

(3) Because of the very serious ant invasion in other inland towns, and because of the effective use of chlordane spray, would these departments, in cooperation with the local authorities, prepare a workable plan of attack against this ever-increasing menace?

The MINISTER replied:

(1) Yes, this is the department's intention.

(2) Provided the method proves successful and the finance is forthcoming, we hope to eradicate the ant throughout the State within the next five years.

(3) The only inland towns known to the department to have been infested are Cranbrook and Manjimup. In both places the ants have been eradicated with chlordane.

Wherever such sporadic outbreaks occur and are reported, similar eradication procedure will be carried out.

OIL INSTALLATIONS, NORTH FREMANTLE.

As to Ownership, etc.

Hon. A. R. JONES asked the Minister for Transport:

Will he inform the House whether the oil companies own the land and installations at North Fremantle? If not, who owns them, and what are the terms of the leases?

The MINISTER replied:

The Shell company has permissive occupancy for 21 years as from the 1st July, 1952, of 2¼ acres which are vested in the Fremantle Harbour Trust, and on which are bulk lubricating oil installations owned by the company. The annual rental charged is £4 10s. per 1,000 square feet, which amounts to approximately £440 per annum.

Some of the other companies own land and installations; others own installations which are erected on Crown leaseholds, some of which expire on the 30th June, 1957, the others expiring on the 30th June, 2025.

BILL—CONSTITUTION ACTS AMENDMENT (No. 3).

Introduced by Hon. H. S. W. Parker and read a first time.

MOTION—STANDING ORDERS SUSPENSION.

(a) New Business, Time Limit.

On motion by the Minister for Transport, resolved:

That Standing Order No. 62 (limit of time for commencing new business) be suspended during the remainder of the session.

(b) Close of Session.

The MINISTER FOR TRANSPORT: I move—

That during the remainder of the session so much of the Standing Orders be suspended as is necessary to enable Bills to be passed through all stages in any one sitting and all messages from the Legislative Assembly to be taken into consideration forthwith.

If I might be permitted to furnish an explanation, it has been suggested to me that, following upon the suspension of the Standing Orders, when a Bill is introduced or received from the Assembly and the second reading stage is reached, a reasonable time be allowed to members to scrutinise the measure and to give it consideration before proceeding further with the debate. I am prepared to agree to that suggestion.

Hon. G. FRASER: I do not intend to oppose the motion. I was pleased to hear the Minister say that he would give members reasonable time for the consideration of legislation. I suggest that if it is at all possible, the Minister should agree that when a Bill is introduced or received by message from another place he should not only move the first reading but proceed forthwith to move the second reading and then allow an adjournment of the debate. The usual procedure is to move the first reading and take the second reading at a subsequent sitting. While I appreciate that it might not always be possible for the Minister to proceed straight away with his second reading speech because he might not have the necessary notes at his disposal, it would be helpful if he would adopt the course I have indicated and thereby allow members a little more time to look through the legislation. I observe that the Bills at the second reading stage are high on the notice paper for today, and I would like the Minister to continue along those lines.

The Minister for Transport: I am quite agreeable to that course.

Hon. A. L. LOTON: I appreciate the proposed action by the Minister in deferring the continuance of the second reading debate on Bills in order to enable members to have time to peruse the measures and give them adequate consideration. With Mr. Fraser, I agree that the course outlined is very satisfactory. Last session we had a glorious example of how legislation can be rushed through without members having an opportunity to peruse it and to ascertain what was said in another place during the debate on the Bills in question. I desire to record my appreciation of the Minister's gesture to members.

Question put and passed.

BILLS (3)—THIRD READING.

1, University Buildings.

2, Fremantle Harbour Trust Act Amendment.

3, State (Western Australian) Alunite Industry Act Amendment.

Passed.

BILL—THE FREMANTLE GAS AND COKE COMPANYS ACT AMENDMENT.

Second Reading.

Debate resumed from the 27th November.

HON. F. R. H. LAVERY (West) [4.45]: The object of the Bill, as outlined by the Minister, does not need much further explanation by me. The company desires the amendment to the original Act which was passed many years ago—I believe it was in 1886—when the maximum charge that could be levied for its product was £1 per 1,000 cubic feet. The price has now reached 19s. 10d., which means that, without the suggested amendment and another increase in price in the near future, the company could not continue its operations, with provision for meeting added costs. The public are protected because the Act limits the company's profits to 6 per cent. I commend the Bill to the House, although I realise it represents another instance of rising costs.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Read a third time and *passed*.

BILL—CATTLE TRESPASS, FENCING AND IMPOUNDING ACT AMENDMENT.

Second Reading.

HON. E. M. DAVIES (West) [4.50] in moving the second reading said: This Bill seeks to amend Section 25 of the principal Act. The reason for its introduction is that there are people who are not prepared to erect front fences on their properties because they consider it more modern to do without such fences. Because their blocks are not completely enclosed, they are refusing to pay adjoining property owners half the cost of dividing fences.

The majority of people recognise that though they may have not a front fence, they are making use of the dividing fences erected by neighbours, and agree to pay half the value of such fences; but there are others who have refused to meet their obligation in this respect on the ground that the Act does not bind them because they have not enclosed their blocks. To overcome that difficulty, it is proposed to amend Section 25 of the principal Act by

(a) inserting immediately before the word "If" in line one the figure one in brackets thus, "(1)";

(b) adding a subsection as follows:—

(2) For the purposes of this section the owner of adjoining land is deemed to have enclosed the same when, either before or after the coming into operation of the Cattle Trespass, Fencing, and Impounding Act, 1952, he

(a) has completed or completes, or has caused or causes to be completed, the erection of any building or other structure thereon, or

(b) has occupied or occupies any building or other structure erected thereon; or

(c) has permitted or permits the lawful occupation by any person of any building or other structure erected thereon.

If these amendments are incorporated in the Act it will be obligatory upon a person who erects a house and lives in it to pay half of the value of a dividing fence, notwithstanding that he has not enclosed his block. I think we all believe in fair dealings; and if a person is making use of a dividing fence, it is only right and proper that he should contribute to its cost I move—

That the Bill be now read a second time.

On motion by Hon. L. A. Logan, debate adjourned.

BILL—MILK ACT AMENDMENT.

Assembly's Message.

Message from the Assembly received and read notifying that in lieu of the Council's requested amendment, it had amended Clause 2 as follows:—

Delete all words after the words "an amount" in line 18, down to and including the word "year" in line 20, and insert in lieu the words "recommended at least once annually by the Minister and approved by the Governor".

in which amendment it desired the Council's concurrence.

BILLS (2)—FIRST READING.

1, Factories and Shops Act Amendment.

2, Stamp Act Amendment.

Received from the Assembly.

BILL—RENTS AND TENANCIES EMERGENCY PROVISIONS ACT AMENDMENT.

Second Reading.

THE MINISTER FOR TRANSPORT (Hon. C. H. Simpson—Midland) [4.53] in moving the second reading said: This small Bill seeks to rectify an omission in the principal Act. In the Act there is provision for protection against eviction in respect of "protected persons". The protection so provided is that they shall not be evicted by the court until such time as alternative accommodation is made available by the Housing Commission. A "protected person" is defined in Section 22 of the Act as being a totally and permanently incapacitated soldier, a widow of an ex-serviceman, a person engaged on war service outside the Commonwealth, and certain classes of enlisted persons.

When the original Act was being passed, it was thought that the wife of a serviceman was also protected, although she was not specifically mentioned in the section. There are some cases where the wives of servicemen and not the husbands are the actual tenants of premises. In these circumstances it was decided to provide protection for wives by way of regulation and to this end Regulation No. 5 was approved and gazetted early this year. Some doubt has arisen regarding the validity of this regulation, and so that there shall be no doubt in the future, it is proposed to amend the relevant section of the Act. The Bill therefore provides that on and after the 1st December, 1952, the wife of a person engaged on war service, or of a person who has enlisted in the Armed Services for service outside the Commonwealth, etc., who is dependent upon such person shall be protected.

It further provides that protection shall be given to a person wholly dependent on such serviceman. This would cover, say an aged mother or father and it will be observed by the subclause that it permits regulations being gazetted to cover persons who are wholly dependent on a serviceman without specifically mentioning any particular class of dependant in the Act. The 1st December has been selected as an appropriate commencing date for this measure, in order to cover cases which might now be the subject of court action.

As members are aware, the way in which a protected person is covered by the Act is as follows: On the hearing of any proceedings for recovery of possession, the court notifies the State Housing Commission. The Commission then is required within six months to make available a worker's home or a dwelling-house controlled by the Commission for rental purposes. Until a house has been so made

available, the court cannot make an order against the protected person, unless, of course, the other party also is a protected person and the court is satisfied that refusal to make the order would cause substantially greater hardship to such other party. That is a brief but complete explanation of the Bill, which I trust will receive the approval of Parliament. I move—

That the Bill be now read a second time.

On motion by Hon. C. W. D. Barker, debate adjourned.

BILL—CORONATION HOLIDAY.

Second Reading.

THE MINISTER FOR TRANSPORT (Hon. C. H. Simpson—Midland) [5.2] in moving the second reading said: As its Title indicates, the Bill provides for a public holiday as a means of celebrating the coronation of Her Majesty Queen Elizabeth II. The 2nd June, 1953, has been selected for this holiday at the request of the Commonwealth Government, which desires that the holiday shall be observed on this day throughout Australia.

The Bill provides that all persons in the State shall be entitled to this holiday, and that any who is required to work on that day shall be compensated according to the provisions of the relevant Act, regulation, award, or industrial agreement under which he works. In the event of his not being covered in such a manner, he may either receive double pay for the day's work, or have one day added to his annual holiday. Any person working for a part only of the holiday will be compensated proportionately. I understand that this Bill has the sanction of both employers and employees and I commend it to the House. I move—

That the Bill be now read a second time.

On motion by Hon. H. Hearn, debate adjourned.

BILL—FREMANTLE ELECTRICITY UNDERTAKING AGREEMENT.

Second Reading.

Debate resumed from the previous day.

HON. SIR FRANK GIBSON (Suburban) [5.5]: It is with a certain sense of regret that I rise to support the second reading of this Bill as it will mean for me the severing of an association of over 30 years with the distribution of electric light and power in the Fremantle district. For the benefit of members, I will give a brief history of the undertaking, so that they will know what it has meant to the district of Fremantle during the period I have mentioned. It will also indicate the advantages of local control of public utilities when administered on a sound financial basis. The board was brought into existence under the provisions of the Fremantle Municipal Tramways and Electric Lighting Act, 1903, to undertake the construction, carrying out, control and management of the undertaking and was elected to office on the 18th June, 1904.

The two municipalities raised a loan of £100,000 in the proportions, six sevenths by the Municipality of Fremantle and one seventh by the Municipality of East Fremantle, to put the works in operation. Construction was started on the 6th February, 1905, and on the 30th October that year, the work having so far advanced, the board was able to open the East and South Fremantle routes. The work thenceforward proceeded with rapidity and the construction of the scheme was completed in accordance with the agreement on the 11th April, 1906. Members who, in years gone by, saw the building on the mole at Fremantle, and the immense amount of machinery that was installed in it, will be interested to know that the building was completed in eight months from the time clearing started. That is an indication of what could be done in those days—

Hon. H. Hearn: You do not think we have progressed very much?

Hon. Sir FRANK GIBSON: No, particularly in view of the fact that the clearing was done with picks, shovels and barrows and that there was no mechanical aid available at the time. One wonders how long it would have taken to do that job and erect that building under present-day conditions. In addition to providing interest at 4½ per cent. on the £100,000 loan, the board had to provide 2 per cent. for sinking fund, set aside a sum of money for the purpose of writing down the accounts under the heading of preliminary expenses, and repay the councils for an amount provided by them for the completion of the original undertakings. Some difficulty was experienced at first in financing the undertaking, particularly with regard to extensions to electricity mains to meet the increasing demand for electricity, owing to the absence of any provision in the special Act dealing with the question.

Grave responsibility was cast upon the board and up to the close of the first financial period, 10 months operations, it had found it imperative to disburse the sum of £2,663 to keep the system functioning. The section in the Act was, however, not amended until February, 1909, which amendment increased the borrowing powers to the extent of £50,000. A further amendment of the Act in 1915 increased the borrowing powers to £200,000. In 1916 the board was faced with the position that it had either to close down the power house and take electricity from the Government's central supply station at East Perth, or have its supply area limited to the municipal districts of Fremantle and East Fremantle.

It was then decided to enter into an agreement with the Government for a bulk supply for a term of 25 years, with the option of renewal for a further term of 25 years. The power house was accordingly closed down, and the plant sold at a low value. Money had therefore to be found to build and equip a substation in a suitable position for the distribution of the electricity received in bulk from the Government. It will interest members to know that the contract price contained in the agreement into which we entered for a period of 25 years, with the option of a further 25 years, was .85d. per unit, whereas the Perth City Council were obtaining the same current for .75d. per unit.

That meant that they were getting it for 13 per cent less than we were paying, and yet our people had the benefit of current at the same price as that at which it was being distributed throughout the metropolitan area. That was of great help to the primary producers, particularly in the Fremantle Road Board area and at Rockingham, because it enabled them to develop their properties in a way that would have been impossible had they had to find some other system of raising water for irrigation purposes.

The board was unable, owing to war conditions, to raise loan moneys to cover these extra costs, and working expenses were excessively high due to the necessity of keeping the power house running during the change-over period. It will interest members to know that the original plant installed generated two-phase 50 cycle current. We had then to change the whole of the equipment at Fremantle from 50 cycles to 40 cycles, and now the State Electricity Commission is faced with a serious difficulty in changing again from 40 to 50 cycles. Further, the board had to incur the expense of rewinding consumers' motors to render them suitable for operation on the new current. This expenditure, therefore, had to be financed, and in 1918 and 1919 the ordinary sinking fund provision could not be set aside, and had to be made good at a later stage of the board's operations.

In 1928 the board had a loan indebtedness unprovided for by sinking fund of £72,000 and, in conjunction with the State Under Treasurer, a ten-year plan was formulated to liquidate all indebtedness by 1938, and in spite of the depression period which intervened, and the fact that the board had in the meantime to borrow further funds to the amount of £22,000, it was free of all loan indebtedness at the end of the financial year ended the 31st August, 1938. This continued until early in the current year, when it was found that with the rapid expansion of industry and extensive home building in the districts served by the board's passenger transport and electricity distribution systems, additional capital, beyond the capacity of the board to provide by the methods adopted over the years, was required to finance new works.

The total amount of loan money employed in financing the undertakings including the £24,500 borrowed last financial year, amounted to £214,300. This represents the board's capital. In addition to meeting all interest on loans and repaying £190,460 of the amount borrowed, it has provided additional assets to the extent of £305,000, replaced worn-out assets to the value of £112,000, repaid the councils for additional money advanced for the completion of the original undertakings a sum of £2,870, and in addition, it has paid exchange on a London loan for additional equipment, £2,490, and has paid to the Fremantle and East Fremantle Councils £165,000 by way of profits.

The board also paid £5,600 to the maintenance reserve, making a total provision of £783,420 from the operations of the undertakings. That was the result of the work of the board from 1906 to 1952. This satisfactory result has been achieved in spite of a serious setback during World War I, the cost of the change-over from two-phase 50 cycle to three-phrase 40 cycle in 1916-17 and the enforced scrapping of the power station to the value of approximately £38,000, the tremendous drop in revenue during the early nineteen-thirties and the more recent high cost of wages, materials and services. The financial benefits accruing to the residents of Fremantle and East Fremantle are well illustrated by the amounts handed to the councils both by way of profits and for maintenance of roadways, between and adjacent to tram tracks. Had the councils designed to raise their share by way of rates, the burden on ratepayers would have been considerable. The boards financial success is reflected in the finances of the councils, enabling the latter to reduce their loan indebtedness, thereby lessening loan interest payments.

It is expected that with the development taking place in and around the Fremantle district, omnibuses, with their greater mobility, will provide a more efficient service than the trams. The service, which the board proposes to provide to surrounding districts, which will benefit largely from the board's activities, will materially assist in maintaining the business of the city. Our position was somewhat difficult when the State Electricity Commission made overtures to us to take over the distribution of electricity in the Fremantle district.

We had a period of about 20 years to go under the agreement that had been entered into between the board and the Government to supply electricity at .85d. per unit. We had that agreement and, of course, as far as British countries are concerned, agreements are inviolate. But we realised that there was a moral obligation

on the part of the board to vary the agreement. We were not prepared to go quite as far as the State Electricity Commission wanted us to and we were threatened with certain legislation if we did not agree to its proposals. Had we not agreed, our hands would have been tied as regards the provision of facilities in the Fremantle district or the extension of industries in that area.

As we were unable to borrow money and there were demands coming forward for the extension of light and power services for industry, we could do nothing but enter into the agreement with the State Electricity Commission. The board has done this. It has provided a certain sum of money which is invested with the Commission and for which the board is the trustee for the ratepayers of both the Fremantle City Council and the East Fremantle Council. We believe with the local authority operating the transport it will be able to do more for the people in providing a suitable transport system than could be done by the Government or if it were operated by a private company. We are not seeking to make profits; we hope we will live within our income and that there will be a considerable sum of money available from interest accruing to us as a result of the money invested with the State Electricity Commission.

We are carrying the people of Fremantle today at a cost that compares more than favourably with any other transport service in Western Australia. As far as children are concerned we are carrying them at a flat rate of 2d. a child, which is only about half that collected from children travelling in other parts of the metropolis. In big cities it is possible to get loading both ways, but in a sparsely populated area like Fremantle if people are brought in, the buses have to run out empty. We are trying to maintain the services of the conductor and the motorman, but in time to come by working in the more sparsely populated areas it is possible we will follow the example of the Government and run at a loss. It is possible, however, given suitable facilities, for local authorities to run their utilities to the satisfaction of the people they represent.

HON. E. M. DAVIES (West) [5.18]: I rise to support the Bill, but not with a great deal of enthusiasm. I say that because, in my opinion, although this is an agreement for the Tramways Board to sell to the State Electricity Commission and for the Commission to purchase on behalf of the Government the electricity undertakings conducted by the Tramways Electric Lighting Board, that board has been squeezed out of business. As already indicated by Sir Frank Gibson, the board has for a considerable number of years past, made a success of the undertaking. I would like to point out that the Government decided to be the supplying source for the metropolitan area as far as electricity is concerned.

Fremantle at that time had its own generating station and, might I say with emphasis, it was a 50 cycle station. When the Government decided it would be the controlling factor as far as the generation of electric current for the metropolitan area was concerned, it meant that the electric light generating station in Fremantle had to be scrapped. As I have already indicated, it was then a 50 cycle station. In addition to that, it became necessary for the then board to bear the cost of the alteration of motors owned by consumers when the changeover was made from 50 cycles to 40 cycles. So I feel that the change which has been made today is a change back again to 50 cycle generation.

Hon. A. R. Jones: How long ago did that take place?

Hon. E. M. DAVIES: I am not sure of the exact date, but I think it was in about 1916. Although I am supporting the Bill, I believe the local board could have conducted the distribution of electric current in the area under its jurisdiction for some years to come. As a matter of fact, the existing agreement was not to expire until 1967. It is true, of course, that the agreement provided that current should be sold to the board for .85d., and the argument was used that the cost of producing or generating the current had exceeded that particular sum. The Tramway Board was informed that it would have to pay at least 1.6d. for the cost of production.

I understand that the board in Fremantle was prepared to negotiate with the Electricity Commission and agree voluntarily to an increase in the price. But it was not prepared to pay 1.6d. for the cost of production because the State Electricity Commission was retailing its current to the other parts of the State and to other industries at a cost of less than 1.6d. So it was hardly fair that Fremantle should have been placed in the position of not being able to retail current to industry at the same rate that industry was receiving it in some other parts of the metropolitan area. If it did so, it would show a loss on that particular class of business.

So I believe although this is an agreement it has been brought about by the fact that the Tramway Board at Fremantle has been squeezed out of business. Accordingly I am in no way enthusiastic about this particular proposal. In addition, the Tramway Board has conducted a transport service and that service is to be retained. I understand from the remarks made by Sir Frank Gibson that the four per cent. interest on the £550,000 that will be invested is to be used in the first place for making up any loss that may accrue

as a result of running this transport. I would like to point out that the taxpayers of Fremantle pay taxation on amounts of money that are used for the purpose of conducting transport in other parts of this State, principally in and around Perth and the metropolitan area.

I also understand that certain assistance has been rendered to the Eastern Goldfields Transport Board, but as far as the board in Fremantle is concerned it will have to find ways and means of running a public transport without any loss because if a loss is incurred it then becomes necessary under the Act for a special rate to be struck by the Fremantle City Council and the East Fremantle Council to make up the deficiency. So the board will be called upon to do that quite apart from the taxpayers having to pay their amounts of tax towards the conducting of transport in other parts of the State. Therefore I feel that it is distinctly unfair that the Government should have decided to do what it has.

In my opinion, an amicable agreement could have been arrived at between the Government and the Fremantle Tramway and Electricity Board to carry on that public utility; I believe the price of current in bulk could have been arrived at. I feel that everybody would have been happier and more contented in those circumstances than they are with the position in which they are placed today. I do not want to be critical of the State Electricity Commission. It has taken over this undertaking and at present is engaged in changing over the 40 cycle current to 50 cycle current. Again, the taxpayers will be called upon to make this money available for the changeover and for the alteration of various apparatus particularly motors as a result of the change of frequency in the current.

The ordinary individual will find no difference and will not know whether his apparatus is run on 40 cycle current or 50 cycle current. So I think that this particular undertaking in Fremantle was forced into making an agreement with the Government. It was told that if it did not pay the price the State Electricity Commission wanted, the Government would bring down a Bill in Parliament and break the agreement. That agreement should have run till 1967. So I am in no way enthusiastic about this Bill. I believe the local board could have conducted its utility for the benefit of Fremantle and the districts generally.

In view of all the circumstances, I believe an amicable agreement could have been made between the board and the State Electricity Commission so that the undertaking would have been conducted in the same way as it had been over a long period of years and with as much success. I support the second reading, but I want to emphasise the fact that I am in no way enthusiastic about the matter. I do not know whether the statements I heard are true or whether they can be substantiated, but I would like the Minister to make some inquiries and find out what the position is.

I do not know anything about electricity, but I have been told by people who claim to know something about it, that the utilisation of the previous meters that were used for 40 cycle current and which now have 50 cycle current passing through them is responsible for an eight per cent. increase in the amount of current used. I have been told by Mr. Edmondson, who is an electrical engineer and who, of course, can claim to know something about it, that this is not a fact. Nevertheless, I am still getting complaints from people that the accounts they are now receiving are far greater than those they received from the Fremantle Tramway and Lighting Board. They claim that this has been brought about not only by the fact that there has been an increase to the consumer in the cost of current, but because 50 cycle current has been passed through 40 cycle meters.

These people consider that that is also responsible for some of the increase they are called upon to bear as the result of the changeover. I wish to make it clear that I do not pretend to know anything about electricity. However, statements have been made to me by Fremantle people claiming that their accounts have increased to the extent I mentioned. I have been told by people associated with the electrical industry that there has been an increase of approximately eight per cent. Yet I have been informed by Mr. Edmondson that that is not correct. The Minister should make inquiries and tell the public definitely what the true position is.

HON. G. FRASER (West) [5.31]: Like Sir Frank Gibson and Mr. Davies, I cannot allow this Bill to pass without saying how much I deplore the tactics that have been employed by the State Electricity Commission and by the Minister in order to browbeat the Fremantle Municipal Tramways and Electric Lighting Board into disposing of its assets to the Commission. This matter had been under discussion for some two or three years, during which period we had deputations to the Minister.

As regards the price of current, the Fremantle Board admittedly had a very good agreement and the people of Fremantle received the benefit of it, but we know that the board was quite willing to agree to some increase in the price, when the matter of the actual charge was the bone of contention. The board would not submit to the price asked by the Commission. Mr. Davies was correct in stating that the Commission was then supplying to certain industries at a much cheaper price than was being charged to the board. As

the board had definite information on that point, is it any wonder that it refused to sign at the price requested by the Commission?

When the suggestion was made that the current would be changed from 40 to 50 cycles, it was said that Fremantle would be the first district where the changeover would be made. This was only natural, seeing that the power house is situated at South Fremantle, but later we were threatened that the changeover to 50 cycles would not be made unless the Commission's price was agreed to or the concern was transferred to the Commission. That has been held as a sort of big stick over the board during the past two or three years. I believe that last session the Government went so far as to have a Bill prepared, though it was not introduced, the idea being that the agreement made many years ago between Government and the board as to the price should be terminated.

The Minister for Transport: Was it not because the original agreement did not contain any rise and fall clause?

Hon. G. FRASER: No. The original agreement in which the price was stipulated contained no rise and fall clause. The price stated was to apply throughout the full term of the agreement.

Hon. L. Craig: A very bad agreement.

Hon. G. FRASER: The original agreement was for 25 years and admittedly could be renewed at the option of the board, without the Government's having any say in the matter. Mr. Craig, however, is aware that if one makes a bad agreement, it is bad policy to introduce legislation to scrub it.

Hon. Sir Frank Gibson: It was a good agreement for the Government in the first place.

Hon. G. FRASER: When the original agreement was made, it was a good thing for the Government. I understand that at the time the Government went around hawking its wares in order to get agreements for the consumption of current. From the point of view of the Government at the time, it was a good agreement, but as time went on and costs increased, it turned out to be a bad agreement for the Government. However, the tactics employed in order to compel the board to sell do not read at all prettily to the average person.

The board would have been quite happy to carry on under the agreement. It was prepared to carry on for the full term, and notwithstanding that it was sitting pretty legally in the matter of price, it offered to negotiate and pay a reasonable increase. But that did not suit the Government and the State Electricity Commission, so certain tactics were employed to compel the board to sell. I hope that similar circumstances will not arise when the Commission or the Government desires to take over the undertakings in other municipalities. I hope the same story will not have to be told again because we do not want any repetition of that sort of thing.

In my speech on the Address-in-reply, I referred to the increase in the accounts that have to be met by people, particularly those in the Fremantle and North Fremantle areas. The heavier accounts are now coming to hand; the chickens are coming home to roost, and things are not too pleasant at Fremantle and the Commission is not a popular body. I realise that the people in the Fremantle area must be prepared to pay the same price as is being charged to consumers elsewhere, but I repeat what I then said that the Commission will have to look carefully into the question of costs, because it is very hard to justify to an individual who has to pay the higher amount, that the extra charges are warranted. I mentioned on the same occasion that people in one municipality who had been paying 4d. per unit for light and 1¼d. for power had, since the changeover, been called upon to pay about 6.4d. for light and 2.4d. for power.

Hon. H. Hearn: Those people have been fortunate for years.

Hon. G. FRASER: They do not think so. All they know is that their accounts now are approximately double what they were until two or three months ago. What makes it more difficult for many of them is that, whereas previously they paid their accounts monthly, the accounts are now issued quarterly, and thus the average individual, when he receives his account, finds it to be six times greater than it was before.

Hon. J. A. Dimmitt: Do not forget that the consumer has had two extra months of credit.

Hon. G. FRASER: But he receives notice that the account must be paid within 14 days, and so the fact of his having had two months' credit is of little value to him.

Hon. H. Hearn: The consumer would know that the account would be coming in.

Hon. G. FRASER: Most of us know that a lot of accounts will be coming in, but we are not always able to make provision for their payment, and members can imagine the state of mind of a consumer who receives a bill for six times the amount he has been accustomed to paying. The price being charged for current is bad enough, but we have received complaints galore, especially during the past month, from people living in the Melville Road Board area, that the supply is so bad as to make it impossible to read a newspaper at night. People who have gone to the expense of installing fluorescent lighting have complained that, when

they switch the current on, they are able to get only a flicker. I have had rings on Sunday night from people, making complaints on that score.

Hon. H. Hearn: Due to a drop in the voltage.

Hon. G. FRASER: This matter has been taken up with the Commission, but so far no improvement has been made. What with the rise in price and the lack of adequate current in certain districts of West Province, the people are not too happy. I shall not say who is to blame for this state of affairs. I suppose some of the trouble may be accounted for by the change-over from 40 to 50 cycles, but whatever the explanation may be, the Commission has been too long in rectifying the trouble. When the supply is so bad in the Bicton and Palmyra areas, I cannot understand why a few extra employees are not put on so that the people may be given proper service. I have had complaints from people who use small electric stoves that most of the food had to be thrown out because it was only half cooked owing to the insufficiency of power.

These complaints are being made, and naturally as the Commission has taken over control in those areas only recently, it is getting the blame. Whether the Commission is mainly responsible, I do not know. I have broached these matters in order that the Commission may know that it is not regarded too happily in the Fremantle area and that it should do something to justify the name that we hoped the Commission would make for itself. With the expression of these regrets and reservations, I support the second reading.

HON. F. R. H. LAVERY (West) [5.43]: I also rise to support the second reading and to express disapproval of the Commission on behalf of people in my province. A few weeks ago, we arranged a deputation to the Minister for Works to present a case on behalf of the poultry farmers and market gardeners. Perhaps the market gardeners in the Spearwood area were fortunate in receiving current at a fairly cheap rate before the State Electricity Commission took over, but they are now finding themselves in the position that costs have risen almost beyond their ability to meet them, seeing that they are raising a product that is marketed daily in Perth.

One of the speakers at the deputation was Mr. Wills-Johnson, representing the poultry farmers, who presented the case for those producers as follows:—

> In 1950 it was found that electricity represented 12.15 per cent. of the cost of producing eggs. Returns to the farmer from the Egg Board for June, 1950, were approximately 3s. 1d. per dozen. Returns to farmers in September, 1952, were approximately 3s. 9d. per dozen, an increase of about 25 per cent., whereas over the same period electricity has increased 42 per cent.

Mr. Evas, representing the Market Gardeners' Association, explained that the charge for power had increased from 2.5d., provided the account was paid during the discount period, to 3.55d. They are perturbed inasmuch as they had this deputation to the Minister. Another point that Mr. Fraser touched on affects not only the Melville area, but the new district of Hilton Park where a big housing project has been going on during the last few years. The people there are having valuable instruments damaged.

I have received a number of complaints in regard to wirelesses, refrigerators and other electrical equipment. One woman who spoke to me said I could use her name if I wished to, but I shall not do so unless the House requires me to. This lady bought an S.T.C. refrigerator for £170 in April, 1951, and on the 23rd September, 1952, she received an account for repairs to the machine from Messrs. M. J. Bateman Ltd. The details on the account are as follows:—

> To attention S.T.C. refrigerator including inspection. Located fault in motor windings due to low voltage in area. Replaced unit with new unit, recharged system with gas, checked over generally. £15.

Hon. H. Hearn: Did she pass that on to the Commission?

Hon. F. R. H. LAVERY: She went to the Commission, but instead of receiving a letter she merely got this little document stating—

> A representative of this department called today, but could find no one in attendance. The Commission regrets that it cannot accept responsibility for the account. Work is in hand to improve conditions in this area. This should be completed shortly.

Mr. Ellis, the engineer, promised me that within a few days there would be a new transformer in the area, but a month has now passed and the transformer has not arrived. It cannot be claimed that the Commission is short of staff. People in Fremantle complain because they have to pay increased prices when they see money being wasted by the S.E.C.

What I am about to relate will show that the Commission must have plenty of staff. At Millars' timber yards, North Fremantle, there is, where the sawmill is situated, one electric light point, and it is under the floor. The engineer goes there once a day to oil the motors. He would not be there for more than five minutes each day, and that is the only time that the light is on. The North Fremantle Muni-

cipal Council, which had this electrical area previously, did not see fit to put a light meter in because of the fact that there was a minimum charge, and one light used for five minutes a day would not come up to the minimum. When the S.E.C. took over it inspected the switchboard at this place, and asked where the light meter was. The engineer said there had never been a light meter because the minimum charge had to be paid. One inspector called on that occasion, and three days later two other inspectors called. They remained for 20 minutes and decided a meter must be installed.

The Commission must have plenty of meters when it can put a second one there. Within a week, four men came and spent two-and-a-half hours putting the meter in. They took 20 minutes to prepare the place for the meter and then, because they did not want to stop Millars from running the plant, they waited until mid-day and installed the meter between noon and 1 p.m. This is a case where money has been thrown down the drain. The light there would not in a year, or 20 years, return to the S.E.C. what it cost to install the meter. That is the sort of thing that people in Fremantle complain about. The areas referred to by Mr. Fraser have been inspected by me at night.

We have the same position through Hilton Park, but nothing has been done to improve the position. We did not have complaints prior to the 50-cycle electricity coming in. I am sure Sir Frank Gibson would say he did not have any complaints from these districts. The Fremantle Municipal Tramways and Electric Lighting Board did a splendid job for the people of Fremantle for many years. I heard Sir Frank say that fares in Fremantle were equal to or less than they were elsewhere in the metropolitan area: and I would remind members that prior to the taking over of the bus services we had the cheapest fares of anywhere in Australia. I congratulate the Fremantle Tramway and Electric Lighting Board upon the splendid job it did through the years. I support the Bill.

On motion by the Minister for Transport, debate adjourned.

BILLS (2)—FIRST READING.

1, Industrial Development (Kwinana Area) Act Amendment.

2, Referenda on Proposals for Marketing of Wheat, Oats and Barley.

Received from the Assembly.

BILL—BROKEN HILL PROPRIETARY STEEL INDUSTRY AGREEMENT.

Second Reading.

Debate resumed from the previous day.

HON. R. J. BOYLEN (South-East) [5.55]: It was not my original intention to speak on the Bill, but having heard the opinions expressed by other members I thought it incumbent on all of us to express our views. I feel this is so in view, particularly, of the remarks of two members. Mr. Cunningham yesterday referred not so much to what was said by members in this Chamber, but in another Chamber, who had spoken against the Bill. He contended it was a type of political sewage. I was astounded to hear that remark. Surely an honest expression of opinion is what is required here. That was hardly fair criticism.

In the course of his speech, Mr. Hearn told us what attitude he would adopt towards the Bill were he a member of the Labour Party. I can assure Mr. Hearn that his chances of being a member of the Labour Party are tantamount to those of a camel getting through the eye of a needle—the camel being too big and Mr. Hearn's ideas being too small. I intend to oppose the Bill because I consider that owing to the nature of its provisions, we will have virtually no opportunity for many years to have an integrated iron and steel industry established in Western Australia.

For a start, the agreement proposes to grant to B.H.P. the iron-ore deposits at Cockatoo Island for a period of 50 years and, if necessary, for a further period of 21 years. The leases at Cockatoo Island are at present held by Australian Iron and Steel Ltd. which, I understand, is a subsidiary of B.H.P. If B.H.P. considers it can establish an integrated iron and steel industry in Western Australia within a reasonable period, it could probably prove, to the satisfaction of the Government, prior to the expiration of the leases which Australian Iron and Steel Ltd. holds now, that it could do so. B.H.P. has been granted the leases for 71 years in the hope that it will establish the industry we are so anxious to see commenced here—and commenced by B.H.P.—but what undertaking has been given for the granting of such colossal leases? It is only that a steel rolling mill shall be established in Western Australia.

Not only are the iron-ore deposits at Cockatoo Island being leased to B.H.P., but also those at Koolan and Irvine Islands. I doubt whether members have a real appreciation of what is being given away for what I consider will in all probability be a very small return. The estimated iron-ore at Cockatoo and Koolan Islands is in the vicinity of 97,000,000 tons, and it is probably 187,400,000 tons. Unless we have a guarantee that within a specified time an integrated iron and steel industry is a possibility, and will be established in this State, we shall, if we are prepared to ratify this agreement, be

performing an act which I consider treacherous to the taxpayers of Western Australia.

What is B.H.P. going to give for a proved amount of 95,000,000 tons of iron-ore? It is legally bound only to establish a steel rolling mill. It is not legally bound to establish an integrated iron and steel industry. It must investigate the possibilities of establishing the industry in Western Australia, but it has admitted that it cannot see an economic means by which Collie coal can be converted into coke. It is not bound, by the agreement, to do any more about investigating these possibilities.

I consider that if the leases were held up for a period of 10 years to give the company an opportunity to investigate the possibilities of coking Collie coal, or of using charcoal in an economic way, there would be more justification for what is proposed. If a move such as that were adopted there would be no obligation on B.H.P., and none on the Government. A clause in the Bill places the agreement beyond being merely an agreement. It becomes a binding Act of Parliament, and we will be bound by it for at least 50, and probably 71, years. Not only has the iron-ore at Cockatoo, Koolan and Irvine Islands been included in the agreement, but also the iron-ore at Koolyanobbing, some 40 miles from Southern Cross. There is an assurance in the agreement that no more than 50,000 tons of this ore will be utilised each year and for a period of 10 years.

If B.H.P. is unable to establish an iron and steel industry in Western Australia, this agreement will prevent any other company, whether it be an Australian, American or European company, from entering the field in Western Australia. If such a company were anxious to start operations in this State, it would be compelled, over the period for which this agreement grants these leases to B.H.P. to buy iron-ore from that company. If it were found profitable to extend the Wundowie project, probably in the Collie-Bunbury area—as was suggested at one time—the Government, or any company, for that matter, would be able to use only 50,000 tons of iron-ore from Koolyanobbing because of the terms of this agreement. If any further ore were required, deposits would have to be purchased from B.H.P. To me it seems a sell-out of any possibility of establishing an iron and steel industry in Western Australia.

I am afraid that many people in this State have not had an opportunity to study this agreement because very little information has appeared in the Press. I think some people have the idea that an integrated iron and steel industry will be established in Western Australia, but the only assurance we have is that a steel rolling-mill will be established. All that will happen is that the ore from these different deposits will be shipped to Port Kembla or Newcastle, turned into pig-iron, converted into steel and then re-shipped back to Fremantle to be manufactured into whatever products are required for the State. That is another point.

This steel rolling mill is bound to produce only sufficient steel products to supply the requirements of Western Australia, and I am doubtful whether the requirements of this State would keep a mill of this type fully occupied for 12 months in each year. I should imagine that the mill will be working for only six months of the year, and that puts a different complexion on the whole proposition, especially when we consider the attitude some members have adopted on the question of employment. Some members stated that when B.H.P. establishes a steel rolling-mill at Kwinana many Western Australians will be employed. But I venture to suggest that not many Western Australians will be anxious to be employed by the company unless they are given an assurance that they will be employed for the full 12 months, year in and year out.

Hon. L. A. Logan: They have more applications than they know what to do with.

Hon. R. J. BOYLEN: Because people have been misled; the Press has not given the true facts. I can understand why the company is receiving so many applications, and it will keep on receiving them because of the conditions that have existed at other works established by the company. But those conditions will not be of much use if people are working only six months of the year, because they will not receive sufficient wages to keep them going for the full 12 months. I do not see how a State like Western Australia can keep a mill of that size in production for the full 12 months.

Hon. N. E. Baxter: Have you ever known B.H.P. to take that course previously?

Hon. R. J. BOYLEN: Others may have done so, and two wrongs do not make a right.

Hon. N. E. Baxter: Do you think the company will alter its previous attitude towards employees?

Hon. R. J. BOYLEN: In all probability the company will be compelled to give good conditions whether it likes it or not. B.H.P. is compelled by the terms of the agreement to produce only the requirements of Western Australia, and it is hard for me to understand—and I think it would be hard for Mr. Baxter to understand, too—how a mill of this size will be able to keep going for the full 12 months when it is to produce only the requirements of this State. There is another feature to this. Why establish this mill at Kwinana? A fully integrated iron and steel industry is bound up with the conversion of iron-

ore into pig-iron and the using of that pig-iron for the making of steel products. I would have thought that such an industry would be better established as close as possible to one of the major requirements of the industry.

The Minister for Transport: The company wants to use the butane gas from the oil refinery.

Hon. R. J. BOYLEN: I admit that it would be difficult to establish the industry close to some of the deposits of iron-ore, but if it intends to use Collie coal, why not establish the industry near the source of that supply? Or, if charcoal is to be used, why not place the industry close to some of our forests in Western Australia? I cannot see any great obstacle in the way of B.H.P., if it is sincere, establishing an industry in this State.

Hon. N. E. Baxter: Naturally, fuels have something to do with it.

Hon. R. J. BOYLEN: It has been proved beyond doubt that 16 cwt. of charcoal, which has not been selected or screened, can produce one ton of pig-iron, and it takes one ton of selected and screened coke to produce one ton of pig-iron.

Hon. N. E. Baxter: And what does it cost to produce 16 cwt. of charcoal?

Hon. R. J. BOYLEN: Mr. Baxter cannot answer my questions, so if he will keep quiet, I will continue my speech.

The PRESIDENT: Order!

Hon. R. J. BOYLEN: Charcoal-iron is accepted as the best pig-iron in the world and there is nothing in the agreement to say that charcoal shall not be used and there is nothing to suggest that it is more economical, or less economical, than coke. So I consider that B.H.P. has not a great obstacle to overcome, but I have my doubts about the sincerity of the agreement, and I have considerable doubts about the intention of the company to establish an integrated iron and steel industry in this State.

All the company says is that it will establish a steel-rolling mill and if and when Collie coal can be converted into coke economically, the steel industry will be established. But Collie coal may never be turned economically into coke, and if charcoal is not an economical proposition, what chance have we of ever getting a fully integrated iron and steel industry in Western Australia? But it is poor recompense for the company to be granted the lease of all these deposits for a paltry 6d. per ton royalty. The company will be able to sell iron-ore to those who require it and probably make a handsome profit as a result of those sales.

The only people who will benefit from this agreement will be B.H.P. and other manufacturers in the Eastern States. I also want to know to what extent the Government will be involved in the establishment of this steel rolling mill. I am sure that the Government will be involved in considerable expenditure, and before we are asked to vote on a Bill of this nature we should be given more information on that aspect.

The Minister for Transport: We are committed for only £200,000 for dredging as against £4,000,000 being invested by the company.

Hon. R. J. BOYLEN: I think the public of Western Australia should be given information on this matter. The average man in the street has very little idea of what is being given away by the Government or what the company is giving in return.

Hon. H. S. W. Parker: And he does not care, either.

Hon. R. J. BOYLEN: He will, ultimately. This will be effective for the next 50 to 70 years. However, I feel that an agreement could be drawn up which would be acceptable to many members who have spoken against the measure. If something could be done to assure the company of these leases for a certain period provided an industry was established within a certain time, I would be one of the first to support it. One member said that members of the Labour Party were prepared to pat B.H.P. on the shoulder with one hand and stab it in the back with the other. That is not my attitude towards this Bill, and if an agreement could be prepared which would assure to the State the establishment of an industry within a comparatively short time, I would be prepared to support it, but I am sincerely opposed to a measure of this nature.

HON. A. R. JONES (Midland) [6.10]: I rise to make a contribution to the debate not because I intend to oppose the measure, or because I think it is a rotten Bill, as it has been described by one member—

Hon. C. W. D. Barker: I still think it is.

Hon. A. R. JONES—but because I agree with some members who have said that the agreement is not one which the Government would have liked if it had been able to arrange for a better one. I do not entirely support this agreement but, like the Government, I feel it is the best that could be made in the circumstances. My main argument is about the way the Bill has been presented to us. We have no chance of amending the agreement and we must make up our minds whether we will ratify it or not. We have been given no latitude on the question and I am sorry that we have not been given an opportunity to discuss the whole question with someone who knows something about the iron and steel industry.

Not one member has had any experience of such an industry and, judging from remarks that have been made, I would say not one member is competent to speak on the subject. That being so, I would have been happier in making up my mind if I had been given an opportunity to discuss this matter with someone who was an authority on the subject. Even at this late stage I wonder if the Minister would agree to someone coming along to answer questions on this subject. This is one of the biggest decisions we have been asked to make, and I should say it is one of the biggest decisions that has confronted anyone in the history of Western Australia. It has been pointed out that huge deposits of iron-ore in various parts of the State, or on islands which are considered parts of this State, and in the hinterland, have been the means of bartering or negotiating with B.H.P.

These assets are of considerable value, and up till now they have been lying idle. I agree that something must be done about it. The Government has made a move to do something and we have been asked to make a momentous decision without knowing just what we are doing. It has been claimed that this £4,000,000 project is the first part of what may become a fully integrated iron and steel industry. I think it will be a long time before such an industry will be established in this State, even if we can produce coke from Collie coal. I say that because it will be some time before we shall be able to find use for steel products in this State sufficient to compensate B.H.P., or any other company, for establishing such an industry here. It has been said that the use of charcoal for the production of pig-iron is on the way out.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. A. R. JONES: Before the tea suspension I was saying that charcoal-iron was going out of favour and that it was considered by some members to be obsolete but in the opinion of the steel manufacturers of the world and according to a magazine that I was able to obtain called "The Iron Age," I learn that charcoal-iron is produced in considerable quantities in at least two countries. In Sweden 6,000 tons of iron are produced annually; of that output 3,000 tons are charcoal-iron. It has been said, too, that iron produced in Sweden from charcoal used as a fuel, is some of the best that is produced in that country where it is manufactured into tool steel, surgical instruments, etc.

Brazil is another country which is producing over 3,000 tons of iron annually and the output is increasing to such an extent that only recently a further blast furnace to produce 200 tons a day was installed—I am not able to state the type from memory—and it is understood that the production of charcoal-iron in that country is still increasing. The article that I read in "The Iron Age" gives a long account of the reforestation that has taken place in parts of Brazil of hardwood timbers which have been imported from Australia and which are to be used for the production of good quality charcoal.

America is another country that produces charcoal-iron. In Tennessee 100 tons daily are produced by a blast furnace two and a half times greater in capacity than the one we have in the pilot plant at Wundowie. I mention these points to offset the argument that there is no place in this State of ours for a charcoal-iron industry. I am not going to suggest that the Government should launch out to establish a charcoal-iron industry but I consider that we have everything in this State to support such an industry and it would be one which, if managed properly by a company of the magnitude and efficiency of B.H.P., could be sufficiently large to manufacture all the iron and steel that is needed in this State and possibly, in the future, sufficient for export.

Hon. H. S. W. Parker: Was there anything in that article regarding relative costs?

Hon. A. R. JONES: Yes, I will give an idea of what the costs would be, one against the other. An eminent American, Mr. Sweetser, states that steel made from charcoal-iron is the best in the world and he considers that charcoal, obtained from hardwood, used as a fuel for the manufacture of iron, is the best that can be utilised. In making a comparison of the royalty charged by our Government to B.H.P. as against what might be paid by a firm importing iron-ore from Sweden, I cannot give a definite figure, but I assess from figures in this journal that from Sweden 10,000,000 tons of iron-ore are exported annually. It is a lower grade quality than the iron-ore obtained from the islands off the north coast of this State—not much lower—and it is produced at Port Narvik at a cost of £4 17s. per ton. From what I am able to assess of the cost of production and delivery to the port, I would say that the royalty paid by countries importing iron from Sweden would be, approximately, £1 per ton. However, I cannot give that as an authentic statement.

If it were possible to establish an iron and steel industry in Western Australia it could only be realised by the use of charcoal as a fuel. One of my reasons for the assertion is that we have been told that today there is no possibility, economically, of coking Collie coal, and that when it is coked it takes two and quarter tons of coal to make one ton of coke. We already know the cost of producing charcoal from our experience of the pilot plant at Wun-

dowie, which is an antiquated plant that could not produce a cheap article under adverse conditions and many disabilities.

The cost of charcoal could be set, I believe, at £6 10s. per ton, that is, if produced under the best known methods. It takes four-fifths of a ton of good charcoal to produce a ton of iron and the fluxing material which is necessary with the use of charcoal as a fuel, has a big advantage over the coke-produced iron because only one-quarter of the fluxing material is required because of the absence of ash in the charcoal such as is produced at Wundowie. Large quantities could be produced in a similar type of retort or from timber obtained from a similar type of forest as that found in that area. From the figures I have given it can be seen that to produce iron with charcoal, the fuel cost would be £5 5s. per ton.

I may be subject to correction, but I understand it would take two and a quarter tons of Collie coal to produce one ton of coke, and the cost of Collie coal at grass on the average would be £3 per ton. However, it is dearer at present. From memory, it is now 76s. per ton at grass at Collie, but the additional cost has been brought about by the reduced number of shifts. Therefore, when the men return to full shift work, Collie coal should be produced at approximately £3 per ton.

Hon. H. S. W. Parker: Where did you get the information that Collie coal can be coked?

Hon. A. R. JONES: From an eminent engineer, but he did say it could not be coked economically.

The Minister for Agriculture: They have not been very successful with their pilot tests.

Hon. L. Craig: I have seen Collie coal coked; it is poor stuff.

The Minister for Transport: It will not stand the strain of pressure.

Hon. A. R. JONES: As I was saying, it takes two and a quarter tons of Collie coal to produce one ton of coke and if it could be produced successfully and economically the minimum cost would be £6 15s. per ton. As it takes one ton of coke to produce one ton of iron the fuel would cost £6 15s. Also it is necessary to use the right type of flux in the production of iron, and in the best coke produced in the Eastern States there is a 15 to 20 per cent. ash content, the removal of which makes essential the use of a greater quantity of flux. That would necessitate the importing of suitable limestone rock from South Australia or the discovery of it in this State. Unfortunately, however, we do not have that rock available today so it appears that it would have to be brought from South Australia.

Hon. L. A. Logan: The proportion would be about five to one.

Hon. A. R. JONES: Yes, that would be the proportion used. I have made these observations, but whether they are authentic, I do not know. I hope the Minister will make inquiries and advise me whether I am correct or not. If I am proved to be correct the establishment of a charcoal iron industry in Western Australia is not a remote possibility and that is another reason why we should have been told more facts in regard to the proposed establishment of a steel industry. We are only laymen. Mr. Barker claimed that he was not one of us when I said that I believed that not one member who has spoken knew anything about the steel industry.

Hon. C. W. D. Barker: No, the hon. member is wrong. I said that we were not discussing it from the point of view of the establishment of an iron and steel industry but of the agreement.

Hon. A. R. JONES: I see the hon. member's point. It has been proved that iron produced under conditions that exist at Wundowie is of a good type for the purpose of producing steel under the nodular system. I am not going to say that I know anything about that system, but I believe it is somewhat new and experiments have been made with it in Germany and America. As a result it has been proved that the iron produced at Wundowie can be manufactured into steel under the nodular system more cheaply than that produced under the blast furnace system. If that is so, it holds out more hope for the establishment of a charcoal-iron industry in the timber country of our State.

Hon. C. W. D. Barker: Do not you think we are entitled to a charcoal-iron industry or something like that?

Hon. A. R. JONES: In the production of steel I think charcoal-iron could be used. Is that not another asset that we have? Quite a lot of criticism has been voiced against the Wundowie undertaking. I, in my turn, have criticised the project. Most members in this Chamber and in another place have criticised it, because of the cost it has been to the State. We all know that at the time it was set up, it was considered a necessary evil, if I can put it that way. It produced the iron we could not obtain from the Eastern States at that juncture, and as a result it kept a number of industries in operation. From that point of view, I would not say it has been a dead loss to Western Australia. Since iron is being produced in the Eastern States and sent to this State, we know that production costs are really less than that connected with the production of charcoal-iorn.

Hon. N. E. Baxter: A great deal less.

Hon. A. R. JONES: The hon. member can have it that way. We have still no chance of producing cheap iron under the conditions that obtain at Wundowie for two or three reasons. One of those reasons is that the undertaking is con-

trolled by the Government. We all know that any instrumentality that the Government handles is not conducted on the most economical basis, and we are aware that the Wundowie undertaking has been one big experiment. We also appreciate that the iron-ore which it has handled has been taken from the deposits at Koolyanobbing and was man-handled on to the road truck and man-handled from that conveyance to the railway trucks, only to be again man-handled out of the railway truck at this end.

I ask members if iron-ore handled in that way could be expected to make available a cheap product. Then again, during the time the industry has been in operation its activities have been to some extent curtailed because power was not available to meet the full requirements. Instead of producing 40 tons per day, it has produced only 24 tons. when the power plant was put in, the cost of installing it was double what it would have been if that work had been undertaken a bit earlier.

Hon. H. S. W. Parker: But half what it would cost now.

Hon. A. R. JONES: I also know that the State Electricity Commission promised to supply the industry with power two years ago, but that power has still not been supplied. Members also appreciate the fact that recently a big timber mill was brought into production at Wundowie and that has saved a lot of the waste that was going on previously. That mill is paying good dividends today. I venture to assert that if this concern were wound up tomorrow, its assets—such as timber stacked for drying purposes, the stores necessary for a concern of such a size, the machinery and other plant—would return to the State, if they were sold and the industry broken up, sufficient money to recoup all the expenditure upon it.

Hon. C. W. D. Barker: Hear, hear!

Hon. A. R. JONES: I believe we have been misled by the statement that the Wundowie concern has meant a terrific loss to the State. I do not suggest that the industry should be expanded and continued, because I do not think it is a job for the Government. Nevertheless, the Wundowie undertaking has fulfilled the purpose for which it was established and has proved that charcoal-iron can be produced.

Hon. C. W. D. Barker: Do not you think that B.H.P. should be encouraged to produce charcoal-iron here?

Hon. A. R. JONES: I do.

Hon. C. W. D. Barker: We might be able to do that if we entered into a new agreement.

Hon. A. R. JONES: To follow up that line of argument, I made inquiries at the Forests Department regarding timber supplies, and I was told that in the South-West there is a lot of country extending from Collie to Bunbury where the forests are of no great value for building-timber purposes. I was informed that we could obtain there enough wood to produce charcoal from that area to the extent of the production of 250 tons of iron per day for 150 years, without the necessity for any further reforestation.

Hon. C. W. D. Barker: That is true.

Hon. A. R. JONES: The area from which the timber could be obtained would be within a 30-mile radius of where the industry could be set up. There again, I cannot vouch for the accuracy of my figures, but they were given to me by the Forests Department.

Hon. N. E. Baxter: The surprising thing is that if a farmer wants a small area of timber country there released for primary production purposes, he cannot get any.

Hon. A. R. JONES: As to the establishment of the proposed rolling mill, I cannot regard it as establishing a steel industry. I regard it at the moment as no more than a big factory. When I refer to what the mill will accomplish, I must confess that I am ignorant regarding the facts, whereas we should have been told about them. However, I believe that steel billets will be brought from the Eastern States and heated here in order to be manufactured into various articles required. I understand that one of the main concerns of B.H.P. will be to produce steel drums for the oil refinery that will be erected in close proximity to the mill. That will be one method by which a large proportion of its output may be absorbed.

The mill will also produce steel fencing posts, which is very satisfactory. The country people know the great need of fencing posts, which has been apparent since the war began in 1939. We will also have the plate necessary for the huge mains essential for the water supplies that are needed throughout the rural districts. Furthermore, the mill will provide plain wire and netting for fencing against vermin and so forth. I am very hopeful, therefore, that although the country areas will not obtain the expenditure of money that will be required there during the next two or three years as the Government will have to provide a railway line, carry out dredging operations and make available water and electricity supplies at Kwinana, the country people will ultimately be more than compensated by the products that will be available to them from the B.H.P. mill.

I know that the future of Western Australia lies not so much in the development of secondary industries as in the progress of our primary industries. I also know that unless water supplies can be made available to the rural districts, we shall not have the development we would like.

Hon. G. Bennetts: You could use wooden pipes.

Hon. A. R. JONES: I know that wooden pipes have been used, but I think they have proved very costly because of the maintenance that is necessary.

Hon. G. Bennetts: I think you are wrong.

Hon. C. W. D. Barker: We want steel pipes made in our own State.

Hon. A. R. JONES: Both the present and past Governments have talked about decentralisation. One objection I have to the establishment of this particular industry at Kwinana is that it does not make for decentralisation. It may be necessary for the rolling mill to be located there, but I think it would be possible to supply from there the requirements of an integrated iron and steel works if one were situated elsewhere in the State. I trust that whatever the Government intends in the future, it will endeavour to encourage the establishment of further works to be situated somewhere else if that is at all possible, with the object of achieving decentralisation. I have always been led to believe that the cheapest method of steel production has been to keep the product hot from the time it proceeds from one stage to another. I am told that billets when produced are kept in a hot oven so that when the time is ripe for dealing with them in the rolling mill, it costs less because there is no necessity to re-heat them completely. I realise that if one part of the industry were situated at Bunbury or Collie and the other at Kwinana, it would not be possible to carry out that practice.

I would like the Minister to inform the House regarding the aspects I have raised because we should have information in that respect. In conclusion, I would like to put it to the Minister that if a similar instance to this should arise on some future occasion, should we ever have such an undertaking of a similar magnitude to deal with, in respect of which we will be asked to say yes or no to any agreement that may be drawn up, we shall have a greater opportunity to be furnished with all the information we should have at our disposal. If that were done, we would be assisted to arrive at a considered opinion.

We know that B.H.P. intends to spend £4,000,000 on the project it is to undertake. That is a lot of money. Irrespective of whether the State was required to find that amount or someone else, we should be satisfied that the money will be spent in the proper place. When the State is confronted with the necessity to spend a lot of money as it is in this instance with regard to railway construction, electricity and water supplies, dredging and so forth, we should have all the necessary information before us. We know that revenue will be derived from the iron-ore on the basis of a royalty of only 6d. per ton.

I believe we should be placed in the position thoroughly to understand all the issues involved, so that we would be able to vote intelligently upon the issue. I will support the second reading of the Bill because I feel that the benefit to be derived outweighs considerations to the contrary. With other members, who have spoken during the debate, I believe B.H.P., which has such a great record to its credit, will do the right thing by Western Australia. From the company's point of view, the agreement is a very excellent one. From our own point of view, it is possibly the best we could have made. Nevertheless, I am not altogether happy about it. If I were making an agreement myself regarding share farming operations, for instance, I would like to tie up the position a little more than has been done under the agreement.

Hon. C. W. D. Barker: Hear, hear! That is the point.

Hon. A. R. JONES: If I were negotiating a share farming agreement I would be supplying the seed and super—the Government in this instance is supplying the wherewithal to allow the steel to be produced—and I would be supplying certain facilities—the Government in this instance is supplying the railway, dredging and so forth—and I would like to know that everything necessary was provided for and that a crop was going to be raised before I signed the agreement. I feel that any Government, irrespective of its political colour or creed should make sure that such an agreement was a good and workable one.

We know that Governments change. Our Labour friends tell us that the present Government will change before very long. That may or may not be so. But the fact remains that Governments do change and so do the directorates of big companies; and while we are a very happy family today, and agree upon certain things, and will honour our obligations, there is nothing to say that in 20 years' time the whole situation will not be changed and that there will not be a different personnel whose policy we cannot forecast.

HON. H. C. STRICKLAND (North) [8.1]: I agree with Mr. Jones that it is bad business for a venture if an agreement is made as the result of which it will show a loss financially. For that reason and several others, I am opposed to this measure.

The Minister for Transport: Did you say that the State would be poorer if it had not made the agreement?

Hon. H. C. STRICKLAND: I said that I agree that when a venture makes an agreement as a result of which it will be poorer financially, that agreement is a bad one.

Hon. N. E. Baxter: How do you arrive at that?

Hon. H. C. STRICKLAND: Because it is going to cost the taxpayers a lot of money to establish a rolling-mill.

Hon. J. A. Dimmitt: How?

Hon. H. C. STRICKLAND: A lot of facilities have to be established down there and that will cost a considerable amount of money.

Hon. L. Craig: They will be paid for.

The Minister for Transport: That would apply in any case where population established itself.

Hon. H. C. STRICKLAND: I think that in time the company might have been agreeable to provide its own facilities on a site such as this.

Hon. J. A. Dimmitt: But not railways, water supplies and electricity.

Hon. H. C. STRICKLAND: The cost to the State of providing facilities such as dredging, water supplies, roadways, and resumption of land will be quite an item. We are getting in return a rolling-mill which is not going to produce anything at all. It is an uneconomic venture so far as the steel industry is concerned. It must be, because the company is to cart the iron-ore around to the smelters, produce billets, cart the billets back here, unload them and produce the same articles that it produces in Newcastle and other places. Then it will sell those articles at the same price as elsewhere.

It is only reasonable to say that it will cost more to produce those commodities here. Yet they will be sold at the same price; and that is uneconomic. I would much rather have seen the Government sit back for a little while. In fact, I can see no reason for the agreement, except that this company took a lot of wooing. That is obvious from the agreement; and the Government would be very anxious to woo the company because, for one thing, the establishment of the company here will create employment and, furthermore, the location of the enterprise at Kwinana will provide something to talk about at election time.

I did not intend to speak on this Bill at all until some members tied up the opposition of those who spoke against the measure—and they were not all Labour members—with socialism, the same old cry! They also disparaged a former Labour Government for having tried to develop these deposits some years ago, on the ground that the ore was going to Japan or that Japanese interests were involved. Members spoke against that Government, but they did not disclose the full facts. They read what the Labour men said about the matter but did not read what some members of the present Government and this House had to say. It is hardly fair not to complete the story.

Hon. H. S. W. Parker: You did not expect us to read the whole of "Hansard," did you?

Hon. H. C. STRICKLAND: We did not expect the hon. member to read that part with which he did not agree. That is why I intend to draw attention to the matter. I do not propose to read all the remarks myself, but I would point out that on page 656 of "Hansard" of 1938, Mr. Watts, speaking on the resolution which Mr. Parker mentioned, in which the action of the Commonwealth Government in placing an embargo on the export of iron-ore from Yampi Sound was deplored, said—

> I propose to support the motion without reservation, mental or otherwise.

Mr. McLarty said—

> I consider that the request made to the Federal Government that it should permit a certain quantity of ore to be exported over a certain number of years should have been granted. The quantity stipulated was 15,000,000 tons. The export of that tonnage over a given period would have made no difference to the quantity of ore we would have left in Australia for future use, or at any rate, very little difference. Because of the Federal Government's refusal to permit that export I support the motion.

Mr. Welsh also contributed to the debate. He said—

> I did not intend to offer any remarks on the motion because I fully expected that it would be adopted by the House without comment. The North-West seems fated to have all manner of objections raised to thwart its development. I consider that nothing can justify the imposition of the embargo on the export of iron-ore after the expenditure of money to develop the deposits.

He finished by saying, "The motion has my wholehearted support." I suppose many other similar comments could be found, but I selected those at random and I quoted them to show that the debate was not one-sided.

Hon. H. S. W. Parker: It is one-sided now; that is what I was trying to show.

Hon. H. C. STRICKLAND: The hon. member has had his say, and I expect I am entitled to have mine. That is one reason that I rose to my feet. Another is that I consider the agreement was a very bad bargain because of the 6d. per ton royalty which will operate so long as the agreement is in existence, which is practically in perpetuity. In view of the possible value of 6d. in another 50 or 60 years' time, the company will be getting very cheap iron-ore. I am surprised that there was not some harnessing of the royalty to money values.

In the course of his contribution to the debate, Mr. Cunningham said that the previous Government wanted to sell the ore for a royalty of 3d. per ton. That is so, but 3d. in those days would be the equivalent of 1s. today on the inflated

value of our currency, and on present-day values the royalty now being charged to the company would have amounted to about 1½d. per ton at that time. A royalty of 6d. is very low for iron-ore which is very easily obtained by this efficient company.

I have nothing against B.H.P. I am sure it is the greatest institution in Australia. My argument, however, is with the Government and the agreement that it made in order to woo the company here. I do not think the company should have needed any wooing. Let us compare this royalty with other royalties. This sum of 3d. is paid for a red kangaroo hide which would weigh on the average 1lb. when dried out.

Hon. H. S. W. Parker: Do you have to pay £1,250,000 to get a kangaroo hide?

Hon. H. C. STRICKLAND: Then there is a royalty of £9 per ton for sandalwood pullers. That amount has to be paid for a certain quantity and then the figure is increased according to the amount that is taken. There is also a royalty on timber. I do not know what a load of timber weighs, but the royalties paid to the Forests Department vary from 5s. to 54s. per load. When we compare those royalties with a royalty of 6d. per ton for iron-ore it certainly looks as though the B.H.P. is getting a very cheap mineral.

I venture to say that the 6d. per ton royalty will not cover the loss on State ships calling at Yampi Sound. I went to Yampi this year on the "Kabbarli" and I understand that it costs £450 a day to run that vessel. The boat unloaded just over 20 tons of perishable cargo—some vegetables and other freezer commodities —and spare parts. The boat earned on that trip a little over £100 in freight. It was a 24-hour trip. We went into Yampi, then back to Derby and on to Wyndham. The vessel was actually 24 hours behind time through calling at Derby, and it cost £450 to go to Yampi to earn £100. That is pretty bad business and it occurs very frequently.

Hon. J. A. Dimmitt: Does it not occur at every port on the coast? Is there not a loss at every port?

Hon. H. C. STRICKLAND: There is a loss generally, but if one works it out one finds that in 25 visits to Yampi we would lose something like £300 a visit; and I understand that the "Kabbarli" is the cheapest boat run on the coast, apart from the "Kybra," which does not go there. In view of those circumstances there will have to be a very huge tonnage of iron-ore removed for the 6d. royalty to cover even the loss. I am sure that B.H.P. would not want to lean extra heavily on the rest of the taxpayers. It has been said that it would cost £1,000,000 to produce a ton of iron-ore, but we have been told by Mr. Henning that B.H.P. pays £1,000,000 a year in taxation. Every member in this House knows very well that the more one spends in expanding a business, the less taxation one pays. Plant is recoverable, and wages as well.

Hon. L. Craig: But not capital expenditure.

Hon. H. C. STRICKLAND: What would the hon. member call wharves? Are they not plant?

Hon. L. Craig: No. Capital expenditure.

Hon. H. C. STRICKLAND: I would say they would be a facility and that they would be plant, the same as gantries at Yampi.

Hon. J. A. Dimmitt: We have to take the opinion of the Taxation Department, and not yours.

Hon. H. C. STRICKLAND: That is so, but every member knows that wages at least are a straight-out deduction.

Hon. L. Craig: Only wages used for the production of iron, in this case, and not wages used on capital expenditure. Wages for building purposes are not a deduction.

Hon. H. C. STRICKLAND: If Mr. Craig built a shearing shed on his station he could claim every penny it cost him, as a replacement.

Hon. L. Craig: It is a special privilege to primary producers and does not apply to anybody else.

Hon. H. C. STRICKLAND: Not to industry?

Hon. L. Craig: No.

Hon. H. C. STRICKLAND: But plant is not capital expenditure.

Hon. L. Craig: It is.

Hon. H. C. STRICKLAND: We are not here to argue about taxation, but that is one angle. I cannot win that argument; I can see that. We would have to call in the Deputy Commissioner of Taxation, but we will pass that over and say I get a half win with the wages part of it. All right.

Hon. J. A. Dimmitt: You do not get any of it.

Hon. H. C. STRICKLAND: I am prepared to meet them half-way.

Hon. J. A. Dimmitt: But you are still wrong.

Hon. H. C. STRICKLAND: No, I am not. Another thing which might mislead members is that two members sitting side by side gave two different versions of the dividend paid by B.H.P. Mr. Henning said the company paid 8½ per cent. or over 8 per cent. and Mr. Hearn said it paid only 4 per cent. It is true that the dividend is over 8 per cent. and Mr. Hearn's statement that the £1 shares are worth 41s. odd today and will show only 4 per cent. is also true, but that does not alter the fact

that the dividend is 8 per cent. I would not mind if it was 80 per cent. That does not make any difference whatever and does not affect the proposition at all.

On looking through the agreement I find that there are one or two questions on which I should like the Minister to enlighten us a bit. One is in connection with the purchase of land. This is a question which I raise for the enlightenment of Mr. Baxter, who read part of the Kwinana agreement during his speech. The price of the land to the company, I notice, is the cost to the Government of repurchasing the land or resuming it under the agreement contained in the Act passed earlier this year. We know that it will have to purchase the part coloured green on the map at the back of the Bill.

The portion marked red is already owned by the Commonwealth Government, so I am very interested to know at what price that portion will be sold to the people. That is not stated in the agreement. It says very definitely that the purchase price of the land sold shall be a sum equivalent to the total cost incurred by the State in acquiring the area for the purpose of sale to the company and in transferring it to the company and the respective prices to be paid for the land coloured red and green shall be paid against presentation for registration of a transfer and so on.

We know that that coloured green will have to be resumed because most of it is land which is already alienated, but that coloured red is not, and I would be interested to know just what that is going to cost, together with the bitumen road which will be closed and also handed over in the title. That is the Rockingham-rd. I mentioned earlier that this was going to cost the taxpayer a lot of money. This road is not going to cost them any more money because it will belong to B.H.P. but a new road will have to be built down to Mandurah and there will be some cost involved there. The State is not going to get out of this for just a few pounds expenditure nor will it show any big profits. I cannot see where it is going to show any profit at all except that the project will provide some employment.

As I said earlier, I cannot see why any agreement was needed if this company is such as several members would have us believe. If it is so generous and so good to Australia, why did it take so much wooing and why the agreement? I do not think it would have had any agreement in other parts of Australia. I do not know of any agreement with the Australian Blue Asbestos Coy., which went to Wittenoom Gorge out in the desert and spent a couple of million pounds.

Hon. J. A. Dimmitt: What concessions has it been given?

Hon. H. C. STRICKLAND: The same as B.H.P. get—cheap rates of sea freight. That is all it gets, that and subsidised air freight to Wittenoom, the same as B.H.P. gets to Derby. Those are the only concessions I know of.

Hon. H. S. W. Parker: Then why did you make so much complaint about it?

Hon. H. C. STRICKLAND: I am complaining about the cost to the Government down here, and I say this agreement is unnecessary because B.H.P. would expand in any case.

Hon. L. Craig: But we want it now.

Hon. H. C. STRICKLAND: All that was necessary was to say we would not sign the leases until the company established the works here.

Hon. L. Craig: Then we would simply keep the iron-ore in the islands.

Hon. H. C. STRICKLAND: No, B.H.P. is controlled by good business people and we all know it is entitled to the iron-ore.

Hon. H. S. W. Parker: You have said how foolish the company is to come here.

Hon. H. C. STRICKLAND: Those are the hon. member's words and not mine.

Hon. H. S. W. Parker: You said it was uneconomic.

Hon. H. C. STRICKLAND: I said that the products which will be rolled in the mill here must cost more than the same products rolled in Newcastle and the freight would be the same to bring either the finished article or the billets here. B.H.P. is very generous and is going to lose money on it, but it will pick up its losses.

Hon. H. S. W. Parker: But why did it want to start here?

Hon. H. C. STRICKLAND: Anything it loses will go into the general costs of the whole concern and the losses here will have a minute effect in raising the general prices paid for its products.

Hon. C. W. D. Barker: It is coming here for the bait it is going to get—Cockatoo Island and Koolan Island.

Hon. H. C. STRICKLAND: It is not going to have any big effect in developing the North and will not bring in more people to that part of the State. The ore deposits at Cockatoo Island will last for many years and the other deposits will not be worked until those at Cockatoo Island are worked out. To overcome the difficulty about manning the leases, it has been stated in the agreement that every 6 h.p. of machinery installed on one of the islands will count as one man, as regards manning the leases in conformity with the Mining Act.

Thus it appears to me that the company will have plenty of horse-power up its sleeve at Cockatoo to meet the require-

ments for the manning of the other leases. I cannot see that the company is going to increase the population already on Cockatoo Island and the only benefit that will come to Western Australia will be some employment down at the Kwinana area. I would like to hear the Minister tell us something about the cost of that land. I oppose the Bill.

HON. G. FRASER (West) [8.37]: So much has been said during the debate that there is little left for me to deal with, but I think the measure is of such importance that all members should declare publicly their attitude towards it. Before dealing with the Bill, I desire to thank the Minister for having made available to me a copy of his second reading speech. In glancing through it, I noticed a bad habit being developed. About one-third of the speech dealt with objections that had been raised to the Bill.

I am not going to say whether that is right or wrong but I would draw the attention of the Minister to Standing Order No. 392, which says that no reference shall be made in this House to speeches in another place. I think the Minister must have overlooked that. Earlier in the session I noticed that on one or two occasions when introducing Bills, Ministers, in anticipating opposition that might be raised to those measures, based what they said on speeches made in another place. While Standing Order No. 392 remains, we should abide by it; if we do not like it we should alter it. Probably the Minister unwittingly offended against that Standing Order and in friendly spirit I draw his attention to it.

The Minister for Transport: I think yours is a narrow interpretation of the Standing Order.

Hon. G. FRASER: I do not think so. I consider that sauce for the goose is sauce for the gander, and if members may not refer to debates in another place it is only right and proper that Ministers should abide by the Standing Order.

The Minister for Transport: I think it is intended to refer to mentioning speakers there by name.

Hon. G. FRASER: No, it says—

> No member shall allude to any debate of the current session in the Assembly, or to any measure impending therein.

We must abide by that. When a debate takes place in this Chamber, I would like to see the Bill discussed as it appears here. If we are to take into account what is said below and reply to all the objections raised there, then we might as well not be here at all. I notice from the First Schedule that there seems to be a pious hope that a steel industry will be established in the State. Paragraph (a) of the First Schedule reads as follows:—

> The State of Western Australia is desirous that an integrated iron and steel industry 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.

That is a good one. I might say now that so far as I am concerned, there is no disagreement concerning the principal involved in the Bill. I do not think any of us disagree on that. The principle is that B.H.P. is to be established in the State. No one will object to that. No one will object to B.H.P. or any other industrial concern coming here. The difference, however, is the type of agreement that is arrived at to bring such companies here.

Hon. H. S. W. Parker: To get them here, you mean.

Hon. G. FRASER: The hon. member may have it his own way. For many years, it has been the aim of every Government in the State to do all it possibly could to establish and attract industries here. The present and previous Governments have all done so. Have not we had established for many years a Department of Industrial Development? Has not that department gone out of its way to bring industries into this State?

So, whether it is B.H.P. or any other firm, we will welcome the industry, no matter what the political colour of the Government of the day may be. Therefore the principle of the Bill is agreed to by all of us; there is no argument about it. But because we agree to the principle it does not necessarily follow that we must approve of the agreement arrived at. While I am speaking about agreements, might I say that, in my opinion, one of the fallacies so far as ratification by Parliament is concerned, is that all agreements are signed by the Government before they come to Parliament.

Hon. L. Craig: What about the Chamberlain agreement?

Hon. G. FRASER: I do not care what Government is in power; I say the procedure is wrong.

Hon. H. S. W. Parker: What is the Government there for?

Hon. G. FRASER: The Government arrives at an agreement and then comes to Parliament and says, "Ratify this". During the debate on the Anglo-Iranian oil Bill, I said that it was like throwing a bone to a dog and saying "Take it or leave it". The same thing applies here and I would say that again.

Hon. L. Craig: Who is the dog?

Hon. G. FRASER: We happen to be the dog at present and we are obliged to take it or leave it; the bone being the agreement.

The Minister for Agriculture: Don't you call me a dog!

Hon. G. FRASER: The whole principle is wrong. To get a true indication Parliament should be given some right and some say before the signing of the agreement.

Hon. L. Craig: Do you mean to tell me that Parliament should sign the agreement?

Hon. G. FRASER: I would suggest that a provisional agreement be put before Parliament. Cannot a committee be formed representing all parties to see whether it is satisfactory or not?

Hon. H. S. W. Parker: What does Cabinet represent?

Hon. G. FRASER: It represents one party; in this instance, two.

Hon. H. S. W. Parker: It represents Parliament.

Hon. G FRASER: It represents two parties only.

The Minister for Agriculture: It would be worse still if it represented one party—yours!

Hon. G. FRASER: If we were in power it would represent one party.

Hon. H. S. W. Parker: It represents the majority of the people.

Hon. G. FRASER: Now the hon. member says it represents the majority of the people.

Hon. H. S. W. Parker: Well, the majority of the people decide.

Hon. G. FRASER: Even so, should not the minority have some say as to what should be done?

Hon. H. S. W. Parker: It will at the next election.

Hon. G. FRASER: How is that possible if the agreement is brought to Parliament and we are told, "There it is; take it or leave it"?

Hon. H. S. W. Parker: There is the next election.

Hon. G. FRASER: I would suggest that before agreements dealing with large industrial concerns are signed, Parliament should have some say in the matter. Now I assert definitely that I have had no say whatever as to the conditions under which B.H.P. will come to the State. What is the use of telling me I have a say in the agreement?

The Minister for Agriculture: You can reject it.

Hon. G. FRASER: Of course I can, but I do not want to see that sort of thing occur. It happened last year and there was a wrangle over an agreement that had been made. Would it not be better if some means could be devised by which all parties would be consulted before the agreement was signed?

Hon. H. S. W. Parker: Is not the Bill more important than the agreement?

Hon. G. FRASER: No, not in this case.

Hon. H. S. W. Parker: I mean generally.

Hon. G. FRASER: I am dealing with this particular case.

Hon. H. S. W. Parker: Why should not the Bill be brought before Parliament before it is drafted?

Hon. G. FRASER: A Bill can be amended; but this agreement cannot. I am endeavouring to point out that it would be very much better if some means could be devised whereby the leaders of all parties could be consulted beforehand.

Hon. L. A. Logan: It would still have to be ratified by Parliament.

Hon. G. FRASER: Would it not be better before pen was put to paper to have all parties agreeing with it?

Hon. H. Hearn: If they ever could agree.

Hon. G. FRASER: Of course, they would agree.

Hon. L. C. Diver: If there is a change of Government, I take it that the hon. member would see that this comes into force.

Hon. G. FRASER: I will do my best. I have said before that I do not care from which party the Government of the country may be drawn. It should not have the right to sign away the assets of the State and then come here and ask us to ratify the agreement. Would it not be better if some arrangement could be made beforehand whereby all parties could be consulted as to the agreement? If it is to be kept secret, then there is no need to bring it to Parliament. But at least the various leaders of the parties should be consulted.

Hon. H. S. W. Parker: You do not believe in Premiers' Conferences?

Hon. G. FRASER: Let me now talk to the businessmen in this Chamber in a friendly way. I am in a friendly mood tonight. If those businessmen and I were discussing a certain proposition and we arrived at an agreement something like this, and they were the people who were being established here while I had the giving away of the privilege, would they not consider that the agreement as it is here was a wonderful one?

Hon. G. Bennetts: They would be getting everything for nothing.

Hon. L. A. Logan interjected.

Hon. G. FRASER: The hon. member may agree, I do not.

Hon. L. A. Logan: We agree to disagree.

Hon. G. FRASER: This is a very lopsided agreement. I feel the businessmen of B.H.P. have done exactly the same thing as those businessmen who negotiated on behalf of the Anglo-Iranian Oil Coy. In my opinion, they put it all over the Gov-

ernment and the Government's advisers when they drew up the agreement. When we consider what the Government has agreed to do, we must admit that B.H.P. has got a very good deal.

Hon. L. A. Logan: So have we.

Hon. L. Craig: You compare this with the Chamberlain agreement.

Hon. G. FRASER: I am not discussing the Chamberlain agreement. If the hon. member wishes to bring it up at some other time, I will talk about it. At the moment, I am referring to the agreement with B.H.P. Let us run through the agreement and see what the Government has promised to B.H.P. In the first place rail communication has been promised. I will admit that that was also promised to Anglo-Iranian Oil Coy. and that it will serve both places.

The Minister for Transport: We expect to make money from that railway.

Hon. G. FRASER: I do not doubt that. I am seeing what has been promised by the Government in the agreement. The company has also been promised water. I must refer to the wonderful speech by Mr. Parker last night when he said the company is going to pay for the water.

Hon. H. S. W. Parker: The water it uses.

Hon. H. Hearn: Not seawater.

Hon. G. FRASER: I can see nothing in the agreement concerning that large extension of water supply main which provides that B.H.P. will pay anything towards the work. There is not one word about it. The whole cost will be borne by the State.

Hon. H. S. W. Parker: It will pay 6d. per 1,000 gallons.

Hon. G. FRASER: I pay 1s. 6d. a thousand gallons.

Hon. J. A. Dimmitt: If you paid your bill before the 1st December you would get it at 1s. a thousand gallons.

Hon. G. Bennetts: Look what we are paying at Kalgoorlie!

Hon. H. Hearn: What is it at Esperance?

Hon. G. FRASER: This extension will go some miles to serve these companies, but the whole cost will be borne by the Government. What do we find in the metropolitan area when a person desires his house to be connected up with the main? If the distance is over three or four chains, he has to guarantee the cost of that extension, and he has to pay a certain amount extra each year in connection with it. When other people are connected to it the yearly amount is reduced. That is in the matter of a few chains. Here we find an extension of miles. Anyone going down there will see what is involved in providing that water and yet Mr. Parker says the company is going to pay for it.

Hon. H. S. W. Parker: Of course it is.

Hon. G. FRASER: The same thing applies to electricity. There are to be long lines of supplies. There is a special clause which states that if at any time the company installs its own plant, then anything there may be in the S.E.C. agreement is wiped aside. There is to be no recompense to the Government, but if the company in the first six months decided to install its own plant, the State would have to bear the cost of the lines connecting the works. Would not a businessman consider it important to get a privilege of that sort?

The present road will be rendered useless because the property of this company will cut right across it. A portion of the factory will occupy part of the present road and a deviation must be made. I mentioned recently that the deviation proposed will cut from corner to corner across some of the properties, and I asked that some consideration should be extended to the owners. A further deviation could be made in order to save the properties of primary producers. However, the road will be constructed by the Government at its own expense the company will not pay for it.

Hon. H. S. W. Parker: Who usually provides the roads?

Hon. G. FRASER: The same arrangements continue right through the piece. The sum of £200,000 for the dredging so that the wharf may be used by the company will be a mere bagatelle. There is a provision in the agreement that, if the wharves built by the company prove to be the means of causing damage along the coast, the Government will indemnify the company against any claim for compensation resulting from structures erected by it. Consequently, I say that as a business deal, B.H.P. has got away with a wonderful agreement.

In order to get the company here to start, not an integrated iron and steel industry, as stated in the pious paragraph in the opening portion of the agreement, but a steel rolling mill, the Government is prepared to give away the iron-ore resources at Cockatoo, Koolan and Irvine Islands.

Hon. L. Craig: What fuel could the company use?

Hon. G. FRASER: I am not going to touch on that; sufficient has been said about it already. The Government is giving away the whole of the iron-ore resources of those three islands. During the debate some members have asked what we would do with the iron-ore deposits, whether we would leave them standing idle. What is B.H.P. going to do with the deposits on Koolan and Irvine Islands in the next 30 or 40 years?

Hon. N. E. Baxter: You do not know.

Hon. G. FRASER: I know how efficient the company is and that it will not work the deposits on Koolan and Irvine Islands when it can get all the supplies it requires from Cockatoo Island. I should say

that the iron-ore on Koolan Island will not be worked for 30 or 40 years. Yet we are asked to give away all these assets in return for a steel rolling mill. I do not consider that B.H.P. would be wise to start an integrated iron and steel industry here at the present time. I do not blame the company for not undertaking to do so, but I blame the Government for giving way our bargaining power to get such an industry because that will be our position once the agreement is ratified. I would have been quite sufficient to give the company a lease of Cockatoo Island for 71 years. I observe that the Minister in the course of his speech, stated that this Bill was not needed in order to give that extension for 71 years, because the company could have the leases for a period up to 80 years.

The Minister for Agriculture: The same as under any ordinary mining lease.

Hon. G. FRASER: Legally, the company is not entitled to the lease for any more than the 10 or 11 years it has to run, so the Minister was not quite right when he made that statement.

The Minister for Agriculture: All mining leases are like that. What about the gold-mining leases in the North?

Hon. G. FRASER: The Minister said that under the ordinary procedure provided by the Mining Act and with no new agreement the company having expended nearly £2,000,000 on Cockatoo Island and employed 100 men, would have been entitled to hold its existing leases for 81 years. Legally, that is not so, and I think the Minister should have explained the position much more clearly than he did. Reading his remarks, one would gather the impression that the company had the option for 81 years, whereas legally it has no option and the period of the lease will expire in 10 or 11 years.

An agreement that I would be prepared to accept would provide for giving the company the lease of Cockatoo Island and retaining the Koolan Island and Irvine Island deposits as a bargaining power with a view to having an integrated iron and steel industry established here at some future time. The provision of a steel rolling mill will be trifling. Once the agreement is ratified, we can dismiss for all time any idea of ever getting an integrated iron and steel industry established here.

Hon. L. A. Logan: You must admit that we shall have a steel rolling mill.

Hon. G. FRASER: And I know that, if my suggestion were adopted, we would still have our iron-ore resources to bargain with in future in order to get an iron and steel industry established here. Let me impress upon members the fact that the moment this agreement is ratified, our bargaining power to get a steel industry will be gone for all time. I am surprised that many members should entertain the ideas they have expressed in this debate, because they are supposed to be hard-headed businessmen, and I have not known any hard-headed businessmen who would be prepared to gamble on the future in this way. On many occasions during the last week we have been told that if we sign this agreement we shall get a steel rolling mill, and that in future we may get an iron and steel industry. Members are confident that we shall get the other industry, but can anyone imagine a businessman signing an agreement of that sort?

Hon. H. S. W. Parker: I do not think we shall.

Hon. G. FRASER: I do not think so, either, and whatever chance we may have had will be gone once this Bill is passed. Much has been said about insincerity in the speeches made on this Bill. I am a Western Australian born and I have never been more sincere in my life than I am on this occasion.

Hon. L. A. Logan: So am I.

Hon. G. FRASER: Then why should our sincerity be doubted? I resent the aspersions of insincerity. I should like B.H.P., or any other industrial concern that would improve the industrial life of the State to start here, but I am not prepared to give away the whole of our iron-ore assets in order to get such a concern established here.

Hon. N. E. Baxter: What about the Koolyanobbing deposits?

Hon. G. FRASER: The hon. member suggests Koolyanobbing as an asset. Well change this agreement by substituting Koolyanobbing, and I shall be prepared to approve of it. Our greatest asset is in the islands in the North. There is no gainsaying that fact. They constitute the only lever we shall be able to use in future to get an integrated iron and steel industry established in this State.

During the debate, eulogistic references have been made to B.H.P. Nobody disagrees with those sentiments, but I have been very disappointed at the tone of the debate by supporters of the measure. As a matter of fact, I felt that I was listening to a debate on the Address-in-reply. Every phase of the question was touched upon, but very little was said about the agreement. Last night, Mr. Hearn made a very nice speech.

Hon. H. Hearn: Thank you!

Hon. G. FRASER: He rode his old hobby horse—private enterprise, but, so far as the Bill was concerned, he said nil. Mr. Craig, in the course of his remarks, said we wanted to have the finished article fabricated here. If that is so, I suggest that he should vote with me and oppose the second reading. One of the worst speeches I have listened to was that by Mr. Cunningham when he referred to sewer politics. I shall not upbraid him

for his remarks, but I remind him of the saying that a man's mind always sinks to its own level.

Hon. J. M. A. Cunningham: Now you are being unkind.

Hon. G. FRASER: Very little has been said from the Government point of view to bolster up the Bill, and I am surprised indeed that this should be so. Most members have contented themselves with eulogising B.H.P. We can do the same, but B.H.P. does not enter into the question. We are dealing with the Government for having made a bad agreement. We honestly believe that, if the Bill were thrown out, it would not be with the object of trying to prevent B.H.P. from establishing an industry here or as a gesture that we did not want the company to start here.

Hon. C. W. D. Barker: It would indicate only that we want a better agreement.

Hon. G. FRASER: That is it; we want the Government to make a better agreement, and until such time as it has a guarantee that an integrated iron and steel industry will be established in this State, it should not give away the whole of the iron-ore resources. That is what B.H.P. is after.

I have examined the Bill from all angles. I would have liked to move an amendment, not with the object of defeating the Bill, but as an intimation from this Chamber to the Government that an improved agreement should be made with B.H.P. I have toyed with the idea of moving that the Bill be read a second time this day six months, but that would mean the defeat of the measure. However, I was trying to find some way of dealing with the Bill in order to show that the Government is giving away the resources of the State and that we would be prepared to welcome B.H.P., or any other concern, to establish itself in this State under other conditions.

Even at this late hour, I hope that Government supporters will see the matter in the light in which we view it. We are anxious to see industries established in this State, but we do not want the Government to give away the whole of the assets of the State for a mere bagatelle. We have read about Esau giving away his birthright for a mess of potage, and that is what we are getting in return for what the Government is giving B.H.P.; we are getting a steel rolling mill, and that is about the only steel industry we shall get. I suggest that members give further consideration to the Bill. They should not be hoodwinked by the idea that B.H.P. is coming here to wave a magic wand. I hope members will see that there is quite a lot wrong with the agreement and with the way the Government has handled the matter. I can do nothing but oppose the second reading of the Bill.

HON. J. McI. THOMSON (South) [8.59]: With previous speakers, I believe that the establishment of an industry by B.H.P. in this State will be to the advantage of industrial development here. I consider that the establishment of a steel-rolling mill at Kwinana will be followed by other industries being established to develop our resources. Therefore I support the Bill because, taking the long view, I feel we are going to be the ultimate gainers as a result of the company coming to Western Australia and establishing itself at Kwinana. The leases at Koolan Island are mentioned in the agreement. In the last 50 years they have passed through various hands, but nothing of any consequence has been attempted, and none of the negotiations has been of benefit to the industrial development of the State. Now B.H.P. which has capital and a fine reputation and record, is desirous of coming to Western Australia, and is prepared to spend between £3,000,000 and £4,000,000 on the present undertaking.

I have apparently a divergent opinion, compared with that of other members, on the future prospects because I believe there is every chance of a wholescale industry such as exists in other parts of the Commonwealth being established here, and this will probably mean the expenditure of a further £15,000,000 to £20,000,000. Notwithstanding this, various people have expressed views that would prevent free enterprise from entering this field. It is because of the record of the company and its ability to carry on its operations without cost to the taxpayer that we should give it every encouragement.

If we look around and see what we have accomplished by State enterprise and State trading concerns, we will know that we cannot attempt to do half as much as the company has done or can do. If we attempted to do this it would certainly cost the taxpayers a considerable amount of money. When we consider the figures that were given in the reply to a question with respect to Wundowie, it is obvious that if we encourage this company to do what it proposes, then it will be standing the expense, and not the taxpayer. By the agreement we have to provide certain things, but we will be recompensed because we shall ultimately receive the benefit of the industrial development.

I admit it is unfortunate that the agreement insists that certain public moneys be spent, because this will delay the Government's programme with respect to water supplies, harbour development, drainage, etc. But I am optimistic enough

to feel that in the long run the company will extend its activities beyond the present idea of a rolling mill. The Government deserves high praise and commendation for making the area at Kwinana available to these people, and for its other efforts to encourage them to come here. I am further interested in the fact that research and investigation into the coking of Collie coal will be persisted in. In the long run we will, I am sure, derive benefit from this research. This item in the agreement commends itself to me.

The company proposes to erect at the Kwinana area a wharf capable of accommodating ships up to 12,000 tons. It will provide interest and sinking fund until the whole amount is authorised. The fact of the company providing the wharf, will mean that further shipping facilities will be available to the State. I may be wrong, but I understand we shall have the use of the wharf. In view of the extra shipping facilities, I think we are not giving very much away in this direction. The company is to pay for the wharf, although, admittedly, we are to spend £200,000 on dredging the swinging basin.

Hon. H. Hearn: The company is to pay dues.

Hon. J. McI. THOMSON: Yes, it will continue to pay dues to the harbour authority long after the cost of construction has been met. As I read the agreement, B.H.P. will pay duty on inward cargoes but not on outward cargoes. The Government is to spend £200,000 on dredging. This, of course, will have a serious effect on our other undertakings, but I do think we will derive a benefit in the long run. The agreement provides that the company shall not export iron from the State. It is requested that it will make available, from the Koolan Island leases, up to 200,000 tons of iron-ore per annum.

I am of the opinion that because of the conditions laid down, the Government has fully realised and appreciated its obligations to the State when entering into the agreement. The time may come, and none of us knows how soon, when we shall be called upon to use our resources to retain these deposits against the forces to the north of us who look with envious eyes on them. This is an occasion when we cannot afford to discourage by insisting—according to the remarks of the speakers against the Bill—that we have an agreement which is acceptable to them but which, I venture to say, would be unacceptable to the company because of the restrictions and requirements that would be included. It behoves us to encourage these people to the utmost. Lastly, there is the employment angle, which is of great importance to the State. Whatever industry we encourage here and whatever wealth it brings, who, in the long run, must be the gainer? I say that we, the people, including the working man, of Western Australia will derive the benefit.

HON. J. A. DIMMITT (Suburban) [9.12]: I cannot understand the studied opposition that has been displayed to this measure. It has been described in various terms, one of which I thought was entirely unfair. It was considered a "rotten agreement" by one member. I take the opposite view. I consider this to be a very sound, equitable and fair agreement. I base these conclusions on the fact that each party to the agreement has undertaken certain responsibilities which no doubt they will carry out to the letter. The Government on the one hand has undertaken to grant leases on Cockatoo, Koolan and Irvine Islands for a period of years.

Hon. E. M. Heenan: In perpetuity, is it not?

Hon. J. A. DIMMITT: There is a term to the leases.

Hon. E. M. Heenan: What is it?

Hon. J. A. DIMMITT: It is 71 years on Cockatoo Island.

Hon. E. M. Heenan: What about the other islands?

Hon. J. A. DIMMITT: If the hon. member will read the Bill I have no doubt he will discover that my statement is quite correct, and will find the other information he requires. The Government provides the leases and undertakes to provide the normal services that are made available in all settled areas. It is to provide such services as roads, railways, water supplies, electricity and the others that Governments normally supply. The company, on its part, undertakes to pay 6d. per ton royalty and to establish a rolling mill. This mill has been spoken of as just a rolling-mill—a mere bagatelle; a small industry that costs £4,000,000. It has been derided by those who have opposed the Bill. But I suggest that a £4,000,000-industry is something that this State can well be proud of. Had it not been overshadowed by the £40,000,000-concern of the Anglo-Iranian Oil Company, it would have been hailed as one of the greatest industrial achievements of this era.

Hon. F. R. H. Lavery: Nobody in this House denies that.

Hon. J. A. DIMMITT: The company on its part has undertaken to build wharves, dredge channels, pay rail freights, road licenses and wharfage. It will naturally pay for all the services that are rendered, the same as any other company or citizen pays them. It will pay for its water and for its electricity. So it gets nothing for nothing and I say that on the one hand the Government gives value, and on the other hand the company gives value.

Hon. E. M. Heenan: What do you estimate it will cost the Government in pounds, shillings and pence?

Hon. J. A. DIMMITT: I could not give an estimate. Whatever investment the Government makes, I say it will earn revenue, and substantial revenue too. Substantial freights will be paid on goods carried over the railway line which will have to be built. The Government will get substantial revenue from the roads that will have to be put in and from the activity that will take place on the waterfront. There are plenty of avenues of income which will be exploited by the Government to the fullest extent. Let us go back, as Mr. Parker did last night, to 1938. In that year the Labour Administration under the Premiership—

Hon. E. M. Heenan: What about looking forward?

Hon. J. A. DIMMITT: —of Mr. Willcock made an arrangement with a Japanese company to mine iron-ore at Koolan Island, one of the islands mentioned in this agreement. The only consideration in that arrangement was that the Japanese company should pay 3d. per ton royalty and, as far as I can ascertain, that was the only condition, on the part of the company. There was no thought of asking the Japanese company to establish an iron and steel industry in Western Australia; there was no thought of asking it to build wharves or dredge channels or to establish a rolling-mill in Western Australia. There was no promise that the company would use the iron-ore in this State. On the contrary, the Japanese company intended to man Koolan Island with a staff of its own nationality. It was to be worked largely by Japanese personnel, and the ore was to be shipped to Japan in vessels constructed in Japan and manned by Japanese.

Let us have a look at what B.H.P. intends to do. That company will man these leases with Australians, load the iron-ore into ships built in Australia by Australians and the iron-ore will be moved to Australian ports. All the iron-ore so removed from Koolan, Cockatoo and Irvine Islands will be processed in Australia by Australians. It ill becomes the critics of this Bill to make the statements that some of them have made by terming it a "rotten agreement." I suggest that they look back to 1938 and compare the agreement that this Government has made with B.H.P. with that made by a Labour Administration with a Japanese company. I say that they do not bear comparison and that this agreement has much merit in it.

A few nights ago Mr. Barker shouted—and I use the word "shouted" advisedly—"What will the North-West gain?" The answer that he gave to the question that he posed to himself was "nothing." He said that the North-West stood to gain nothing from it. May I suggest to the hon. member that the North-West has gained a lot already from the activities of B.H.P.? There are 120 workmen, mainly Australians, employed on Cockatoo Island and £1,750,000 has been invested there. Surely that means something to the North-West! There are families of some of the 120 workers living on Cockatoo Island under wonderful conditions. Do not they bring some industry, some activity and some commerce to the North-West? These people who live on Cockatoo Island move across to Derby on occasions to do their shopping. Surely that has given something to the North-West! It has given the North-West a population which it did not have before.

And let me say this to Mr. Barker and to the other two members who represent that province, Mr. Strickland and Mr. Welsh: It has given them 200 more voters, and I suggest to Mr. Barker that most of those voters would be supporters of his. I cannot accept the view that this is a one-sided agreement; I believe it is a very fair, equitable and reasonable one. By interjection the other night I asked Mr. Barker, "What is the alternative? What will happen if the agreement is not ratified?" He promised to tell the House before he finished his speech, but he resumed his seat without doing so. I should say, if this agreement is not ratified, that B.H.P. will take its bowler hat from the hat rack, put it on its head and say good-afternoon to the Government of Western Australia.

Hon. G. Bennetts: I do not think so.

Hon. J. A. DIMMITT: I am sure of it. I would say, in that case, Koolan Island and Irvine Island would remain there for the next 50 years, or even a century without being worked.

Hon. F. R. H. Lavery: They would still be an asset to the people.

Hon. J. A. DIMMITT: It has been an asset for a long time now and, in response to the interjection, I would remind members that it has been hawked around the world for years and years without success. Any member who casts his vote against the ratification of this agreement will, in my opinion, do a great disservice to Western Australia. I support the Bill.

HON. J. G. HISLOP (Metropolitan) [9.23]: I did not intend to speak on this measure because I took it for granted that the majority of members would agree to the Bill and so ratify the agreement, because I consider it is something really worth while. But as my views are apparently divergent from many that have been disclosed, I feel I should speak on the measure. Firstly, I believe that a State has assets which it may regard as State assets, but we have to grow beyond the stage of little Australians and realise that a State may have in its care national

assets—assets which belong to every Australian and not to the citizens of any one State.

I regard these large deposits of iron-ore in the north of our State as something national in the way of an asset. Therefore I am not very worried as to what will accrue to Western Australia as a result of this agreement so long as what does accrue is to the benefit of all Australians. Every effort that has been made previously to realise on these assets has involved looking oversea for some purchaser or, in some cases, looking for someone to work them with a very small return to this country. But here, for the first time, we are absolutely guaranteed, almost in perpetuity, that these will remain Australian assets. They will be in the hands of the greatest company this country has ever seen.

Hon. E. M. Heenan: It has a right to assign them.

Hon. J. G. HISLOP: The company has done everything that has been asked of it up to date so far as Australian national standards are concerned. I believe that this company constitutes one of the great pillars of Australian economy and if it shut its doors tomorrow and ceased to function, the Australian economy would topple backwards. Oversea there are many people who believe that this company is the backbone of our Australian economy. That is the company to which we are assigning the care of our national assets and for which we have acted as guardians for so long.

Therefore I am not very worried as to whether we ever see an integrated iron and steel industry in this State so long as all Australians benefit from the economic use of this iron-ore. At present it would not pay either Australia or B.H.P. to have such an industry started in this State. The company's plans already envisage an expansion which will meet Australia's need for years to come. But I venture to say that the western side of this continent is about to see an enormous expansion of our secondary industries. When the day comes that, owing to a terrific increase in population, it is necessary to commence a steel industry in this State as an economic necessity, I am certain that we can rely on this company, which is so steeped in Australia's national pride, to see that such an industry is established. But I would not ask it to establish that industry here, if to do so was against the economy of Australia as a whole.

If we look at what the State will spend with the introduction of these new industries between here and Kwinana, we must also visualise the extension of townsites and the further industries that must be established. Once both B.H.P. and the Anglo-Iranian Oil Company are well established, I can visualise chemical firms such as I.C.I. building premises nearby. When they are established, their subsidiaries will find it necessary to build factories, and so a string of industries will be set up through small towns between here and Kwinana and a considerable distance inland.

When one realises that, at a conservative estimate, there will be an increase in population of about 40,000 people living in that area, one will see the asset which the people of this State will gain from any expenditure they may make in order to ensure that these two companies establish themselves here. I have no fear of this whatsoever. Personally, I can visualise that much will accrue to the State as a result of this agremeent and the previous one made with the Anglo-Iranian Oil Company and I will have no hesitation in voting for the Bill. It is a move that must reflect the highest credit on a Government which has endeavoured to ensure by this agreement, that this national asset will remain in the hands of Australians for all time.

On motion by Hon. F. R. Welsh, debate adjourned.

BILL—LAND ACT AMENDMENT.

Second Reading Defeated.

Debate resumed from the previous day.

THE MINISTER FOR AGRICULTURE (Hon. Sir Charles Latham—Central) [9.32]: I do not intend to support the Bill and I will give my reasons. There are some laws on the statute book which I regard as being much more important than others because to a great extent they refer to the assets of the people. There is no law that I know of that refers so definitely to such assets as the land laws of the State. For one thing land is the most solid asset that one can possess and therefore it is not always advisable to interfere with the rights affecting land held by either freeholders or leaseholders.

Land Acts are infrequently altered; I think members will agree on that, and I do not propose to encourage any indiscriminate alteration of them. Pastoral leases held in the north of the State are, for many reasons, in a much different position from those held in the south. The land in the southern part of the State is closer to the metropolis and enjoys many facilities for the handling of the produce from the soil and it also has a very good rainfall. Therefore it is much more suitable than the north for producing food. The people of the north have turned their attention to sheep and cattle raising.

When the Act was framed, a different set of provisions was enacted for the north as compared with those for the south. Another reason why the south is in a more advantageous position is that it is nearer the seat of government. As a

result, government officers were able to be approached with more facility and inspections could be made by them with greater ease. That cannot be done in the north because of its remoteness. The hon. member proposes to apply the same set of conditions to the north as to the south. I think that is so.

Hon. H. C. Strickland: Yes.

The MINISTER FOR AGRICULTURE: For that reason it would be almost impossible to agree to the suggestion by the hon. member because of lack of staff and of being unable to give attention to those leases in view of their isolation. It is, to my mind, remarkable that the hon. member should select for his attention two sections of the Act—109A. and 109B.—which were inserted into the statute by Hon. F. J. S. Wise, the then Minister for Lands, in 1939. The hon. member should read the reasons why they were introduced. Now, only a few years afterwards, it is proposed to amend them. They might as well be struck out altogether because there are other provisions that would take their place if they were deleted. Therefore, I should say that the hon. member's choice is very unwise. If anyone knew the north, Hon. F. J. S. Wise did, because he was the Government Tropical Adviser in those parts for many years and he had a good reason for amending this legislation.

I remember being in the House at the time and I thought he presented an excellent case and I supported his proposition. Today I would find myself in great difficulty if I had to swallow the words I spoke at that time and say that I support the hon. member in this proposition. If I did, I would feel that I was a hypocrite. Therefore, the hon. member will understand the problem with which I am faced. There is no great difficulty in obtaining land for the purpose which the hon. member suggests. I may be conveying something that was not in the mind of the hon. member who submitted the Bill, but if there were any land taken up under the conditions that he set out, it would be near the ports and townsites and there is nothing to prevent anybody taking up that land today.

Hon. H. C. Strickland: Where, for instance?

The MINISTER FOR AGRICULTURE: One area is the Carnarvon banana plantation. That was resumed from a pastoral lease.

Hon. H. C. Strickland: There are no areas available now.

The MINISTER FOR AGRICULTURE: Near Carnarvon another piece of land of approximately 1,400 acres was selected by somebody only a short time ago. I understand that that person spent about £340 on it and transferred it to two men who are the present holders for a consideration of something in the vicinity of £4,500. So apparently there is no difficulty in securing land when a man can purchase an area and hold it for a short time and sell it under those conditions.

Hon. C. W. D. Barker: You cannot get any land around Fitzroy Crossing.

The MINISTER FOR AGRICULTURE: We do not want to lose the hon. member, but if he wants to obtain a piece of land at Fitzroy Crossing I will see that he gets the area that he desires. However, as I have said, it will be a pity to lose the hon. member because he is one of the star performers of this House.

Hon. C. W. D. Barker: There are about 12 men up there who want blocks now.

The MINISTER FOR AGRICULTURE: I have not always been so sophisticated as I am now. I remember when I was Minister for Lands I was led astray by somebody approaching me for some blocks of land near a river not far from Port Hedland. Foolishly I made available five or 10 acre blocks to this person. It seems extraordinary that I should have been so unsophisticated as to permit this to be done and then for my successor, Hon. F. J. S. Wise, to cancel all of them because, in his opinion, they were not justified. That is the truth. That has actually happened in many instances, but I do not think it is justified at the moment because one has to be extremely careful that people do not select particular areas in these pastoral leases that would cause inconvenience to the existing holders because already they are working under terrific disabilities.

In the pastoral leases of the South-West Land Division, the old pastoralists in the early days, when they held large areas, took over the water supplies around the granite rock catchments. They always had the freehold of that particular piece of land and as a result they held the water rights and nobody could select any land in the vicinity until eventually the Crown, having the right to do so just as it has today, resumed those pastoral leases and converted them into what is now known as the wheatbelt. In many instances the Crown bought back areas of 100 acres so that the settlers could have the water rights themselves.

Hon. F. R. H. Lavery: There are quite a few around Mukinbudin.

The MINISTER FOR AGRICULTURE: There are a good many of them as I realised when I was Minister for Lands. Under pastoral lease conditions no man is allowed to cultivate the land held. For instance, in the middle of the wheatbelt a man who held a pastoral lease was fined £10 for growing wheat on it.

Hon. H. C. Strickland: What about growing rice on the leases in the North?

The MINISTER FOR AGRICULTURE: They could do so. Under the Act there may be some objections to it, but whether the Act could be enforced or not I do

not know. We have always been anxious to encourage such production and whilst they may be growing rice in the North, I cannot picture it being grown on a wide scale unless we have irrigation in those areas.

Hon. C. W. D. Barker: Irrigation is what is needed.

The MINISTER FOR AGRICULTURE: I read in an article in the Press—and this is how the public is led astray—that there are many areas in the North on which rice could be grown without irrigation, but that is not so at all. If anyone has visited a rice plantation he will know that water is let out into the rice growing fields after the seed has been drilled and it is left there until the crop is nearly ripe. The water is then drained off and the area is allowed to dry, following which the rice is harvested by reaper thresher. In the paddy fields the seed beds are planted by hand and reaped by hand. I cannot picture any portion of our State being used for the production of rice under those conditions.

Hon. C. W. D. Barker: All the experts say that upland rice can be grown under natural conditions.

The MINISTER FOR AGRICULTURE: I often hear the experts in this House speaking about all sorts of things. I listened to a story tonight from an expert on how easy it is to make charcoal steel. We are all experts in our own way, but I do not know what I am expert on.

Hon. C. W. D. Barker: Are you not an expert on agriculture?

The MINISTER FOR AGRICULTURE: No, I would not say that.

Hon. C. W. D. Barker: Look at the departmental records!

The MINISTER FOR AGRICULTURE: Let the hon. member look! The State has suffered a great loss by his coming into this Chamber. While we appreciate the hon member being here and we like him very much, the State suffered very severely when he left the service of the department.

Hon. A. L. Loton: Are you really sincere in that statement?

The MINISTER FOR AGRICULTURE: Surely the hon. member would not doubt my sincerity!

Hon. A. L. Loton: Yes, I would.

The MINISTER FOR AGRICULTURE: That is a very dreadful charge to make against me! I do not think the time is ripe for the main amendment indicated in the Bill. On behalf of the Government, I assure the hon. member that if anyone requires land for the growing of rice or anything else, which would mean land being put to better use than the pastoralist today is putting it to, the Minister will give every consideration to the application—provided it does not interfere with the lessee's water supply and so on. In the circumstances there is no justification for amending the Act in the direction suggested.

The Land Act is a most important piece of legislation. It maintains the right of the individual to hold land provided the lessee is entitled to it. Normally, the pastoralist is entitled to hold his lease until, speaking from memory, 1984 or 1985. I remember introducing the legislation because I wanted to grant security of tenure for two purposes. At that time the pastoralists were suffering because of low prices and hard conditions. I wanted to place their assets in a condition that would enable them to get further advances to enable them to carry on. Secondly, I wanted them to take an interest in their holdings, knowing their right of tenure would be extended to 1984, and therefore they would be more careful about their properties and would carry out improvements and so on.

A most remarkable phase is that when I introduced the Bill, it was opposed by the Labour Party and an all-night sitting was necessary to get the legislation passed. It is wonderful how people become educated. Now we have a member of the Labour Party saying that he wants to get land for people who may require a portion of a pastoral lease and that we ought to help to that end. The Government will assist any such person to obtain a holding under those circumstances if it is justified, but an individual should not be allowed to go on to a pastoral lease and pick out a portion that is necessary to ensure the success of the pastoral industry there.

Hon. C. W. D. Barker: They cannot do that now.

The MINISTER FOR AGRICULTURE: There is nothing to prevent the Crown from resuming part of a lease. There is nothing to prevent anyone from taking up land there under the two sections placed in the Act by Mr. Wise.

Hon. H. C. Strickland: But how long would it take?

The MINISTER FOR AGRICULTURE: Any time up to 12 months.

Hon. C. W. D. Barker: The applicant would be treading on your bier before he got it!

The MINISTER FOR AGRICULTURE: I can site an instance at Carnarvon. It did not take so long in that case.

Hon. H. C. Strickland: That was not a pastoral lease.

The MINISTER FOR AGRICULTURE: No, that was on a reserve, and not a camel reserve either.

Hon. H. C. Strickland: It was portion of a quarantine reserve.

The MINISTER FOR AGRICULTURE: Apparently the hon. member knows all about it.

Hon. H. C. Strickland: You told me something about it yourself.

The MINISTER FOR AGRICULTURE: I oppose the Bill and I hope the House will not interfere with the Land Act, which is one of the most important on the statute book. We should leave that measure alone, more particularly seeing that we are out to encourage the pastoralists to bring their properties into greater production by insisting on greater improvements.

HON. H. C. STRICKLAND (North—in reply) [9.50]: I am disappointed at the opposition of the Minister for Agriculture. When the Act was altered to its present state, he was not altogether in support of its provisions as he claims now. He certainly supported it but he had some remarks to make about the move, which were rather different from what he has indicated this evening. In the course of his remarks he said—

> I regret that the Minister has not thought fit to take some power to sell freehold land in the North. From time to time applications have been made for Crown land in somewhat large areas; I mean not land set aside for town or suburban areas but land which might be used for development purposes. Such land cannot be sold without parliamentary authority, but we should be able to dispose of it, as we can in the south-western portion of the State under conditional purchase conditions or for cash.

That is what he said in 1939 when the particular provisions in the Act I seek to alter were included in that measure.

Hon. F. R. H. Lavery: The Minister is not listening to you.

Hon. H. C. STRICKLAND: Perhaps he does not want to hear it. Sir Charles also said—

> The House will remember a recent proposition to establish a settlement of Jewish refugees in the North, and that could not be undertaken unless those people were given some title to the land. So far, of course, we have not the power to give a title, but such power might well have been included in this measure, leaving it to the Minister to decide whether he was justified in disposing of the land on a freehold basis.

Thus it will be seen that at that time the Minister was all in favour of someone having the right to secure land in the North, whether the settler succeeded or not.

The Minister for Agriculture: Those people were going to have a complete settlement there with £5,000,000 behind them.

Hon. H. C. STRICKLAND: Those for whom I want to secure land there are Australians, and that is the difference.

Hon L. Craig: The Government could do that at any time.

Hon. H. C. STRICKLAND: The points mostly raised against the Bill have been to the effect that it would destroy the pastoral industry. Mr. Welsh went so far as to say it would kill the industry. That is absolutely incorrect. All the amendment in the Bill will do will be to shorten the time involved in the transaction, whether the Government wishes to resume land itself or the Minister desires to resume it on behalf of an individual who may apply for it. Mr. Craig says that the Minister can do that now. Of course he can, but, as I pointed out, it would take anything up to five or six years to complete the transactions, and certainly not less than two or three years. That would apply where the pastoralist was not agreeable to forego a few acres of his lease. Of course, if the pastoralist is willing to let the land be taken from his lease, there is no argument about it and the transaction could be put through in a day.

It has been said that the Minister can resume land for the purposes indicated and I shall show what he would have to do. Section 109 reads—

> Subject as hereinafter provided, the Governor may resume, enter upon, and dispose of the whole or any part of the land comprised in any pastoral lease, for agricultural or horticultural settlement, or for mining, or for any other purpose as in the public interest he may think fit.

Section 109A follows and that comprises what is referred to in the words "subject as hereinafter provided" at the start of Section 109. Section 109A says in Subsection (1)—

> Before any land in any division held under pastoral lease is resumed and withdrawn from any such lease for the purpose of being declared open for selection under Part V of this Act—

Under that Part, provision is made for workers' homes, vineyards, closer settlement or conditional purchase leases.

> —the Minister shall give notice to the lessee and also to every encumbrancer (if any) of the lease, of the intention so to do.

Subsection (2) of that section reads—

> Such notice shall include a description of the land intended to be resumed and withdrawn from the pastoral lease and also shall contain an intimation of the rights of the lessee under Section 55 or Section 56 . . .

Those sections, as I explained in my second reading speech, give the lessee a prior right to the land that is sought to be selected. In other words, if a person applies for a block under conditional purchase conditions or a workman's block under Part V of the Act, the pastoral lessee can himself take up the block under c.p. conditions and he can repeat that process three times. A person could apply for the block and the pastoralist could wait for 12 months and then decide to retain the block for himself. To indicate how that could happen, Subsection (3) reads—

> The lessee may, unless his rights under Section 55 or Section 56 of this Act have been expressly negatived as aforesaid, within a period of three months from the date of the notice given to him as provided in Subsection (2) hereof, if the land is situate in the South-West division, or within a period of twelve months from the said date, if the land is situate in any other division, exercise the rights provided for him under the said Section 55 or the said Section 56 as the case may be.

That means that anywhere from 50 miles north of the Murchison River down south as far as Esperance, any pastoral lessee has three months but in any other division in the State, not only in the North, he has twelve months to make up his mind whether he will himself take up the land that is the subject of the application. All I am attempting to do in the Bill I have submitted to the House is to strike out of Section 109A the words "if the land is situate in the South-West division or within a period of twelve months from the said date, if the land is situate in any other division". The effect of that would be that the Minister would have to give the lessee three months' notice. The period in the South-West now is three months and that applies from the Murchison River downwards, but the period is for twelve months in every other division. How that amendment would have the effect of ruining the pastoral industry, I fail to understand.

Hon. F. R. Welsh: Of course it could.

Hon. H. C. STRICKLAND: It could not have that effect, because anyone can apply now and it is only a matter of hanging on for nine months longer and, if the hon. member's contention were correct, it would still ruin the pastoralist. That is all the difference that would be made if the amending Bill were agreed to. Then we find that Subsection (5) provides—

> After the expiration of the said period of three months or 12 months, as the case may be, mentioned in Subsection (3) hereof . . . .

After that period the Minister shall then notify the pastoral lessee of his intention to proceed, and the lessee then has another 60 days within which to lodge his claim for compensation for the loss of the land. That means that a period of at least 15 months in any case can elapse before the pastoralist lodges his claim for compensation. He may take up the land himself under c.p. conditions, and he then cuts the selector out just the same. Coming to the selection of wells or waterholes, we will say that somebody did select a water-hole. Would the Minister approve of it? To suggest that, would be ridiculous.

My intention is to speed matters up. Mr. Craig referred to something that I agree could happen. Section 56 provides that the pastoral lessee has the prior right to select a particular area of land in preference to some other applicant. I wanted to insist that he should have stock on the lease from which the land is selected. What I actually meant was that he should have it on a lease which is run in conjunction with a number of leases as one station. But I realise that the amendment would do as Mr. Craig pointed out, and I would not insist on that. As the Act stands, it is possible to have a station in the Kimberley stocked but one in the Eucla Division unstocked, and the lessee would still have prior right to select the land on the unstocked lease.

Hon. F. R. Welsh: It is not very likely.

Hon. H. C. STRICKLAND: If he would not take it, it is unlikely anybody else would.

Hon. F. R. Welsh: He has to shift his stock from one portion of the land to another. That is silly.

Hon. H. C. STRICKLAND: It is silly in the Act, but it does not amount to much, because if a person had not got his land stocked properly, he would not get much sympathy from the Minister and would not be entitled to any. Section 109B is the section dealing with an individual who applies for land, and not the Governor. He makes an application and the Minister decides he will try to secure the land for him. He has to go through exactly the same procedure as when the Governor makes application, except that before he can transfer that land he must sight the receipt for all compensation claims and there can be no bogus selections. That is the reason the provision was inserted in the Act.

As the Minister for Agriculture said, there were numbers of men who applied for land. The Minister granted the land and then they did not want it. They put the department and a lot of people to expense and caused trouble. That was the reason Mr. Wise had this section in-

serted. It was to stop nuisances applying for land—people who thought they could work it but who, by the time they got it, were in some other State and did not want to use it. It is the proviso to Section 111 that I want altered. That is where it is provided that the Minister is obliged to give the lessee 60 days' notice to lodge his claim for compensation. The section reads in part—

> The value of such improvements shall be determined, as follows:—
>
> > The Minister shall give notice to the pastoral lessee when any land within his lease is resumed or selected as above mentioned, and shall require the lessee, within sixty days of the date of such notice, to furnish him with a full and complete statement of the improvements (if any) for which the lessee claims compensation, and the amount claimed in respect of each such improvement; and the Minister shall, by the same notice, require the lessee within the same period to nominate himself or some person as his agent to appear and support his claim before a referee.

The proviso reads—

> Provided that where land is resumed or selected prior to survey, the said period of sixty days shall commence to run from the date the pastoral lessee is informed that the land has been surveyed instead of from the date of the notice.

Mr. Craig objected to the proposed amendment to this proviso. I cannot see where any objection can be raised.

It means that if a person selected some land and the Minister decided to support his selection, he would first of all give the 12 months' notice of the right of the person himself to select and then 60 days' notice to lodge a compensation claim if he did not want to select the land himself. Then, if the land is unsurveyed, the lessee has 60 days from when he is notified that the land has been surveyed. I do not want to delete the proviso but to add another provision to the effect that the proviso stands, provided there are improvements on the land that has been selected and is unsurveyed.

Hon. L. Craig: The land selected may affect the whole of the leases though there are no improvements on it. It may destroy the value of the improvements.

Hon. H. C. STRICKLAND: I appreciate that; but in that event no Minister would support an application that might well ruin a man who already has the land. We know that the Lands Department is administered in the fairest possible manner. The position is that before an application could be considered at all there would have to be a description of the land marked on a litho.

Hon. L. Craig: But no survey.

Hon. H. C. STRICKLAND: There would have to be a description. It would have to be measured and it would have to be situated on a particular area.

The Minister for Agriculture: It would be very difficult to get a datum point without a survey.

Hon. H. C. STRICKLAND: I do not agree. Persons can peg out goldmining leases and all sorts of leases without any surveys or anything else. They will get a litho and step it out and measure it. They will have it pinpointed and their measurement will be within a few feet of where the survey line would go. I cannot make out why members raise opposition on the ground that there will be any effect upon existing leases. All I am doing is to alter the time of the notice.

Hon. L. Craig: I cannot see what you are trying to get at in this amendment about the survey. It is almost impossible to take up a lease without some improvements on it. There would be fencing of some sort.

Hon. H. C. STRICKLAND: The hon. member showed us snaps the other night and I have some here of the land in connection with which the Minister told us that applicants would be dealt with promptly if they applied for it. This is land applied for 12 months ago and the snaps were taken only a couple of weeks ago. What I am trying to get at with the proviso is this: It lays down that after 12 months have expired and the pastoralist says he does not want the land himself, the Minister has to give him 60 days to lodge a compensation claim; but if the land is unsurveyed, the 60 days do not commence until he is notified that it has been surveyed. I know that surveyors visit North-West towns approximately once every two years, and this provision would mean a delay of many years to an applicant who wished to obtain land. It shuts out land settlement. Members tell us that it is time we did something about the North.

Hon. F. R. Welsh: This will not do anything.

Hon. H. C. STRICKLAND: We are told there are hungry eyes looking at the North. Yet nobody wants to allow anybody to do anything with the North. The Minister spoke of a person taking up 1,400 acres of land which was easy to get. That person applied in 1934. Then he moved away to Perth. The land was granted in 1937 and he did not move back. In fact, he moved away and was not going to bother any more about it. It was an old camel reserve, a quarantine area. Then, when

the war was over, he decided he would spend a couple of thousand pounds on it and show that something could be done with the arid parts of the North, despite the fact that the Tropical Adviser told him he would be throwing his money down the sink. He said, "You will be wasting time and money. Do not go there"; but this chap was not to be deterred. The Premier of the day, Hon. F. J. S. Wise, gave him the same advice. He said, "You are only throwing money away. Take my advice and do not spend one penny on it."

However, the man went up there. He erected 10 miles of fencing. There was not one post out of the 3,000-odd that he had not to do something with. He grew bananas on a small area and people absolutely laughed at him. They said what he was trying to do was impossible. He spent about £2,500 in cash and did a couple of years' work. He then sold the land, because he could not secure a house for himself and his family. He sold it improved, with 2,000 banana plants, two first-class Southern Cross engines, 10 miles of fencing, and 1,000 acres of land enclosed and subdivided into four paddocks with grass cultivated throughout.

He sold that plantation as a going concern for a little over £7,000, or about £3 per acre. Outside his fences there was land that the Government had had for sale for 50 years—4-acre blocks at £5 each—but for which there were no buyers. When this man had got this eroded, arid and windswept ground into production, the Government decided to throw the adjoining blocks open at an upset price of £16 10s. per acre, and was rushed with buyers. Those are the facts about the man who Sir Charles said got some land very easily. When the present Government threw open some further blocks, which had stood at 25s. per acre, near Chinaman's Pool at Carnarvon, at an upset price of £50 per acre, people bought them.

No one will be able to grow anything on those blocks because the water is salty and those who bought them should be given their money back. That is the way in which land settlement in the North has been encouraged! It has been said that this measure would ruin the pastoral industry in the North, but let us examine the position there. In 1910, the pastoral areas of the North and North-West—that is, from the Murchison River northward—carried 670,094 cattle, and in 1950 the number was 520,604, so members can see the decline that took place during the intervening years. In 1910, there were 2,727,430 sheep in that area, and in 1950 there were 2,233,163. In the Kimberley area in 1910 there were 578,871 cattle, and in 1950 there were 500,835, a decline of 78,036.

The Minister for Agriculture: The Wyndham Meat Works was established after that.

Hon. H. C. STRICKLAND: The number of cattle in the Kimberleys declined by 78,036 in 40 years. In 1910, there were in the Northern Division 852,601 sheep, and in 1950 the number was 592,514, a fall of 260,000 odd.

Hon. F. R. Welsh: It was the pioneers who put them there.

Hon. H. C. STRICKLAND: The pioneers had more sheep than the scientific pastoralists have today, as the figures I have given prove.

Hon. H. S. W. Parker: They overstocked in the early days.

Hon. H. C. STRICKLAND: I have no argument with the pastoralists.

Hon. F. R. Welsh: Of course you have.

Hon. H. C. STRCKLAND: None whatever, but I have an argument with any man who does not use his land.

Hon. F. R. Welsh: You wanted a place outside Broome. That is what you asked for.

Hon. H. C. STRICKLAND: There are plenty of other places.

Hon. F. R. Welsh: You wanted an area outside Broome for three men.

Hon. H. C. STRICKLAND: I do not want the land. These are applications from people with the necessary cash who wish to show what they can do with that land, which is lying idle.

Hon. F. R. Welsh: Why alter the Act?

Hon. H. C. STRICKLAND: Because nobody else has taken any action.

Hon. F. R. Welsh: This would alter the whole Act.

Hon. H. C. STRICKLAND: Mr. Welsh should look at the photographs I have produced. Any pastoralist or land-holder who holds land out of production and allows it to deteriorate is a menace to his neighbours and is of no use to Australia, because he simply breeds pests and so on.

Hon. F. R. Welsh: Can you name one such man in the North?

Hon. H. C. STRICKLAND: Anyone who holds land out of production, especially Crown land, is doing Australia a disservice.

Hon. F. R. Welsh: You cannot quote one such man in the North.

Hon. H. C. STRICKLAND: I could name half-a-dozen, but I do not wish to be forced into naming any particular man as I have no desire to be personal in this matter.

Hon. F. R. Welsh: These people are entitled to hold what they fought for.

Hon. H. C. STRICKLAND: If I had 1,000,000 acres of pastoral land and could not work it, I would not deny anyone else the chance of working it. I had more land than I could work at Carnarvon but I sold it. I do not hold an acre of rural land. I found I could not do two jobs, and I sold the last few acres of my land only a few months ago.

Hon. F. R. Welsh: It is silly to talk about 1,000,000 acres lying idle.

Hon. H. C. STRICKLAND: Many of these men hold 500,000 acres but will not part with 100 acres to anyone who wants to work the block.

Hon. F. R. Welsh: Much of it is of no use to them.

The PRESIDENT: Order!

Hon. H. C. STRICKLAND: I do not blame any man for sticking up for his own trade, and I do not want to argue with Mr. Welsh. If we differ on these points, we can vote differently. I see no logical reason why the Bill should not be agreed to. I saw the reference in "The West Australian" about killing the pastoral industry, but anyone who reads the Bill and the Act must know that the Bill could not take from a pastoralist any water supply or anything of that kind. All it seeks to do is to reduce the time involved in these applications from 12 months to three months, so that every pastoral lease in the State will come under the same provisions as apply to the South-West Land Division. Again I appeal to members to support the Bill.

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

Ayes	11
Noes	16
Majority against	5

Ayes.

Hon. C. W. D. Barker	Hon. E. M. Heenan
Hon. N. E. Baxter	Hon. F. R. H. Lavery
Hon. G. Bennetts	Hon. A. L. Loton
Hon. E. M. Davies	Hon. H. C. Strickland
Hon. G. Fraser	Hon. R. J. Boylen
Hon. W. R. Hall	*(Teller.)*

Noes.

Hon. L. Craig	Hon. Sir Chas. Latham
Hon. J. A. Dimmitt	Hon. L. A. Logan
Hon. L. C. Diver	Hon. J. Murray
Hon. Sir Frank Gibson	Hon. H. S. W. Parker
Hon. H. Hearn	Hon. C. H. Simpson
Hon. C. H. Henning	Hon. H. K. Watson
Hon. J. G. Hislop	Hon. F. R. Welsh
Hon. A. R. Jones	Hon. J. McI. Thomson
	(Teller.)

Question thus negatived.

Bill defeated.

BILL—BRANDS ACT AMENDMENT.

Second Reading.

Debate resumed from the 27th November.

HON. A. L. LOTON (South) [10.26]: The Bill is now in a form different from that in which it was introduced in another place. One of its most objectionable features was removed there, and some of its original intention has thus been lost. It appears that once again the Government is seeking, by an increase of registration fees, to recoup the Treasury to some extent, as well as to tighten up the provisions relating to the branding of livestock. I know that the Minister for Agriculture is not greatly in favour of the firebranding of cattle, but I think earmarking or firebranding should be obligatory on the individual settler rather than that we should make firebranding compulsory while allowing earmarking to be carried out as a supplementary means of identification, if necessary.

I have an amendment on the notice paper, but unfortunately the provision of the Act dealing with the firebranding of cattle is not before the House for review. At a later stage I will move an amendment to make earmarking obligatory and trust that later on it will be possible to introduce a Bill to amend the offending section. Under the definition section in the parent Act, a brand means the permanent impression of any letter, sign or character branded upon any stock, including any earmark, firebrand, woolbrand or tattoo mark.

One would be led to believe, on reading that definition, that earmarking was recognised as a brand so long as the earmark was registered and the necessary formalities had been complied with. When we see what shall be done in regard to horses and cattle, we find in Section 9 the following:—

> One brand for horses and cattle, with or without an earmark for cattle, and one earmark for sheep, with its accompanying woolbrand, and no more, shall be allowed each proprietor unless he is the proprietor of more runs than one, in which case he may be allotted a separate brand and earmark for each run.

For horses there will be a firebrand and for cattle either a firebrand or an earmark. When the Minister introduced the Bill, knowing that he was not in favour of firebrands by the statements he made in "The West Australian" and our own political paper, I was surprised that steps were not taken to delete its application to cattle. In certain conditions and areas firebrand is necessary. In areas where settlers turn their stock on to the common or coastal plains or on stations it is necessary. It may be that they are in favour of the firebrand on coastal plains where they turn their stock out for grazing, but in the closely-settled areas, where each individual owner knows his own property, I think that for identification the earmark is totally insufficient.

Hon. C. W. D. Barker: Does this apply to the North?

Hon. A. L. LOTON: If earmarking, so far as sheep are concerned, is thought sufficient identification, earmarking for cattle should be the same. That is the point. We do have a woolbrand for sheep. The hon. member knows that two months after sheep have been branded, the wool-

brand is almost unidentifiable but if earmarking is done properly it remains for the whole life of the sheep.

At this stage where we are having great losses with our leather we find that the best part of the hide is damaged by indiscriminate use and unnecessary firebranding. That is, either it is too hot, which causes the brand to lift or blotch, or too cold which, after one winter, makes it unidentifiable. The amendment I propose in this regard will be inserted in paragraph (b) of proposed new Subsection (3) of Section 27, which is dealt with in Clause 11. That paragraph reads as follows:—

> The owner shall mark with his registered brand
>
> (1) his horses, in whatever part of the State they may be, before they attain the age of eighteen months.

I propose to add the words "or earmark" after the word "brand." The paragraph continues:

> (2) his cattle, if they are in the specified area, before they attain the age of twelve months.

Clause 14 reads—

> Section 32 of the principal Act is amended by adding the following subsection:—
>
> (6) order the return to the run from which they have been removed of any stock which are not branded in accordance with this Act and which are removed or are in the course of removal from the run and the stock shall be returned to the run immediately and shall be branded forthwith upon their return.

I propose to insert "earmarked" after "branded" in Section 32. It is quite simple. Paragraph (d), which proposes to add the following subsection to Section 47, reads as follows:—

> (2) An owner of horses or cattle shall not sell or offer them for sale unless a registered horse and cattle brand is distinctly and legibly marked on them as required by this Act.

I think this will make the Act more workable and applicable and will have the desired effect, and I think owners will have better means of identification than they have at present to keep trace of the registered brands. I support the second reading of the Bill.

HON. C. W. D. BARKER (North) [10.35]: I did not intend to speak on this Bill but I was very interested to hear Mr. Loton discuss the necessity of firebrands and earmarks. I think I got him right when he said that the firebrand was not necessary on cattle and that the earmark would be sufficient.

The Minister for Agriculture: That is wrong.

Hon. C. W. D. BARKER: If that is so, it would cause chaos in the North. They must firebrand cattle up there because they would not know which cattle belonged to whom. In the case of an earmark, I could alter it with a knife. If that were done it would cause chaos in the North because they must firebrand their cattle. Mr. Loton said that the hide would be spoilt if the beast was branded by firebrand. The brand is generally placed on the rump and the hide is not spoilt. Earmarking would not be sufficient identification. I think even Mr. Craig would agree with me on that point. There would be absolute chaos in the North if cattle were not branded.

HON. L. CRAIG (South-West) [10.36]: We seem really to be discussing a Committee portion of the Bill. I understand the recommendations in the Bill have all been made by the stock section of the department controlled by the Minister for Agriculture. On the question of brands and earmarks, both Mr. Loton and Mr. Barker are right. In the North it would be fatal not to brand cattle, but I would point out the Act does not say one shall not brand. Squatters in the North would brand their cattle in any case for their own protection; I think they would be foolish not to brand their cattle because they would get mixed up and so on.

Hon. C. W. D. Barker: Do you think it is sufficient to earmark them?

Hon. L. CRAIG: No. In the North earmarking would not be sufficient; they must be branded. In the agricultural areas the position is different. I do not brand any of my cattle. I used to, but I do not today. I have every brand one can possibly think of on the cattle on my place; they were all bought from dairies. They have all the marks imaginable on them and most of them are unrecognisable. The brands are put on calves at six months and even at three months and by the time the steer is three years old the brand is as big as my head.

Hon. A. L. Loton: It is all over him.

Hon. L. CRAIG: So those people who sell their cattle as large vealers or baby beef would have to brand. But that is undesirable in baby beef. So if the proposed amendment is agreed to, it will not prevent the people in the North from branding because, for their own protection, they must brand their cattle. But I think it is undesirable in the south and particularly in the dairying industry because practically all steers are bought from the dairies. They are not beef cattle; they are dairy cattle from dairy herds.

As a rule, they pass through two or three hands before they are sold for beef. First, there is the dairyman who raises them to the poddy stage and then sells them to the grazier. He brings them to the two-year old stage and sells them to someone like myself. They are then kept for another year and fattened and are then sold for beef. So there are often three or more people who handle those cattle. One finds brands from all over the State. I have every imaginable brand on my little property; there are probably twenty different kinds of brands among them. We do earmark our cattle and, as Mr. Barker, says, anybody can get a knife and alter it but that can be done with anything if a person has a criminal intent.

The Minister for Agriculture: It is not easy to alter the brand.

Hon. L. CRAIG: I have seen cattle with three different brands on them. They have already been branded by somebody; they are bought by somebody else and are branded again. These poor beasts are smothered with brands and some of them have innumerable earmarks. I think Mr. Loton's amendment is not unreasonable. It does not compel anybody; it says, "You need not unless you want to". In my opinion, it is undesirable to enforce branding of young cattle in the South-West areas.

Hon. A. L. Loton: That is right.

Hon. L. CRAIG: It is undesirable to brand our young cattle because we are endeavouring to encourage the baby beef trade. It does affect the carcass. I do not think there is anything in the Bill to which anybody can object and I suggest we pass the second reading stage and then discuss it in Committee. I support the second reading.

HON. L. C. DIVER (Central) [10.45]: Although realising that we should not deal with Committee details when speaking on the second reading, I wish to support those members who favour the earmarking of cattle in the southern part of the State. Mention has been made of ways of altering such marks, but it is extraordinary that the department requires the owner of sheep to earmark them and we have not heard too much protest about alterations in that direction.

The Minister for Agriculture: You cannot put a permanent brand on a sheep unless it is put on the horns.

Hon. L. C. DIVER: It is compulsory to earmark sheep.

The Minister for Agriculture: Just as it is to brand cattle.

Hon. L. C. DIVER: But I am dealing with earmarks. What I should like to know is, if earmarks can be distorted and altered so readily as we have been led to believe is possible, why does the department insist upon the earmarking of sheep?

The Minister for Agriculture: Because you cannot brand a sheep permanently unless it has horns.

Hon. L. C. DIVER: All recognised sheep studs use an aluminium ear tag.

The Minister for Agriculture: That could be taken out.

Hon. L. C. DIVER: Yes, but if an ear tag has been removed, one realises immediately that something is amiss. Some months ago Mr. Barker referred to a number of cattle in the North that were running unbranded. He dwelt upon the fact that so many hundred young bulls were running around in that state. Apparently they had never been branded.

Hon. C. W. D. Barker: That is so; they had never been branded.

Hon. L. C. DIVER: Then why query the proposal that is submitted now?

The Minister for Agriculture: Immediately anybody started to drove unbranded cattle in the North, he would be in trouble.

Hon. L. C. DIVER: When circumstances arose necessitating the droving of cattle, the brand could be put on. Owners in the North are comparatively few and run a large number of cattle, whereas in the south, we have a large number of stock owners with comparatively small numbers of cattle each, and in the vast number of instances they have registered earmarks for sheep that could quite easily be registered to apply to cattle.

The Minister for Agriculture: No, they could not use the same mark because that would be a duplication.

Hon. L. C. DIVER: What would be the difference if the same mark were used for cattle as for sheep? I assure members that it would be quite practicable to earmark cattle in the southern portion of the State instead of firebranding them.

Question put and passed.

Bill read a second time.

BILL—GOVERNMENT EMPLOYEES (PROMOTIONS APPEAL BOARD) ACT AMENDMENT.

Received from the Assembly and read a first time.

House adjourned at 10.50 p.m.