

and I am able so to certify and to advise that you may properly and safely give your assurance to the Legislative Council in that regard.

D. G. Sander,
Assistant Parliamentary Draftsman.

No other explanation is necessary, except to say that this Bill is similar in its action and intention to the Bill just dealt with.

Clause put and passed.

Clauses 2 to 10 put and passed.

Schedule put and passed.

Title—

The Hon. A. F. GRIFFITH: I omitted to point out that I would like the certificate of the Assistant Parliamentary Draftsman which I have just read out, as well as the certificate relating to the previous Bill, to be laid on the Table of the House.

Title put and passed.

The certificates were tabled.

Report

Bill reported, without amendment, and the report adopted.

House adjourned at 5.17 p.m.

Legislative Assembly

Tuesday, the 15th October, 1963

CONTENTS

	Page
ANNUAL ESTIMATES, 1963-64—	
Committee of Supply : General Debate—	
Speaker on Financial Policy—	
Mr. Hawke	1655
BILLS—	
Factories and Shops Bill—	
2r.	1652
Message : Appropriation	1655
Fluoridation of Public Water Supplies	
Bill—3r.	1642
Government Railways Act Amendment	
Bill—2r.	1663
Iron Ore (Hamersley Range) Agreement	
Bill—	
2r.	1667
Com. ; Report	1681
Metropolitan Region Town Planning	
Scheme Act Amendment Bill—	
Receipt ; 1r.	1655
Railway (Portion of Tambellup-Ongerup	
Railway) Discontinuance and Land Re-	
vestment Bill—	
Intro. ; 1r.	1642
Rural and Industries Bank Act Amendment	
Bill—	
2r.	1664
Com.	1667
Spencer's Brook-Northam Railway Ex-	
tension Bill—	
Intro. ; 1r.	1642

	Page
QUESTIONS ON NOTICE—	
Agricultural Fellowship—Appointment of	
Fellow	1637
Beef Cattle—Compulsory Testing for Tuber-	
culosis	1637
Children of Working Parents—Assistance	
through Pilot Scheme : Government's	
Attitude	1640
Companies Act—Firms Subject to Parts	
VII to X	1641
Dairy Film Unit—	
Attendance of Officer	1637
Improvement of Film Standard	1637
Education—	
Cannington High School : Site and	
Total Area	1640
Kindergartens : Government Finan-	
cial Assistance	1639
Electricity Supplies—State Electricity Com-	
mission Charges : Consumers Affected	
by Increases	1641
Factories and Shops Branch—Inspectors	
Employed	1638
Local Government Elections—	
Order of Candidates' Names on Ballot	
Papers : Drawing of Lots	1638
Voting by Unnaturalised Aliens	1639
Withdrawal of Nominations	1639
Oil Companies—Competition with Coal :	
Unfair Trading Actions	1641
Public Service—	
Annual Leave : Increase to Three Weeks	
Employment of Married Women	1638
Railways—Train Service to Merredin :	
Changeover to Road Buses	1640
Sewerage Extensions—Plans for Bays-	
water-Bassendean Area	1638
Water Supplies : Mandurah-Yunderup	
Area—	
Continuation and Cost of Boring	1637
Depth of Bores, and Quantity of Water	
Piping from Pinjarra to Yunderup	1637
Piping from South Dandalup to Pin-	
jarra-Yunderup-Mandurah	1637
Wundowie Public Hall—Replacement by	
New Structure	1638

The SPEAKER (Mr. Hearman) took the Chair at 4.30 p.m., and read prayers.

QUESTIONS ON NOTICE

WATER SUPPLY IN MANDURAH-YUNDERUP AREA

Depth of Bores, and Quantity of Water

1. Mr. RUNCIMAN asked the Minister for Water Supplies:

- (1) What are the depths of the three bores drilled in the Mandurah artesian basin?
- (2) What quantity of water was obtained and what was the analysis of each bore?

Mr. WILD replied:

- (1) Bore No. 1—2,005 feet.
Bore No. 2—565 feet.
Bore No. 3—684 feet.
Bore No. 4—325 feet (10th October, 1963).

(2) Bore No. 1—Artesian flow 6,800 gallons per hour. Salinity 112 g.p.g. NaCl and higher.

Bore No. 2—Yield not tested. Salinity 140-1,940 g.p.g. NaCl.

Bore No. 3—Yield not tested. Salinity 120-880 g.p.g. NaCl.

Bore No. 4—Artesian flow 5,000 gallons per hour. Salinity 40 g.p.g. NaCl.

Continuation and Cost of Boring

2. Mr. RUNCIMAN asked the Minister for Water Supplies:

(1) Is it intended to continue boring operations in the Mandurah-Yunderup area?

(2) What has been the cost of these boring operations?

Mr. WILD replied:

(1) Yes.

(2) Approximately £28,000.

Piping from Pinjarra to Yunderup

3. Mr. RUNCIMAN asked the Minister for Water Supplies:

(1) In the event of potable water not being found in sufficient quantities in the Yunderup area, would he give consideration to piping water from the South Dandalup River at Pinjarra to Yunderup?

(2) What could be the cost of such a scheme?

Mr. WILD replied:

(1) Yes.

(2) Approximately £100,000 to serve Yunderup only.

Approximately £600,000 to serve Yunderup-Mandurah area.

Piping from South Dandalup to Pinjarra-Yunderup-Mandurah

4. Mr. RUNCIMAN asked the Minister for Water Supplies:

(1) Is it a fact that money is to be spent in laying larger pipes from South Dandalup to Pinjarra?

(2) Would such pipes be large enough for the supply from this source for the Yunderup-Mandurah area?

Mr. WILD replied:

(1) Yes.

(2) No.

Bore No. 4, tested on the 10th October, 1963, shows some promise of being a suitable source of supply for Yunderup. It will take some little time to firmly assess the potential of the bore.

It is planned to replace 1 mile of the 6 inch diameter pipe with 1 mile of 8 inch diameter pipe between South Dandalup and Pinjarra for improving that town's

water supply. Enlargement to a size suitable for supplying Yunderup and Mandurah is not considered warranted at this stage.

AGRICULTURAL FELLOWSHIP

Appointment of Fellow

5. Mr. RUNCIMAN asked the Minister for Agriculture:

(1) What progress has been made in the appointment of a fellow for the Queen Elizabeth II Fellowship in Agriculture?

(2) What is the reason for the delay?

Mr. NALDER replied:

(1) The Queen Elizabeth II Fellowship in Agriculture is being advertised world wide immediately.

(2) The conditions of appointment required considerable time to finalise by correspondence between the Senate of the University and the Professor of Agriculture (Professor Underwood), who was overseas.

DAIRY FILM UNIT

Improvement of Film Standard

6. Mr. RUNCIMAN asked the Minister for Agriculture:

(1) Would consideration be given to the improvement of the standard of films shown by the Dairy Film Unit?

Attendance of Officer

(2) Would consideration be given for the attendance at these film evenings of a competent officer of the Dairy Branch to answer questions on the films?

Mr. NALDER replied:

(1) The search for suitable films is continuous, and programmes have been praised regularly by farmer audiences.

Suggestions for more local subjects have been made and have been accepted by preparing a number of short films of local and topical interest.

(2) A competent officer attends each screening.

BEEF CATTLE

Compulsory Testing for Tuberculosis

7. Mr. RUNCIMAN asked the Minister for Agriculture:

(1) What progress has been made regarding compulsory testing of beef cattle for tuberculosis?

- (2) Is any action contemplated this session of Parliament?

Mr. NALDER replied:

- (1) and (2) Compulsory testing of beef cattle to diagnose tuberculosis has been discussed with interested organisations and it is hoped that proposals for a scheme can be submitted to Parliament during the present session.

8. *This question was postponed.*

SEWERAGE EXTENSIONS

Plans for Bayswater-Bassendean Area

9. Mr. TOMS asked the Minister for Water Supplies:

- (1) Have plans for the extension of sewerage works in the Bayswater-Bassendean area been prepared?
 (2) If the answer to No. (1) is "Yes," when is it anticipated that the works will be commenced?

Mr. WILD replied:

- (1) Preliminary investigations have been made but detailed design is dependent on additional information concerning land development in some areas.
 (2) Answered by No. (1).

PUBLIC SERVICE ANNUAL LEAVE

Increase to Three Weeks

10. Mr. FLETCHER asked the Premier:

- (1) Is he aware that on the 13th August, 1963, in reply to question 5—page 176, *Hansard* No. 3 of 1963—the Minister for Mines announced in another place that legislation would be introduced about midway during the current session granting three weeks' annual leave to the civil service?
 (2) As approximately half the session has now elapsed, can he be more specific as to the date such legislation can be expected?

Mr. BRAND replied:

- (1) Yes.
 (2) A report on this matter by the Public Service Commissioner is expected this week and an early decision will be made.

FACTORIES AND SHOPS BRANCH

Inspectors Employed

11. Mr. DAVIES asked the Minister for Labour:

How many inspectors were employed by the Factories and Shops Branch of the Department of Labour as at the 30th June for each of the last five years?

Mr. WILD replied:

1959—13.
 1960—12.
 1961—11.
 1962—12.
 1963—12.

WUNDOWIE PUBLIC HALL

Replacement by New Structure

12. Mr. HAWKE asked the Minister for Industrial Development:

- (1) Is he aware of the inadequacy and unsuitability of the secondhand public hall at Wundowie, and of the urgent need for a new, much larger, and modern hall to meet the community needs of the local population?
 (2) Would the board of management of the charcoal iron and steel industry at Wundowie be prepared to finance the construction of a new hall?
 (3) If not, to what extent would the board of management agree to co-operate financially with the local shire council in the matter?

Mr. COURT replied:

- (1) Yes.
 (2) and (3) In reply to a question on the 19th September, 1962, I advised that the board of management had considered the matter, and whilst it agreed the hall did not meet the present needs it considered this to be the responsibility of the local government authority.

The position is unchanged and the board of management's views are considered to be reasonable and in the circumstances the board is not prepared to finance the hall in whole or in part.

LOCAL GOVERNMENT ELECTIONS

Order of Candidates' Names on Ballot Papers: Drawing of Lots

13. Mr. JAMIESON asked the Minister representing the Minister for Local Government:

- (1) If the drawing of lots as provided for under section 101 of the Local Government Act does take place before the expiration of the 72 hours period, as specified in section 95, and a withdrawal or withdrawals subsequently take place before the expiration of the 72 hours period leaving only the required number to be elected, is it necessary for the returning officer to redraw lots for the period to be served by each of the elected councillors?

Withdrawal of Nominations

- (2) Under what section can a withdrawal of nomination be made after the period specified in section 95?

Mr. NALDER replied:

- (1) Only if the election is one of those unusual ones which, by section 41 (7) (e) requires that lots must be drawn to determine the order of retirement.
- (2) There is no power to withdraw a nomination after the 72 hours period has elapsed.

Voting by Unnaturalised Aliens

14. Mr. JAMIESON asked the Minister representing the Minister for Local Government:

- (1) Is he aware that the Local Government Department recently circularised all local governing bodies requesting them to take action to stop unnaturalised aliens from voting, as the result of at least one election had been affected by such a vote?
- (2) To what election was the Department of Local Government referring?
- (3) Why, if the statement was true, did not the department or the returning officer concerned take action to preserve the rights of the other candidates?

Mr. NALDER replied:

- (1) Yes, as the result of points raised in the Address-in-Reply by The Hon. R. Thompson, M.L.C.
- (2) The reference was made to an election of the then Wanneroo Road Board held some years ago.
- (3) The department does not conduct elections, and merely learns of these problems in the course of its activities, usually after the election has been finalised. The returning officer was unable to challenge the individuals concerned because they voted in absence in another district. The department referred in bulletins published in 1955 and 1957 to these matters and circularised all absent voting officers in 1958. It was the receipt of reports of aliens voting or offering to vote this year which led to the recent circular.

PUBLIC SERVICE*Employment of Married Women*

15. Mr. GRAHAM asked the Premier:

- (1) What is the policy of the Government in relation to the Public Service in respect of—
- (a) engaging married women for employment;

(b) continuance in employment of female members of the staff when they marry?

- (2) How many married women are at present employed in the Public Service?

Mr. BRAND replied:

- (1) (a) Preference is always given to the employment of single applicants. (Widows are regarded as single applicants.) Married women are employed only when single girls are not available for special assignment, in cases where special qualifications are needed, or where location or hours worked make it difficult to recruit single girls.
- (b) Owing to the large number of girls available for employment, the continuance in employment of female members of the staff after marriage is not favoured. Some women, however, are called on from time to time for relieving purposes.
- (2) 52. Of this number 24 are either separated or providing temporary relief—the remainder are in categories set out in No. (1) (a).

KINDERGARTENS*Government Financial Assistance*

16. Mr. GRAHAM asked the Minister for Education:

Whilst acknowledging his desire to await the outcome of the application to the Arbitration Court for increased salaries for kindergarten teachers before reviewing the scale of Government subsidy to the Kindergarten Union, will he give immediate attention to—

- (a) the matter raised by Perth Shire Council; viz., assistance towards the cost of erecting new kindergarten buildings;
- (b) raising the administration grant paid to the Kindergarten Union, in view of the increased number of kindergartens;
- (c) raising the college grant on account of the larger number of students undergoing training at the college, and the further substantial increase anticipated next year;
- (d) making a grant towards meeting the cost of the interim increase of kindergarten teachers' salaries which have been paid since the beginning of the year, involving an additional burden on parents?

Mr. LEWIS replied:

- (a) Assistance is already provided by the Government towards the cost of erecting new kindergarten buildings. A sum of £500 is paid on completion of the building, and further financial help is provided as required from the special fund to assist needy kindergartens.
- (b) The grant for administration, like all other components of the Government grant to kindergartens, is adjusted annually in accordance with a formula which takes account of increased costs.
- (c) Since the Government bears the cost of allowances to students, as well as making a special adjustable grant towards the running expenses of the kindergarten college, a substantial increase in the Government contribution will result from the larger enrolment at the college.
- (d) The Government financial assistance to the Kindergarten Union is calculated on a formula which was recommended by the Royal Commission in 1953, and agreed to by the Government and the Kindergarten Union. This agreed formula provides grants for administration and for the kindergarten college, as well as a *per capita* payment for each child enrolled. No provision is made for special grants for specific items such as interim salary increases.

CANNINGTON HIGH SCHOOL

Site and Total Area

17. Mr. JAMIESON asked the Minister for Education:

- (1) Where is the site for the proposed new Cannington high school?
- (2) What is the total area of land concerned?

Mr. LEWIS replied:

- (1) Between Wharf Street and Cecil Avenue, Cannington.
- (2) Approximately 41 acres.

TRAIN SERVICE TO MERREDIN

Changeover to Road Buses

18. Mr. KELLY asked the Minister for Railways:

Will he please indicate the separate itemised amounts which make up the average cost of £75 16s. per trip to run diesel-electric trains from Perth to Merredin and £21 1s. 1d. to operate road buses as indicated in his replies to questions asked on the 3rd September, 1963?

Mr. COURT replied:

- (1) Cost of operating the diesel train is made up as follows:

	Per Mile d.
Driving	7.28
Guard	5.85
Repairs and over- hauls	51.22
Fuel	6.31
Lubrication and examination	3.14
Running shed atten- tion	1.81
Superintendence	6.01
Other expenses228
Depreciation	16.47
Interest	10.44
	<hr/> 108.758

Total cost is therefore:

108.758d. x 168 miles = £75 16s.

This includes all overheads, but excludes proportion of track costs and station and signal service costs which would add approximately £27 to the figures quoted.

- (2) Cost of operating a road bus is:

	Per Mile d.
Driving	8.52
Repairs and over- hauls	8.35
Fuel	2.37
Tyres and tubes	1.1
Cleaning	1.33
Lubrication3
Superintendence	4.77
Insurance45
Transport Board fees28
Agency charges	1.33
Depreciation	1.66
Interest73
	<hr/> 31.19

Total cost—

2s. 7d. per mile x 163 miles =
£21 1s. 1d.

All overheads are included.

CHILDREN OF WORKING PARENTS

Assistance through Pilot Scheme: Government's Attitude

19. Mr. D. G. MAY asked the Premier:

- (1) Is he aware that the Council of Social Service of Western Australia is to establish a pilot scheme for children who suffer hardship because they are left alone while parents are working?
- (2) Is he further aware that this council is appealing for funds to commence the scheme?

- (3) What form of assistance is contemplated by the Government in so far as the Education and Child Welfare Departments are concerned?
- (4) Is the Government fully in accord with the inauguration of the pilot scheme?

Mr. BRAND replied:

- (1) Notification has just been received.
- (2) Application has just been received.
- (3) No policy has yet been formulated.
- (4) The Government is in accord with any scheme for the improved welfare of children, but believes that the primary responsibility for their welfare rests on their parents.

COMPANIES ACT

Firms Subject to Parts VII to X

20. Mr. TONKIN asked the Minister representing the Minister for Justice:

- (1) During the period the present Government has been in office, which—

- (a) public companies;
- (b) proprietary companies;
- (c) investment companies;
- (d) foreign companies;

have become subject to parts VII, VIII, IX, and X of the Companies Act?

- (2) What are the names of the officers of these companies, respectively?
- (3) Are any of these persons officers of companies registered in Western Australia?
- (4) If "Yes," when did they become so?
- (5) Are any of these persons proprietors of, or partners in, firms registered under the Business Names Act?
- (6) If "Yes," which persons and under which business names?

Mr. COURT replied:

- (1) Approximately 240 companies require to be listed in part answer to this question. The list could not include local companies affected by part VII of the Act and it could not include foreign companies (other than those coming under part VIII) as this information is not available from Companies Office records.
- (2) The list of companies and their officers can be compiled, but the listing of officers would require full-time research by a competent officer for many days. In view of the answers to questions Nos. (3) to (6) inclusive, it is contemplated that the compilation may not still

be required, but will be further considered if the honourable member so requests.

- (3) and (4) The information sought in these questions could be given only after search of records in every company (approx. 6,500) registered in the State. Staff is not available for this purpose.
- (5) and (6) It is not practicable to supply this information.

STATE ELECTRICITY COMMISSION CHARGES

Consumers Affected by Increases

21. Mr. JAMIESON asked the Minister for Electricity:

With reference to answers to question No. 19 on Tuesday, the 17th September, 1963:

- (1) What is the estimated number of metropolitan consumers who will pay nearly 6d. more per week?
- (2) What is the estimated number of consumers who will pay more in the group between $\frac{1}{2}$ per cent. and 5 per cent.?
- (3) How many estimated consumers are in the bracket between no increase and less than 3d. per week increase?

Mr. NALDER replied:

- (1) 587.
- (2) and (3) 5,875.

OIL COMPANIES

Competition with Coal: Unfair Trading Actions

22. Mr. H. MAY asked the Premier:

- (1) Is it a fact that oil companies operating in this State are, in order to secure trade, supplying oil burning equipment at no cost to companies and industrial establishments and then supplying oil at a price with which coal cannot compete?
- (2) Does he realise the coal industry in this State is fast losing private trade through the unfair trading actions of the oil companies?
- (3) Will he have this matter investigated; and if the position is found to be as stated above, will he take some immediate action to protect our native coal against such unfair competition?

Mr. BRAND replied:

- (1) and (2) The Government has no information about the supply of oil burning equipment at no cost to companies or industrial establishments or trading methods which could be classed as unfair. It is realised that the supply of

various forms of fuel is competitive, and it is reasonable to assume users weigh up all factors before deciding on a particular fuel.

- (3) I understand the Tariff Board has inquired into matters of this nature and the National Coal Board was represented. Presumably the Tariff Board was satisfied that no special protection for coal was necessary.

BILLS (2): INTRODUCTION AND FIRST READING

1. Spencer's Brook-Northam Railway Extension Bill.
2. Railway (Portion of Tambellup-Ongerup Railway) Discontinuance and Land Revestment Bill.

Bills introduced, on motions by Mr. Court (Minister for Railways), and read a first time.

FLUORIDATION OF PUBLIC WATER SUPPLIES BILL

Third Reading

MR. ROSS HUTCHINSON (Cottesloe—Minister for Health) [4.48 p.m.]: I move—
That the Bill be now read a third time.

MR. HAWKE (Northam—Leader of the Opposition) [4.49 p.m.]: I intend to speak only briefly on the third reading of this Bill. All members in this House are aware of the activities which took place in connection with this measure, particularly during the Committee stage. The attitude of members on this side of the House was abundantly clear during that stage, when we tried to have included in the Bill a democratic provision that any direction given by the Minister to a water supply authority, calling upon that authority to place fluoride into its local water supply system, be submitted to the people by way of referendum.

Unfortunately, all members on the Government side united together to vote the referendum proposal down; and when they voted that proposal down, they made it clear the Government was determined to compel all the users of the water system in any district to take fluoride with the water without giving anybody in the area the slightest opportunity to have a voice as to whether they wanted that situation forced upon them or otherwise.

There is an increasing amount of difference of opinion in relation to the benefits of fluoride added to water in minimum quantities; and there is a considerable volume of authoritative opinion which declares that the placing of fluoride in domestic water supplies could be very injurious in the side effects which it would have upon the human system. We feel

there is absolutely no warrant—no justification of any kind—for applying this measure compulsorily to all people without giving any of those people a voice as to whether they want fluoride in the water or not.

We believe, if this proposal could be submitted to the people in any particular water supply district, and they were given a reasonable opportunity to read and study the argument for and against fluoridation, a majority in each instance might easily decide against the proposal. Therefore, we propose to vote against the third reading of this Bill, mainly because we feel the people should be given an opportunity to express their views before fluoridation is compulsorily applied to them; and, secondly, as a protest against the refusal of the Government to allow the people to have any opportunity to express their views.

MR. TONKIN (Melville—Deputy Leader of the Opposition) [4.53 p.m.]: It had been my intention to ask a question without notice of the Minister for Health, but I was preoccupied when the time came and lost my opportunity. However, the Minister was good enough to send the answer across, which I have here. It is a very important point in connection with this legislation. My question to the Minister was—

- (1) Has he given consideration to the amount which is to be stated as the maximum amount of fluoride in parts per million which may be added to the water and which it is intended to insert in the Bill for the compulsory fluoridation of water supplies when the Bill is in the Legislative Council?
- (2) What is the amount decided which is requisite?

The Minister's reply is as follows:—

- (1) and (2) An amendment will be framed for inclusion in the Legislative Council to ensure that the committee appointed under the Bill will make no recommendation to increase the fluoride ion concentration above one part per million parts of water.

That is reassuring, and I am glad the Government will give co-operation in that direction, because the Bill is faulty in that regard.

I want to comment upon some aspects of the debate which struck me as being very significant. We are told that the case for the fluoridation of water supplies is so strong—so overwhelming from authority—that there is really no argument against it. If that is so, then one wonders why it is necessary for those who are

advocating fluoridation to distort the position by making statements which are not in accordance with fact and to resort to debating tricks.

I am sorry the member for Wembley is not in his seat at the moment. He is a professional man who has had the advantage of a good education, and his case in the main consisted of a statement which he culled from some literature supporting fluoridation; and the statement was quite false and untrue, as I subsequently proved. He then resorted to the mean debating trick of quoting four names supposedly typical of those who oppose fluoridation in order to show that people who oppose fluoridation are a lot of no-hopers. Of course, that is distorting the position, because I venture to say that in the ranks of those people who oppose fluoridation one will find top-ranking scientists who cannot be surpassed, let alone be equalled, by those who are in support of the campaign for it. I will give some evidence a little later to prove that contention.

So the statements mentioning the names of people of whom I had not previously heard—neither had the Leader of the Opposition, and we both did considerable study of literature on this question—were made deliberately to create the impression that those people who oppose fluoridation are of very low account and need not be considered very much at all, and that their opinion should be discarded without more ado. Of course, the truth of the matter is that that is very far from what the actual position is. There are three Nobel peace prize winners amongst the foremost of those in opposition to fluoridation.

I refer, firstly, to the case quoted by the member for Wembley; and I quote from the report of his speech on gallery 923 of the *Hansard* proofs. He had this to say—

Assertion in the circular (page 6):

That is the circular attributed to Dr. George L. Waldbott, who was one of the leading men opposed to fluoridation, and who has written a number of works on the subject—and this is the quotation—

"In a twenty-two year old soldier reported by Linsman and McMurray, whose death was due to naturally fluoridated drinking water . . ."

Original Publication: A careful examination of the article reveals that the authors do not ascribe the patient's death to fluoride. Death was attributed to the result of severe kidney disease caused in part by an infection.

"The pyonephrosis probably followed the local infection at the sternal biopsy site which provided a portal of entry."

"The fluorine may have played some role in the anaemia but it must be concluded on the basis of the pathological findings that the anaemia and its lack of response to therapy was primarily on the basis of the uremia present."

I was able, through the good offices of the librarian here, to obtain from the Medical Library a copy of *Radiology* which contained the original report of Linsman and McMurray who carried out the autopsy, and I was able to see what they did actually say with regard to this 22-year-old Texan soldier who had died—and they said death was due to osteosclerosis and they gave a record of the periods he had resided in areas where the water was naturally fluoridated. They gave the length of time in each place, and the amount of fluoride in the water supply at each place.

Mr. Dunn: Have you got those figures of the amount of fluoride in the water?

Mr. TONKIN: I have not got them with me, but I think they are recorded in *Hansard*. I referred to them during the Committee stage of the Bill when I quoted from the volume which was then on my desk. From memory I think the top amount in any one place was 5.6 parts per million. At no time was he subjected to an intake greater than that quantity, and for the average period it was about half that quantity. I am speaking from memory.

The point is that Waldbott did not misrepresent that position at all. I do not know if Waldbott made the statement. I have not seen the circular. If he did make the statement which was ascribed to him, it conformed entirely with the findings of the two doctors who carried out the autopsy and who made their report; and the report is there for anybody to have a look at.

That is the first point: Why does it become necessary for those who are supporting fluoridation to resort to that kind of trickery? If their case is so overwhelming it ought to stand on its own without any attempt at misrepresentation.

The next point—and this is perfectly clear—is that my learned friend from Wembley set out deliberately to discredit those people who have the audacity or the temerity to oppose fluoridation; and he did it by selecting four persons whose names appeared in some circular or other and who, by no stretch of imagination, could be regarded as being typical of the brilliant minds who oppose fluoridation.

The member for Gascoyne—who shows a good deal of assiduity in matters of this kind and who wishes to inform his mind as much as possible—communicated with South Africa; and, as a result, he got into his hands during the weekend a very important document which is right up-to-date. I am only sorry that I did not have

this document at the time of the second reading debate. I have had a matter of only half an hour or so to look through it.

My first reaction is this: that any person reading this report could hardly support fluoridation afterwards. I propose to quote from this document. It deals with fluoridation and records an address given by Douw G. Steyn, B.Sc., Dr.Med. Vet., D.V.Sc., Chief Research Officer, Division of Life Sciences, Atomic Energy Board, Pretoria.

I think you, Sir, will agree that to put some of those persons whose names were mentioned by the member for Wembley, in the class of this man is very greatly to distort the position and to give a wrong impression. On the bottom of the title page it says that this paper was read before the ninth International Convention on vital substances, nutrition, and civilisation diseases, which was held from the 16th to the 22nd September, 1963, at Lindau on Lake Constance and at Bregenz, Germany. I cannot imagine that any no-hoper would be allowed to appear at that august assembly and deliver a paper of this kind—I just absolutely refuse to accept that! I would say that this man must be a fully accredited scientist of world renown whose opinions are worth listening to. What did he have to say at the commencement? I quote from the introduction as follows:—

This address contains the gist of the evidence I have given from April 23 to 29, 1963, in the High Court in Dublin, Ireland, on behalf of Mrs. Gladys Ryan in her action seeking to have the Health (Fluoridation of Water Supplies) Act declared repugnant to the Constitution of Ireland.

In several thousand scientific publications, the toxicity and dangers of fluorine and the pros and cons of artificial fluoridation of drinking water supplies in an attempt to combat tooth decay, have been discussed.

In previous publications (Steyn^{1-15a}), I have, amongst others, reviewed the literature on the various aspects of dental caries and of fluorine and fluoridation and have recorded the results of my own investigations in the field and in my laboratory during the last twenty-seven years.

In this address, I shall not refer much to information about fluorine and fluoridation supplied in my previous publications (Steyn^{1-15a}) but limit myself to more recent studies and publications on these two aspects of fluorine.

I have discussed the five "Fluoridation Studies" in the United States of America:

The Bartlett-Cameron Study,
The Evanston Study,

The Galesburg-Quincy Study,
The Grand Rapids-Muskegon Study, and

The Newburg-Kingston Study,

and have referred to the criticisms levelled at the manner in which the above studies were conducted and at the statistical analysis (Steyn^{6, 7, 15}, Sutton and Amies²⁹, Sutton³⁰, Palfer-Sollier^{32, 33}). I am in agreement with Sir Arthur Amies³¹ when he says: "Before we can be assured that fluoridation will bring about an economic worth-while reduction in caries there must be available skilled statistical assessments of adequately planned and controlled experiments over a sufficient period of time. Without such data, a definite answer to the question is not possible." In the American Fluoridation Studies, D.M.F. (decayed, missing and filled teeth) indices have been extensively employed by dentists in the examination of teeth of children concerned. This is what Palfer-Sollier³² (in charge of Stomatological Questions at the National Institute of Hygiene, Paris, France) has to say about the use of D.M.F. indices in the assessment of tooth decay: "The different D.M.F. indices have as common failings: adding up what is caries with healed and filled caries and extracted teeth without the extraction having been motivated to a certainty by the caries or its consequences," . . . of giving only figures recalling the average number of caries without furnishing any indication as to the importance of healthy or sick subjects.

"If the D.M.F./P is acceptable with certain reservations, the D.M.F./Surfaces/P is difficult to accept, for decay develops in volume and not on surfaces.

"As for the D.M.F./T and the D.M.F. Surfaces/T they are unthinkable from the mathematical point of view as we have shown, furthermore the second is illogical because of referring to surfaces.

"The confronting of these different techniques has enabled us to show how the same fact can appear very different according to the method employed. Under the circumstances, we believe that the technique we use is nearer to reality than the diverse D.M.F. indices, of which certain are indefensible. These facts show up the necessity of an international normalisation in order to effect fruitful comparisons." Dean¹⁴³ stated that "The personal interpretation in caries diagnosis may be subject to considerable variation between different examiners." This fact is of the utmost importance in surveys. It is essential that the same individuals or the same

teams undertake surveys dealing with the same problem or disease which is being investigated.

He then goes on to deal with the toxic concentrations of fluoride in drinking-water supplies, and deals extensively—and quotes authorities, which are numerous—with the changes in the bones of children, the velocity of ossification, and so on. He then talks about the symptoms of fluorosis; and I quote from page 18 of the document, as follows:—

Whenever the symptoms of chronic fluorine poisoning are considered, stress is laid on damage done to the normal processes of calcium-phosphorus metabolism (damage to the bones and teeth). Mottling of the teeth is stated to be the earliest symptom of fluorosis. However, once fluorine (fluoride) enters the system (1) it has a strong tendency to combine with calcium thus de-ionising it and rendering it unavailable for many and very important physiological processes in the body, and (2) it is a very active general enzyme poison. Consequently, it is obvious that many of the initial symptoms of fluorosis are vague and insidious in nature and hence difficult, if not impossible, to diagnose. Fluorine is a poison beset with vagaries and vicissitudes and herein lies its great danger as far as chronic poisoning is concerned. It is clear that before mottling of the teeth, which is a very slow pathological process, appears much earlier symptoms of fluorosis due to the de-ionisation of calcium and to disturbances in enzyme function are bound to be in evidence.

He deals, at page 66, with the effect of pregnancy, and says:

It is quite within the bounds of possibility that fluorides may cause anatomical malformations in foetuses or otherwise damage them as fluorides pass through the placenta and accumulate in the bones and organs of the unborn.

Feltman and Kose^{116, 122} and also Light¹²¹ have reported appreciable concentrations of fluoride in human cord blood and in placental tissues. Fluoride ingested by pregnant women is stored in the placenta and passes into the foetus.

In experiments upon dogs, Minoguchi and Iwamoto²⁴ proved "that the deposit of fluorine on teeth and bones starts through the placenta as early as in the embryo period, and then takes place through mother's milk in the infant period and through food after growth both in route of the blood stream as well as directly through the inside of the oral cavity."

The results of an investigation conducted by Gedalla *et al* 124 are of great importance. They summarise

the results as follows: "seven hundred-fifty-one urine samples obtained from 196 women during pregnancy and after delivery were analysed for fluorine. All these women used the same water supply. The urinary fluorine levels decreased progressively up to the eighth month of pregnancy, indicating a retention of fluorine during this period. After pregnancy the urinary fluorine level did not immediately return to the usual adult value."

Carlos *et al* 123 studied the teeth of 178 children who were *in utero* before and after the beginning of water fluoridation in Newburgh, N.Y. They state: "A study of three cohorts of children demonstrated no significant association between the occurrence of dental caries in their deciduous teeth and the ingestion of fluoridated water by their mothers during pregnancy."

I have not the time, nor would it be the right thing to do at the third reading stage, to make extensive quotations from this document; but the points I want to emphasise are these: This man is a man of world-wide reputation occupying a most important public position. Would he risk his reputation in making statements which he could not support with adequate authority? He is appearing in a place where he knows that his opinions, as expressed, will be widely publicised; that what he says is open to the most critical analysis by experts.

I ask you, Sir, would any man with his ability and in his position, simply because he wanted to oppose fluoridation, make statements such as these without grounds for feeling that they set out the correct position?

I would submit that that evidence gives the lie completely to the suggestion of the member for Wembley that the only persons to be found in the ranks of those opposed to fluoridation are no-hopers with no qualifications and little to recommend them; on the contrary, we will find men with the highest possible qualifications occupying important positions.

Take what was said about Sir Arthur Amies. A statement was made here—and it might possibly be true—that he objected to his photograph appearing on some circular because he had not authorised it to appear there. That was said with the idea of conveying the impression that Sir Arthur Amies was not against fluoridation. But the fact is that he is very much against fluoridation, as can be irrefutably established.

That brings me back to this point: Why is it necessary, if the case is so sound, to misrepresent it in the slightest degree? Surely the very weight of the case, if it is such a good one, would be overwhelming. But what do we find? Those who support

it resort to various kinds of trickery in order to establish that the case is a sound one. That does not make any impression on me; I would far rather see the case fall through lack of establishment than see people hoodwinked by statements which are not true.

I have endeavoured, during the whole of this debate, to back up what I have said with authority to which reference can be made; and I stick to that. The basis for the opinions I have expressed has been authority which is available for anybody to see.

I repeat that on this question we are all scientific illiterates, and the only possible argument we can use is argument from authorities; and these authorities, if not misrepresented, very clearly establish that there is a tremendous weight of evidence against fluoridation.

It is my opinion that if the members of this Parliament were able to read this document before they cast their vote, the Bill would not be carried. Time will tell what happens with regard to it; what progress is made; how the opposition grows. This document is not something which was brought out 15 or 20 years ago; this is dated September, 1963—and is an address by a top scientist quoting up-to-date authorities in support of contentions that this is dangerous.

In the circumstances, are we justified, not being in a position to guarantee its safety, in forcing it on the people without a referendum? If the people themselves elect to take this; if they form the opinion that it is good for them and they ought to have it, by all means let them have it. But, in the face of this strong opposition, and more like it, do not take the attitude: "We have made up our minds. We are untouched by the weight of evidence against it; and we are going to ensure that it will be compulsory in Western Australia. We want to be the first State to make it so; we are not prepared to allow you to make up your mind; we will not let this go to a referendum; we are going to decide it for the people without giving them any voice in the matter."

The point of view of members on this side is that this is a question which, under the circumstances, should be decided by the people themselves, and for that reason we are not going to vote for the Bill, which proposes to make fluoridation compulsory.

MR. GRAYDEN (South Perth) [5.21 p.m.]: I know that the Minister for Health is anxious to get the third reading of this Bill through and will not welcome speakers from this side of the House. However, I feel I cannot let this occasion pass without expressing my dismay and disgust at the attitude of the Opposition in opposing this legislation at the third reading. I think

this attitude is disgraceful in the extreme and is to the eternal discredit of the Labor Party in Western Australia.

Notwithstanding anything that the Deputy Leader of the Opposition has said today, or previously, on this Bill, we know that 50,000,000 American people are drinking fluoridated water. That is five times the population of Australia, and yet we have never had a single instance of any person being adversely affected by fluoridated water in that country.

Mr. Hawke: How do you know?

Mr. GRAYDEN: For years 50,000,000 people have been drinking this water and not a single person has been adversely affected. The Deputy Leader of the Opposition, who has just spoken, is a man who has been associated with horse racing for a long time and he knows, therefore, of odds. Let us consider the odds in this case. It is not merely a 50,000,000 to 1 chance of a person being adversely affected by fluoridated water; the odds are better than that. No person has ever been adversely affected. And what will be the advantage of fluoridation? The children of America—where fluoridation has taken place—have benefited from better dental health to the extent of from 50 to 65 per cent.

The other day I had the task of ringing a dentist to try to book my daughter in to have two cavities filled. After ringing several dentists the earliest appointment I could obtain was in six weeks' time. We know that in Western Australia we have only one-third of the dentists necessary to treat our children. Fluoridation would, of course, reduce the incidence of dental decay by 50 to 65 per cent. That is the obvious advantage of fluoridation; and in regard to the disadvantages—I repeat, not one person in 50,000,000 has been affected in America.

We know that members of the Labor Party are not opposed to giving fluoride tablets to children. Those tablets ensure that the children get a larger dose of fluoride than if they drink water fluoridated to one part per million. Members of the Labor Party are not opposed to that. In face of the fact that they are prepared to give tablets willy-nilly to the children of Western Australia, I cannot help but feel that the attitude of the party is hypocritical in the extreme, and the sentiments expressed are nothing but absolute humbug. I repeat that it is a disgrace to the Labor Party in this State.

MR. GRAHAM (Balcatta) [5.25 p.m.]: Let me hasten to assure the House immediately that I am not speaking because of what the member for South Perth has said. I think we have become accustomed to him, and his irresponsible outbursts are best treated by being completely ignored.

Point of Order

Mr. GRAYDEN: Mr. Acting Speaker, I take exception to the remarks made by the member for Balcatta and I ask that his statement be withdrawn.

The ACTING SPEAKER (Mr. Crommelin): Which statement does the honourable member wish to be withdrawn?

Mr. GRAYDEN: The statement that I make irresponsible outbursts.

Mr. Hawke: Of course they are irresponsible. Everybody knows that.

The ACTING SPEAKER (Mr. Crommelin): I do not think the member for South Perth has a right to seek a withdrawal. The member for Balcatta may proceed.

Debate (on motion) Resumed

Mr. GRAHAM: The Deputy Leader of the Opposition has said, and I think we must agree with him, that because of the technical or scientific nature of the question, it is difficult for us as individuals to arrive at a decision. Therefore, we must be guided by those who are experts. I say guided advisedly because, as I indicated the other night, I am not prepared to accept the decision of experts in all cases.

In my opinion, the Deputy Leader of the Opposition has established that many of the experts have grave doubts regarding the efficacy and the safety of fluoriding public water supplies. I am not afraid to consume fluoride when drinking water. The experts may be right or wrong. There is nothing to be ashamed of in the attitude of the Opposition. The point is that we insist, in respect of this matter about which there is such a degree of uncertainty, and which is so personal to every individual, that although we might feel there is nothing to worry about, it does not give us a license to impose our will on other people who, in the final analysis, may be right in their judgment.

Is there any fault to be found with responsible public men, in view of what has been said, if they insist upon the public being given the right to express themselves on this matter before there is a compulsory introduction of an element into their water supplies? Is there anything wrong with that? I suggest to the Minister and to the Government that in their eagerness, perhaps to be first in Australia—I cannot say what the motive is—but in any event the Minister and the Government have handled this matter badly.

Mr. Hawke: Hear, hear!

Mr. GRAHAM: If the Government desires that there should be fluorine—or fluoride—in the public water supplies it is a simple matter for the Government to agree to the conditions sought by the Opposition. The legislation would be on the Statute book and the Minister and his committee would be at liberty to proceed

up to a point. All that would be necessary would be to seek, by referendum, the opinion of the people to be affected in any water supply district, and, if the reaction of the public is as alleged to be the case by Gallup polls, such a referendum would be carried.

If the arguments are as valid as the Minister would have us believe, then surely only more campaigning—if I might use that word—by the Health Education Council and others is required to convince perhaps 95 per cent. of the community that the right thing is being done. Instead of the discontent and feeling which is being demonstrated, and the stress which is being caused to many good people who have made their own studies and assessments—including those on moral grounds—and who have come to the conclusion that this is a wrong step, all of these things could be overcome by the people expressing their opinion by way of a referendum, and I am certain they would be impressed by the fact that the minority must abide by the will of the majority.

I think a case could be made out for the Government to be required to provide these extractors, or whatever they might be called, which can be attached to the taps in people's homes so that they can exclude this element being introduced into the water—

Mr. Ross Hutchinson: Fluorine is already in the water.

Mr. GRAHAM: —to allow the subject some freedom with regard to the matter. Therefore members of the Opposition are being exceedingly modest when they suggest the opinion of the people should be obtained before fluorine is introduced into the public water supplies. I did not quite hear what the Minister said a few moments ago.

Mr. Ross Hutchinson: Fluorine is already in the water.

Mr. GRAHAM: Yes, in its natural state. People have all sorts of reasons—some of them quite fanciful I will admit—for objecting to the principle of a public authority being empowered to introduce certain elements into the water supply; but, as the Deputy Leader of the Opposition has suggested all the way through, in the Bill no maximum quantity of the element is stated. All there would need to be would be a change of heart on the part of the authorities, and instead of one part per million it could become two parts, or five parts, per million, or something of that nature, because a long list of experts somewhere in the world had said that that would be so much more to the good.

Mr. Ross Hutchinson: You are not serious surely! Are you really?

Mr. GRAHAM: Is one part per million the final answer? In a few years' time it might be thought an increased amount would be highly desirable on account of certain circumstances. I do not know; but if the Minister is so satisfied that one part per million is the answer, then why was that not stated in the Bill? Now he appears to be prepared to do something about it, although I do not know that he has answered to the satisfaction of anybody the point about its being impossible to state with any degree of certainty that one part per million, give and take a little either way, can be guaranteed to every point in the reticulation system. In other words, in some places it would be much higher and in others much lower. I do not know; but the Minister is unable to satisfy us in respect of that point.

I have already stated that, from my own point of view, and in view of the circumstances, I feel that before the introduction of fluoride into the public water supplies the people about to be affected should have a say. Secondly, I criticise the Bill because, after the principle has been introduced, there is no machinery by which its discontinuance can be brought about, even if it is found to be harmful. Even if it is discovered that 99 per cent. of the people have an unfavourable reaction there is nothing the people themselves can do, and no power is given to the Minister or the Government under the legislation to do anything about it.

Mr. Ross Hutchinson: The committee, of course, would take action in such circumstances.

Mr. GRAHAM: This Bill pays no heed to the reaction of the public.

Mr. Ross Hutchinson: It gives power in the Bill.

Mr. GRAHAM: The majority of a quorum, which is four, decides something; the Minister gives his approval; and there and then, following his direction to the water supply authority, this fluoride substance is introduced. After that, even the Minister himself cannot do anything about it until first of all he has a recommendation or submission made to him by this authority—this committee of seven people. Therefore all of the safeguards that one would expect in a matter such as this, which on a mass scale is quite an experiment in Australia, are not included. The Bill falls far short of the requirements that any reasonable person would expect.

The Minister and the Government have been grossly unfair because there are members on this side of the House who would be prepared to speak strongly in favour of fluoridation, with the safeguards that have been outlined from this side. No doubt there are some on the other side—surely there must be some, because they

cannot be unanimous—who are either opposed to it or have some misgivings about it.

Mr. Hawke: Some of them do not know anything about it.

Mr. GRAHAM: I confess straight out that I do not know much about it.

Mr. Ross Hutchinson: The contrary would apply, and some members on the other side would be favourable to this.

Mr. Hawke: Are they?

Mr. GRAHAM: That would be so; but I am certain if there were a free vote on the matter of a referendum the provision would be agreed to, and accordingly the measure would go through with very little opposition indeed. So the attitude of the Minister and the Government is creating a division in this Parliament, and it is retaining that situation outside amongst the general public. I do not know what the percentage is, but very many people are feeling most aggrieved because they consider certain personal rights are being taken from them, and quite a number feel that there would be some danger by consuming water with this element in it. Therefore if anywhere, either here or in the Legislative Council, this measure is defeated, it will be because of the perversity of the Minister and the Government.

Accordingly, whilst—as I say—not caring one tittle whether the Government puts this particular element into the water supplies which my family and I drink, or whether it does not, on the matter of compelling every person, including all those who have a contrary opinion, I am forced to vote against the third reading.

MR. ROWBERRY (Warren) [5.37 p.m.]: I had no intention of entering into the debate until my attention was drawn to some words which were uttered by the member for South Perth during the second reading debate. The honourable member is reported as saying this—

The member for Warren wrote to a local authority—and I understand that this is correct—saying that he was in favour of fluoridation, but it was contrary to his party's policy and therefore he would have to oppose it.

I made a careful examination of my correspondence files, and at the time when the Minister was replying I said I had no recollection of writing to any local governing authority. I now find—and I will quote the letter—correspondence that I did have with one local authority in my electorate.

However, I would like members to look once again at the statement of the member for South Perth. He said, "I understand that this is correct." He does not aver that this is correct. He does not say, "I know it to be correct"; he does

not say, "I believe it to be correct." No; he does not commit himself in any way at all except to say, "I understand that this is correct."

Mr. Grayden: I looked for you to verify it but you were not in your place.

Mr. ROWBERRY: It could mean, of course, that the honourable member's understanding was so defective that his statement or evidence was not worthy of any attention being paid to it. I understand the expression, "I understand", is a let-out. However, I will continue with the correspondence I had with the shire council. The letter I received was from Nannup, dated the 19th August, 1963, and it reads as follows:—

Dear Sir,

Re fluoridation of water.

At the last meeting of this Council I was instructed to write to you, advising that at a public meeting held in Nannup, on the 9th August, a vote was taken, and the meeting was unanimously in favour of fluoridation of water.

You, Mr. Speaker, and the members of the Government will notice that the people of Nannup held a public meeting at which a vote was taken, and the result was later conveyed to me by a letter. What was the purpose of taking a vote at the public meeting? It was to ascertain the wishes of the public; and that having been done, it could be regarded as a miniature referendum. As I have said, the result of that referendum was conveyed to me for my information as member for the district.

That is exactly what we, on this side of the House, want the Minister to do under the provisions of this legislation. We want to ascertain the wishes of the public in any district in exactly the same way as did the people of Nannup. In answer to this letter, I replied, on the 24th August, 1963, to the shire clerk, Nannup, W.A. The letter reads as follows:—

Dear Sir,

I thank you for your letter of the 19th current concerning the decision of the meeting at Nannup on the proposed fluoridation of water. You do not say how many people were in attendance at that meeting. A fact which could be very helpful.

Meanwhile, I will keep in mind the decision of the meeting. My personal opinion is in favour of fluoridation, but, of course you will understand that members are bound by the decision of the party to call for a referendum of all the people to decide whether or not fluoridation shall be carried out. This, of course, will serve the same purpose as public meetings, but with this difference that the whole of the populace will have the opportunity of deciding.

This sets out in a nutshell, I think, the attitude of the members of the Labor Party. The member for South Perth has taken exception to the fact that we, as a party, are united in opposition; and yet we, as individuals—as I have stated in the letter I have just read to the House—have certain views and opinions on the subject. Let me remind the member for South Perth that he gave away the glorious opportunity of being independent a few years ago—

Mr. Oldfield: He enjoyed it for a while.

Mr. ROWBERRY:—for certain political advantages. No-one these days quibbles at discipline being exercised in any party. No-one quibbles at a decision being arrived at in any party by a majority, and no-one takes exception to it. So that is my individual viewpoint, and that is the viewpoint of my party. In essence, there is no difference between asking persons if they are prepared to ingest fluoride through their drinking water and a surgeon asking a patient to sign his name to a form permitting him to perform an operation on that patient. The principle is exactly the same. It is a good principle, and I stand by it.

In conclusion, I do not know where the member for South Perth obtained his information. He certainly could not have got it by access either to my inward or outward correspondence file.

Point of Order

Mr. GRAYDEN: Mr. Speaker, I take exception to those remarks. The honourable member is implying that I had a look at his correspondence.

The SPEAKER (Mr. Hearman): The honourable member has to make the statement before you can take exception to it. I am rather curious about it myself.

Mr. GRAYDEN: The honourable member said I could not have obtained the information except by access to his correspondence. The information I got, of course, came from another source.

Mr. Graham: I suggest that you go back to sleep.

Mr. ROWBERRY: I point out that the words I used were: He certainly could not have got the information by access to my inward or outward correspondence file. Is that enough?

Mr. Toms: He does not understand Scotch.

Mr. ROWBERRY: If the member for South Perth has a guilty conscience, that is his own affair.

Debate (on motion) Resumed

Mr. ROWBERRY: Nevertheless, the honourable member must have got the information from somewhere. He certainly was not too sure about it or he would not have used the expression, "I understand." He would have said straight out: "I believe", "I aver", or "I know."

Mr. Grayden: It is hard to believe that you are going to oppose the Bill.

Mr. ROWBERRY: It is useless for me to continue arguing against the member for South Perth. However, I would like to impress upon other members of the House—and I hope it will have some effect; and I think it will—that I stand by the rest of my party because I think it is the only fair thing to do. If people are in doubt as to the ultimate effect of the ingestion of poison in their drinking water, I think they should have the opportunity of saying "Yea" or "Nay" on whether they will ingest that poison.

MR. MOIR (Boulder-Eyre) [5.48 p.m.]: I, too, must voice my objection to the third reading of the Bill, and to the Government's attitude in not agreeing to the holding of a referendum among the people of any particular district before fluorine is added to their drinking water. Surely that is a reasonable proposition! Surely we believe in democracy, and surely we do not believe that, because some people hold the view that fluorine should be added to our water supplies, everyone should be forced to accept it willy-nilly.

I was intrigued by the reply the Minister gave to a comment by a member on this side of the House during the second reading debate. He said that the Bill was being introduced in the public interest. I immediately thought that, in view of the fact that some eminent world authorities are thoroughly convinced that cigarette smoking has an affinity with lung cancer and induces lung cancer, the Minister must, in the very near future, introduce a Bill to prohibit the sale of cigarettes.

Mr. Jamieson: He is waiting for you to set the example by giving up smoking.

Mr. MOIR: Further, we read of the reports issued by the National Safety Council of road accidents that take place—unfortunately, only too frequently—not only in this State but also in every State of the Commonwealth; and it is noticed that a large number of them are caused by an over-indulgence of liquor by the driver. Surely, therefore, the Minister intends to introduce a Bill some time in the near future either to reduce the alcoholic content of intoxicating liquor, or to abolish the sale of it altogether. I think it is quite logical for me to infer that if a measure such as this is to be imposed on the people without their having any say whatsoever—and if this is to be done in the public interest—the other things I have suggested should also be done in the public interest.

Like other members on this side of the House I have found it difficult to make up my mind whether the addition of fluoride to drinking water would have a beneficial or an adverse effect. I say that advisedly. I have read quite a lot of literature both for and against fluoridation, and I have also heard the debate in

this House. Quite frankly I admit I do not feel sufficiently informed to express an opinion one way or the other; and that is all the more reason why the members of the general public, who must also be confused in this matter, should be allowed to make up their mind whether or not water supplies should be fluoridated. The only way that can be done is by referendum.

If there is one bright spot in the Bill it is that the Governor, on the recommendation of the committee, may make regulations not inconsistent with this Act, for the protection of persons employed in adding fluorine to any public water supply from inhaling fumes or dust containing fluorine; and for the disposal or destruction of containers from which fluorine has been removed for addition to any public water supply.

Although the Government has not stated in the Bill the exact, or safe, amount of fluoride that should be added to the water supplies, there will be a section of the community which could possibly suffer adverse effects. Those are the people employed in the Water Supply Department. We find, however, that these people will be covered by the third schedule of the Workers' Compensation Act, which provides for the compensation of workers who may be injured through fluorine poisoning. They would be compensated under the Act.

As I have said, this provision is contained in the third schedule, which refers to poisoning by fluorine, and to any process in which fluorine is used. So there is at least one bright spot in this legislation; and that is, that workers of the Water Supply Department who come into close contact with fluorine, and who suffer ill-effects as a result of it, will be compensated.

I wish I could say the same for the general public. So far as we are aware, however, a member of the public who suffers an adverse reaction as a result of drinking fluoridated water will not have even his hospital or medical expenses paid. I think it is a very severe reflection on our system of Government when a Bill such as this can be brought before Parliament, without its containing provision for the people to be consulted; and without their being asked whether or not they are in favour of this chemical being added to their water supply. The public should at least be given the right to say; and whether the referendum were carried, or rejected, at least we would know that a majority of the people had decided the issue.

It appears however that the Government considers the people not sufficiently educated, or informed, to be consulted on these matters, which can be so vital to them. The Government is prepared to go ahead

with this legislation, and to permit this small body of men who form the committee to decide the matter with the blessing of the Minister.

I do not doubt that it suits the Minister, because I have formed the opinion that the Minister enjoys telling people what they should do. He has shown by his attitude here that he will not be a party to any legislation which gives the people the right to say whether or not they desire this chemical added to their water supply. For those reasons I oppose the third reading of the Bill.

MR. OLDFIELD (Maylands) [5.56 p.m.]: I do not wish to delay the passage of this Bill unduly. I had no intention of speaking to the third reading, and would not have done so had it not been for the unwarranted, unjustified, inane, and irresponsible utterances of the member for South Perth. Apparently the member for South Perth seems to think it is his job in this Chamber to get up and hurl abuse at the Labor Party on the slightest pretext or excuse. It is my advice to the member for South Perth that, if he wishes to indulge in street-corner larrikinism, he confine it to his own electorate, and not intrude it into this Chamber.

When the member for South Perth says that the members of the Opposition should be ashamed of themselves, he should have a very close look at his own conscience, because it is not so many months ago that the member for South Perth was going to don his suit of shining armour and lead an attack against any method of compulsory medication of water supplies. The member for South Perth had literally pledged himself to oppose it at all times. So when he speaks of party regimentation, he should have a good look at his own attitude, because he was not even at the meeting of the Liberal Party when the pros were given an opportunity to tell their story. He did, however, attend the meeting when the antis were allowed to put forward their views; but the damage had been done by that time, and the mind of the Government was made up.

Without having listened to any opinion for or against fluoridation, the member for South Perth altered his attitude. He changed his mind after having pledged himself against this issue. Yet the member for South Perth unashamedly says that we ought to be ashamed of ourselves because of the attitude we are adopting in the public interest. We contend that it is certainly in the public interest to consult the people if we propose to indulge in mass medication of the water supply system.

The Government has no mandate to introduce fluoridation. It was not mentioned in its policy speech at the last election; nor was it mentioned at the previous election. There are certain things which the Government should have been

responsible and honest enough to put forward as its policy during election time. It should not bring these matters forward in the middle of the session of a term of Parliament. The member for South Perth never acquainted himself with the facts, or with the merits or demerits of this issue.

Mr. Grayden: You should acquaint yourself with the facts.

Mr. OLDFIELD: The member for South Perth has allowed himself to be whipped into line by the Minister.

Mr. Dunn: You are wrong in saying that the member for South Perth has not acquainted himself with the facts.

Mr. OLDFIELD: The member for South Perth would not understand what he was reading, so how could he acquaint himself with the facts? I am not ashamed of my stand on this issue; nor is any other member of my party. Whether or not water supplies should be fluoridated is not the issue at this stage. We, on this side, are not debating or opposing this measure on the merits and demerits of fluoridation. We are opposing it on the grounds that the people who will have to pay for the implementation of fluoridation through the medium of taxation, and who will be drinking the fluoridated water, should be consulted.

Mr. Grayden: You are opposing it for political reasons.

Mr. OLDFIELD: We are opposing the measure on rational and reasonable grounds, and in the public interest.

Mr. Grayden: Half the members on your side are in favour of fluoridation.

Mr. OLDFIELD: It is quite right that some members on this side of the House are in favour; but they also agree—as do half the members opposite—that the people of Western Australia should be consulted on this question. The taxpayer of Western Australia, who has to pay for the implementation of the scheme and who will be drinking the fluoridated water, is entitled to have a say on this matter. This question was not put forward to the people at the last election. If the Government had been given a mandate by the people to proceed with fluoridation, well and good; but it was not. In fairness to the people the Government should hold this matter in abeyance until the next election, so that it can put the question forward as a policy of the Government.

We debated the Bill at great length during the second reading and in the Committee stage, and I do not think the people of Western Australia have been left in the dark as to where we, on this side, stand on this issue. As a party we consider the public should be consulted. I trust that democracy will prevail in another place when the Bill is transmitted there, and that the people of Western Australia will be given an opportunity to voice their opinion on this issue before they are compelled to partake of mass medication.

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

Ayes—22

Mr. Bovell	Mr. Hutchinson
Mr. Brand	Mr. Lewis
Mr. Burt	Mr. W. A. Manning
Mr. Cornell	Mr. Mitchell
Mr. Craig	Mr. Nalder
Mr. Crommelin	Mr. Nimmo
Mr. Dunn	Mr. O'Connor
Mr. Gayfer	Mr. Runciman
Mr. Grayden	Mr. Wild
Mr. Guthrie	Mr. Williams
Mr. Hart	Mr. O'Neil

(Teller)

Noes—21

Mr. Bickerton	Mr. D. G. May
Mr. Davies	Mr. Moir
Mr. Evans	Mr. Norton
Mr. Fletcher	Mr. Oldfield
Mr. Graham	Mr. Rhatigan
Mr. Hall	Mr. Rowberry
Mr. Hawke	Mr. Sewell
Mr. Heal	Mr. Toms
Mr. W. Hegney	Mr. Tonkin
Mr. Jamieson	Mr. H. May
Mr. Kelly	

(Teller)

Pairs

Ayes	Noes
Mr. I. W. Manning	Mr. Curran
Dr. Henn	Mr. J. Hegney
Mr. Court	Mr. Brady

Majority for—1.

Question thus passed.

Bill read a third time and transmitted to the Council.

FACTORIES AND SHOPS BILL

Second Reading

MR. WILD (Dale—Minister for Labour)
[6.6 p.m.]: I move—

That the Bill be now read a second time.

The original Factories and Shops Act was framed in 1920 to meet the needs of business and commerce of that era. The community today demands an Act with a new look to meet the needs of business and commerce in 1963, and with this in mind the new Bill is being introduced.

Committees were set up to consider shop and retail trading and factories legislation, and comprised representatives of the—

Factories and Shops Department;
Employers Federation;
Chamber of Commerce;
Chamber of Manufactures;
Furniture trade (manufacturers and retailers);
Trades and Labour Council;
Retail Grocers and Storekeepers' Association;
Meat and Allied Trades Federation;
Retail Traders Association;
Shop Assistants and Warehouse Employees' Industrial Union of Workers; and
Tourist Development Authority.

In addition, quite a number of other representative bodies were asked to attend meetings of the committees to give advice.

From this list it will be seen that the meetings comprised representatives of management and labour as well as the retail aspects of industry, and all gave their fullest application to the problems facing the community. It will be appreciated that to meet the wishes of everyone in the community would be an impossible task. The aim of this Bill, therefore, is to reach a happy medium whereby trading hours meet the general requirements and desires of the community, at the same time being conscious of the welfare of the employees engaged in these respective fields.

Two new major, and vital, aspects are to be introduced into this Bill. The first new approach is the setting up of a factory welfare board which will comprise management, labour, and Government to deliberate on matters affecting factories; and, secondly, the setting up of a retail trade advisory committee comprising the chairman, a purchasers' representative, and the third member to be in the nature of a "floating" member who will represent the occupiers of shops in the retail industry when that matter is being discussed. This committee will deliberate on matters affecting shops. There is a great need for these independent advisory authorities whose function will be to investigate and make recommendations to the Minister in respect of all measures necessary for securing the safety, health, and welfare of employees in factories in the case of the factory welfare board and to meet the needs of the public by allowing representative groups to put their point of view forward in respect of the trading hours in retail shops.

The setting up of a factory welfare board is not new in Australia, as this system is already in vogue in New South Wales and Queensland where the system is working most satisfactorily. The factory welfare board will consist of the chairman who will be the person who holds the office of the Secretary for Labour; a person nominated from the employers, who will represent the occupiers of factories; and a representative of the Trades and Labour Council, who will represent the employees in the factories. As would be expected the members of this board will become the experts on safety, health, and welfare in factories; and because of the tripartite composition, the interests of all parties will be fully protected by the board, which will be required to inform itself on all aspects of factories as well as to be available for advice and assistance, and to make recommendations to the Minister.

The Secretary for Labour will not only be chairman of the factory welfare board and the retail trade advisory committee,

but will be directly responsible to the Minister for the administration of the policy of the Government. This will make a more definite channel for communication and line of authority than hitherto. The positions of Chief Inspector, and Deputy Chief Inspector of Factories are being retained and such officers will receive their direction and guidance from the Secretary for Labour following advice and recommendations from the factory welfare board.

The same position will apply in respect of shops in that, again, the Secretary for Labour will be the chairman of the retail trade advisory committee, one member will be nominated as my representative on behalf of the purchasers of goods, and the "floating" member will represent the occupiers of shops and will be the joint representative of the bodies known as the Retail Traders' Association, the Retail Grocers and Storekeepers' Association and the Perth Chamber of Commerce. However, when dealing with a matter which affects a particular class of shop the constitution of the committee will be changed by the occupiers' representative retiring from the meeting and his place being taken by the nominee of either the W.A. Automobile Chamber of Commerce, the Federated Pharmaceutical Guild, the Master Gentlemen's Hairdressers Association or the Meat and Allied Trades' Federation, and representatives from any such other body the Minister approves for the purpose.

The powers and duties of the retail trade advisory committee will be to investigate and make recommendations to the Minister on matters relating to aspects in trade with regard to the type of goods sold therein, hours of trading, number of people employed, and the classification and registration of shops. It will also have the function of recommending regulations for the health, safety, and welfare of employees in shops and warehouses. Again, the setting up of a retail trade advisory committee will allow views to be put to this committee in respect of the complex matter of trading hours. This committee will also become an expert committee, and I will expect it to evaluate the circumstances in each form of retail trade and make recommendations to the Minister in respect thereto.

As members of this House are well aware, the question of hours of trading is a controversial matter, and by the setting up of the retail trade advisory committee there is no reason why it will not be able to get the views of all sections of the community in order to make soundly based recommendations. The exempt shops—previously called fourth schedule shops—provisions will remain, and privileged shops—previously called suspension shops—will also be retained. Again, the committee will recommend any additional privileges to be granted.

A new type of shop registration known as "small shop" will be provided to cater for the small corner store. This type of shop provides for where two people are engaged in this type of business and will provide for small family concerns and small partnerships. The Bill provides that these two persons may not be employed or engaged in any other retail business in which one or both of the persons has the joint or sole control or conduct of the business and the profits belong to one or both of these persons. In addition, provision has been made for their relief due to illness or for any other reason, and thus these shops will be confined to having no more than two persons at any one time engaged in the business of the shop.

Small shops will be allowed to trade from 6 a.m. to 11.30 p.m. and will be allowed to sell food, non-intoxicating beverages, and household cleaning goods and equipment. No fee will be payable for the registration of a small shop.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. WILD: The small shop or corner store should now come back into its own right. To meet the needs of the public when celebrating or observing any special occasion in a particular locality, the committee may recommend that the Minister grant to any shopkeeper a permit to open in addition to, or substitution for, the hours, and on such terms and conditions as the Minister determines. This is to meet the situation of holiday time at holiday resorts, or for any special occasion.

Provision is still made for the hours of closing of shops in municipality districts where the majority of shopkeepers desire to have a Wednesday afternoon close-down in substitution for Saturday afternoon to meet the needs of the district.

The trading hours of chemist and druggist shops will not be changed. Provision is being made, however, for chemist and druggist shops to be opened any time for the special purpose of dispensing prescriptions of a duly qualified medical practitioner to supply medical and surgical appliances in the case of necessity or emergency. Shops opening for this reason will, however, only be allowed to remain open for that particular purpose in each particular case.

Petrol trading hours are to be amended in that petrol will not be sold by every garage on Sundays as at present. The roster stations will be the only stations open on Sundays in future.

It is proposed to double the number of roster stations over the week-end to meet the demand. Where necessary, the Minister will have the power to increase the number of roster stations where considered desirable. Provision also exists to provide for a 24-hour service in the city area for

emergency service. In general, the new Bill streamlines the existing Act by deleting obsolete sections and by bringing up to date the remaining sections.

The Factories and Shops Act, among other things, is an Act to provide for the safety, health, and welfare of employees in factories and shops, and the functions of inspectors must be restricted to these welfare duties to enable them to carry out their duties under the new Act. Under this Bill, factory and shop inspectors will no longer be industrial inspectors under the Arbitration Act.

Mr. W. Hegney: Why?

Mr. WILD: In consequence, it is proposed to amend the Industrial Arbitration Act to make provision for the appointment of industrial inspectors under that Act.

Another aspect of the Bill is that the factory welfare board, by having the power to recommend to the Minister regulations in respect of safety, health, and welfare, will be regarded as the superior body in respect of these matters. This will provide for proposals in respect of noise, gas, dust, fumes, or impurity generated in a factory that interferes with the personal comfort of any person. Close liaison is provided between the Chief Inspector of Factories and local authorities in respect of proposed factories in areas which provide for town planning by way of industrial and residential areas.

Provision is made for the Governor to make regulations for: the securing of welfare of persons employed in factories; meals; protective clothing; medical arrangements; first aid; and rest rooms. The working hours clause of males and junior workers has been brought into line with the 40-hour week and with general overtime provisions. Particular care is provided to watch the conditions of employment of young persons, especially those of young girls.

Public holidays similar to those enjoyed under awards of the court, and sick leave, also similar to the standard laid down by the court, are to be granted to those not employed under awards. Very wide power is provided for making regulations securing the health, sanitation, and safety of persons in factories. Recommendations for such regulations will emanate from the factory welfare board. It will be the duty of factory inspectors to investigate accidents in factories; and, if necessary, the Minister may direct an inquiry into any particular accident. Provision is also made in order that the dangerous trades may be covered by regulations either to control, modify, limit, or regulate the use of any substance.

Provisions relating to the sale and marking of footwear have been included in this Bill. The Footwear Regulations Act

of 1916 is to be repealed and will now become part of this legislation. This is in line with other factories and shops Acts in Australia, and the provisions contained in this Bill are similar to those now applying in several other States. The Bill generally provides for footwear to be adequately stamped with the name of the manufacturer. Foreign manufactured footwear will be required to be stamped with the country of manufacture.

The stamping of furniture is already provided for in the existing Act, and this Bill allows for regulations to be made for the proper stamping of furniture manufactured or prepared in, or imported into, this State. Holidays for employees in shops, and absences occasioned by illness of employees, are provided at the Arbitration Court standard.

General provision in regard to factories, shops, and warehouses provides that the Chief Inspector may take action through the court of petty sessions where premises are defective by being dilapidated, unsafe, unfit for use, dangerous to health, or not sufficiently provided with sanitary conveniences where the occupier refuses to remedy the defect in accordance with the Chief Inspector's instructions.

Where inconsistency exists between this Bill and the Local Government or Health Acts, the latter Acts prevail. However, on matters of welfare, health, and safety in both factories and shops, the regulations under this Act will prevail where any inconsistency arises in awards made under the Industrial Arbitration Act. Fees which were previously a matter of the schedule in the Act are to be a matter of regulation in the future. A new scale of fees approximating those of the other States will be the subject of recommendation in the new regulations.

The preparation of this Bill for presentation to the House has involved a tremendous amount of work on the part of departmental officers and others assisting in its compilation. Over the past 12 months I have received no fewer than 21 deputations from various bodies such as the Automobile Chamber of Commerce, Pharmaceutical Guild, Royal Automobile Club, Friendly Societies, Furniture Trades Association, Meat and Allied Trades Federation, Chamber of Manufactures, Chamber of Automotive Industries, Retail Traders' Association, etc.; and as a result of all these deliberations this Bill is now before the House and is in keeping, it is thought, with trends as pertaining to 1963; and I am certain that after due consideration and deliberation, it will receive the approbation not only of the House, but of the general public as a whole.

Debate adjourned for one week, on motion by Mr. W. Hegney.

FACTORIES AND SHOPS BILL

Message: Appropriation

Message from the Lieutenant-Governor and Administrator received and read recommending appropriation for the purposes of the Bill.

METROPOLITAN REGION TOWN PLANNING SCHEME ACT AMENDMENT BILL

Receipt and First Reading

Bill received from the Council; and, on motion by Mr. Lewis (Minister for Education), read a first time.

ANNUAL ESTIMATES, 1963-64

In Committee of Supply

Resumed from the 26th September, the Deputy Chairman of Committees (Mr. Crommelin) in the Chair.

Vote: Legislative Council, £16,371—

MR. HAWKE (Northam)—Leader of the Opposition (17.42 p.m.): During the day I had a look at last year's *Hansard* and had a look at the Budget speech delivered by the Treasurer, and also the speech delivered by myself and some of the speeches delivered by other members. I found in the *Hansard* what I thought was a very good suggestion. It was that no Treasurer should be expected to make the long, arduous, physical, and mental effort required to deliver a Budget speech in the form in which it has been presented in committee over the years.

One does not, I think, need to have the unenviable experience of having to deliver one of these speeches to know what a task it is. All one really needs to do is to watch the Treasurer of the day reading away, as it is very necessary for him to do, page after page of typewritten material. Clearly it would not be possible to commit to memory the whole of the material which is incorporated in a Budget speech; and that applies particularly to the mass of figures which have to be given in a speech of that kind.

The suggestion to which I refer was made by myself—and I say that most modestly, as the Treasurer would understand.

Mr. Brand: I appreciate that.

MR. HAWKE: It was to the effect that instead of the Treasurer having to deliver the speech page by page, line by line, word by word, and figure by figure, he should be able to make a summary of it—a comparatively brief summary—and move to have the speech as a whole incorporated in *Hansard*. I still think the suggestion is quite a good one, and I hope consideration will be given to it.

Clearly the Budget speeches which Treasurers deliver from year to year do not vary a great deal in outline or in content.

I suppose that applies, to some extent, also to speeches delivered by Leaders of the Opposition. The speech which I now intend to deliver may follow in some degree the one which I delivered last year. However, I hope the one to be delivered this year will be only half as long as the one which I delivered last year. So members of the Committee may take in advance some consolation in that anticipation.

When the Treasurer was leader of the Opposition he was a great advocate for the taxpayers. During the last year in which he held that position in this House he championed the interests of the taxpayers in a wonderful manner; and when he went on the hustings at the subsequent elections, he championed their interests and their welfare even more fully.

He told the people that taxes and charges imposed by the then State Government in Western Australia had reached breaking point; and he left the taxpayers to form the impression that these crushing taxation burdens and these crushing State charges upon the people would be reduced should he and his colleagues become the Government.

They did become the Government, as I have no doubt you will remember, Sir. Ever since, instead of reducing these taxation burdens and charges which in 1959 had reached the breaking point, the present Government has been extremely busy working out new taxes, new charges, new fees, and increases in most of those which were in existence in 1959 when they became the Government.

There are two explanations for the radical change in their thinking. The first is that they did not know much about the financial needs of the State early in 1959, and as a result of practical experience in carrying out the responsibilities of government, they have found the situation to be vastly different from what they might have anticipated way back in that year.

The second explanation is that they knew the situation quite well in 1959, but for reasons which need not be stated they preferred to mislead the taxpayers and the people generally in regard to the situation.

This Budget, unfortunately for a large number of people in Western Australia, proposes further increases in taxes and charges, and in a full financial year they will amount to upwards of £1,000,000. I should hope it would be agreed that an increased burden of taxation of £1,000,000 per year upon the people of Western Australia is a very heavy additional burden to impose upon people and upon industry in this State at the present stage of our development.

The proposed increases include an increase in stamp duty on the registration of new motor vehicles and on the transfer

of second-hand vehicles; and also a fee of £2 as against the present fee of 10s. for each application for an initial motor vehicle driver's licence. The Royal Automobile Club of Western Australia was very concerned about these proposed increases in charges upon the motoring public, and I take it is still very much concerned. The President of the Club, Mr. N. H. Baird, was reported in *The West Australian* of the 28th September as having said, among other things, the following:—

To look to one section of the community to shoulder the brunt of the taxation burden is discriminatory and grossly unfair.

The Secretary of the Road Transport Association (W.A.), Mr. W. Pellew, described the proposed stamp duty as another burden on the transport industry. He also declared the industry was struggling to keep down freight charges. He went on to say that recent cost increases had forced the industry to review freight rates, and the new stamp duty was another for the list. He further said the proposed duty was sectional, and if the Government wanted more money it should take it from everyone.

Another increase proposed in this Budget is in relation to railway passenger fares, and there is also an increase in metropolitan road bus fares. Additional hospital fees are also to be imposed, and the Government proposes to grab unclaimed dividends on racing and trotting and put all of that money into the Consolidated Revenue Fund.

In a full year, the following amounts will be taken from the people concerned as a result of the imposition of the new taxes and charges—

	£
Stamp duty on motor vehicles	38,000
Bus fares, metropolitan area	55,000
Railway fares, metropolitan area	48,000
Railway fares, country area	57,000
New hospital fees	232,000

It is arguable whether the increases in metropolitan bus fares and railway passenger fares will achieve the results anticipated by the Treasurer.

Mr. Brand: This is always a problem. I suppose the Leader of the Opposition is referring to patronage, and the loss of it as a result of resistance to the higher fares.

Mr. HAWKE: Yes. The people who use road buses in the metropolitan area, and those who use railway passenger trains throughout the State, are mainly people who have to watch every shilling; and when increased charges are put upon them they seek to find a way of avoiding all or some of the increased charges. We know that the field of public passenger transport is a difficult one, and the situation has been brought about largely because of the great increase in the number of motor vehicles owned by private individuals.

We have only to watch motorcar traffic coming into Perth each morning, or going out each evening to know a considerable number of motorists do not come into Perth alone in their cars in the morning to work, nor do they return from work to their various suburbs alone in the evening. It is quite on the cards that many people who are now regularly patronising the M.T.T. road buses and the railway trains will try to find other means of getting around, at least for a portion of the time, thus keeping their expenditure in relation to that item of living down to the level at which it is at the present time.

I do not want to go any further into that subject; nor do I want to discuss further any other proposed increases, except the fee of £2 as against the present one of 10s. for each application for an initial driver's licence. This could mean that where a person applies for a driver's licence and fails and has to make a subsequent application, he would, in respect of the second application, and any applications subsequent to the second, have to pay a £2 application fee the same as he did in relation to the first application. I would hope that will not be the procedure: because if it does become the rule of the road in relation to these applications, it will be imposing quite a substantial burden upon the person who is trying to pass a test and is not quite as bright as the average might be.

Obviously the taking of this large amount of additional money from the public by the Government will cause less spending by the people affected in certain directions, and to that extent it is on the cards that business may to some extent be affected detrimentally. I know one of the answers to that is the money will still be within the State and will be circulated by the Government. We then come up against the question whether individual citizens circulate their money more rapidly and to better advantage than a Government might possibly do.

I noticed that in his speech the Treasurer pointed out that retail trading during the past financial year—the financial year 1962-63—was not particularly buoyant, and intense competitive selling was required to hold turnovers. It is true he went on to qualify the statement by saying the situation was showing signs of improvement with freer spending becoming evident. However, it is clear from what the Treasurer said about the volume of retail trading last financial year that all is not well in that field. I was very surprised when I heard the Treasurer express that fact, because I had been led to believe by much of the Government-inspired propaganda about progress, development, and expansion, that everything in every field was leaping ahead in an unprecedented fashion. So it was indeed a shock for me to be told by the Treasurer himself that the volume

of activity in the retail trade in Western Australia during the last financial year was far from buoyant.

I think we need much more information from the Treasurer under that heading than he gave to us in his Budget speech. In fact, under the heading of, "Retail Trade" his views occupied only three lines plus two words in the fourth line. I do not know whether the Treasurer decided that where progress could be shown he would speak freely and at length, but where progress could not be shown and the fact had to be mentioned, he would spend the least possible time in dealing with such subjects.

I think it can be said quite fairly that the retail trade is one of the main indicators of progress, prosperity, and expansion, because the regular and rapid circulation of purchasing power is reflected greatly in retail trade. It is not very progressive for State or national income to be higher than last year; for certain other parts of the economic system to be active, if, in the field of retail trade there is slackness and a lack of comparative activity. A situation of that kind appears to me to indicate that people are not as confident as we are led to believe about the present situation, and certainly not as confident as we are led to believe about the future.

Even so, I think we all agree that this is a free-spending era, when people not only spend their current incomes, but also, in many instances, mortgage their future incomes, for years ahead and to a great extent, in order to improve their standards of living within the home, and also to have a motor vehicle for such purposes as they care to use it. It may be that in the years immediately prior to the last financial year people had spent to the limit, and committed themselves to the limit on time payment and so on, to such an extent that last financial year the situation had to ease because of the pressure in the circumstances.

It might even be that the financial crash of huge trading concerns had something to do with it. When huge trading concerns, which hold themselves out to the public as being financially sound and progressive in every way, crash down, the immediate reaction of many people is that there is something wrong in the State or country concerned, and that the wise thing for them to do in the circumstances is to restrict their spending and to hold on to some ready cash, either in the home or in some financial institution.

Mr. Brand: There was an increase of about 15 per cent. in savings bank deposits.

Mr. HAWKE: That might be an explanation in part for the slackness which was a fact in the retail trading in this State last financial year. The Treasurer told us that the State's external trade in the last financial year was not as favourable as in

the financial year of 1961-62. He went on to explain that such a situation had been brought about by a lower export income and, additionally, by an increase in our imports from the other States of Australia. Here again, it is worth mentioning that our export trade to overseas countries had, in recent years, the great advantage of fortuitous help from sources which, four or five years ago, could not have been anticipated. I refer, of course, to the very substantial sales of wheat to China and, later again, to Russia.

I suppose if anyone, five years ago, had suggested that we should sell wheat to Communist China in any circumstances, or to Soviet Russia under any conditions, he would have been smeared, at least to some extent, and would have been looked upon with suspicion by those people in the community who regard themselves as being right-thinking and respectable and who, of course, swallow without the slightest thinking on their own part, all of the propaganda which is circulated against Russia and against Communist China.

Mr. Kelly: They would certainly have been regarded as fellow travellers.

Mr. HAWKE: Yes, as the member for Merredin-Yilgarn has suggested, they would certainly have been dubbed, five or more years ago, as fellow travellers had they even suggested that we sell wheat to Communist China or Russia. It would then have been said by the so-called right-thinking and respectable people in the community that the sale of any commodity to Communist China or to Russia would have been a means of helping the cliques in those countries to maintain control, and to keep the people in comparative peace by helping them to accept the totalitarian form of government which was dictatorially imposed upon them.

However, different times bring forth different ideas and attitudes. During my public career I have always said that when it comes down to pounds, shillings, and pence, the person who has something to sell—especially if he is a trader as against an actual producer—soon falls over himself to sell what he has to sell no matter who wants to buy it, as long as the buyer is willing to pay the price the trader wants for the commodity. We have seen the make-believe stand which some people in America have been taking in recent times on this very issue, when the President of the United States of America and the members of his Government—if we can call it such—have been anxious to get into this business of selling America's surplus wheat—or some of it—to Russia.

They have encountered some sort of opposition from within America to the proposal; but anyone who knew the anxiety of some Americans to get hold of money, or to accumulate money, could have bet 100 to 1 on that in the final wash-up America would sell wheat to Russia, and

would sell as much as she could possibly sell to that country. So, briefly, that is the great change that has come about in the situation; and it has been, of course, greatly to the advantage of our State, being, as we are, a State which produces a great quantity of wheat and other grain over and above our own requirements.

In other words we have, in every normal season—and we are mostly blessed with normal or better seasons—produced a considerable quantity of grain for export to other countries. I understand the policy and the attitude of the Country Party in this matter is it feels Australia is not only entitled to trade with any other country willing to buy Australia's primary exports, but there is no reason at all, politically or otherwise, why surplus exports of primary commodities within Australia should not be sold to any other country willing to buy them at a reasonable price, irrespective of the political set-up of the other countries concerned.

There is, of course, a deal of common-sense in that. It is certainly preferable to allowing surpluses to accumulate within Western Australia, and perhaps grain to become weevily in this State, or to deteriorate, because of unfavourable conditions. It is certainly better from the point of view of the individual primary producer to have his commodity sold as quickly as possible, in order that the resultant cash proceeds from the sale can be passed over to the producers without any considerable delay.

Mr. Lewis: It is also much better from the point of view of the Chinese consumer.

Mr. HAWKE: Of course. I quite agree with the angle that the Minister for Education is injecting into the discussion. I think, on humanitarian grounds alone, there is an argument in favour of the sale of surplus foodstuffs from Australia to China, or any other country where foodstuffs are in very short supply.

In his Budget speech the Treasurer gave us, I thought, some very disturbing information about our interstate trade balances. He told us that exports from this State to the Eastern States had increased during the last financial year by nearly £4,000,000 over the previous financial year of 1961-62. That was good news indeed. However, it was cancelled out totally, or more so, by the additional information the Treasurer gave when he told us that imports from the Eastern States into Western Australia during 1962-63 had increased by £37,400,000. In other words our interstate trade during the last financial year went to the bad, compared with the previous financial year, by some £33,000,000.

One angle of that situation is that people in this State are making a very great contribution to the progress and prosperity of some of the other States,

and of the people who live in those States. Clearly, if our imports from the Eastern States rise by £37,000,000 in one year, and their imports of goods from our State to their own rise by only £3.8 million, we are very much on the wrong side of the ledger. I know that quite a deal of this expenditure is, in the normal course of events, unavoidable, because many of the classes of goods for which we send a lot of this money to Eastern Australia are not yet manufactured in Western Australia; so we have to send our money away to buy the goods we need.

Whether our bill for imports from the Eastern States should rise by the terrific total of £37,000,000 in one year is quite another argument. The Premier told us the greatest part of the increase in the volume and value of those imports had to do with motor vehicles and builders' hardware. We do not at present manufacture motorcar engines in Western Australia. I should have thought, however, we would by this time be manufacturing most of the requirements of builders' hardware. It could be, of course, that we are up against the old problem here of certain importers located in Western Australia, and doing business here, having some tie-up with manufacturing firms in the Eastern States and, in their normal course of business, giving preference to manufacturers in the Eastern States to the detriment of manufacturers in Western Australia.

Although we do not yet manufacture motorcar engines in this State, it is high time we manufactured a far greater quantity of motor vehicle bodies. I would not be surprised to find we are manufacturing fewer bodies per total number of vehicles, than we were ten years ago.

I do not know whether General Motors Holden has recommenced the manufacture of motorcar bodies in this State. If it has not, it is high time it did, because Western Australia is a very good customer, I would think, for the products of General Motors. It is not as if this company is struggling to keep its head above water financially. I think we all know of the terrific profits that General Motors has made in Western Australia, particularly since the Holden car was put on the market here.

I have no doubt it would cost General Motors a few pounds more per body to make, in Western Australia, the bodies required in this State; but surely a company with that standing and financial capacity might be prepared to make a contribution to Western Australia's development, and also a gesture of appreciation for the great amount of trade it does over here, by expanding its activities in Western Australia in the manufacture of motor vehicle bodies. I do not know for certain whether this company manufactures any motor vehicle bodies in this State at the present

time. For all I know it might not manufacture one. I think the Ford Motor Company manufactures bodies.

Mr. COURT: Not bodies. It does assemblies here, but not bodies; and then only of some models, of course.

Mr. HAWKE: Here again I think the Ford Motor Company could be placed, to some extent, in the same situation as General Motors, and both companies be requested periodically to review this situation. I know each company has from time to time been approached. When we were the Government we approached those firms on more than one occasion. I think the Ford Motor Company did make some move forward, and it might have made other moves forward since this Government has been in office; but, as far as I know, General Motors Holdens has just sat tight, and has put up the same excuse each time it has been approached, by claiming that the manufacture by the company of motor bodies in Western Australia, or even the assembly of motor bodies here, would increase the price of each vehicle by £10 or some such amount.

Mr. COURT: The Ford Motor Company had the highest percentage of local components for its motor vehicles in this State, up to the introduction of the *Falcon*, when it reverted to the Holden policy. I can assure the Leader of the Opposition that I am never off the backs of those companies in persuading them to increase the percentage of local components for their motor vehicle bodies.

Mr. HAWKE: I am prepared to believe what the Minister has just said. I satisfy myself now by emphasising that in my judgment these companies owe something to Western Australia, and the sooner they get down to acknowledging this debt in a practical way by expansion of their enterprises in this State, the better for us as a State; and, I should think, the better for those two companies in the long run.

I am aware this problem of the very great adverse trade balance between Western Australia and the Eastern States is not a new one. It has been in existence ever since Western Australia has been a State; and, of course, the problem has become intensified with the passing years. There were clear-cut reasons for the development of the situation in years gone by, the main one being that New South Wales and Victoria—in particular in respect of Sydney and Melbourne—were developed along manufacturing lines; whereas in those years Western Australia was being developed purely as a primary producing and goldmining State. In that situation the people in Western Australia had to buy nearly all the manufactured goods they required from outside the State; and great quantities of those goods were bought from the factories which were operating in Melbourne and Sydney, and in later years in Adelaide.

However, Western Australia has developed factories and workshops in fairly substantial numbers over the last 25 or 30 years; and consequently our secondary industries are now in a position to supply much greater quantities of these goods than was thought possible hitherto. I would think there would not be one factory or workshop in Western Australia working at full capacity on a three-shifts-a-day basis; therefore we have industrial capacity which is unused. I am not in a position to suggest the extent it is unused, but I would hazard a guess that the unused potential would be somewhere near 50 per cent. on a three-shifts-a-day basis; therefore our ability to produce greatly increased quantities of manufactured goods is undoubted.

One of the disabilities in this matter is the attitude of many members of the public. Many of the older people in the community were brought up on Eastern States brands—and this is no attempt to indulge in a pun—on the basis of buying the "Lion" brand of one type of goods, the "Tiger" brand of another, and the "Camel" brand of yet another. The goods they purchased under those brands were of good quality, and were thoroughly acceptable; the prices were right; and, all in all, there was a very friendly relationship between the consumers of those goods in Western Australia and the goods themselves.

When a customer is well satisfied with the quality and price of one type of goods, he or she naturally continues as a matter of habit to buy those goods. Therefore it is not easy for a manufacturer in this State to develop a competitive line of goods, and to convince a sufficient number of people here they should change over from the "Lion," "Tiger," or "Camel" brand, to the local brands of similar goods. However, that is something on which we have to keep educating the people. I know continuous efforts along these lines have been carried out over the past 30 years in Western Australia, with some reasonable degree of success; but the success is not yet complete, and there is plenty of room for the campaign to be expanded and intensified.

I think the main difficulty in the whole situation is the relationship between certain people in Western Australia who have charge of the wholesale buying of goods, and manufacturers in the Eastern States, because many of them seem to have a tie-up with the manufacturers or with the wholesalers in the Eastern States; consequently there is a continuous movement on the part of big buyers in Perth to purchase in the Eastern States many of the manufactured goods they require, without any serious consideration being given to the quality, the price, and the value of similar goods which are manufactured locally.

I remember a number of local manufacturers complaining to me a few years back quite strongly, and in some instances very bitterly, about the attitude of some of the large local retailers towards them. One of their very serious and bitter complaints was that these large retailers in Western Australia used to buy their big orders from the Eastern States; but when, through delay in shipping, road transport, or train movements between the Eastern States and Western Australia, or through some industrial hold-up in the Eastern States, those goods did not arrive in Perth in time, the local retailers would get in touch with the local manufacturers and buy only the quantity of locally manufactured goods sufficient to keep the large retailers going until the huge consignments arrived from the Eastern States. There was a lot of truth in what the local manufacturers who complained to me at the time had to say about the situation.

Clearly, the continued expansion of our secondary industries is tremendously important in the overall progress and development of Western Australia. In saying that, I do not for one moment wish to depreciate the basic value of our primary industries. We all know, if we have studied the total situation at all, that our primary industries are basic to the State's economy and progress, and basic to our economic existence. If we had more poor seasons than we have—and heaven forbid we should have any in the future!—then the value of our primary industries would be emphasised very greatly to everybody in the community, even to those people who are inclined to wipe them off as being not so very important.

However, the great difference really between the primary industries and the secondary industries is in the volume of direct employment which each provides. There was a time when the primary industries provided a great deal of direct employment on the farms, on the sheep stations, and so on. However, mechanisation has made a vast difference there. It is true increased mechanisation in factories and workshops has also reduced the manpower required per unit of production in the factories and the workshops, but not nearly to the same extent. Therefore the secondary industries are essential from the viewpoint of providing a wide variety of employment and of providing a great volume of employment for many of our people, including, very importantly, our young people.

I do admit that if all of the machines and so on which are required upon the farms and in primary industries generally could be manufactured in Western Australia then our primary industries would provide a very greatly increased volume of employment, at least indirectly, within the State. However, at present, unfortunately,

a great deal of the requirements of our primary industries in the way of machinery is still manufactured outside the State's boundaries and consequently does not provide employment for our people in the making thereof. I know our primary industries do provide a lot of indirect employment in superphosphate factories, on the railways, road transport, and so on.

I do not want to discuss at length the problem which Western Australia faces in the fact that nearly 50 per cent. of the income referred to in the Budget for this year is to come from the Commonwealth Government. I think the total amount to be received, or anticipated to be received, during the current financial year from Commonwealth sources is over £40,000,000; so obviously the Government, the people of Western Australia, and the State are very greatly dependent upon the Commonwealth for ability to finance such activities as we now operate, and to have within the State circulating as a volume of money through industry and trade and commerce generally, the volume of money which does in fact circulate. I just mention the matter briefly to emphasise we are still very greatly dependent upon Commonwealth policy in the financial field for our solvency as a Government and as a people.

No-one need interpret that to mean we should go down on our hands and knees in gratitude to the Commonwealth authority, because our taxpayers pay great sums every year; and in past years the people of Western Australia—as they do to some extent still—paid huge sums of revenue to the Commonwealth Government by way of customs and excise duties; and, of course—as we still do, to some extent—in regard to petrol tax and similar Commonwealth impositions.

This brings me to a subject in which I think all members of the Committee are particularly interested, and that is the question of road safety. Road safety is a subject which receives a great deal of attention from many organisations, from the Government, and from many individual citizens. I am sure every serious minded person in Western Australia is appalled at what is going on all the time on the roads. As I have said before—and I think it is worth repeating many times—it is too easy to get a license to drive motor vehicles—far too easy.

I think it is also true to say these driving licenses are available to persons when they are too young. I have pointed out on previous occasions, as I do again tonight, that if one wants to become the driver of a railway engine on set steel tracks, where everything is controlled by signalling, train control methods, and so on, one has to go through a substantial period of training, theoretical and practical. Even if one wants to become the driver of a stationary engine, one has to do a fair amount of

study and theoretical and practical training; and I have never heard of a stationary engine getting into motion and running over people, although maybe on more than one occasion one has blown up and done damage to someone in the vicinity.

The motor vehicle, as we know, is a very powerful machine, capable of developing great speed and capable of extensive manoeuvrability by the gentle touching of a steering wheel. I would regard it as the most dangerous machine in the world today. I think someone has claimed, though with what authority or accuracy I know not, that more people are being killed in the world as a result of the use of motor vehicles in peacetime years than were killed by war in the wartime years.

I know the problem of control is not easy. I know Parliament in the past has passed laws which give the police the right to determine whether any applicant for a motor vehicle driver's license is considered capable of being given a license. I know we have passed legislation which allows speed limits to be applied and to be enforced. I know that under the Traffic Act there are all sorts of rules and sub-rules as to what the driver of a motor vehicle may do and shall not do. Whether there are too many rules and too many regulations I do not know, although I am rather inclined to the view that the fewer rules and the fewer regulations and the stricter their enforcement the better the results in the future could be.

I agree very substantially in regard to the conduct at intersections and other appropriate places with what was voiced here some weeks ago by the member for Balcatta when he said the rule of giving way to the vehicle on the right should be absolute. It may be there will have to be exceptions to the rule in some particular or peculiar instances. However, this rule is not enforced today to any worth-while extent. One has only to drive a motor vehicle around Perth or around the suburbs to see vehicles by the dozens not giving way to the vehicle on the right.

Mr. Craig: There are still quite a number of convictions.

Mr. HAWKE: There may be quite a number of convictions, but the number is not nearly enough. It does not seem to have the slightest effect upon other people who are offending. I sometimes wonder whether it is necessary to put men on motorbikes to enforce this rule, because most of the breaches of it occur, of course, at intersections. The driver who does not give way to the vehicle on his right is encouraged in his unlawful practice—if not detected and fined heavily for it—by the fact that most drivers of vehicles on his right will give way to him to avoid what they think could be an accident.

I am sure that happens hundreds of times a day; and, as far as the driver of the vehicle who has other vehicles on his right is concerned, if he can get away with it once, he will try to get away with it increasingly. I should think that traffic policemen located at intersections at various periods would be able, firstly, to see these fellows doing these things; and then, secondly, to prosecute them. There is nothing like a prosecution—especially if it involves a fine of a few pounds—to register in the mind of a motorist, or anyone else, that his sort of driving does not pay him.

Mr. Lewis: Did you not say that the fines did not seem to be having any effect?

Mr. HAWKE: No; I did not say that.

Mr. Lewis: I thought you said that it doesn't seem to be having much effect.

Mr. HAWKE: What I said was that there were not enough prosecutions and that there should be more. I have no doubt that when a guilty motorist is prosecuted and fined, that registers with him, because it means, in effect, from his point of view, perhaps 50 or 100 gallons of petrol have gone down the drain. In other words, he could have purchased 100 gallons of petrol with the money he had to pay out to meet the fine imposed upon him. So I would appeal to the Minister for Police to have very serious consideration given to this and much more action taken in connection with it.

I am satisfied that any member of this Committee could go over, say, to the intersection at Hay Street and Havelock Street and in two hours he would see at least one dozen motorists come up to that intersection from Hay Street east or from Hay Street west and make no attempt whatever to give way to the vehicle on their right.

Mr. Lewis: Don't you think in some instances the man on the right pulls up, perhaps out of ignorance of what the rule is, and hesitates so long that the man on the left at last decides to go on?

Mr. HAWKE: In some cases, yes; but in the majority of instances to which I am referring the driver who has the other vehicles on his right goes through without any decrease in speed. As a matter of fact, I have seen them speed up when they have come near to the intersection and spotted another car moving up on their right. They speed up and immediately the driver on the right, if he has any sense, pulls his vehicle to a stop by the application of the brakes. I know that I may be making the situation sound a bit easy, but I know there are a lot of difficulties in the matter. I know, for instance, that the situation can arise where, at an intersection, some motor vehicle drivers want to go that way and some want to go this way, all doing a hesitation waltz.

Mr. Lewis: How?

Mr. HAWKE: If the Minister for Education will come for a drive with me in my car I will show him.

Mr. Lewis: You sound a bit dangerous to me.

Mr. HAWKE: I know that some drivers who have other drivers on their left bring their cars to a stop and the fellow on the left comes to a stop too; then there is a bit of hesitation as to which one will move first. I am not concerned with those people. They are reasonable, sensible, decent motor vehicle drivers. I am concerned with the driver who deliberately—and obviously deliberately—does not pay the slightest respect to the rule of giving way to the vehicle on the right.

Mr. Craig: Especially the driver using what he considers to be a more important highway. He thinks he has the right of way. That is where the confusion arises.

Mr. HAWKE: The sooner that particular kind of driver is shown clearly—if necessary by prosecution and fine—that he has not the right of way, the better for all concerned.

Mr. Moir: Who gives way to the right if four vehicles arrive at an intersection at the same time?

Mr. Craig: A bit of commonsense by all solves that one.

Mr. HAWKE: The only other phase of road safety I wish to discuss—and there are many of them—has to do with children and elderly people, as pedestrians, using the roads. It always appals me to see a policeman having to take charge to get children safely across the road. I cannot imagine a more terrible reflection than that upon some motorists. Children on the footpath watch anxiously both ways, and it is obvious to any motorist coming either way that those children want to cross the road. Yet, many motorists will not pay the slightest respect to the children and will not help them in the slightest degree to get safely across. The motorists keep tearing up and down the road leaving the children to fend for themselves.

Obviously, the situation became so bad in many areas that the Police Traffic Branch had to place uniformed policemen on the footpaths to ensure that the children would be able to cross the roads safely. Well, if that is an expression of our civilisation in these days it is a pretty poor sort of civilisation. The same thing applies to elderly people. Some, of course, take the risk and, unfortunately, a few of them are killed; others are injured; and some—the more lucky ones—get across without being knocked over.

So I am 100 per cent. with the Minister for Police and his officers in their efforts to increase road safety, and I sincerely hope and trust that the methods to be applied will be increased. I know the Minister and his department are not able to employ all the men they would wish to employ to meet the situation more fully. However, I would say to the Treasurer, that if there is one cause for which increased taxes and charges could be used and which, I think would have the approval of everyone, it would be one for the purpose of increasing very substantially the measure of road safety in the future as against the standards of today.

I suppose, finally, the whole situation in some future year will come down to the far better education of the motorist and, perhaps, to much severer tests. However, the mechanical test alone is only part of what is required.

Mr. Craig: The human element is important.

Mr. HAWKE: The human element is tremendously important, as the Minister suggests. What the motorist really requires is a different outlook on the situation. I know it is very easy when behind the wheel of a motorcar to feel the road is yours; that you are entitled to go at the maximum speed provided in the speed limit; or, if there is no speed limit, to go to the limit which the car engine will go in miles per hour. I suppose it is easy for some motorists to feel that the pedestrian is a nuisance and all that sort of thing.

In the years to come, education might solve the problem: we might develop a race of motor vehicle drivers who will be human; who will be solicitous for the welfare of others not as well circumstanced as themselves. By that I mean the pedestrian, especially the young people—children—and the older people who have to use the roads from time to time.

It is not sufficient to say that when some old people are crossing roads they are stupid. Nor is it sufficient to say children should be taught in the homes and in the schools how safely to cross roads. That is not sufficient at all. Any motorist who talks like that has an intensely selfish outlook and should not be shown any sympathy or any consideration by the policing authorities.

There were two or three other subjects which I intended to discuss, but I want to carry out to some extent the semi-promise which I gave at the beginning, which was that my speech in the Budget debate this year would not take up more than half the time which the speech I made last year took.

Progress

Progress reported and leave given to sit again, on motion by Mr. O'Neill.

GOVERNMENT RAILWAYS ACT AMENDMENT BILL

Second Reading

MR. COURT (Nedlands—Minister for Railways) [8.53 p.m.]: I move—

That the Bill be now read a second time.

This Bill to amend the Government Railways Act seeks amendment to the principal Act in two ways. One is in respect of section 39, which deals with the present limit on the liability of the commission in respect of the loss of life or injury to a person whether he be a passenger or not; and the other amendment is a very minor one, which is to alter the name of a particular fund. Section 39 of the Government Railways Act reads as follows:—

No damages exceeding two thousand pounds where the cause of action arose before the date of the coming into operation of the Railways Act Amendment Act, 1955, or exceeding six thousand pounds where the cause of action arises on or after that day, shall be recoverable in any action against the commission in respect of loss of life or injury to the person whether in the case of a passenger or not.

It is that section that this Bill seeks to repeal for reasons which I will give to the House. The limitation of liability under the provision is, however, in favour only of the Railways Commission. It does not preclude an employee of the commission from being personally sued and suffering judgment in excess of £6,000 for damages in respect of loss of life or injury to the person. If a person suffers injury to the person, such person may sue both the employee as the person actually causing the damage, and the commission. The plaintiff's right to claim damages against the commission would be limited to £6,000, but would be unlimited so far as the employee is concerned.

There was a case in recent times where this looked like reacting very unfairly against the employees of the railway system although, in point of fact, they had been held to be negligent in respect of that particular accident. I hope to explain briefly why it was unfair to expect them to carry the burden that was threatened when writs were going to be issued.

Actions on account of injury to the person may be initiated by members of the public, or by employees of the department injured while on duty, or by dependent parties when loss of life has occurred. This came under notice following an occurrence in 1961 when a member of a permanent way gang suffered serious injury when a trailer hauled by a rail motor-trolley on which he and other members of the gang were riding was hit by the engine of a train. As a result of a departmental inquiry three officers of the department were

adjudged to have been negligent in their duty and to have contributed to the collision.

Acting through a firm of barristers and solicitors the injured man gave notice of a claim at common law against the commission, with settlement being reached between the man's legal representatives and the State Crown Solicitor on the basis of the limitation of liability to £6,000 as provided for in section 39.

Subsequently, in early August, 1962, advice was received by the Railways Department that a different legal representative of the man had given notice of intention to issue writs out of the Supreme Court claiming damages against each of seven railway employees because of alleged negligence on their part.

Perhaps I should interpolate here and explain that although it was acknowledged that the commission's legal liability was limited to £6,000, there was no limitation if the plaintiff in this case sought to sue the employees quite independently of the commission; and his job on this occasion would have been much easier in view of the fact that the employees concerned—there were three of them—had been held, as a result of departmental inquiry, to have been negligent.

Representations were then received from the three railway unions of those members who had been served notice of intention of the issue of writs for damages against them, asking to what extent the commission and the Government would support these men, firstly, as to meeting the cost of legal representation; and, secondly, if damages, which might be heavy, were awarded in this case.

The Leader of the Opposition has knowledge of this case, and I think he will recall correspondence which took place between us at that time. The situation that arose was a very delicate one, and subsequently the matter was resolved in respect of that particular case. However, it was thought an amendment to the legislation should be made to cover future situations.

In the subsequent negotiations on the claims submitted by the injured person against the Railways Commission and employees of the commission who were connected with the accident, it was agreed by the Government that the maximum of £6,000 imposed by section 39 was not in accord with the present-day judgments for similar injuries under similar circumstances based on recent High Court decisions.

The claim was eventually settled by the Government making an *ex gratia* payment on the basis that the maximum liability provided in the Government Railways Act was overdue for revision in comparison with the legislative provision existing in other States.

The main purpose therefore of this Bill is to remove the limitation provided by section 39 of the Act, and for this purpose the section is repealed.

The limitation in respect of liability has already been removed from the Statutes governing the majority of other State railway systems in Australia. Victoria, where the maximum liability is £10,000, is the only State system retaining a limitation.

The original Government Railways Act of 1904 limited the liability of the Commissioner of Railways in respect of loss of life or injury to the person to £2,000. This was increased in 1955 to £6,000.

In other States, New South Wales and South Australia removed their limitation in 1950; Tasmania in 1952; and Queensland, in 1958, provided that all claims for damages shall be determined by a judge without a jury; and the Victorian Railway Act of 1958 has a limitation of £10,000 damages. If I remember correctly, the Commonwealth legislation still contains a fairly low limit. I do not think it has been increased.

Mr. H. May: Do you know what the man received in the case you were referring to?

Mr. COURT: Yes; the Government made an *ex gratia* payment beyond the £6,000.

Mr. H. May: Has that been done before?

Mr. COURT: I could not find any record of a case of a payment being made to the same extent.

Mr. H. May: I do not know of any other case, either.

Mr. COURT: The Government tried to arrive at a fair and equitable figure so that the employees of the railways would not be exposed to the writs that were threatened.

The removal of limitations is in accordance with modern thought that the Government should not by legislation deprive a citizen injured by the action of Government servants of compensation to which he is justly entitled. The Government can only act through its servants and agents, and where injury is caused to a person through negligent action of these servants and agents the Government should be liable in the same way as private employers would be liable.

Perhaps it is desirable that I should explain why the Government intervened in this particular case when most people might feel that negligence having been proved the law should take its course. The simple facts were that the men concerned had good records of service. It is true they had been found guilty of negligence; and had the Government not intervened the solicitor who was acting for the plaintiff had made it very clear that he intended to press on with the writ and, if necessary, make a charge against the whole of the assets of those three employees.

After considering the case very closely the Government felt it would have been harsh in respect of these employees, even though they had been negligent. As a result of that, the *ex gratia* payment was made to put the position beyond doubt for the future.

This Bill seeks to repeal the section completely. It is logical to assume that all future claims against the commissioner, for liability, would be made against the Government. It will be appreciated that if there was a claim the Government would be able to pay any award made by the court.

Dealing with the other provision in this Bill: Under section 76 of the Government Railways Act the fund referred to is The Western Australian Government Railways and Tramways Employees' Death Benefit and Endowment Fund. The correct title of this fund is now The Western Australian Government Railways Employees' Death Benefit and Endowment Fund Incorporated, and the opportunity is taken to amend this section to show the correct title.

Debate adjourned, on motion by Mr. Brady.

RURAL AND INDUSTRIES BANK ACT AMENDMENT BILL

Second Reading

Debate resumed, from the 17th September, on the following motion by Mr. Bovell (Minister for Lands):—

That the Bill be now read a second time.

MR. HAWKE (Northam—Leader of the Opposition) [9.4 p.m.]: This Bill proposes to amend the Rural and Industries Bank Act in two or three important particulars and in a number of other less important directions. I think it is quite interesting at this stage to realise the R. and I. Bank, as we all more or less affectionately call the institution, is now nearly 20 years old. Some members will recollect without difficulty what happened to the State-owned bank which existed prior to the year 1931.

That was the most critical year of the economic depression of that period. Unfortunately, through fear, there was a run on the then established State-owned bank; and, as a result, the Commonwealth Bank had to come to its aid with ready cash—Commonwealth banknotes—to enable the State bank to meet the rush of customers who wished to withdraw their money from the bank.

There was really no justification for the run on the State bank at that time. However, once the fear developed among the customers of the bank it did not take long for the rush to grow to alarming proportions. The result was the Commonwealth Bank had to provide the State

bank with ready cash. Subsequently the Government of Western Australia came to an agreement with the Commonwealth Bank along lines which enabled the Commonwealth Bank to take over the then existing State bank in Western Australia.

The agreement laid down that the State was not to be permitted to engage in savings bank business for a certain period of years. However, as soon as that period had passed the State Government of the day decided to ask Parliament to set up a new State-owned and State-operated bank. The Premier and Treasurer of the State at that time was the late John Willcock; and the Minister in his Government who introduced the Bill into the Legislative Assembly was The Hon. Mr. Wise, who is now a member of the Legislative Council. At that time he was the member for Gascoyne in the Legislative Assembly, and Minister for Lands and Agriculture in this State.

The Bill which Mr. Wise presented to the Legislative Assembly on that occasion provided not only for legal rights for the proposed Rural and Industries Bank to operate as a savings bank, but also for the institution to operate as a general banking establishment. The measure was approved in the Legislative Assembly. I have not taken the trouble on this occasion to check back to see whether there was a division, but relying entirely on my memory I do not think there was any second reading division. There were some differences of opinion in Committee and there were probably some amendments moved by the then Opposition. However, the Bill eventually went to the Legislative Council and was approved at the second reading stage, presumably without a division. During the Committee stage in the other place some amendments were moved and were finally placed before a conference of managers from both Houses. I well remember being one of the managers from the Legislative Assembly; Mr. Wise was another; and I am not at this stage able to recall who the third manager from the Legislative Assembly was, but it would have been a member from the Opposition ranks.

After a very long conference it was finally agreed the Rural and Industries Bank Bill should be passed with some not very important amendments, and so the foundation was established for the Rural and Industries Bank as we now know it, to be born.

We were fortunate in the first place in obtaining the services of a very good banking man to be the first general manager of the bank, or the first chairman of commissioners of the bank; and since then he has been succeeded by other men of equal calibre. All of them have played a very important part in the progress of the institution.

Everyone today will agree the R. & I. Bank is a banking institution of great strength—an institution which under skilled and careful management, and with very loyal staff work from all concerned, has played an important part in the savings bank world in Western Australia, and also in many other fields of activity which are associated with general banking operations. So today we rejoice in the fact that the State Rural and Industries Bank, after less than 20 years of operation, has proved itself beyond all question to be not only a great success but also a real necessity in relation to the life of many of the people and many of the industries and activities of the community of our State.

I think anybody could say with safety that the bank's future is assured and it will go on from strength to strength and play an increasingly important part in the State's development.

One of the important provisions in the Bill is to wipe out the existing legal limit to the bank's funds, which is £12,000,000. The Minister told us it is not proposed to raise the limit but to wipe it out altogether, which I think is quite a sensible procedure in the situation which we see ahead of us. He further told us the factor which had been responsible for requiring a raising of the present maximum limit was to be found in negotiations which had been carried on as between the Government and representatives of the Midland Railway Company, the assets of which the Government proposes to take over. To enable these transactions to be adequately financed it will be necessary for the R. & I. Bank, as an agency for the Government, to be an important factor in the proceedings and to handle most, if not all, of the financial transactions. We on this side agree that the present legal maximum as laid down in the Act in relation to the bank's total funds is now out of date, and therefore we support the proposal in the Bill in relation to that matter.

The Minister also told us the R. & I. Bank had played an increasingly important part in the field of housing for people in Western Australia. I have had personal experience of that fact, not on my own behalf, or on behalf of any member of my family in recent years, but in relation to some of my electors. As a result of that personal experience with the bank I can support all the Minister said in relation to the anxiety of the commissioners, and the staff of the bank, to make increasing amounts of money available in future years for the purpose of providing housing for as many people as possible in this State.

The Minister also explained another amendment, which has to do with what is proposed by way of giving to the R. & I. Bank a legal right in the future to borrow from other banks and similar institutions.

He told us it is common practice in the banking world for this to be done as between one bank and another, or one financial institution and another, and there appears to be no reason why the R. & I. Bank should not be given a similar legal right and a similar opportunity.

There is provision in the Bill for the R. & I. Bank to raise additional funds from time to time by the issue of debentures and by the creation and issue of inscribed stock. These proposed enlarged powers for the bank in relation to the raising of additional funds for use by the bank in its various fields of operation are desirable and, from the bank's point of view, very necessary; and as long as there is reasonable control in relation to the issue of these debentures and inscribed stock there could not possibly be any argument against the new principles which this Bill proposes to incorporate in the principal Act, and the enlarged powers which would of course be automatically given to those who control its policies and its funds, provided Parliament as a whole agrees to the Bill.

In the appropriate part of the Bill dealing with this matter it is provided specifically that any money borrowed by the bank by the issue of debentures or the creation and issue of inscribed stock shall be done in that form; but then in the appropriate clause there is a provision which reads, "in such other manner as may be prescribed or as the Governor may approve." I do not see the necessity for that particular part of the clause to remain, and I think it could have some undesirable effect in certain situations.

In other words, it is my view the methods to be used in connection with the issue of debentures, inscribed stock, and so on, should be specifically stated in the Bill, as they are, and the situation should be left within that circle. I think Parliament is not justified in also putting into the Act a provision which reads, "in such manner as may be prescribed or as the Governor may approve." The additional powers we propose to give to the bank to issue debentures, to create and issue inscribed stock, to borrow from other banks, and so on, should give to the bank adequate means of raising considerable additional capital in future years. All it would require to raise, and all it might in fact be in a position to use should be within the power of the commissioners under the provisions proposed.

Should it be found, some years hence, that some additional methods may be required by the bank to raise capital over and above what could be raised with these new powers, in my opinion, that would be the time when the Government should come to Parliament and say, "We want you, the members of Parliament, to agree to amend the Rural and Industries Bank Act for the purpose of giving the bank the right to raise additional funds by this

particular method" with clear-cut wording on what the proposed new and additional method is to be. Therefore, it is my intention, when the Bill reaches the Committee stage, to move for the deletion of that part of clause 4. I have much pleasure in supporting the second reading.

MR. BOVELL (Vasse—Minister for Lands) [9.21 p.m.]: I thank the Leader of the Opposition for his contribution to the debate and join with him in paying a tribute to the commissioners and the staff of the bank for their enterprise and the results they have obtained from their efforts in assisting to build up the financial structure of Western Australia. As you are aware, Mr. Speaker, I commenced my life's work as a bank officer and spent some two decades in that profession; so it is indeed a pleasure for me, being the ministerial head of the bank—for the time being, anyhow—to report that the bank is well managed. So it must be, because many people in Western Australia have placed their savings in the Rural and Industries Bank and conduct their business with it, and therefore it is the Government's responsibility to ensure that its stability is not in any way threatened.

The Leader of the Opposition has supported the four main principles in the Bill which will, I think, add to the stability of the bank generally, and I repeat that it is necessary that the financial stability of the State bank should be beyond challenge. The Leader of the Opposition also referred to the former State Savings Bank. In those days, I was in Albany and was a depositor of the State Savings Bank at the time when it had a branch there; and although my funds were very small I was not among those who transferred their savings to other banks. It was not until I was forced to transfer my savings to the Commonwealth Savings Bank, which had then become the only savings bank in Western Australia at that time, that I actually did remove my small amount of savings to that bank.

As to the amendment which the Leader of the Opposition intends to move to clause 4 when the Bill goes into Committee, that clause was inserted at the request of the commissioners; and, if agreed to, it would mean that the executive of the Government would have the right to review the position according to the circumstances that arise from time to time. I am of the opinion that the Governor in Executive Council should at least be given the right to use some judgment and jurisdiction on any issue that may be affected by the changing scenes of the banking world. If the amendment foreshadowed by the Leader of the Opposition is carried the normal functions of the bank may be restricted. I would prefer the clause to remain as printed in the Bill because the proposed amendment may, in effect, curtail the activities of the bank at a time when

Parliament is not in session and therefore it would be impossible to amend the Act forthwith. I consider, therefore, that the provision enabling the Governor in Executive Council to vary the condition should remain in the Bill.

The Leader of the Opposition has covered the other clauses very thoroughly; and as I believe I also covered them quite adequately during the second reading, I do not intend to reiterate my remarks at this stage.

Question put and passed.

Bill read a second time.

In Committee, etc.

The Deputy Chairman of Committees (Mr. W. A. Manning) in the Chair; Mr. Bovell (Minister for Lands) in charge of the Bill.

Clauses 1 to 3 put and passed.

Clause 4: S.30 repealed and re-enacted—

Mr. HAWKE: On reading the whole of the clause it seems to me the bank would have adequate means and methods of raising all the money it could, and would require to raise, in the clear-cut provisions contained in this clause. The last portion of subclause (4) proposes to give an open cheque—if I may use that term—for the funds of the bank to be raised any way at all as long as the Governor first approves; or as long as it is prescribed in regulations that the bank might proceed along any lines thought appropriate at the time. In reply to what I said at the second reading stage the Minister did say this had been requested by the commissioners. I might be satisfied on this matter if the Minister would discuss with the Chairman of Commissioners what I have said, to see whether, on reconsideration, it is necessary and required at this point of time. I should think it would not be required at all.

With the additional authority we propose to give the bank to raise additional funds it would have no difficulty in raising all the money it wished in the next five years without recourse to this blank cheque provision; and before the five years had elapsed the commissioners of the bank, together with their Minister, would be able to work out clear-cut provisions to put in the Act in relation to any other methods, or avenues, which they wished to use to raise money, in addition to those which already by that time would be in the Act. If the Minister gave me that undertaking, I would not go ahead and move the amendment I foreshadowed.

Mr. BOVELL: The reason I asked that this clause remain was that it was initiated by the commissioners, and therefore they must have some reason for it. I did not take any exception to the provision. I accepted it; although I must admit I did not discuss it with the commissioners. I felt it might be necessary for the bank,

with the approval of the Governor, to go about, by some other means, issuing debentures and inscribed stock. However, I will give the Leader of the Opposition an undertaking to discuss this with the Chairman of Commissioners tomorrow, if possible, and get from him a written report. If he is not adamant that this provision is necessary for the easy working of the bank's business, I would have no objection to its deletion; but I would not like to delete it until I had discussed it with the Chairman of Commissioners.

Mr. Hawke: Thank you, Mr. Minister.

Clause put and passed.

Clauses 5 to 11 put and passed.

Clause 12: Second Schedule repealed and re-enacted.

Mr. BOVELL: I move an amendment—

Page 8, clause 6 of schedule, line 7—
Add after the word "officer" the words
"or the agent."

The Parliamentary Draftsman has directed a memorandum to me asking that this be inserted. It was omitted due to an oversight.

Amendment put and passed.

Clause, as amended, put and passed.

Title put and passed.

Bill reported with an amendment.

IRON ORE (HAMERSLEY RANGE) AGREEMENT BILL

Second Reading

Debate resumed, from the 26th September, on the following motion by Mr. Court (Minister for Industrial Development):—

That the Bill be now read a second time.

MR. BICKERTON (Pilbara) [9.38 p.m.]: It is my intention to support this Bill in the hope that some day, in some way, in some place, and at some time, we might eventually finish up with some sort of iron ore industry in the Pilbara area.

Mr. Davies: Some hope!

Mr. BICKERTON: The Bill is similar in structure to a measure that went through this Chamber during a previous session of Parliament, concerning the Mt. Goldsworthy iron ore deposits. As we all know, we are still waiting for something to happen in that regard. The Bill is of a provisional nature inasmuch as it says that, provided certain things take place suitable to the company, particularly in the manner of testing, there is a possibility that that organisation will go ahead in accordance with the agreement, and carry out the conditions of the agreement embodied in the Bill.

I sincerely hope the company will do this, because we can do with this industry in the area. I am very hopeful that the

Mt. Goldsworthy undertaking will also go ahead. I do not think there is any doubt in anyone's mind—whether he be expert or layman—that the iron ore deposits in the area are quite adequate to support a fairly large iron ore industry.

There does not seem to be any doubt that the quality of these iron ore deposits is such that they are acceptable to the industry. The point is that, at all turns, we seem to come up against the difficulty of finding a market for the iron ore. It is no doubt the hope of the Government that the company involved in the agreement, which is a subsidiary of Riotinto, can find markets, and can establish some arrangement for processing the ore in the area so as to give us a secondary industry eventually.

We must not overlook the fact that Australia is not the only country with adequate deposits and reserves of iron ore. To my knowledge there is no shortage of iron ore in the world, either as to quantity or quality. Possibly, one of the advantages we possess is political stability. We can say that as a country Australia does possess political stability; and, of course, that must be a consideration when a company makes long-range plans to process such a mineral as, in this case, iron ore. Other than that advantage I doubt very much if we hold many ace cards. For that reason I do not think our iron ore will be quite as easy to sell as many people would believe.

I regret that so much publicity has been given to these projects by the Press in the initial stages. I suppose an over-enthusiastic journalist could let his pen run away with him; and, of course, his reports give the public the impression that the north-west is out of the wilderness, and is not in need of assistance. Such journalists report in large headlines that the north-west will have a £40,000,000 iron ore industry.

Members on both sides of the House are aware that at this stage the north-west does not have a £40,000,000 iron ore project established, although all of us hope one will be established there some day. It would be a great thing for the area if such establishment did come about; but we should keep our feet on the ground until such time as these companies go ahead with their projects. There is no reason why they should not proceed, and there would be no advantage for them not to go ahead if the tests carried out by them are satisfactory. Until such times as iron ore is exported from the area, or better still until some form of processing is established by which a secondary industry is brought into being, we should be a little sceptical about the future. We could in the main be, perhaps, optimistic; but nevertheless we should keep our feet on the ground.

To my way of thinking the agreement which is sought to be ratified is a provisional one, as was the agreement in respect of the Mt. Goldsworthy iron deposits. The Minister in introducing this measure explained, as did another Minister when he introduced the Bill to ratify the Mt. Goldsworthy iron ore agreement, the reasons for reaching provisional agreement. They said that by having provisional agreements, the hands of the companies concerned would be strengthened by way of contracts. That is so, and no-one would argue against that reasoning; but I do think that we have now sufficient of these provisional agreements.

Up to this stage we have had two provisional agreements drawn up, and they should suffice. From now on I hope that agreements made by the Government will be definite agreements. I hope that prior to entering into agreement with the Government the companies will carry out testing and assure themselves about the practicability of the proposition, and will have the markets already established, before signing an agreement, so that they will be able to go ahead with the projects. I do not think that such a procedure is unreasonable.

On the two occasions I have mentioned the Government might consider its course of action to be reasonable. Perhaps it was reasonable; but these two agreements involve a very large quantity of iron ore, and the deposits will be tied up for a very long time under the terms of the provisional agreements. So it is not unreasonable to suggest that we have now carried out sufficient exploratory work in respect of iron ore; that we have sufficient provisional agreements; and that in future agreements should be definite regarding the sale of iron ore.

There is no need for me to point out the great advantage which would accrue to the area concerned if an industry of this nature were established; if it proved to be successful; and if the company went ahead with the project. I have some faith in the companies concerned with the exploration and exploitation of the iron ore deposits. To the best of my knowledge they are reputable and enterprising companies. But naturally, as with all private concerns, they have to look after the profits and the interests of their shareholders; otherwise they would experience difficulty in obtaining further finance. I regard those companies as being capable of carrying out the terms of the agreements.

The companies are to be commended on the way they have undertaken the testing of the areas up to date, and on the thoroughness of their work. From what I have seen, their officers in the field are very efficient. The companies have carried out a considerable amount of exploratory work both in the coastal region for establishing port facilities, and inland on testing the mineral deposits. They have

wasted no time, and they have set up workshops and camps in a very business-like manner. Their treatment of labour to date has impressed me greatly, and the conditions they have provided in the camps are of the highest.

When we see companies doing the right thing by their employees we should not be backward in giving them credit. The companies engaged in the development of our iron ore deposits—I am not only speaking of the development on the exploration aspect, but also of other aspects—have gone about their business in a very efficient manner. If the companies decide to go ahead with their projects one is inclined to believe that in the future they will also carry on in the same way as at present. The companies have the required technicians to carry out the development, and they have the know-how. It would be a wonderful thing for the Pilbara district if they were to proceed with the projects.

I have always been sure that initially a lifting of the Pilbara area must come from the development of its mineral resources. The pastoral industry, which has been operating for a long time, has, throughout the years, struck many problems, and no doubt it will strike more in the future. However, in the Pilbara district that industry is struggling. It becomes obvious to anyone viewing the area as a whole that the mineral wealth, provided it is explored and exploited correctly, will be the salvation of the area.

Of course, we must at all times aim to introduce some method of secondary processing of the iron ore, because it is with the establishment of such an industry in the area that the population will increase, and no doubt stability will follow. I do not intend to take any more time of the House, except to say that I support the measure. My hopes and desires are that these projects will develop into more than they are at present; that is, provisional agreements. I hope this will get to the stage where it becomes a reality and we are exporting iron ore initially, and subsequently processing it in that area.

MR. MOIR (Boulder-Eyre) [9.50 p.m.]: I could not help thinking that this is a proposition that could well have been considered some five or six years ago if it had not been for the limitations that the State Government and people here wishing to play an active part in the winning of our iron ore had placed upon them by the Commonwealth Government. There were people who were willing to purchase our iron ore; in fact, to enter into long-term contracts with regard to its purchase at what, I feel sure, was a far more lucrative price than is on offer today.

During the term of office of the Government to which I had the honour to belong, we had quite a few delegations from Japan, in particular, to discuss the possibility of obtaining iron ore from Western

Australia; and we were given to understand at the time that it considered too long a period would elapse before the Federal Government could make up its mind, and that country, owing to its financial policy, entered into long-term contracts with other countries for the supply of its iron ore requirements. However, that is past history now. All the endeavours made by the Hawke Labor Government to persuade the Federal Government to lift the restrictions on the export of iron ore were to no avail; and I am positive that was very much to the detriment of this State and to the people who would have been willing to operate those deposits.

As was mentioned by the previous speaker—the member for Pilbara—quite a lot of publicity was given to these finds; and during the past few years one has been led to believe that something that had never been known before had been discovered. That, of course, is not true, because it has been known for a long number of years that considerable deposits of iron ore are scattered about various parts of the State. I think that during the first year I was in Parliament—in 1951—mention of these deposits was made by the then member for Murchison who, as the older members of the House will recall, was a very keen man as far as mining was concerned.

It is true these deposits had not been explored, because then it was just a waste of time and a waste of badly-needed money to do that. The Labor Government of many years ago did at considerable expense put down bores on the deposits at Koolyanobbing; and without a great deal of hope that it would in near time be recompensed for that expenditure. Again, in later years, there was a certain amount of small drilling done at Talling Peak; but it could not be expected of any Government that it would be prepared to spend large sums of money carrying out exploration on iron ore deposits when there did not seem to be any possibility of the State being allowed to export the iron ore. So the matter more or less became a dead letter until, in this Government's time, the Federal Government agreed to allow the export of certain quantities of ore from this State. Of course, when that embargo was lifted it immediately brought forth activity with which I am not in accord, because I feel there are some people who have reaped very rich rewards in relation to iron ore to which they were really not entitled.

I wish to make reference here to the question of the Mt. Newman field where, some time ago, a company was formed to carry out exploration with a view to exploiting the iron ore in that area. Two gentlemen pegged the area—I do not wish to cast any reflection on those people as I suppose they saw an opportunity—and

as far as I am aware, without any expenditure on their part, they stand to gain a very handsome sum of money for the meagre amount of work which was entailed.

When this company was registered there was a statement made, in lieu of a prospectus, that the company was formed to purchase a certain temporary reserve of iron ore from the two gentlemen concerned (Mr. Warman and Mr. Hilditch) by taking an option over the reserve for £5,000 in cash, and a further payment of £145,000 cash at the option of the company; and if it continued to exercise the option, the purchase price was to be £805,000—£530,000 to be paid in cash and £275,000 in shares. I think everybody would agree with me that that was a rather magnificent reward for those two gentlemen to receive for pegging and obtaining a reserve over an area that was probably known to many mining men in the north of this State.

One wonders how much has been involved in that respect with regard to the deposits that are under discussion tonight. We know it is no good asking questions in this Chamber, because the Government is not expected to know the answers, although probably some members of the Government do know. But the information would not be forthcoming through Government channels. I feel a company starting off in these projects should not be subjected to that sort of thing. After all, these deposits belong to the State; and if there are companies prepared to come here and test the deposits and eventually work them, those companies should not be subject to paying out these huge amounts of money to some intermediary when they can deal direct with the Government.

So far as this agreement is concerned it is quite a document, and I must congratulate the legal advisers of the company who must certainly be astute people. I should imagine that the legal advisers of the Government must have had quite a few headaches at different times in drawing up this agreement, which, of necessity, is more or less a provisional document because, in the first place, I do not know the position of the company in regard to contracts for the sale of iron ore. It must to a certain extent be taking quite a risk in regard to the money it is spending without having any firm contracts for the disposal of the iron ore.

The document is quite a collection of ifs, buts, and provisos, etc. That, of course, is a matter of necessity. One thing depends on something else. I wish to say here that the companies which have formed themselves into the Hamersley Iron Pty. Limited are very reputable. Indeed, their names stand very high in the

mining world, and in that regard I feel we can be assured that they will carry out the undertakings as far as it is humanly possible for them to do so.

We must remember that the deposits in question are very large by any standards, and they should be of great value to the State. If the company is successful in its planning and in entering into substantial long-term contracts to enable it to get under way, all credit is due to it. Of course, we know that the people associated with the company are not doing this for the benefit of Western Australia. They, like those in all public companies, work for the benefit and profits of their shareholders. Nevertheless, in so doing, they do confer a benefit on the State in which they happen to be situated.

As far as the initial mining operations are concerned, they would probably not be such a great benefit to the State, because the mining operations themselves, as I envisage them, will not employ such a very large number of men. This type of mining is different from other types of mining such as in the larger gold mines where there is a fairly large work force. In this type of mining the operations are carried out on a large scale and are highly mechanised. Machines, of course, take the place of men and do the work which, in the old days, was performed by manual labour. This is probably a good thing, too.

As the member for Pilbara stated, the future of this company lies in the secondary operations envisaged under this Bill. Here let me say that there is nothing hard and fast about this. My understanding of the Bill is that these operations may, or may not, be carried out at the company's option. I may have read the Bill wrongly, but that is my interpretation of it. The secondary processing plant may be established in either 10 or 12 years, and there could be increases in tonnages in either 13 or 16 years. I know I am not allowed to refer to the clauses by number but there is a provision which says that—

Notwithstanding anything contained herein no failure by the company to submit to the Minister proposals as aforesaid nor any non-approval by the Minister of such proposals shall constitute a breach of this Agreement by the company and subject to the provisions of clause 13 hereof the only consequence arising from such failure or non-approval (as the case may be) will be those set out in subclause (3) of this clause.

There is nothing very definite in that. Later on in the Bill provision is made whereby 20 years after the commencement, proposals shall be submitted for the establishment of an integrated iron and steel industry. Of course, if that fortunate state of affairs does come about—we must recognise at this point of time that there

would be very serious obstacles in the way—it would certainly be a wonderful thing for this State. Like the member for Pilbara, I cannot imagine the company not proceeding with those operations if it was to its advantage to do so.

There is one provision in the Bill about which I feel a little concerned. We know that under this legislation the company is to be given the right to construct towns and dwellings for the workers. I agree that the company should have the right to evict people if they do not pay the rent required or if they are no longer in the employ of the company. However, I believe some provision should be inserted to provide a reasonable period. If there are arbitrary evictions we can understand the very severe hardships which could result for the workers in the area. If they knew that immediately upon ceasing their employment with the company they had to vacate the company's premises and remove themselves and their families from the vicinity, this could be rather unfair and very awkward for the people concerned.

I say that advisedly because while I know that the companies of repute forming the company a party to this agreement would have a pretty good sense of fair dealing, I have known of occasions when similar provisions have been used rather arbitrarily and have been held as a threat over the heads of the workers in an area. One could well imagine such a provision being used in the case of an industrial dispute arising between the employers and the employees. The employees *en masse* could be given notice to quit the company's houses; and, of course, that would put the employees in an impossible situation. No doubt you, Mr. Speaker, have heard stories of the early days of this State where, in the timber milling industry, not so many hundreds of miles from your area, this situation prevailed; and in one particular out-of-the-way timber mill it was almost impossible for the employees to leave the employ of the employer, because he controlled the store and charged what prices he wished. He also controlled the means of travel to and from that particular locality, which was in a rather remote place; so much so that there is a well-authenticated story that one man, who was determined to leave with his family, carried away what possessions he had on a wheelbarrow.

I am not suggesting that anything like that is likely to happen here. I merely instance it in the hope that the people concerned will allow the workers to occupy these houses for an adequate time after they have ceased employment with the company; because in those areas it is hard for a man to obtain other employment, and he cannot shift his family while he is looking for employment. There is, of course, the other side of the picture: that

accommodation is limited and may be needed for the employees of the company who are on the payroll. But wisdom could be used in these matters, and these things should not be enforced too arbitrarily.

The Bill is an advance on some of the other measures which have been before the House. There does appear to be some reasonable hope of the performances being carried out. When the Iron Ore (Scott River) Agreement Bill was before us, we realised it was a problematical venture and that it was something which might not come to fruition during the time set out in the Bill. However, it was considered worth while trying and that the company should be given an opportunity to carry out its performances.

I am in accord with the member for Pilbara, who states it is his belief that this should be the last of this type of Bill. I thoroughly agree with that. We have had an agreement for the Talling Peak and Koolanooka deposits, and another for the deposits at Mt. Goldsworthy. We now have an agreement for the deposits at Hamersley Range. All these agreement Bills are more or less on the same lines, although the present one is the most definite of the three agreements. In future there should be something very firm and binding placed before the House before we allow any of our deposits to go, or before we grant long-term occupancy of any of these iron ore deposits.

I wish the company well in its undertaking. I hope its future operations will not be accompanied by the Press ballyhoo which led up to this agreement. I hasten to say that I do not believe for one moment that the company was responsible for that.

Mr. W. Hegney: It was the Minister.

Mr. MOIR: Like the member for Pilbara, I believe it does considerable harm when we have this over-booming talk and forecasts of what might be or what could happen.

I have some reservations about the agreement. I wish it were more definite or more emphatic. There is the problem to be faced of the disposal of the iron ore. I am afraid that before we dispose of any large amount, quite a few years will have elapsed. I support the Bill.

MR. TONKIN (Melville—Deputy Leader of the Opposition) (10.16 p.m.): The possibility of the establishment of extensive iron ore mining and, later on, a fully integrated steel and iron works in the Pilbara is quite an exciting prospect and one which I think should be warmly welcomed. I cannot help feeling, though, that this Bill could have been here 12 months ago. I am firmly of that opinion; and if not this Bill, then one very similar.

I can understand why the Minister for Industrial Development made use of these words when he introduced this Bill—and I quote from *Hansard*, page 1418, as follows:—

I desire to introduce this Bill without the contentious atmosphere that the Deputy Leader of the Opposition has endeavoured to introduce from time to time about the negotiations leading up to the signing of this agreement.

I ask you, Sir, who created the contentious atmosphere? Why, none other than the Government. All I did was to ask a simple question: Was a proposal submitted by Mr. Duncan, the world chief of Riotinto, to the Government to do almost precisely the things which are mentioned in this agreement?

I lay no claim to being clairvoyant. I had definite information, of course, when I asked the question; and what a remarkable thing it is that after the passage of all these months an agreement should be brought here which embodies practically all I said had been offered to the Government at the time, and the existence of which the Government denied—make no mistake about that!—and thereby created this contentious atmosphere of which it now complains.

All the Government had to do was to be frank with this House and say, "Yes;" that it had a proposal, as indeed it had. What it hoped to gain by saying that it had not, I do not know. But, of course, it cannot be added up to anything else other than that it was misleading to the House to make the statement which the Premier made at the time. Do not tell me that this proposal came 12 months later and that there was no basis for what I said previously. It is inexcusable.

It is somewhat farcical to blame me for the contentious atmosphere. If there had been frankness on the part of the Government, there would have been no contention. All I was concerned with was that I had heard that a proposal had been placed before the Government, and I expected the Government to do something about it then, not 12 months later. So I do not know that the Government can claim any great credit for bringing this Bill here now. If it had shown some alacrity when the proposal was first submitted, possibly it might have been able to earn some approbation.

No wonder the Minister for Industrial Development did not want to keep speaking about that question! I would not have wanted to do it, either, had I adopted the attitude the Government did on the matter. However, I agree the important thing now is that here is an agreement which may result in considerable activity in the Pilbara. I say "may result" because I am by no means assured that it will result. This is because all the obligations are on

the Government and very few on the company; and once this agreement is passed Parliament will have no further say in the matter.

I think the company has achieved a remarkably good agreement so far as the company is concerned because, after all, the expenditure of £500,000 to a company of this kind is chicken feed; and it is worth while to expend that amount of money in order to ascertain the extent of the assets which it is likely to claim. I wonder how much the Mt. Goldsworthy company has already expended? I do not know, but I would hazard a guess that it does not fall far short of the £500,000 mentioned here; and that company is not getting anything like the reward that Conzinc Riotinto will get.

I am not completely convinced by the letter which the Minister read, and which purported to show how keen the company was to permit of Australian participation in this venture. Actually it states the position truly. The Minister read the letter and I quote it from page 1240 of *Hansard*. It reads—

As you know, the beneficial interest in Hamersley Iron Pty. Limited today is held 60:40 as between Conzinc Riotinto of Australia Limited and Kaiser Steel Corporation.

I have ascertained that that is the true position. The letter continues—

Thus the present avenues by which the Australian public can acquire an interest in Hamersley Iron are through the purchase of shares in Conzinc Rio Tinto-Zinc Corporation Limited (the U.K. company which is the major shareholder in Conzinc Riotinto of Australia limited), or in Kaiser Steel Corporation.

I would have said "or in Hamersley Iron Pty. Ltd". I would not have stopped at the three; I would have included another one; that is to say, if the company were so disposed, and I can see no obstacle to it, it could have said, "We will allow the Australian shareholders to buy shares in Hamersley Iron Pty. Ltd." and not take the indirect way through Conzinc Riotinto or Kaiser Steel, because the position is this: The nominal capital of Hamersley Iron Pty. Ltd. is 500,000 shares of £1 each. Of these, 160,002 shares have been allotted and paid for in cash. The Barrier Corporation Pty. Ltd. has one share, and Hamersley Holdings Pty. Ltd. 160,001 shares. That leaves some 340,000 £1 shares unissued in Hamersley Iron Pty. Ltd. What is wrong in allowing Australian shareholders to have some of them?

Mr. Court: You read the rest of the letter and it will tell you.

Mr. TONKIN: I am going on with the rest of the letter and I will tell the Minister why I disagree with it.

Mr. Court: They deal with your specific query.

Mr. TONKIN: No they do not—not to my satisfaction. The letter goes on—

Of these three alternatives, the most likely one for an Australian to adopt would be the purchase of shares in C.R.A.—

Why? Why would that be the most likely? I would prefer it in Hamersley Iron Pty. Ltd. myself.

Mr. Court: You read on and satisfy yourself.

Mr. TONKIN: The letter continues—

—but, as Hamersley Iron is only one of the many interests of the C.R.A. Group, this would not give the shareholder anything like a direct interest in Hamersley Iron.

I interpolate here: Of course it would not; and that is what I object to. The letter continues—

With this background, and assuming that we successfully launch the iron ore project, it has always been our intention to give the Australian public the opportunity for some direct participation in Hamersley Iron at an appropriate time.

There is nothing binding in that. One can have a good intention now and lose it on the way in a week or two. I have read somewhere that the way to Hades is paved with good intentions. So it does not satisfy me at all that the company has good intentions now that at the appropriate time it will permit the Australian shareholders, or may permit the Australian shareholders, to participate. To go on with the letter—

You will realise that the extent of such participation and the timing, are matters which we cannot clearly define at present, but we felt that you would like to know our intentions and that we are agreeable to their being quoted by the Government should the Government feel that this is desirable.

I would like something more definite than that. The company is getting a very handsome prize, and I would like to see it give a very definite undertaking that it will permit Australian shareholders, or prospective Australian shareholders, to acquire a direct interest in Hamersley Iron Pty. Ltd., and not leave it to the company's good intentions at the appropriate time; because the appropriate time might never arrive, and the good intentions could be dissipated because of changed circumstances.

I think this situation calls for something more than that, especially as the trend these days is to emphasise the desirability of enabling Australians to participate in ventures which will perhaps be highly profitable, and in connection with which very handsome treatment is being given by Governments. I do not hesitate to

complain about that aspect. I would say very definitely that in my opinion the company could have been more straightforward about that and guaranteed at least a minimum amount, and mentioned some figure as a minimum amount of participation in Hamersley Iron Pty. Ltd. which would have been assured to Australian shareholders, and not something that they may get in the sweet by-and-by at the appropriate time, because of the company's good intentions—a lot of airy-fairy words that might ultimately result in nothing.

It would be a different matter if this were a mere bagatelle, but it is a very handsome prize which is being made available to the company, if it wants to take it up. Its extensive prospecting area, at present—ultimately, its maximum holding by way of lease—would be 300 square miles. That could turn out to be a real bonanza; and, if it did, along the line the company would be making money to meet its obligations. So it would be in a very advantageous position.

Whilst I might be unduly suspicious—and I must frankly admit I have not a shred of evidence upon which to pass this opinion, and have only what one might call intuition, possibly—I cannot help but feel that one day quite a slab of Japanese capital might be in this venture; and it irks me not a little that our heritage in this country may pass, partly, to Japan, when our own shareholders are not being guaranteed a right to participate.

I know that in big business it is hard to find out where one company starts and another ends. I have seen that happen quite often. In fact, many years ago I was a member of a Select Committee which investigated a series of companies which had been formed in Australia—some 20 or 30, I think—because each time one company got short of money another company was formed and so it went on until a chain reaction was created; until, finally, there was a day of reckoning and a terrible crash. But when one starts to investigate the ramifications of a company especially, one is really getting into a maze and one wants specialised knowledge and a good deal of information in order to track down all those ramifications.

Of course, this company is an international company, is very substantial, has tremendous resources, and is one which is quite capable—if it makes up its mind to do so—of carrying out not obligations, but the proposals which are envisaged as a result of the obligations, which the Government itself has undertaken. That is the proposition we are considering. I know that last year the Premier was very concerned at the magnitude of the price which was being sought by Conzinc-Riotinto. Even though he denied any proposal, he did ask in the Assembly one night, "What did they want in return?" He had in mind

a pentagon containing quite a large quantity of iron ore, which he felt he would be very reluctant to give away; and I do not blame him. I did not say, at any time, that the proposal which had been submitted by the company should be agreed to.

Mr. Court: And then you castigated us for not getting an agreement signed.

Mr. TONKIN: I castigated the Government for not getting it signed quicker.

Mr. Court: It is only tonight that you said we should have had it here 12 months ago.

Mr. TONKIN: That is right; and I say it now. I say that this agreement which we are now considering, and which I am going to support, should have been presented to us for support 12 months ago.

Mr. Court: You will be grateful that you did not have the opportunity to support it 12 months ago when I reply.

Mr. TONKIN: I will be glad to hear it; but of course the Minister is going to put himself in the soup.

Mr. Court: No I won't!

Mr. TONKIN: If there were no proposal 12 months ago, how could the Minister make a comparison with what is here now?

Mr. Court: You are saying that we should have had the agreement here 12 months ago.

Mr. TONKIN: What I am saying is that the Minister could have had this same agreement here 12 months ago; and I repeat it. That is my opinion, because it is a strange thing that the total summing-up tallies with what I mentioned; namely, that the things the company is going to do are, first of all, to mine the ore and sell it. It would spend £30,000,000 on it and it would then establish a fully-integrated steel and iron works. That is the figure I quoted, and I did not get it out of the air.

I see nothing in the proposals here in regard to what the company is contracting to do which I did not know about more than 12 months ago. They are the same proposals, so no greater obligation has been imposed upon the company. I could quite easily be astray with regard to the area it wanted, because my information was that it wanted this area around Duck Creek. I mentioned Duck Creek when I spoke on the subject previously. I now understand that, since then, because of the lapse of time, further investigation has proceeded and the company has even richer deposits. I want to know—and the Minister has promised to tell me—whether the company is now getting these richer deposits which it has found subsequently, or whether the area it is to get is substantially the one that I mentioned was around Duck Creek.

In view of the way my question was treated last session—quite inexcusably, of course—I am now entitled to that information so that the situation can be clarified; so that we shall know precisely what developments have taken place since, and how it is that the Government is now able to bring this agreement here when it was not able to present it here 12 months ago. My understanding of the position was that at first the Government was appalled at what the company wanted in return, and therefore it was not disposed to look at that. Now, subsequently, the big boys in the company have got busy on the Government and convinced it that there is something really worth while in this proposition.

I think I was a little astray in my first assessment of the position. I felt that the Government was not going to play ball because it was afraid to introduce a competitor to B.H.P. I now admit I was off the beam with that one. That is what I felt at the time; namely, that the Government's reluctance was due to the fact that it was particularly fond of B.H.P. and it did not want a competitor in the field. In the light of subsequent events, and because the Bill is here, it looks to me that that was not the reason at all; and the conclusion I reached was based on what the Premier said during the several short statements he made; and when he asked me the question: "What do they want in return?" I replied, "A lease at Duck Creek," upon which he followed with his next question, "How big?"

Those two questions by the Premier confirmed my belief that there was a proposal, and that caused me to change my mind about the reason why the Government was reluctant to be frank about it—the reason being that it was somewhat appalled at what the company was asking in exchange for what it proposed to do; and I now think that that was the true position.

In the meantime further representations have been made to the Government by the bigger boys in Consinc, and at last there is an agreement here which, I repeat, in my opinion could have been here twelve months ago. That is my complaint about it. If it is a good thing to pass this agreement now, it would have been a better thing to pass it twelve months ago, because we would have gained that much in time. To me we seem to have gained nothing by delaying it at least twelve months. If the Minister for Railways can put me right on that I will be very happy. But that is how it presents itself to me.

My concern is that, in my lack of knowledge of the wealth of iron ore that is likely to be in this 300 square miles which is to be given to Hamersley Iron Pty. Ltd., I might, in my support of this agreement, be robbing future generations of Western

Australians of their heritage, because this seals it up so far as this Parliament is concerned. We are handing it over. If the company decides to exercise its option in the future we will get, first of all, the iron mining; then the upgrading of the ore; and, later, a fully integrated steel and iron works.

If we get all these things, they will be worth a lot of money to the State, and also a great deal by way of development, in an area where we need development, and something of this kind to open the country up, and thus enable us to contribute more adequately to its defence. But in a lot of things one can pay too high a price, and I would feel happier about it if I could have some idea of the value of the asset we are handing to the company in exchange for what the company is going to do. But it does not seem possible to get that information.

I feel we might have done something in the interests of the State to make the company put the upgrading plant in a little earlier. There is no obligation on the company to establish this upgrading plant so far as I can see. Why could we not contract to get this in earlier, and make it an obligation on the company to do it? I think we have to wait too long. I have looked carefully to find what contractual obligations there are on the company, and quite frankly I cannot find any. If the Minister could help me with that I would be obliged.

It seems to me that the obligations are obligations on the State: so the company has something to bargain with. It could go elsewhere and say, "This is what we have from the State, and this is what the State has to do. We are fully secured. You make it worth our while to do so-and-so, and then we can call upon the State to honour its obligations." If one can get an agreement like that, all I can say is, "Good luck!" We are here not in the interests of the company, but in the interests of the State. The company will look after itself and its shareholders. It has had a good deal of experience in that.

The company and its shareholders do not want any protection from us. The people we must protect are the people of Western Australia: to see that we do not hand out their assets without getting an adequate return for what we are doing. When I compare the situation that the Goldsworthy people are in, with the situation as it relates to Hamersley Iron Pty. Ltd., I feel rather sorry for the Goldsworthy people, because they are in a very much less advantageous position than are the shareholders in Hamersley Iron Pty. Ltd.

However, I repeat that the prospect, which at this stage is no more than a possibility—I cannot even go so far as to say it is a probability—is an exciting prospect for Western Australia; and if the

Government is satisfied it has gone into all the angles, and this is the best agreement it could get, then I suppose one is bound to support it. But I have a number of misgivings in connection with the question involved. However, I support the Bill.

MR. COURT (Nedlands—Minister for Industrial Development) [10.46 p.m.]: I thank members for the contributions they have made to what is a very important Bill, ratifying an agreement which we confidently believe will have far-reaching effects. I will comment on the points raised by the several members in the order in which they were made.

The member for Pilbara referred to the fact that this agreement is somewhat similar to that in operation for the Mt. Goldsworthy deposits. Of course, that is true. It is important to some extent that these agreements follow a pattern, so that the agreement, because of its form, cannot be used by one company to negotiate to the disadvantage of another company abroad. It is our desire that all these companies should succeed; and one of the objects in bringing these agreements to Parliament is to make them public agreements, quite apart from the fact that in some cases the magnitude of them is such that we must vary the law to suit the set of circumstances.

But they are provisional agreements, and the Government has tried to make this clear in its Press release; because we do not want to give anyone the impression that an industry was signed, sealed, and delivered. In the case of B.H.P. and its agreement in connection with Koolyanobbing, it is, of course, committed to a fixed programme which it is going to beat. The Government of the day has a contract which binds B.H.P. to undertake development of a certain type by December, 1968. The date will now be advanced by the company, because of the proposed completion of the standard gauge railway by 1967.

I mention that in passing, because that is a positive agreement, where a company is committed to an industry of certain agreed dimensions. The reason we must have these agreements is fairly obvious: because they involve the companies in tremendous capital costs. Whilst they are negotiating their contracts, and completing their geological and engineering surveys, they must arrange their finance, because it is a very delicate operation. They are powerful companies, but they cannot put their hands on £10,000,000 or £20,000,000 at the drop of a handkerchief. They must, like everyone else, go to the financial institutions of the world, and negotiate this money, as it is necessary for Governments to do.

The only way they can do these things on a concurrent basis—that is, together with the geology, engineering, metallurgy,

whilst conducting financial negotiations—is to have an agreement which clarifies the rights and privileges of the company, and its obligations under a given set of circumstances.

The honourable member mentioned that there is plenty of iron ore in the world today. I am glad he made that observation, because it is a fact that we have in the world a quantity of iron ore proven which was not dreamed of even 10 years ago. That makes it all the more important for us to negotiate agreements of a desirable type, and to give these companies which we regard as reputable the right to go into the world's markets to negotiate and sell the iron ore for us; because, if we do not give them a good title, they will not have a chance of selling our iron ore in Japan; or, for that matter, in any other place.

It is true that the greatest asset we have to offer in competition with some of the other countries which possess large quantities of iron ore is our political and economic stability. To use the words of the honourable member, we have no other ace card. I think his statement is right, and we have no other ace card; but the general standard of our efficiency in industry—as practised by these companies—is such that they will have some advantage in the economics of their propositions.

The shipping distance between Western Australia and Japan should be in our favour, once we establish ports of sufficient size to enable ships of the required tonnage to transport the ore. With high mechanisation and huge tonnages, which must be the order of the day for the success of these projects, I think we can get our costs down to a basis to enable us to compete with any other iron-ore-producing country in the world. I hope we can, because this is an industry in which intense competition exists; and the only way we can succeed is to have a project of sufficient magnitude to make the mechanics manageable under competition.

During the introduction of the Bill I said that for any single project—that is, for one company, or one consortium project—to succeed would require production in the order of 3,000,000 tons a year, plus the ability to stand the capital cost and operating expenditure involved, and the ability to keep costs per ton down to a sufficiently low figure. I realise that, as the member for Pilbara said, we should keep our feet on the ground; I hope we are doing that.

The honourable member paid tribute to the way in which some of these companies are carrying on the development. We have been very impressed with what they are doing; and the reports which come in regularly from them show great activity on their part. It is safe to say, although the figure of £500,000 is set down in the

agreement as being the company's commitment, that the expenditure on geology, metallurgy, engineering surveys, and economic surveys, has exceeded £1,000,000. Of course, the company has yet a long way to go. The figure set down in the agreement has been exceeded; and I think it will be exceeded three or four times before the company gets to the stage when its feasibility study is completed, and it is able to submit proposals to the Government.

Reference was made to the Mt. Goldsworthy company. This company has also been very active, and we are very pleased with its efforts up to date. It is nearly at the end of its feasibility study. We think that in the very near future it will approach the Government giving the details which it has to give under the agreement to show what it has done; because under the terms of the agreement such information becomes the property of the Government, even if the company does not carry on with the project. The Mt. Goldsworthy company is a very reputable consortium of three very experienced companies in regard to both mining and marketing. I think it will be putting details before the Government in the very near future.

Likewise, Hamersley Iron Ore Pty. Ltd. is well advanced in its geological, engineering, economic, and metallurgical surveys, and we have no complaint with the speed at which it is operating this particular project. One difficulty is that this company is up against time. In fact, all the companies are up against time, because they are not only competing with one another, but—what is more important from our point of view—Western Australia is competing with other countries.

The member for Pilbara said he thought sufficient agreements of a provisional type had been signed. I feel I should refer to this aspect specifically, because I would not like to leave this matter without commenting upon it. It would be wrong of me to state or to imply that the Government would not sign any more agreements of this nature. I am not suggesting agreements should be entered into lightly; but circumstances could arise when a reputable concern, having undertaken the necessary geological, engineering, and economic surveys, would say to the Government, "We think the time has arrived for us to codify the conditions under which we have been granted these reserves."

The Government would be failing in its duty—in fact, the Government could be the subject of criticism in this Chamber—if it failed to come to such an agreement. If a person felt aggrieved and went to the Opposition saying, "The Government has come to agreement with the Mt. Goldsworthy company and Hamersley Iron Ore Pty. Limited; but here we have an iron ore deposit which we consider to be a good one and which we can develop

successfully, yet the Government will not write one of these agreements with us," we would be subjected to some criticism; and probably in those particular circumstances it would be justifiable criticism. For that reason I do not want to let this matter go unnoticed, because I feel I have a duty to act on it so as to remove any misunderstanding at a later date.

The member for Pilbara also referred to the fact that he considered this company, through its parent companies, as being capable of carrying out its commitments. With that we agree. The companies behind Hamersley Iron Ore Pty. Ltd. are strong in technical knowledge, mining experience, and financial backing. This is important when one has regard for the complexities of marketing minerals in today's competitive world markets.

The member for Boulder made some observations regarding the agreement under discussion, and referred to the fact that had the Commonwealth Government ban not existed we could have been in the position, which we are now in, some years ago. I suppose most of us can be wise after the event; and probably had the ban been lifted the same action would have been taken by companies and prospectors to get to grips with these iron ore deposits, and to find out how large and satisfactory they were, as is being taken now.

He also referred to the Mt. Newman deposits. I did not catch the figures he quoted in connection with an agreement which he said had existed in respect of an option on those deposits. To use his words, he said the people concerned were reaping rich rewards to which they were not entitled. But I do not know the exact circumstances he was referring to. I say this: The Mt. Newman deposits are not related to the agreement covered by the Bill, and no agreement has yet been presented to Parliament in respect of those deposits. Whether one will be presented I do not know; I think it is a case of "sufficient unto the day" so far as the consideration of that particular point is concerned.

I did not catch the figures the honourable member quoted; but when I read a copy of his transcript I shall pass them on to the Minister for Mines. However, I think his comments on the Mt. Newman deposits are quite irrelevant to the matter before us. In any case, if there were an option consideration it would not be unusual; because, as the honourable member knows from his considerable experience in the mining field, option agreements from time to time are the order of the day.

Mr. Moir: My criticism is that people who get hold of these deposits do not have the wherewithal to test or to develop them, and are not prepared to spend any money on them.

Mr. COURT: I repeat that this particular deposit to which the honourable member refers is not the subject of the agreement before us. I can only say in passing that this question of options has been with us as long as there has been a mining industry.

Mr. Moir: We do not have to go along with that sort of thing in this day and age.

Mr. COURT: I do not know about that. It seems to be a practice which is acknowledged throughout the world, and I do not know that it will ever be done away with. I do not suggest we should encourage it. I want to make the point that it is not something which is new or peculiar to the situation to which the honourable member referred; in any case, it is not relevant to this particular agreement.

The member for Boulder-Eyre asked what the position was regarding the contracts the company hoped to negotiate for the sale of the iron ore. My only observation on that is this: The company, as a good business firm, would confidently hope it would write contracts. It would not commit itself to a sum which is already in excess of £1,000,000—and that is good hard cash—unless it felt (a) the deposit was worth it; and (b) it had a reasonable chance of writing a contract in competition with the world.

Let us face it: If the company finds it cannot compete and successfully write a contract, whilst we would regret it, on the other hand we must realise that the geological, engineering, and metallurgical knowledge in relation to the project will be available to the Government for all time; and anybody else starting in this area would start where this company finished. It is not a question of losing £1,000,000 or more; it is a question of the company, with its own money, conducting research—and that is a risk that mining companies have been taking since time immemorial. That is why it is referred to as "risk" capital, which is not so easy to raise as some other capital.

The honourable member also referred to the fact that export was not of great benefit to our economy, because the labour factor in mining for export would be comparatively small, due to the high degree of mechanisation. I look at it, and so does the Government, on a much broader horizon than that. The great thing at the moment is to get the Pilbara area open. It is going to take money that the State Government—regardless of which Government—could never afford in the foreseeable future. We would never have the amount of money that the Goldsworthy company will need—about £20,000,000 on present estimates—and this company will need—about £30,000,000 plus on present estimates—to get the first ton of iron ore

out. And if that is not a tremendous contribution to the economy of the State, I do not know what is; because some of the great requirements in these areas to get them opened up are better roads, a rail system, schools, hospitals, water supplies, and ports that will take ships of big tonnage.

The other point referred to by the honourable member—and I think it was also referred to by the member for Pilbara—was the degree of publicity these deposits had received. It is almost impossible to prevent this sort of thing happening when deposits of the magnitude of these in this particular area are disclosed; and it would be asking too much of any journalist to request him to refrain from saying his piece in his own particular way. There has been one journalist who has taken a particular interest in iron ore, and no doubt he is inclined to wax lyrical about it; but I do not think he can be accused of being untruthful, in the light of information that has been disclosed over recent months by all the companies that are prospecting.

The honourable member referred to eviction. All I can say is that the clause in the agreement is the usual one that applies in this type of housing. It is a peculiar situation where the company has to provide all its own housing, and it has been customary in agreements of this type for certain rights and privileges to be given to the company so that it can protect the workers themselves. The main protection is that when the company wants to bring workers into the area, or men want to work for the company, it can make sure those men can be given housing. Unless the company has access to its own housing it can get into the position that somebody who has been dismissed for a good and sufficient reason—probably a reason which his own colleagues would think was fair and proper—hangs on to a house which should more properly be made available to the new employee.

I think that in the past these mining companies, which are very experienced in this type of housing, have shown a proper sense of proportion; and I think history records the relationship between the unions and these companies as being particularly good—probably better than in most industries. If I remember correctly, the honourable member raised a query regarding the prospects for markets. At the present time, all research from abroad indicates that the prospect of Western Australia being a major exporter of iron ore is good.

The Japanese seem to be approaching this in a businesslike and methodical way; and it would appear that if engineering surveys prove we can establish railways and ports in those areas, there is no reason why Western Australia should not participate in the iron ore market. It is

expected that Japanese requirements from now onwards will increase, and after a few years will increase at a very rapid rate. That country will, of course, be the predominant prospect for the selling of our iron ore. That does not exclude the fact that the Government hopes iron ore will be sold to other countries once the great Pilbara deposits are opened up by ports and railways, and towns are developed, and additional tonnages lower the cost per ton unit.

I now come to the comments of the Deputy Leader of the Opposition. I must say I find his approach to this proposition rather confusing. On the one hand he castigates the Premier and myself for this agreement not being presented here 12 months ago, and then he turns around and talks about the great prize the company is going to get. He talks about giving this company our heritage, or words to that effect. I cannot understand what he really wants, because he cannot have it both ways.

I want to make some comments which I indicated by way of interjection I would make regarding this matter. The Government has acted with all reasonable speed in connection with these negotiations. It is a fact that the Government of the day—regardless of which Government is in office—has a responsibility to protect the interests of the State—and Governments do not write a proposition for every Tom, Dick, or Harry who comes along and puts up a proposition. Because it looks glamorous, a Government does not necessarily accept it. It is the responsibility of the Government to submit it to the most searching inquiry, and that has been our practice.

The same procedure was followed in respect of B.H.P. when we were negotiating the Koolyanobbing deposit for a steel industry. We even made inquiries abroad before we were prepared to sign an agreement with B.H.P., realising at that time the Koolyanobbing deposit was a very important part of Western Australia's iron ore reserve.

That was before action was taken to prove the considerable quantities at Pilbara, and I assume certain local people who had a vested interest in these deposits went to the Deputy Leader of the Opposition and drew the long bow. I think that is letting them down lightly. They had a very considerable vested interest, and went to the Deputy Leader of the Opposition. I think, before election time, I remember a rather scathing article written in that august journal *Western Sun* which accused me of brow-beating Cabinet and insisting that nothing should interfere with the rights of B.H.P., or words to that effect, the general implication being that I, one Minister amongst ten, had prevented the signing of an agreement with Riolinto.

Of course, it was so much nonsense; and these people had a very good reason for wanting to pressurise the Government into something. I understand from what the Deputy Leader of the Opposition said on one occasion he had some papers from them that set out a proposal, if one could call it a proposal—I suppose by any name it is as good—but the Government did not regard it as such because, frankly, had we accepted the proposition it would have been a public scandal.

The people who came in to do the main negotiations on this realised that a better basis had to be arrived at before a proposition could be considered by the Government. I want to say that the negotiators who handled the matter after the amalgamation of Consolidated Zinc Pty. Ltd. and Riotinto, and then the tie-up with Kaiser, have been first class. They have been keen negotiators and have been quite firm in what they wanted. But by business standards they have been very reasonable people and we are satisfied that the agreement is a good, sound one which will stand the test of time.

I explained during the introduction of the second reading that the agreement is a complex one because we had to try to protect the interests of the State for an indefinite period through four phases of this particular agreement.

It was implied, if not stated—I forget the exact words; but I do not want to be accused of being untruthful in this regard—that we were handed a steel industry on a plate. That was so much nonsense. Mr. Duncan would not like us to say, or anyone to claim, that he had offered us a steel industry on a plate, because it was he who told us that Riotinto, at this stage, had no steel complex but would hope that in due course it would get a partner or someone to join with it in this exercise.

It is also significant that when Mr. Blake Pelly made a Press statement about April, 1962, he made it clear that, first of all, the company was very satisfied with its negotiations; and, secondly, that it should be realised that domestic production—implying steel—was not something that could be undertaken in the near future. I think he used the words “domestic production”; and surely that made it clear that even at that late stage the company was not in a position to discuss a firm proposal for steel.

I did not want to have to bring up too much detail; but in fairness to the Government, the Premier, the Minister for Mines, and myself, I should state that even when we got to the later stages of negotiation—and I refer to the negotiations in 1963—the company did not want to commit itself to a steel industry except if it proved, in the opinion of the company, to be economically desirable and practicable. We

could not accept a proposition like that. I would not have the hide to bring it to Parliament.

Mr. Graham: You would have the hide to bring anything to Parliament!

Mr. COURT: We have negotiated this agreement, I think, with some vigour. It took a long time and it is only in recent weeks that this matter has been finalised. The agreement provides for the company to undertake the export of iron ore, and the upgrading of iron ore and steel. If it does not meet its commitments in respect of those things, it loses its rights. We cannot ask any more, because the only way we could penalise a company like this would be to take away from it the very source of its industry—which is the raw material, that being iron ore.

Therefore, it provides that the Government has the right under certain circumstances, which are clearly defined in the agreement, to take away these deposits from the company and to give them to someone else who is prepared to do these things; namely, the upgrading of iron ore at one stage, and the production of iron and steel at another. I think in that regard the Government has gone as far as it could reasonably be expected to go.

I should explain, in case I did not do so earlier, that there is a reason why this company should be able to establish a steel industry better than anyone else. It has known deposits of coking coal of a substantial nature; and assuming that this will still be necessary in the years ahead, it was important that the agreement should be made with some company which had quantities of coking coal in Australia.

The Deputy Leader of the Opposition went on to refer to the fact that all the obligations are on the State and not on the company. I cannot follow that reasoning, because my understanding of the agreement is that it is the other way around. It is the company which is to spend \$30,000,000 minimum before it can get the first ton into a ship; it is the company which is to spend money on the upgrading industry; and it is the company which is to spend money on the steel industry—not the Government. I repeat that we could just not afford to accept these commitments in view of the fact that we are not likely to have that money in State funds in the foreseeable future.

Therefore, I think the Deputy Leader of the Opposition must realise that he cannot have it both ways. He cannot, on the one hand, criticise us for not bringing in this legislation 12 months ago, when we were not within miles of reaching agreement with the company 12 months ago; and, on the other hand, claim we are giving the company too big a prize. If we had hurried up and presented an agreement last session just “for the heck

of having one, we could have been in an awful mess and it would then have been too late to turn back; because, I agree, the approval of an agreement by Parliament makes it very final.

The Deputy Leader of the Opposition is not satisfied with the *bona fides* of the company in respect of their share offer, yet this is the same company with which we would have signed the agreement 12 months ago. The only reason I obtained this letter from the company was in order that I might have the facts in writing so that it might be recorded in *Hansard* that we had, during discussions, agreed with the company and it with us that there should be the right, in due course, for Australians to participate in Hamersley Iron. I think I should read the appropriate portions of this letter because I believe the company has gone as far as anyone could reasonably expect it to go. I should add that after giving this letter to us and making it public, the company has to notify stock exchanges of this particular commitment.

Mr. Tonkin: What commitment?

Mr. COURT: The commitment set out in this letter.

Mr. Tonkin: There is no commitment there. It is only a statement of good intentions.

Mr. COURT: If this is not a commitment from a reputable firm—and one member of the Opposition agreed it was a reputable firm—

Mr. Tonkin: I agree on that.

Mr. COURT: —I do not know what it is. The letter reads—

As you know the beneficial interest in Hamersley Iron Pty. Limited today is held 60:40 as between Conzinc Riotinto of Australia Limited and Kaiser Steel Corporation.

Thus the present avenues by which the Australian public can acquire an interest in Hamersley Iron are through the purchase of shares in Conzinc Riotinto of Australia Limited, in The Rio Tinto-Zinc Corporation Limited (the U.K. company which is the major shareholder in Conzinc Riotinto of Australia limited), or in Kaiser Steel Corporation.

Of these three alternatives, the most likely one for an Australian to adopt would be the purchase of shares in C.R.A., but, as Hamersley Iron is only one of the many interests of the C.R.A. Group, this would not give the shareholder anything like a direct interest in Hamersley Iron.

With this background, and assuming that we successfully launch the iron ore project, it has always been our intention to give the Australian public the opportunity for some direct participation in Hamersley Iron at an appropriate time.

I would just like to add that they are the important words because it will be years before this company—with the huge amount of capital which will have to be poured into it—gets into the dividend class. The Australian investor has not, in the main, shown himself to be a ready investor in this type of investment where he has to wait several years before he gets a return. Therefore the company is prepared to carry the burden in the initial stages and at the appropriate time it will allow the Australian investor to participate. The company has stated that an opportunity will be given for some direct participation in Hamersley Iron.

Mr. Tonkin: But do not lose sight of the fact that they have already paid substantial premiums on shares in Hamersley Iron; so imagine what the price will be at the appropriate time!

Mr. COURT: At the present time the company could not have because the issued capital of Hamersley Iron is comparatively small and will not be big until such time as—

Mr. Tonkin: £106,000 premium.

Mr. COURT: That has been paid in as capital. That is not a premium. This company will be pouring millions of pounds into this project and the amount of capital at present is only peanuts—to use a colloquial expression—compared with the future of this company.

The letter goes on to say—

You will realise that the extent of such participation, and the timing, are matters which we cannot clearly define at present, but we felt that you would like to know our intentions and that we are agreeable to their being quoted by the Government should the Government feel that this is desirable.

That was signed by Mr. F. S. Anderson, the managing director of the company. I do not think the company could have been more frank than it has been.

The honourable member referred to the fact that he was not convinced that behind the scenes—he said he had no information, but that intuition was guiding him—there might not be some Japanese capital. Let me make it clear. If there is, then what of it? Here is a nation which is our biggest customer today.

Mr. Tonkin. I prefer Australian capital.

Mr. COURT: Would not we all? Tell me where we would get £30,000,000 in Australia, of Australian capital, to start from scratch a project of this nature! We would be laughed at. We have found the people who can provide this sort of money. They cannot take away the port; they cannot take away the railways; they cannot take away the towns; and they cannot take away the homes which will be developed.

Mr. Moir: What about the hole in the ground?

Mr. COURT: A hole in the ground that is not worth tuppence until someone gets the iron ore out of the ground, transports it, and sells it for us! If there is some Japanese capital in the background—and I do not know whether there will be—what of it? They are going to be the best and the most likely buyers of the huge quantities of iron ore that we want to sell.

Mr. Tonkin: Of course, it is ridiculous to say that the iron ore is not worth tuppence.

Mr. COURT: I would ask the honourable member, in all sincerity, what was Koolya-nobbing worth until we made a deal with B.H.P.? It would have stayed there as an ugly mass for all time, not earning a shilling.

Mr. Tonkin: Nonsense!

Mr. COURT: It would not have employed a man or a woman. There would not even have been a caretaker. We tried to turn it into something that is living, a real industry that will create economic activity in our time.

The honourable member referred to the fact that we should be getting the upgrading plant earlier. We would like it earlier. When we are negotiating agreements of this nature we have to fix the minimum commitment of a company, so that it has to do certain things within a prescribed time, always hoping that the company will fulfil its commitments quicker. I am confident, from my discussions with the company, that it will do it quicker.

The trend in the world is towards partly processed materials for blast furnace feed. The company will want to use the fines and convert them into pellets and other partly processed materials, so that the company can compete with the rest of the world.

In conclusion, I want to make this final observation: It is the Government's desire that we get these deposits opened up; and that roads, railways, ports, and towns be established. It is our desire to get this done in our time, and not leave the iron ore lying in the ground, hoping that somebody will come along and do something about it.

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.

House adjourned at 11.28 p.m.

Legislative Council

Wednesday, the 16th October, 1963

CONTENTS

	Page
ASSENT TO BILLS	168
BILLS—	
Albany Harbour Board Act Amendment Bill—Assent	168
Bunbury Harbour Board Act Amendment Bill—Assent	168
Constitution Act Amendment Bill—3r.	168
Constitution Acts Amendment and Revision Bill—8r.	168
Fluoridation of Public Water Supplies Bill—	
Receipt; 1r.	168
Iron Ore (Hamersley Range) Agreement Bill—	
Receipt; 1r.	168
Motor Vehicle Drivers Instructors Bill—Assent	168
Stamp Act Amendment Bill—Assent	168
MOTION—	
Fishing Industry—Inquiry by Select Committee	168
QUESTIONS ON NOTICE—	
Livestock—	
Diseases Introduced since World War II	168
Foot and Mouth Disease	168
Railways—	
Rail and Bus Services—	
First and Second Class Fares	168
Increase in Fares	168
Privilege Tickets	168
Railway Road Service: Kalgoorlie—Esperance—Location of Kalgoorlie Terminus	168
Wool—Branding before Sale	168

The PRESIDENT (The Hon. L. C. Diver) took the Chair at 4.30 p.m. and read prayers.

BILLS (4): ASSENT

Message from the Lieutenant-Governor and Administrator received and read notifying assent to the following Bills:—

1. Stamp Act Amendment Bill.
2. Bunbury Harbour Board Act Amendment Bill.
3. Albany Harbour Board Act Amendment Bill.
4. Motor Vehicle Drivers Instructors Bill.