

exceeding twelve shillings a week towards the cost of the education or maintenance and education of the child as the court deems proper and are specified in the order.

I cannot move an amendment because it would increase the cost of the Crown, and if the Minister does not do anything about it, my respect for him will certainly be lessened.

The MINISTER FOR AGRICULTURE: For the same reasons as Dr. Hislop has advanced, I, too, am powerless to amend this provision because it will increase the cost to the Crown. I do not think there has been any trouble in the past, but if it suits members I will ask that progress be reported.

The CHAIRMAN: I suggest that we deal with the Bill completely and the Minister could then recommit it.

The MINISTER FOR AGRICULTURE: Cannot I ask that progress be reported?

The CHAIRMAN: I must put the clause as amended.

Clause, as amended, put and passed.

Clauses 10 to 18, Title—agreed to.

Bill reported with an amendment.

ADJOURNMENT—SPECIAL.

The MINISTER FOR TRANSPORT (Hon. C. H. Simpson—Midland): I move—

That the House at its rising adjourn till Tuesday, the 11th November.

Question put and passed.

House adjourned at 10.25 p.m.

Legislative Assembly

Tuesday, 4th November, 1952.

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

QUESTIONS.

HARBOURS.

As to Bunbury Cut and Report on Pollution.

Mr. GUTHRIE asked the Minister for Works:

As the engineer who was in charge of the Bunbury harbour is now in the metropolitan area, will he give the following particulars to the House:—

- (1) The present state of the cut from the estuary to the sea?
- (2) Details of the report of pollution which is occurring in the estuary caused by the plugging of the estuary?

The MINISTER replied:

The reports relating to these two questions will shortly be laid on the Table of the House.

COLLIE COAL.

As to Companies' Prices.

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

What was the price paid for coal from the following coal companies prior to, and subsequent to, the metal trades strike:—

- (a) Amalgamated Collieries of W.A. Ltd.;
- (b) Griffin Coal Mining Company;
- (c) Western Coal Mining Company?

The MINISTER FOR HOUSING replied:

(a) Price as at 21/2/52, £2 2s. 5d.; at 18/8/52, £2 13s. 6d.

(b) Price as at 21/2/52, £2 2s. 5d.; at 18/8/52, £2 12s. 8d.

Above prices are tentative and subject to adjustment.

(c) Price as at 21/2/52, £2 10s. 11½d.; at 18/8/52, £5 0s. 8½d.

HOUSING.

As to Stockpile Suspense Account.

Hon. J. T. TONKIN asked the Minister for Housing:

What were the balances of the imported houses stockpile suspense account as at the 31st July, the 31st August and the 30th September, this year?

The MINISTER replied:

As at 31/7/52, £79,637 2s. 2d.; 31/8/52, £77,742 7s. 2d.; 30/9/52, £77,313 7s. 2d.

FORESTS.

As to Danger from Pests in Imported Timber.

Hon. A. A. M. COVERLEY asked the Minister for Forests:

In view of the fact that it is on record that siren wasp has been introduced to New Zealand forests through the importa-

tion of timber, will he intimate what steps the Government has taken, or is taking, to protect our forests in general?

The MINISTER replied:

Every precaution as required by the Chief Commonwealth Quarantine Officer has been taken.

The timber was fumigated with gammaxane bombs while in the holds of the ship and after the timber had been deposited in store it was treated at weekly intervals with D.D.T. and pentachlorophenol until fumigated with methyl bromide. In the case of floor joists, which had been previously treated with creosote, some doubt existed as to whether the penetration of methyl bromide was satisfactory and heat treatment in a kiln was given to this timber.

Officers of the Commonwealth Quarantine Department, State Department of Agriculture and State Forests Department, have been in constant touch during the carrying out of the Commonwealth Department's requirements.

STATE ELECTRICITY COMMISSION.

As to Basis of Gas and Electricity Charges.

Mr. W. HEGNEY asked the Minister for Works:

(1) What are the particulars of the formula used by the State Electricity Commission to calculate the increase in price of (a) gas, and (b) electricity, following upon an increase respectively in the basic wage and/or the price of coal?

(2) Are increased charges for above commodities levied against consumers for a full quarter although there may be no increase in wages or cost of coal until a substantial portion of the quarter has expired?

The MINISTER replied:

(1) Gas—

- (a) For every 1s. variation in the basic wage, the price of gas is varied by—.002d. per unit.
- (b) For every 1s. variation in the price of Newcastle coal the price of gas is varied by—.003d. per unit.
- (c) For every 1s. variation in the price of Collie coal, the price of gas is varied by—.00133d. per unit.

Electricity—

- (a) For every 1s. variation in the basic wage, the cost of electricity is varied by—.004d. per unit.
- (b) For every 1s. variation in the cost of coal, the price of electricity is varied by—.015d. per unit.

(2) The increased charges, when ascertained, are applied to quarterly accounts depending on when the meters are read, the earliest being about three weeks after the quarterly declaration of the basic

wage. As a result, some quarterly consumers are affected retrospectively to some extent. Others are not affected retrospectively. It depends on the date during the quarter when the meters are read.

The basic wage has increased by 183 per cent., the cost of Newcastle coal by 291 per cent. at works and the cost of Collie coal at works by 279 per cent., since 1939.

During the same period the price of electricity to the average householder has increased by only 138 per cent., and the price of gas by only 117 per cent., these increases being far less than that of practically every other commodity the householder uses.

STREET LIGHTING.

As to Mt. Hawthorn District.

Mr. W. HEGNEY asked the Minister for Works:

(1) Is he aware that residents in Ruse-st., Osborne Park, and in Joondanna drive (between French-st. and Banksia-st.), Joondanna Heights have been waiting some months for street lighting to be installed?

(2) Can he indicate when such lighting will be provided?

The MINISTER replied:

(1) Yes.

(2) When copper cable can be made available for street lighting.

STATE SHIPPING SERVICE.

As to Cost of Running Vessels.

Mr. RODORED A asked the Minister for the North-West:

(1) What is the average running cost, per day, for the following vessels:—

"Koolinda";
"Kabbarli";
"Dorrigo"?

(2) What extra time is involved in these vessels calling at Cockatoo Island, as against a straight run from Derby to Wyndham?

(3) How many trips has each vessel made to Cockatoo Island during the last 12 months or so?

(4) What was the average tonnage carried to the island by each vessel, and at what rate per ton of—

- (a) freezer and special cargo;
- (b) general cargo?

The MINISTER replied:

(1) The average running cost as applicable on the 3rd November, 1952, was—m.v. "Koolinda," £647 per day; m.v. "Kabbarli," £370 per day; s.s. "Dorrigo," £450 per day.

(2) Distance from Derby to Wyndham direct or via Yampi is the same. Extra time is involved for discharging operations and sometimes waiting for daylight—varying between three and 15 hours.

(3) During the 12 months the 1st November, 1951, to the 31st October, 1952, the following calls have been made at Yampi:—m.v. "Koolinda," 2; m.v. "Kabarli," 6; s.s. "Dorrigo," 7.

(Note.—s.s. "Dulverton" made three calls during November, 1951, to March, 1952.)

(4) Average Tonnage—m.v. "Koolinda," 28.5 tons per voyage; m.v. "Kabarli," 32.1 tons per voyage; s.s. "Dorrigo," 50.7 tons per voyage.

Rate per ton, freezer and special cargo—prior to the 1st November—freezer, 127s. 6d. per ton; timber, equivalent 140s. 3d. per load. Present rate—freezer, 161s. 3d. per ton; timber, 180s. per load.

General cargo—prior to the 1st November—85s. per ton. Present rate—107s. 6d. per ton.

BILL—UNIVERSITY BUILDINGS.

Message.

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

Second Reading.

THE PREMIER (Hon. D. R. McLarty—Murray) [4.38] in moving the second reading said: The purpose of this Bill is to authorise the Senate of the University to use its trust funds to borrow on the security of its trust investments in order to provide money for the erection of buildings for the University, which normally would be built and financed by the Government out of Loan moneys. The use of the trust funds will be in the nature of a loan to the Government which, by this Bill, is obligated to pay interest to the University on the moneys used and to repay them over a period of 50 years. When the position of our Loan moneys became difficult I advised the Vice Chancellor of the University that the Government would be unable to provide any Loan money for the erection of additional buildings at the University during this financial year.

The Senate had already submitted to me proposals for a fairly substantial building programme which the University considers represents its urgent requirements. The Senate stated it would be impossible for the University to carry on its functions efficiently unless some of these buildings were commenced without delay. It then suggested that the more urgently required buildings could be financed from University trust moneys if the Government would undertake to repay, over a period of years, the moneys thus used,

and to pay interest annually on the amount owing. Following on those suggestions discussions took place between the Treasury and a sub-committee appointed by the Senate, as a result of which the proposals outlined in the Bill were adopted.

Mr. May: Has this been done before?

The PREMIER: Yes. I will deal with that aspect as I proceed. A procedure somewhat similar to that proposed under the Bill was adopted on two previous occasions when buildings were urgently required by the University and Loan Funds were scarce. During the depression the buildings known as the physics and chemistry buildings were financed out of University trust moneys and, by legislation passed in 1931, the Government undertook to meet the interest on the trust moneys thus used and to repay the principal over a period of years. Similar action was taken in 1938 when buildings required for the Faculty of Agriculture were erected, and members will see reference to those Acts in the Estimates under the section dealing with Special Acts, where the amounts appropriated each year for payment to the University are set out.

The proposals contained in this Bill are slightly different from those in the measures to which I have already referred, in that the two previous Acts relate to special buildings whereas the Bill now before us provides that the University may employ its trust funds, to a maximum of £100,000, on a number of buildings at present unspecified, but the buildings to be financed from that money are subject to my approval before any expenditure is incurred. I will, naturally, have to be satisfied that the buildings are so urgently required that I would have financed their erection had Loan moneys been available.

Another way in which the Bill differs from the previous legislation is that under the Acts of 1931 and 1938 the rate of interest to be paid by the Government to the University on trust moneys used was fixed, whereas under the present measure the rate of interest will be reviewed each 15 years. The reason for that provision is that the loan from the University will not be repaid for 50 years and it would be undesirable to fix a rate of interest for such a long period. Most of the trust investments are in Commonwealth bonds or Commonwealth loans and generally, when such loans are floated they have, as members know, a period of 15 years.

The Bill provides that the rate of interest to be paid initially shall be the rate fixed in regard to the first long term public loan floated by the Commonwealth after July of this year. The rate of interest will be reviewed thereafter at the expiration of each 15 year period. If the interest rate rises during these periods of 15 years

the University will not be deprived of the benefit, whereas if the interest rate drops the Government will gain a corresponding relief in regard to the interest payments it has to make to the University. Most of the investments and trust funds which will be used for the erection of the buildings contemplated in the Bill are in Commonwealth bonds. I understand that it is not the intention of the Senate to sell these bonds at their present market price, but to arrange for a bank overdraft with them as security.

As the loans mature the resulting proceeds will be used in liquidation of the overdraft, and in the meantime the annual repayments of principal made by the Government to the University will also be applied in reduction of the overdraft. It is expected that within the next five or six years the overdraft will be completely repaid. The Senate is satisfied that the arrangement contained in the Bill will enable the University to overcome the present difficulty and I am satisfied that it is a good arrangement enabling, as it does, the Government to meet the immediate building requirements of the University without drawing on our depleted Loan Funds.

Mr. May: Must the loan run for 50 years or can the Government redeem it earlier than that?

The PREMIER: The Government can redeem it earlier and, as I have said, we may be able to do so during the next five or six years.

Mr. May: Is there anything in the Bill to say that the loan shall continue for 50 years?

The PREMIER: I think there is—that repayments can be made over a period of 50 years, but that the amount may be redeemed sooner if the Government so desires. I move—

That the Bill be now read a second time.

On motion by Hon. J. T. Tonkin, debate adjourned.

BILL—BRANDS ACT AMENDMENT.

Message.

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

Second Reading.

THE MINISTER FOR LANDS (Hon. L. Thorn—Toodyay) [4.48] in moving the second reading said: Several amendments in this Bill are intended to clear up some anomalies which have been brought about by previous amendments, and will facilitate administration and enforcement of the Act. The definition of "brand" is amended to include flock-marking and also a brand for use in connection with stock diseases.

The former amendment is to cover an omission in previous amendments. The Chief Inspector of Stock considers that the work of checking the spread of a disease, or of ensuring that stock have been given preventive treatment against a disease, will be greatly facilitated if it is possible to identify them with a distinctive brand. This applies particularly at the moment to cattle which are being inoculated with strain 19 against contagious abortion, and also to T.B. reactors.

An amendment is made to the definition of "stud" so as to include sheep, in addition to horses and cattle. The parent Act makes reference to stud sheep and the definition of stud refers to a flock book. I do not think there is any doubt that the original intention was to include sheep in this definition, and the amendment places this beyond doubt. In order to facilitate the administration of the registration side of the parent Act, it is considered preferable that provision be made to have types of woolbrand prescribed by regulation. If at any time it is considered desirable to introduce a scheme where only approved types of materials may be used for woolbrands, the amendment will make its introduction an easy matter.

It is usual to have such matters as fees, forms and details of registration set out in the regulations made under an Act, but in this case they are included in the Act. The Bill removes them from the Act by repealing the respective schedules and provides for them to be covered in the regulations. When a person is applying for a brand, it has been necessary to accompany the application with a fee of 7s. 6d. This amount has prevailed since 1904, and it is considered very reasonable to ask for an increase to 10s., particularly in view of the fact that administrative costs have risen sharply over that period. Instead of this figure being a statutory amount under the Act, provision is made for future alterations to be made by regulation.

Similar provision is made for the loss of a certificate of registration. At present the Act requires a fee of 2s. 6d. to be paid for the issue of a duplicate certificate. It is not intended by the Bill to increase this amount, but provision is made for any increase in the future to be made by regulation instead of bringing the matter to Parliament. Any owner wishing to transfer his right to a registered brand is now required to pay a fee of 2s. 6d., but this amount is increased to 5s. Any future alterations to the amount will be prescribed by regulation.

Although required by the Act, it has not been possible to publish a brands directory each year, the main obstacle being cost. However, I feel sure that the amendment under the Bill will prove to be quite satisfactory. Provision is made for a directory to be published in the "Government Gazette" every 10 years, but all brands registered, transferred or cancelled in any

one year will be published in the "Government Gazette." I think members will agree that this should meet the position.

A new subsection is added to make it necessary for all owners to re-register their brands every 10 years. If they fail to do this, their registrations will be cancelled. A nominal fee of one shilling will be charged and a new certificate issued in order to remind owners of the correct characters of their brands. This will eliminate the mass of obsolete and unused brands which accumulate and render correct recording extremely difficult. At the moment the only way by which these obsolete brands may be cancelled is the slow and expensive method of serving notice in writing on the owners, followed by newspaper notice. For the purpose of this amendment, the first period will end in the year 1965, but from that time it will be every 10 years.

The Bill provides for the differentiation between cattle in agricultural areas and pastoral areas. At present it is necessary for owners anywhere within the State to brand their horses before they attain the age of 18 months. The Farmers' Union of Western Australia requested that the Act be amended to make it compulsory for cattle to be branded before they attain the age of 12 months. However, the Pastoralists' Association has requested that the present age of 18 months be retained in the pastoral areas. Effect is given to both these requests in the Bill.

Although the Act does not state specifically that sheep must be earmarked, various sections do imply that branding must take place. However, there is no direct statement to this effect. The Bill provides for the earmarking of sheep, but exempts stud sheep. With stud sheep, an owner may use his registered woolbrand or firebrand. The Act at present excludes stud sheep from being woolbranded, but no exemption was made in regard to earmarking. So the position now will be that breeders will not have to earmark stud sheep, but may tattoo their registered woolbrand on the ear of the sheep, or may brand them with their registered sheep firebrand.

An amendment is included dealing with the area in which sheep must be woolbranded. This is done to bring the relevant section into line with an earlier amendment in the Bill which sets out the agricultural areas for cattle branding. The area as it is now in the Act is very difficult to define as it follows an imaginary line drawn from the rabbit-proof fence through the town of Karalee and Mt. Ragged to the coast. Because of this added power to inspectors, it will be an offence against the Act if an order to return stock is not carried out by an owner. As the Act now stands, sheep cannot be offered for sale unless a registered woolbrand is distinctly marked on them. It is anomalous that this

section does not also cover the earmarking of sheep and the branding of horses and cattle, and the position is corrected by the Bill.

If an owner is found to have unbranded stock on his property, he is not guilty of an offence against the Act provided he claims them by notice in writing. This completely nullifies the section, and it is therefore amended so that it will be an offence if an owner possesses unbranded stock. The Bill proposes to increase the powers of inspectors. This action has been taken owing to many complaints having been received regarding the incorrect branding of stock sent to saleyards. The amendment will give an inspector power to return any unbranded stock back to the property from which it came. The Act makes it illegal for branding implements to be used elsewhere than on an owner's property. This provision is made to ensure that branding implements are not carried when droving. I think this is a very wise precaution.

Mr. Perkins: Could they not be branded in the saleyards before they are taken away?

The MINISTER FOR LANDS: The inspector would decide that. Therefore any branding at a saleyard would be illegal, and the inspector is given power to return stock to the respective properties to ensure that they are branded in conformity with the Act. He can still claim unbranded stock by notice in writing, but it will be obligatory for him to get them branded.

When a mortgage or bill of sale is taken out over stock, it is necessary for the mortgagee to notify the Registrar of Brands so that the brands register may be marked accordingly. This notice stands forever unless it is specifically withdrawn or cancelled by the mortgagee. A bill of sale has to be registered with the bills of sales branch of the Crown Law Department, and the mortgagee must renew it every three years. The amendment in this Bill will require the mortgagee to notify the Registrar of Brands each time he has to renew the mortgage at the Crown Law Department.

Hon. J. B. Sleeman: On what part of the sheep would the brand be placed?

The MINISTER FOR LANDS: I take it that it would be placed on the wool. This means that when a bill of sale is not renewed at the end of a three-year period, the notice can be removed from the brands register. I move—

That the Bill be now read a second time.

On motion by Hon. J. T. Tonkin, debate adjourned.

BILL—COOGEE-KWINANA RAILWAY.

Returned from the Council without amendment.

BILL—BROKEN HILL PROPRIETARY STEEL INDUSTRY AGREEMENT.

Second Reading.

Debate resumed from the 28th October.

THE PREMIER (Hon. D. R. McLarty—Murray) [4.59]: The Leader of the Opposition, when speaking to the Bill, certainly used very extravagant language.

Mr. Graham: All of it justified.

The PREMIER: Let us see about that as we go along. I think he must have searched the dictionary to find every adjective he could only to give power to his expressions.

Hon. J. B. Sleeman: Do you not think he put up a good case?

The PREMIER: No, he did not impress me at all.

Hon. J. B. Sleeman: He did me.

The PREMIER: He talked about the Bill as a rotten Bill, and then said he hoped members would not sink so low to support such a measure.

Mr. Graham: Hear, hear!

The PREMIER: Such language might appeal to some members, but I do not think it would make an appeal to the majority of them.

Mr. Graham: It was not an appeal; it was appropriate.

The PREMIER: It was not appropriate. This Bill has not been presented to the House without a very great deal of consideration.

Mr. Lawrence: By whom?

The PREMIER: By the Government. We recognise the importance of the measure and what it will mean to Western Australia should it be agreed to.

Hon. J. T. Tonkin: What will it mean?

The PREMIER: We recognise that there will be grave disappointment throughout the State if the measure is not assented to.

Mr. May: You are kidding!

The PREMIER: As the Minister for Industrial Development mentioned when introducing the measure, attempts have been made for many years past to establish a steel and iron industry in Western Australia.

Mr. Needham: The Bill will not establish it.

The PREMIER: I think it will.

Mr. Needham: Not by a long way.

The PREMIER: During the many attempts that have been made in that direction, very substantial demands were made upon the Government by the companies or promoters concerned. On this occasion we have one of the greatest steel manufacturing companies in the world—one of

the most efficient concerns of that nature and one that is selling the cheapest steel available in the world—that has offered to establish itself in our State. When I say that it has offered to do so, I do not want members to think that the company begged the Government to allow it to establish itself in this State. The Government made overtures to the company and urged it to come to Western Australia and establish works in the State. Let me ask members just what are the activities of this company throughout the Commonwealth or, perhaps I should say, in the States where it has established its operations.

Mr. Lawrence: Tell us all about that.

The PREMIER: Yes; if the hon. member will keep quiet—which I think would be only decent on his part—I shall explain.

Mr. Nimmo: He could not do that.

The PREMIER: Take the position in New South Wales where the company has works at Newcastle and Port Kembla.

Mr. Lawrence: That is what we want here.

The PREMIER: I fully agree with that.

Mr. Needham: This legislation will not give it to us.

The PREMIER: Does the hon. member think that the people of New South Wales are suffering because of the monopoly there? Does he think the people there consider it would be better for the State if B.H.P. were not operating there? Of course not. On the contrary, they would tell anybody inquiring about it that the establishments at Newcastle and Port Kembla have been godsend to the State. Those great industries in New South Wales have been of tremendous advantage to the State.

Mr. May: And now those industries are going to increase in size by using our iron-ore.

The PREMIER: I had the privilege some time ago of looking over the works at Whyalla and Iron Knob, which are operated by B.H.P. Whyalla is a town with a population of 10,000—and a beautiful town it is. Apart from the great works at Whyalla, a shipbuilding industry has been established there, which is of tremendous value not only to the township but to South Australia as a whole. The company is operating in both the States I have mentioned, and they are mighty lucky to have such a great company as B.H.P. established there. It is nearly 50 years since the leases on Koolan Island were first granted. To be factually correct, it was 47 or 48 years ago. What has happened over that period? The leases have been hawked about. Mention has been made of starting a steel industry in this State. All I can see that has happened in that direction has been an attempt to

export iron-ore from Western Australia. Such an action as that would not be in the best interests of the State.

Mr. Graham: And that is precisely what you are going to do under this measure.

The PREMIER: That is not so.

Hon. J. B. Sleeman: You were not of that opinion in 1938.

The PREMIER: Whatever opinion I may have held in 1938, I am definitely against such a course of action now. As the Minister for Industrial Development pointed out in the course of his introductory speech, the leases were transferred from one party to another many times during that 48 years.

Mr. May: But Western Australia is only a new State.

The PREMIER: It has been a State for over 100 years now.

Mr. May: But it is a very new State as regards secondary industries.

The Minister for Industrial Development: It is older than some of the other States.

The Minister for Works: And what advantage is there in keeping the iron-ore untouched, anyway?

The PREMIER: The Leader of the Opposition said something to the effect that a Labour Government would establish an integrated steel and iron industry, based on wood charcoal supplies, in the Collie or Bunbury area, if it had an opportunity to do so. We know that the wood charcoal iron and steel industry has not proved itself in other parts of the world. The Leader of the Opposition mentioned the industry in Sweden. It is true that something like 250,000 tons of steel are produced in Sweden annually. After all, when one takes into consideration the million tons of pig-iron made through the coking process, that is a small matter. It is interesting to note, as I have been told, that only recently one of the charcoal-iron works in Great Britain closed down its operations and turned over to other avenues because of the economics of the proposition.

We know that to establish the industry in the South-West on the basis of the proposals of the Leader of the Opposition, would cost between £10,000,000 and £20,000,000. That being so, in no circumstances could it be regarded as a practical proposition. Even if it were established, there is still the certainty that the steel which would be produced would be much dearer than that supplied by B.H.P. Members should bear this fact in mind that already three expert technicians in the employ of B.H.P. are oversea inquiring what can be done as regards the coking of Collie coal. It is safe to say that the B.H.P. experts are the equal of technicians in any other part of the world. They have gone

abroad to confer with other technicians to ascertain what advances have been made regarding the successful coking of coal such as we have at Collie.

Hon. J. T. Tonkin: Suppose a process is found by which Collie coal can be coked, will B.H.P. be bound to establish an integrated steel works here?

The PREMIER: There is no doubt at all that the desire of B.H.P. is to establish an integrated steel industry in Western Australia.

Hon. J. T. Tonkin: But it is under no obligation to do so.

The PREMIER: As regards being under any obligation to do so, I can only ask the hon. member why B.H.P. is having these investigations carried out abroad? Why has it sent its technicians to the Old Country and Europe to find out all they can about coking coal if it is not the intention to establish a steel industry in Western Australia?

Mr. Graham: That is eyewash!

The PREMIER: It is not.

Mr. May: There is nothing binding in the Bill along those lines.

The Minister for Industrial Development: Of course not!

Mr. May: Why not?

The PREMIER: As members know, the company proposes to spend in Western Australia anything from £3,000,000 to £4,000,000, and it would not contemplate such an expenditure unless it intended to establish such works.

Mr. Needham: But there is nothing to say it will do so.

The PREMIER: Is it likely that the company would spend such a huge sum of money in Western Australia if it did not intend to develop its operations as far as possible? Is it likely that it would not intend to go ahead with the great industries with which it is concerned? I was staggered to hear the Leader of the Opposition say that the proposed rolling mill would work for only three months in the year, or possibly for six months.

Mr. May: He said six months.

The PREMIER: Let us take six months. I ask members this question: Do they think this company would spend some amount between £3,000,000 and £4,000,000 on the establishment of an industry here? Having done so, would it employ its technicians, experts and skilled workers for six months and then sack them? Would it let the furnaces go out and would it close its works down completely?

Hon. J. T. Tonkin: What furnaces?

The PREMIER: Would it close down its works generally?

Mr. Needham: But such works do not have furnaces.

The Minister for Industrial Development: Yes, electric furnaces.

The PREMIER: Of course, it would have electric furnaces. Do members think the company would adopt that course? What would it do with its technicians, experts and skilled workers in the meantime? Do they think it would sack them at the end of six months and close the works down? Certainly not! No company possessing any business acumen would contemplate such a course, every six months or so. Yet the Leader of the Opposition told us that that would be done every six months! That would mean closing the works down and then having to re-open them at a later period.

Hon. J. T. Tonkin: Do you think the company intends to operate fully for 12 months each year?

The Minister for Industrial Development: Why not?

The PREMIER: I think that is the intention of the company.

Hon. J. T. Tonkin: Is it?

The PREMIER: Let me tell members that provision is made so that the company can work three shifts per day if necessary. Even if it should work only one shift, that, as the Deputy Premier indicated, would keep the staff employed. I put the question to the Deputy Leader of the Opposition: Does he think the company will sack the staff every six months?

Hon. J. T. Tonkin: I think there is provision in the Bill that will enable it to close down each year.

The PREMIER: It is not likely to do that.

Mr. Needham: There is no provision in the Bill to indicate that it will not.

The PREMIER: The proposed rolling mill is to have a capacity of 50,000 tons per year, or twice the present-day demand in this State for steel products. That is what this rolling mill and steel post proposition means to this State. But that is only the start. The intention of the company is to develop its operations as it proceeds. If that were not so, why has it purchased so much land in the Kwinana area? Obviously it is looking to the future, when it hopes to establish a fully integrated steel industry in this State.

Mr. Graham: You hope—that is all!

The PREMIER: That is the position.

Mr. May: The company has it all tied up.

The PREMIER: Provision is made for taking 200,000 tons of iron-ore from Koolan Island or Cockatoo Island.

Mr. May: At the company's price.

The PREMIER: That is provided for in the Bill.

Mr. May: But it will be at the company's own price.

The Minister for Industrial Development: No.

The PREMIER: No, it does not do anything of the sort.

Hon. J. T. Tonkin: Yes, it does.

The PREMIER: There is a provision in the Bill that certain matters shall be referred to arbitration.

Hon. J. T. Tonkin: Not the matter of price.

The Minister for Industrial Development: Any matter in dispute, and that would include price.

Hon. J. T. Tonkin: It would not, and the Minister knows it. I should like some proof of that.

The PREMIER: I do not think there is any doubt that provision is made in the agreement for control of the price of iron-ore. However, there will be ample time to look into that point. The company has already spent on Cockatoo Island a sum of £1,750,000, and I only wish that all members could inspect the work that has been carried out there. I saw it some years ago and must say I was greatly surprised indeed with the development that had been undertaken.

Mr. May: Does the company propose to spend a similar amount on Koolan Island while Cockatoo Island ore is being used?

The PREMIER: I cannot say at this stage what the company proposes to spend on Koolan Island, but we know that for nearly 50 years the Koolan Island leases have been hawked about and practically nothing has been done on them. There is nothing on Koolan Island today to show where any volume of money has been spent. One company did erect a building or two some years ago, but nothing further eventuated. On the other hand, the B.H.P. company at Cockatoo Island has the most up-to-date machinery in the world, housing under ideal conditions, and wharves and all the rest of it—a real effort to develop the industry.

Mr. May: Nobody is arguing about that. We are concerned about Koolan Island.

The PREMIER: My colleague pointed out, when moving the second reading, that this company is not planning for a mere 10 or 20 years ahead. It is spending a huge sum of money and must have security. As time goes on, I think there is no doubt that still larger quantities of iron-ore will be required. This year, a million tons of iron-ore will be shipped and the quantity will increase. We were told that there are 100 men on Cockatoo Island, and it is expected that that number will be increased.

Mr. Rodoreda: Did you say that the company will ship a million tons of iron-ore this year?

The Minister for Industrial Development: Yes.

Mr. Rodoreda: It will take some ships to carry that quantity.

The PREMIER: The company has its own ships, and is chartering others.

The Minister for Industrial Development: It will be chartering ships later in the year.

The PREMIER: Apart from the expenditure at Cockatoo Island, the company has built its own ships at tremendous cost.

Mr. Rodoreda: How many has it built?

The PREMIER: I cannot tell the hon. member the number, but some of them will be trading between Cockatoo Island and the company's works. When I visited Whyalla, two vessels were being built, and that is a considerable time ago.

Mr. Rodoreda: It would take some ships to carry a million tons of ore.

Mr. Lawrence: The company should buy the Commonwealth shipping line.

The PREMIER: The Leader of the Opposition, in the course of his speech, made several remarks upon which I should like to comment. He said—

A nett extension of the Cockatoo Island leases for 60 years is a great gift to any company. If B.H.P. was to give Western Australia a steel rolling mill of the type and capacity proposed in the agreement, in return for the extension of Cockatoo Island leases, it would still be very greatly in the debt of this State.

Now, what are the facts? If this agreement had never been entered into, B.H.P.'s existing leases at Cockatoo Island would have continued for a further 11 years. At the expiration of that time, the company would have applied for the issue of new leases, which would have a currency of 21 years, with the right of renewal for a further 21 years, or 42 years in all.

Mr. W. Hegney: That applies only to Cockatoo Island, and does not include Koolan Island.

The PREMIER: The company would have complied with the conditions of the first lease, and as it would have expended about £2,000,000 on equipment, housing, jetties, etc., the department would, as in the case of goldmining and coalmining leases, have granted the application for a new lease. The company could, therefore, reasonably look forward to being the lessee of the Cockatoo Island areas for 52 years, quite apart from any provision in this agreement. What does the extension of the Cockatoo Island leases amount to?

Mr. May: Do not you think that a lease of 50 years is a very good guarantee?

The PREMIER: That is not a great period in the life of a big industry.

Mr. Graham: Ample.

The PREMIER: We have been told about all the iron-ore on these islands, but nobody knows what quantity of ore may be economically obtained.

Hon. J. B. Sleeman: The Mines Department had an estimate.

The PREMIER: It would be difficult for the Mines Department to say what quantity could be economically obtained. If any company is capable of obtaining the great bulk of the ore economically it is the B.H.P., which has all the machinery, technical advice and the various requirements for the purpose.

Mr. May: What is your estimate of the Koolan Island deposit?

The PREMIER: I cannot remember.

Hon. J. T. Tonkin: You would like to revise your estimate, would you not?

The PREMIER: That would not make any difference as to approving of the proposal now before the House. I still think that this agreement should be proceeded with.

Mr. W. Hegney: I differ.

Mr. May: You cannot get out of it now.

The PREMIER: The Leader of the Opposition also stated—

The Government could not make available more than 30,000 tons of Koolyanobbing ore per annum to any interested body, and any representative of an iron and steel industry in the world would have to buy the balance from B.H.P. Such a company would not only be up against this difficulty, but would also be required to put up a bond to the extent of £100,000.

Then he went on to say that these clauses were calculated to freeze out other companies. The fact of the matter is that these clauses were drafted with a view to preserving the Koolyanobbing ore bodies and to prevent their being frittered away by any Government without reference to Parliament. Provision has been made, however, that where a genuine body indicates a desire to acquire an interest in Koolyanobbing and is prepared to put up a bond of £100,000 as a surety that it will proceed with the establishment of an integrated steel industry with production of not less than 100,000 tons per annum, the Minister may arrange such terms and conditions and approve of the working of the Koolyanobbing area. Since such an industry would cost probably more than £10,000,000 to establish, a bond of £100,000 cannot be considered to be unduly high.

As members realise, such a bond would keep out the speculator and the class of person that is looking for leases with the idea of doing something other than establishing the industry in this State. Surely, if there is a company able to find £10,000,000 or more to start an integrated iron and steel industry in this State, it should not be beyond its financial capacity to provide £100,000 as a token of good faith!

Mr. May: Is the B.H.P. putting up a bond?

The Minister for Industrial Development: It will have to, if it takes up the proposition.

The Attorney General: B.H.P. has the money, and everybody knows it.

Mr. May: Other people have the money, too.

The Attorney General: No, they have not. They were absolutely dumb.

Mr. SPEAKER: Order!

The PREMIER: I wish to deal with one or two other matters that were mentioned by the Leader of the Opposition. He said—

The agreement gives the company the right to use quite a fair proportion of secondhand plant, equipment and machinery.

The fact is that the company, on the passing of the measure, will commence the construction on the works site of a steel rolling mill or mills of a modern design and construction. Do members think that B.H.P. is going to install obsolete or out-of-date machinery in the works at Kwinana? Of course it is not! There is no company anywhere that is more jealous of its working conditions and efficiency than is the B.H.P., so the fears of the Leader of the Opposition in that direction are entirely groundless.

Mr. Moir: The company has a lot of rattletrap machinery on the mines, at Kalgoorlie.

The PREMIER: The company is interested in steelmaking, not goldmining. Its steel is amongst the best in the world; there is no question about its quality.

Mr. Moir: A company like that should be efficient in whatever it does.

The PREMIER: I agree with the hon. member there. The Leader of the Opposition also said—

Can we imagine for a moment the B.H.P. establishing an integrated iron and steel industry at Kwinana? The whole thing is too silly for words.

That is not the opinion of the company's experts. Members may pit the opinion of the Leader of the Opposition against that of the company's experts if they like, but the Kwinana area was specially selected as a site for an integrated iron

and steel industry. We know that the company expects to use some of the gases that will be obtainable from the Kwinana oil refinery, which will help eventually in the establishment of an integrated iron and steel industry. Butane gas, I believe, has a special attraction for the company.

Mr. McCulloch: Kwinana will not assist decentralisation.

The PREMIER: I think the hon. member will have seen statements that we as a Government did all in our power to have some of these industries established away from Kwinana but, as I have stated before, it is much easier to talk about decentralisation than to put it into effect.

Mr. McCulloch: You have been speaking about it for the last 20 years.

The PREMIER: Yes, all governments have, and I am still strongly in favour of it. There are many quotations from the speech of the Leader of the Opposition, but I shall leave the Minister for Industrial Development to deal more fully with them as he has put a tremendous amount of time into the Bill. I do not think any Minister could have given any more time and consideration to it than he has done. The Leader of the Opposition also stated that Wundowie was a success. I think there is some doubt about that because in the financial year 1949-50 the loss exceeded £117,000; in 1950-51 it was £101,000; and in 1951-52, subject to audit, £78,300. The accumulated loss is £488,000. The original estimate was £230,000. The capitalisation now is £1,379,000, and provision is made for a further £69,000 from this year's Loan Funds.

Hon. J. T. Tonkin: Was not the price of the commodity controlled so that the works could not get the benefit of the market price?

The PREMIER: If we had not asked the B.H.P. not to send pig-iron to Western Australia it would have delivered the commodity to us at a cheaper price than we were getting it from Wundowie.

Hon. J. T. Tonkin: Why was it the foundries in Western Australia were up against it in respect to supplies, and were taking all they could get from Wundowie?

The Minister for Industrial Development: Because we asked B.H.P. not to send any.

The PREMIER: The Minister for Industrial Development asked me to write to B.H.P. requesting it not to send pig-iron to Western Australia so that we could use the local area.

Hon. J. T. Tonkin: We had information supplied to us that if the works had been permitted to supply the products at the price B.H.P. was getting, a substantial profit would have been made.

The PREMIER: I do not think that is correct.

The Minister for Industrial Development: I will give you the figures in the manager's report later.

The PREMIER: The Leader of the Opposition put forward a proposal that the company could establish an integrated iron and steel industry, based on wood charcoal, in the Bunbury or Collie district, but I am told it has been estimated that if pig-iron produced with coke costs £15 a ton it would, produced with charcoal, cost £22 per ton. So I do not think there is much possibility of establishing successfully a charcoal-iron industry under present conditions. I suggest to the member for Collie that he should support the Bill in view of the fact that every possible effort is being made in all parts of the world to see what can be done in regard to the coking of Collie coal, and if we succeed it will be a tremendous thing not only for Collie, but the rest of the State as well. The Leader of the Opposition is of the opinion that there is very little chance of coking Collie coal.

Mr. May: You are supposed to be doing all this without the B.H.P. helping you.

The PREMIER: We can do a lot more if we have the technicians and research officers of the B.H.P. helping us.

The Minister for Works: The member for Collie expressed fears, during the discussion of the Oil Refinery Industry (Anglo-Iranian Oil Company Limited) Bill that they might introduce the use of oil to a greater extent and so jeopardise the future of Collie.

Mr. May: What has that to do with this?

The Minister for Works: It has everything to do with what you said just now.

The PREMIER: I hope the Bill will be passed. I see the representatives of the B.H.P. from time to time, and of course every member of the House knows of their ability and enthusiasm. Mr. Essington Lewis, I suppose the greatest industrialist Australia has ever known, has always shown a sympathetic interest in Western Australia. I can say that from my own association with him.

Mr. Lawrence: Why would he?

The PREMIER: Because he takes a statesmanlike view. He is a very big man. That is proven by the fact that, when a position of great responsibility had to be filled during the war, the present Prime Minister and then the late Mr. Curtin were both very glad indeed to avail themselves of the services of Mr. Lewis and everyone admits that he rendered service of great value to the country. In fact, it is admitted everywhere that the activities of the B.H.P. during the war period were a tremendous advantage to Australia generally.

Mr. J. Hegney: The criticism is not so much against the B.H.P. as an engineering firm as it is against the Government of this State giving away Western Australia's birthright.

The PREMIER: We are not giving away any birthright. The ore will be used in Western Australia, but under past agreements it would have been shipped outside of Australia. This is a very different proposition. As the hon. member knows, if the company does any of the terrible things that some people suggest, then the Government—any Government—will have power to deal with it.

Mr. Lawrence: Who in this Chamber suggested terrible things?

The PREMIER: The Leader of the Opposition talked about this terrible Bill.

Mr. Lawrence: Yes, but not the B.H.P.

The PREMIER: If the hon. member has faith in the B.H.P., why worry about the Bill?

Mr. Lawrence: We are not.

The PREMIER: I hope the hon. member is not, because his district has more to gain from the establishment of the industry than has any other electorate in the State.

Mr. Lawrence: I will have something to say about that, too.

Mr. W. Hegney: You had better round off because the new Standing Orders are in operation, and I do not want to be a "nark".

The PREMIER: Mr. Essington Lewis has a particular interest in the development of the northern part of the State. He has visited our northern areas, and there is no man more sympathetic towards our North than Mr. Lewis. I am certain that if B.H.P. comes to Western Australia it will show a sympathetic interest to that part of the State. I do not want to be the first to offend against the new Standing Orders.

Mr. SPEAKER: You, as Premier, have full time as far as I am concerned.

The Minister for Industrial Development: He has not had three-quarters of an hour yet; only 37 minutes.

The PREMIER: I do not know that I want to take up much more of the time of the House, except to say again that the Government fully believes it is doing the right thing in going on with this measure. We are most anxious that it should be passed. If it is passed I have no doubt at all that it will be in the best interests of Western Australia. Think of all the people who will be employed at Kwinana! The company will provide employment for our young university students, engineers, technicians and others. Indeed, it will provide permanent employment for hundreds of our young people and, as we all know, this

company is amongst the best employers, if it is not the best, in Australia. The working conditions of the men at Whyalla, Port Kembla, and even Cockatoo Island, where I went, are everything that can be desired.

Mr. Lawrence: Do you not think they should be?

The PREMIER: Yes, I think the best conditions should be given, but very few companies are able to give the conditions that this company gives; and it will provide future careers for our young people.

Mr. May: It is all right when you have no opposition.

The PREMIER: I say that for Western Australia this is a golden opportunity which should be grasped, and I believe that if the Bill does not become law there will be a wave of disappointment throughout the length and breadth of the country. We have considered all the criticism of the Bill—most careful consideration has been given to it—but we, as a Government, still believe that we are doing the right thing, and I can assure you, Mr. Speaker, we will spare no effort to have the second reading passed, and the Bill agreed to by Parliament.

MR. GRAYDEN (Nedlands) [5.40]: I must confess that when I first saw the provisions of the Bill I felt a certain amount of misgiving. I have followed the arguments for and against the Bill, both in the Press and in Parliament. It seems to me that the two main arguments possessing a certain amount of validity, against the Bill's being carried, are, firstly, that we are giving away a deposit of iron-ore of immense value for a comparatively small return; and, secondly, that by passing the Bill we will be preventing any other company from starting to process ore within the State. Regarding the first proposition, that we are giving away a deposit of iron-ore of immense value for a small return, I would like to say that I have gone thoroughly into it and I think that what we must remember is that, in a deposit of mineral of any magnitude whatsoever, the important thing is not the tonnage but the price. For instance, it is quite possible to have in this State a mineral deposit worth, if it were in transit to or in a capital city, thousands of millions of pounds.

If the cost of extraction and transport to some place where it could be used were greater than the value of the mineral, then obviously to work the deposit would be uneconomical. I was even more disturbed by this proposition, because it is obvious that there are great advantages in a high-grade ore, when I found that 80 per cent. of the iron-ore used in Great Britain contained only 27 per cent. of iron, and that in America the ore from the Mesabi Range—the great iron-ore deposits in America—contained only 35 per

cent. Koolan Island ore is approximately 65 per cent. It means that when we extract a ton of high-grade ore there is twice as much iron as from a low-grade ore; that when we transport a ton of high-grade ore we are transporting twice as much iron as with a low-grade ore, and that in the processing in a blast furnace we are extracting, for the same amount of fuel, twice as much iron.

All this hinges upon the question of price, or what the ore is worth. I took the trouble to find out the cost in the greatest steel country in the world—that is America—and the price there, for an ore comparable to that at Koolan Island, is 8 dollars 30 cents to 8 dollars 70 cents per ton f.o.b. Lake ports which, in the Australian equivalent, would work out to roughly £3 16s. 0d. If the ore is worth that sum of money free on board at the Lake ports in America, which are near their steel industries, we could say that would be a fair market price in Australia for the ore free on board at Newcastle.

But if we consider the costs of extraction and transport it would be apparent that the costs would equal, if not exceed, what the ore is worth. I might point out, at this juncture, that the transport cost to America is 20 dollars or roughly £9 per ton. So I think there would be little profit if we were to sell ore at Newcastle at prices equal to world parity. That is the question on which the value of the deposit hinges, because after all it is price and not tonnage that counts. We can have a tonnage with a potential value of thousands of millions of pounds, but if the price is not equal to the cost of extraction and transport the deposit is worthless.

Hon. J. T. Tonkin: You are trying to prove that the deposit is valueless, are you?

Mr. GRAYDEN: I say it is uneconomical to work for export.

Mr. Johnson: That is why B.H.P. want it.

Mr. GRAYDEN: The second proposition is that this Bill would prevent any other company from starting the processing of ore by means of blast furnaces in this State. In this regard there are a number of points; firstly, that the ore at Yampi is not as suitable for blast furnaces as the ore at Koolyanobbing. The ore at Koolyanobbing is of a slightly higher grade and it is a hard ore, whereas the ore at Koolan Island is of a friable type. As everyone knows, the ore and fuel used in a blast furnace must support a great weight in the column of the furnace with all the other ore and fuel above it. So the advantages of a hard ore over those of a powdery ore are obvious.

Secondly, everyone in this House knows that the tides on our North-West coast make the shipping of any goods difficult and that, added to the transport costs in-

volved, means that the cost of transporting the ore to Perth would be comparable with the cost of transporting Koolyanobbing ore to near Perth. There are 75,000,000 tons of ore estimated to be at Koolyanobbing and I think we would be lucky if we could establish in this State a steel industry which used 200,000 tons of iron-ore a year. At that rate the Koolyanobbing deposits would last for 375 years and even if we used 500,000 tons a year—and that could be used only in an industry of great magnitude—the deposit at Koolyanobbing would last 150 years. Therefore, while Koolyanobbing is free from control by B.H.P. there can be no question of a monopoly of iron-ore in this State. I would point out that this portion of the Bill is contained in a part which can be amended at any time by any Government; the only part of the Bill that cannot be amended is the agreement.

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

Mr. GRAYDEN: But all the provisions relating to Koolyanobbing are contained in the part which can be amended; they are not contained in the agreement. I would point out to members of the Opposition that if they become a Government they can at any time, if they have any worthwhile reason or even without a reason, move for the repeal or revision of this provision.

Mr. Graham: Of course you have heard of the Legislative Council?

Mr. GRAYDEN: I have heard of the Legislative Council, but in this Chamber I prefer to call it "the other place." I would say that if the Opposition is returned to power at the next election, and it has a reasonable proposition to put forward, I cannot see the other place standing in its way.

Hon. E. Nulsen: They have done it before.

Mr. GRAYDEN: The only loophole that I can see in the provisions relating to Koolyanobbing is that there is nothing to prevent B.H.P. from pegging the leases and obtaining control of them when the 10-year period laid down in the Bill expires. If that were to happen they could gain a monopoly, and in Committee I intend to move an amendment to provide that the deposits can only be taken over by anyone with the approval of Parliament. Summing up, I would say that I have no great dislike for B.H.P. or any great admiration, except for its efficiency and for the working conditions which it gives to its employees.

Mr. Graham: Which the employees won.

Mr. GRAYDEN: I believe the company receives a lot of praise where praise is not entirely due, and that is for making steel cheaply. I would point out that B.H.P. has for its use some of the cheapest coking

coal in the world and it has cheap manganese available to it. The company pays the people of this State about £7 a ton f.o.b. Geraldton for manganese, whereas the world price is about £25 a ton, and the coking coal price is shillings below the English price and literally pounds below the American price. So I think it would take a good deal of investigation to say whether B.H.P., all factors considered, is more efficient than the overseas steel corporations; but there is no doubt that it is an efficient concern and it gives good working conditions to its employees.

Above all, there is no doubt that the establishment of a steel rolling mill in this State would mark a great advance in our industrial expansion. I think the question that is occupying the minds of the Opposition, that B.H.P., if this agreement were passed, would do no more to establish a blast furnace, is not correct, because if it were possible to use Collie coal for blast furnaces in this State, and if we kept Koolyanobbing free from control by B.H.P., as soon as Collie coal could be used in blast furnaces B.H.P. would build such furnaces in this State to keep out any competition. At present we cannot use Collie coal for that purpose but, if we could, B.H.P. would realise that we could get somebody interested in the proposition of establishing a steel industry in this State. So all in all, while I had a great deal of misgiving when I first saw the provisions of the Bill, upon investigation I feel that those fears are disposed of and I can almost without reservation, support the measure as it stands.

MR. BUTCHER (Gascoyne) [5.55]: I listened with interest to the Premier, more so because he said that it was not the desire of B.H.P. to establish a steel industry in this State but it was the Government's desire that they should do so. I think if we look at the Bill and the agreement we must readily agree that that is exactly the position because great privileges indeed have been bestowed upon this company. I speak as a person who has an admiration for B.H.P. I like their efficiency and undoubtedly they have had every cause to show efficiency in this country as they are the only people engaged in the major steel industry in Australia. They have no competition and they have developed their industry in a workmanlike manner.

We must also take a realistic view of B.H.P. I do not believe for one moment that it is a Fairy Godmother about to wave a wand of prosperity over this State. I believe that its directors are doing what they have been paid to do—look after the company's interests. But I am concerned that our directors are not doing the same for the State.

Mr. Graham: Hear, hear!

Mr. BUTCHER: When the proposition contained in this Bill was discussed last March I put forward a suggestion that was made to me and many other members by the member for Nedlands, that an option should be given to B.H.P. for the Koolan Island leases, and in consideration for that option the company should establish a 12in. steel rolling mill at Kwinana and, should the company develop a process so that it could establish an integrated iron and steel industry in this State, based on Collie coal as fuel, within a number of years the Koolan Island leases should be granted to the Company. I stick to that now and I think other members should too when they realise the magnitude of the deposits at Koolan Island.

When the Premier addressed the House last March, he estimated that the deposits of iron-ore at Koolan Island were 30,000,000 tons above high-water mark. To those of us who know mining "high-water mark" means the probability of the start of the sulphide zone of the ore body. But I was amazed recently when I had occasion to visit the Government Geologist on some complex ore which had been discovered in my district to find that apart from the immense deposits of 91,000,000 odd tons above high-water the reference to high-water had nothing to do with sulphide ores. It is a fact that the iron-ore deposits on those islands is of a sedimentary origin which will maintain a continuation of that structure to depth. Therefore it will be an oxidised ore to as deep as it can be economically worked. That is a very big factor, because oxidised ore is the only ore suitable for blast furnaces.

When the sulphide zone is reached we find approximately 50 per cent. of sulphur content which would cost a tremendous amount of money to drive off from the ore, and the resultant pig-iron would be of very poor quality and of little consequence. Therefore the oxidised zone is the only kind that can be mined in an iron-ore deposit for blast furnaces. The Premier referred to 20,000,000 tons on Cockatoo Island; actually the figure is given as 18,782,000 tons above the high-water mark. I will say that reference to the high-water mark has some relation to fact on Cockatoo Island; the lode there forms the southern extremity of the island and as it descends to the water it is lapped by the ocean. So it will be obvious to all that mining could not be undertaken by quarrying below high-water mark.

But with ordinary underground mining methods, provided ore is left sufficiently deep under the shelf or floor of the ocean orthodox underground mining could be proceeded with, and probably another 19,000,000 tons could be extracted. Broken Hill Pty. Ltd. already has the undisputed right over some 38,000 tons of ore on Cockatoo Island and I do not believe that for an extension of the lease it should have

agreed to put up a mill. The company already has undisputed rights over that and I agree it should have that right. But it should have erected a mill at Kwinana for an option over Koolan Island.

When I was associated with mining in an executive capacity it was my practice when trouble occurred to call in the experts. These experts had the ability to apply academic knowledge in a very practical manner. These experts specialised in the various branches and not over the whole of the industry. For instance, if the development ran into an intrusion or a fault a geologist could be called in to give advice. If the milling section gave trouble an expert in metallurgy would be called in, and so on. I was amazed, when the Minister was supplying the Leader of the Opposition with answers to questions, to hear him say that the experts from Wundowie were not called in to advise the Government. I think that is definitely wrong. Those people today know far more than any other man in Western Australia when it comes to matters relating to the reduction of iron-ore. To think that their advice was not asked for and made use of by the Government is something that I cannot understand.

Mr. Perkins: On what aspect do you think they could advise?

Mr. BUTCHER: In answer to that may I say that any man who has taken the trouble to go to Wundowie and see for himself all that Wundowie has to show would know that they could advise the Government that it would be a practical proposition to base an integrated iron and steel industry in this State on charcoal.

The Premier: Rubbish!

Mr. BUTCHER: The Premier says, "rubbish!" A few days ago he interjected, when the Leader of the Opposition was speaking, and had the stupidity to say that charcoal-iron was only suitable for certain things. I want him to know that charcoal-iron is the finest iron in the world and can be used for anything.

The Premier: What about the price?

Mr. BUTCHER: I will come to the price.

The Premier: You ought to.

Mr. BUTCHER: I did not interject when the Premier was speaking.

The Premier: A lot of other members did. You must not mind interjections; do not be sensitive.

Mr. BUTCHER: I am not at all sensitive. I will tell the Premier about the price.

Mr. Oldfield: Where did you get your knowledge from?

Mr. BUTCHER: I have made a study of the matter, and that is what the hon. member should do before he votes on this Bill.

Mr. Oldfield: But from where did you get your knowledge?

Mr. BUTCHER: I went to experts and that is what the hon. member should do.

The Attorney General: Would you call Harris an expert?

Mr. BUTCHER: Why should I not call him an expert?

The Attorney General: Because he is not.

Mr. BUTCHER: I would rather say that Harris is an expert than say the Attorney General is one. That man has sweated blood out there, and he has done so to perfect those industries. The Premier can laugh, but let me tell him that this industry at Wundowie is a monument to Western Australia, and it is a pity that the Government did not advise its followers to go there and look at it before it introduced a Bill like this.

Mr. Perkins: You did not answer my question as to the aspect on which you thought the experts at Wundowie could advise.

Mr. BUTCHER: I did. I said they could advise on the establishment in Western Australia of an integrated iron and steel industry based on charcoal. Is not that an answer?

Mr. Yates: Where do you get the charcoal from in large quantities?

Mr. BUTCHER: I will deal with that. How is it being done in Sweden? It has been done there for centuries and they are still producing 250,000 tons of steel a year from timber far inferior to ours. How are they doing it in Brazil, where they have furnaces of 300-tons capacity?

Mr. Yates: Labour costs would be high.

Mr. BUTCHER: They would not. These are matters which I wish members would investigate.

Mr. Perkins: How much a ton for its ingots would Wundowie have to charge to make it a payable proposition?

Mr. BUTCHER: I would like members to know that Wundowie, which is only a pilot mill equivalent to a five-head stamp battery, has a production compared with the Wiluna mill capacity, of only 30 tons of pig-iron a day. That industry was brought into being for the purpose of investigating whether an industry could be established on charcoal in this country.

Mr. Perkins: What would the cost be for a larger plant?

Mr. BUTCHER: With interest excluded Wundowie is showing a profit over working expenses today. It is a pilot mill and that is the point I want to emphasise. As a large scale concern it would show a very considerable profit.

The Attorney General: I do not think you have made a serious study of it.

Mr. BUTCHER: The Attorney General should know that if money is subscribed for a company to develop and equip a mine there is no such thing as interest being charged on that capital. There may be £500,000 provided for that purpose and until it is expended or until the mine comes into operation—and even when it does come into production—there is no question of interest on that money. It is merely a question of profits; a surplus of revenue over expenditure.

The Attorney General: I do not know. I would not invest any money in a mine that you might manage.

Hon. J. B. Sleeman: If you had half an excuse—

Mr. SPEAKER: Order!

Mr. BUTCHER: The Attorney General should know. He knows enough about investments to realise that this is correct. There is merely a profit made and dividends are declared on that, but interest on the capital subscribed does not come into it at all.

The Attorney General: But you would expect profits?

Mr. BUTCHER: Profits are being made at Wundowie now.

Mr. J. Hegney: And plenty of men are being given work, too.

The Premier: You should see the Treasury.

Mr. SPEAKER: Order! I warn members they are getting too noisy altogether.

Mr. BUTCHER: The point I wish to make is that Wundowie has shown how a very substantial integrated iron and steel industry can be established in Western Australia based on charcoal as a fuel.

The Attorney General: They could not even do it in Sweden.

Hon. J. T. Tonkin: You are not serious about that.

Mr. BUTCHER: An industry of 100,000 tons a year in Western Australia is all I ask for, because there is no doubt about it that we are unfortunate enough to have coal that cannot be coked. The Broken Hill Pty. Co. Ltd. knows that. It also knows that the low shaft furnace is not a success, nor is it likely to be. The company knows that, otherwise it would not be establishing an industry at Kwinana. It takes almost four tons of coal to produce a ton of basic iron on the low shaft furnace system.

The basic principle that governs the matter is that the locality of the blast furnace should be as near the fuel as possible, and that if it is not possible to be near the fuel it should then be as close to the iron as possible. The policy of any company is to get near either to the fuel or the iron. The Broken Hill Pty. Ltd. never intends to do more than to give to Western Australia a 12 in. steel mill. It

is about to expend £4,000,000 and in return it will get about 200,000,000 tons of extremely high grade ore—between 58 per cent. to 67 per cent. of metallic iron. By giving that away this country is giving away its power of bargaining for the establishment of an integrated iron and steel industry.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. BUTCHER: It is well that we should have a quick look at the agreement. Let us see what the Government has contracted to do for the company and, in return, what the company has contracted to do for the Government. Firstly, 600 acres are to be made available at Kwinana, which will undoubtedly be the heart of the industrial centre of Western Australia. This land is to be made over at cost of resumption; and, in presenting the Bill, the Minister stated that the land was far in excess of what the company needed for a rolling mill. Yet there is something in the Bill which makes it impossible to resume any of that land should the integrated industry not be established at Kwinana.

The Government also contracts to make available railway facilities, water and electric light, and is prepared to spend £200,000 on dredging for the establishment of berthing facilities which the company is to erect. Those things are not of very great consequence, because the facilities are being made available for Kwinana, except the £200,000 for dredging. Surely it would not have been wrong for the company to provide that money, as the Government is so short of funds, even if the Government paid the company interest on that amount.

From there we go to Koolan Island and, as I have stated, there is that huge reserve of 200,000,000 tons of ore, and if we hand that over to the B.H.P., we are giving the company the absolute right to dictate its terms to the Government. What I mean to say is that as long as we hold that bartering medium we could, in time, induce B.H.P. to set up an integrated iron and steel industry in Western Australia based on charcoal fuel. I want it to be perfectly clear that, because of the fact that our coal is useless for a blast furnace, our integrated iron and steel industry here must be limited, possibly to 100,000 or 150,000 tons per year.

But that industry would be a high-class one. I would like members to know that it was Swedish iron that laid the foundation for the great Sheffield steel industry of England, and that the same class of high grade pig-iron would be available to Western Australia. Iron produced from charcoal does not contain sulphur or phosphorus. Therefore, by the use of the Bessemer steel process, it can be converted to steel much cheaper and more quickly than any pig-iron produced in Australia by the coke method. Then again, the

company has contracted to erect a rolling mill at Kwinana and a jetty to cost in the vicinity of £4,000,000. That is all it contracts to do. It is stated in the agreement that the company will investigate the use of Collie coal as a fuel for an integrated iron and steel industry, but I contend that those investigations have already been made and it will never be established in Western Australia. The only way the industry can be established is to base it on charcoal fuel, and B.H.P. knows all about that. As long as we keep this island of 200,000,000 tons, so long will we have a bartering medium.

It is not as though B.H.P. is short of ore. At the rate of 1,000,000 tons a year it has 38 years' supply of ore at Cockatoo Island. What right, therefore, have we to rush into this now? No right at all! We are mortgaging our children's future. That ore at Koolan Island does not belong to us. It will not be used for 38 years by the company, which has all that ore in sight at Cockatoo. So we have no right to rush into this. Furthermore, I am surprised that this company found it necessary to have even our mining laws altered. Those laws have been good enough for great companies which have invested millions of pounds in mining, yet they are not good enough for B.H.P., which does not trust the Government and wants a first lease of 50 years. I cannot understand it.

Mr. Graham: The Premier is dumb.

Mr. BUTCHER: I said before that Wundowie has shown us the way. I am only sorry that all members have not been able to have a look at Wundowie and see for themselves the success it is. It is all very well to say it is a financial failure. The industry was set up to prove that pig-iron could be produced on charcoal fuel, and that has been established. Many mistakes have been made there, because the men who were responsible for founding it knew practically nothing about it. But today they know very much more; in fact, they are experts in the game. They have shown that this charcoal industry at Wundowie can be expanded—not at that site, but probably at Collie, in the heart of the forest land—and can be a wonderful asset to this State. A township of 10,000 people could be set up there—a decentralised township, which would be of great value to Western Australia.

The Premier: What would you use? Our Jarrah forests?

Mr. BUTCHER: Charcoal can be retorted from all kinds of eucalyptus timber and that timber makes the best charcoal in the world. All the limbs and all the timber that is unfit for the sawmiller to handle can be utilised in the production of charcoal and the chemicals which are retorted from that.

The Premier: You have a word with the forestry people!

Mr. Hill: Who would finance the proposition?

Mr. BUTCHER: The B.H.P. Company.

Mr. Hill: You bet they would, if it was a paying concern!

Mr. BUTCHER: The company would finance it, but it will not do so while it can obtain that iron without doing it. There is no doubt that from the point of view of mass production an integrated iron and steel industry founded on coke is by far the better proposition. But that is B.H.P.'s point of view. Our point of view is: What is best for Western Australia?

The Premier: That is it!

Mr. BUTCHER: And the charcoal industry is the one that is best for Western Australia.

Mr. Graham: Absolutely!

Mr. BUTCHER: Collie coal cannot be used as a fuel for a blast furnace. But charcoal can be used; and instead of these forests being mined as they are today, with only 50 per cent. of the timber that is cut being used, the forests, by the introduction of the charcoal-iron industry in a large way, would be farmed properly. Trees that are not good enough to be cut by the sawmillers would be removed and room would be left for reforestation. So from whatever way we look at it, the great benefit to Western Australia that would accrue from the introduction of an integrated iron and steel industry based on charcoal is the greatest thing that could happen for this State.

To emphasise that I have no dislike for B.H.P., I point out that I would not mind giving the company Koolyanobbing also if it integrated 100,000 tons of steel per year in Western Australia. If we did that we would be doing something for posterity. In my opinion, however, what we are doing is, as "The West Australian" leading article put it, giving the whip hand to the company. I do not like that expression, but at least we are giving the company a bartering medium which today is ours, and that is wrong.

Mr. Yates: Are you in favour of the B.H.P. mining ore at Cockatoo Island and Koolan Island?

Mr. BUTCHER: Yes, if it established an integrated iron and steel industry in Western Australia; I would definitely be in favour of it. I cannot emphasise that too much, and I would even give it Koolyanobbing.

Mr. Yates: Do you not think that could come through negotiation?

Mr. BUTCHER: It will never come once this agreement is signed. There is no guarantee in the Bill that B.H.P. shall do anything but establish the steel rolling mill at Kwinana and operate it for just so long as is necessary to supply the needs of

Western Australia with its product. That is all that the company contracts to do for the State. If, on the other hand, under the agreement we had to hand over Koolan Island only when an integrated iron and steel industry had been established here, we would have something which we cannot expect to get under the agreement as contained in the Bill.

There is this difference also, that the ore body at Koolyanobbing—unlike the deposits at Cockatoo and Koolan Islands—consists of a sulphide lode with an oxidised lode above water level. I am informed that drilling, if not already in progress, will soon be commenced to test the sulphide ore body at Koolyanobbing. If the sulphides are found to be as expected, Koolyanobbing will be the source from which the sulphur for the manufacture of sulphuric acid needed in the production of super will be drawn, and it is only about half the distance from the metropolitan area compared with Norseman, in addition to which it is a far larger ore body. Those are important factors, and yet we are tying up Koolyanobbing for 10 years under the Bill. Such things are hard to understand.

When the member for South Perth spoke to the debate, he mentioned that Governments in the past—14 years ago—were willing to hand over Koolan Island for the purpose of exporting the iron-ore to Japan. Even "The West Australian" agreed with that policy, as did many members of this House. That only proves my argument. Broken Hill Pty. Ltd. are now prepared to spend £4,000,000 to get hold of that ore, but as they do not need it for another 20 or even 40 years, why not let the State keep it so as to have a bartering medium? We should not let it go until we have received something worthwhile in exchange for it.

Mr. Hoar: The agreement is an absolute disgrace.

The Premier: Keep on saying that. It will not make any difference.

Mr. BUTCHER: I realise that it will not do any good, but that is a great pity.

Mr. Hoar: That is how dictatorships are made—talking as the Premier is talking.

Mr. Graham: He will not listen to sound reasoning.

The Premier: I am tired of listening to you.

Mr. BUTCHER: There is a further point that the member for Nedlands referred to in relation to Koolan Island. I would like members to know that Lake View and Star at Kalgoorlie is mining between 600,000 and 700,000 tons of ore per year and is fine-grinding it to a consistency almost that of flour, which is an expensive process, though the ore at the outset is worth only £3 per ton in gold content, and all the stores and supplies the

company requires have to be carted from Fremantle to Kalgoorlie. As against that, the ore which B.H.P. will mine by mass production methods at Cockatoo Island will be worth to the company something over £10 per ton. I am basing that figure on the metallic iron content of the ore and the price at which pig-iron is sold, £18 per ton. With a metallic iron content of 68 per cent. it is easy to work out the value of the ore. I repeat that Lake View and Star is mining ore from depths of up to 3,000ft. and, after fine grinding it, is making a profit on ore, the gold content of which is worth £3 per ton.

Mr. McCulloch: Is that after meeting all costs?

Mr. BUTCHER: That is the over-all value of the ore. In an American journal "The Iron Age" dated the 11th September, the price of charcoal pig in America is given at £34 2s. 6d. a ton, whereas the Wundowie charcoal pig, which is the equivalent, sells at £22 5s. or £11 7s. 6d. per ton cheaper than the similar product in America. Broken Hill coke pig is selling at £18 per ton or £6 17s. 4d. cheaper than the coke pig in America, which is quoted at £24 17s. 4d. Whichever way we look at it, it is worth while establishing an integrated iron and steel industry in this State, and it can be established on the basis of charcoal-iron. Admittedly, it will not be a large industry. We have not the coke for it, but we have the best grade of fuel in the world, charcoal, which will give a very select grade of steel. I would like members to think well before voting on this measure and not be as Esau who, for one morsel of meat, sold his birthright—

For ye know how that afterward when he would have inherited the blessing he was rejected for he found no place of repentance though he sought it carefully with tears.

That might well be what could happen to posterity—to the children that will follow us in this State.

Mr. Yates: You paint a very dismal picture.

HON. J. B. SLEEMAN (Fremantle) [7.52]: I remember other debates on the subject of iron-ore, dealing with Yampi Sound, since I have been in this House and I can recall seeing on the Table of the House the Yampi Sound file, which was exceedingly interesting. It would have been interesting to members also, had the Minister decided to bring that file along and show them what has happened in the past in regard to Yampi. I can remember the famous telegram which appeared on that file where the forfeiture was applied for and the magistrate in the North-West at that time—I think it was a Mr. Reynolds—wired to the Minister for Mines of that day, "I have taken evidence. Have heard both sides. Decision could go either

way." In other words he was as good as asking the Minister which way the verdict should go.

Since this debate commenced we have been privileged to hear two very good speeches. One was delivered by the Leader of the Opposition and the other by the member who has just resumed his seat. They both had a good grip of the subject and explained the position well. Members will recall that just after the present Government took office it ordered an inquiry into the working of Wundowie, and that in the end nothing was done against Wundowie because the Government could not find any excuse for closing it down. I believe this Government would have liked to do that because Wundowie did not fit in with the ideas of the ironmasters of the Commonwealth.

I have here the report on the charcoal-iron industry at Wundowie, Western Australia by Alexander J. Gibson, M.E.; M.I.C.E.; M.INST., E.A. The Commissioner said he had visited many of the factories in the Perth district, and had discussed with the managements matters relating to present output and future prospects, so far as the consumption of pig-iron was concerned. He continued—

Certain aspects of the industry were, I understand, brought before the Ironmasters Association, particularly with regard to the prospects of establishing a small rolling mill capable of handling locally produced steel ingots and producing small sections in the way of rounds, squares, flats, angles, etc. Their interest and assistance in the discussions I had with them is much appreciated.

It will be noticed that he said that a small rolling mill capable of handling locally produced steel ingots would be desirable. Wundowie was built only as a pilot plant and Mr. Gibson evidently wanted a pilot rolling mill to test out the products of Wundowie, but in the end nothing was done about it. We have heard a lot about timber, and on that question Mr. Gibson at page 13, with regard to timber, said—

The investigation of available supplies of timber within a 15-mile radius of Wundowie has been thoroughly done and there is little doubt that sufficient timber is available for the assumed life of 25 years or even considerably longer. The reports and estimates of the mill manager are very complete and the figures provided as to the costs of labour, maintenance, etc., can be accepted. The area to be cut over comprises certain Crown land reserves, State forests and private lands, and it is estimated that a total yield of 3,172,500 tons from an approximate area of 251,500 acres will be obtained.

There is no reason to doubt that the figures supplied by the mill manager and corroborated by officers of the Forests Department will be obtained. It is estimated that the Wundowie industry will require upwards of 75,000 tons gross weight of timber per year and that from this will be obtained sawn timber, sawdust, boiler wood and retort wood. There is more than ample to cover the assumed life of the plant and if production is likely to be increased at any time in the future, there are still areas other than Crown land available for private negotiations.

That is at page 13 of the report, and at page 62 there appears the following:—

1. That the methods of costing set out in this report should be adopted by the industry so that the information with regard to the economics of any section of it may be properly established at any time and be used as the basis of control of future possible development.

2. That in addition to direct research and investigation with regard to the utilisation of timber, fibres, etc., there is required more information as to the physical and chemical changes and re-actions that take place during distillation of Western Australian timbers.

3. That the good offices and the actual collaboration of the Council of Scientific and Industrial Research should be sought in connection with the establishment of a joint forests products laboratory capable of dealing with investigations of the nature referred to throughout this report.

4. That the assistance of the Iron Masters' Association should be sought with regard to the establishment of a small rolling mill to form the basis on which future extensions might be made.

Those were his recommendations. Shortly after the present Government assumed office, on the 5th August, 1947, Hon. A. R. G. Hawke asked the Minister for Industrial Development—

(1) When is the proposed inquiry regarding the charcoal-iron and wood distillation industry likely to commence?

(2) What are the detailed terms of reference given by the Government to the Commissioner chosen to conduct the inquiry?

(3) To what extent were the members of the board of management of the industry consulted regarding the question of an inquiry before the Government made its decision to hold an inquiry?

(4) When was the board officially advised of the Government's decision to hold an inquiry?

(5) To what extent was the board consulted regarding the terms of reference?

(6) What is the total amount of fees and expenses per week to be paid to the Commissioner in connection with this inquiry?

The answers were as follows:—

(1) The inquiry is virtually concluded. The final report is awaited.

(2) No Commissioner was appointed. Mr. Alexander Gibson, an eminent consulting engineer of Sydney, was asked to make an investigation.

(3) They were not consulted.

(4) and (5) The chairman of the board was advised immediately the inquiry was decided upon and with him general terms of the inquiry were discussed.

(6) Fifteen guineas per day, which is the minimum prescribed in the scale of professional charges issued by the Institute of Engineers, plus two guineas per day travelling allowance.

So it will be seen that in the middle of August, only a short time after the Government took office in March, it instituted an inquiry into the Wundowie charcoal-iron industry, and had a recommendation from the engineer who made it. If the Government gets away with this Bill, it will prove to be a betrayal of its trust as representatives of the people. Even Judas when he betrayed our Master had the decency to hang himself afterwards.

Mr. Lawrence: You are not suggesting that the Government should do the same?

Hon. J. B. SLEEMAN: It could take an example from Judas. Of all the gifts that have been made to its supporters, I think this is the best of them all. It is proposed to grant to the B.H.P. both Cockatoo and Koolan Islands for 50 years, plus another 21 years. In addition, the company has a stranglehold on the deposits at Koolyanobbing for ten years. If the Government gets the Bill passed, it should not run short of capital for conducting its election campaign. If I were the B.H.P. and the Government made a deal such as this with me, I would certainly contribute a cheque for a nice little sum towards payment of its election expenses.

Mr. McCulloch: That would be corruption.

Hon. J. B. SLEEMAN: To make a gift to their friends is not corruption; it is only a business proposition. The Government might suggest it is only a matter of bookkeeping. The Government must have forgotten another deposit at Tullerang Peak; otherwise it probably would have granted that to the company as well.

Mr. Sewell: Leave that one alone!

Hon. J. B. SLEEMAN: The member for Geraldton says, "Leave that one alone," but, as I say, the Government evidently forgot all about it. The member for South Perth quoted extracts from the debate on the 1938 motion. He was foolish to do so, because that was a discussion that we had in this House on the iron deposits at Yampi Sound. At that time, the Commonwealth Government placed an embargo on the export of iron-ore from Yampi. The reason was to prevent it going to foreign powers. I ask members if they have ever heard of Pig-iron Bob who, when war with Japan was imminent, did all he could to send iron to Japan. The lumpers and waterside workers at that time refused to load the iron. The present Minister for Health remarked what a great crowd they were.

The Minister for Health: And he was the one who stopped it going to Japan.

Hon. J. B. SLEEMAN: If the Minister will wait a minute, I will tell her all about it.

The Minister for Health: You are talking a lot of rubbish.

Hon. J. B. SLEEMAN: I cannot hear what the Minister is saying.

The Minister for Health: I said you were talking rubbish.

Hon. J. B. SLEEMAN: I will show the Minister where she talked rubbish, too. She says one thing one minute and another thing the next, as she did when she brought down a Bill for the abolition of capital punishment, and at the first chance she got as a member of a Government she sent a man to the gallows. At this time, the Premier did not oppose a motion moved against the imposition of an embargo on iron-ore by the Commonwealth Government. That motion was as follows:—

That the Parliament of Western Australia emphatically protests against the embargo placed by the Commonwealth Government on the export of iron ore from Australia, in view of its disastrous effects upon the development of the State. We consider that the information available does not warrant such drastic action, and we urge the Commonwealth Government to remove the embargo.

Sir Charles Latham did not oppose that in 1938, and it was eventually carried unanimously because he did not call for a division. Sir Norbert Keenan moved this amendment before the motion was agreed to—

That the following words be added to the motion:—"If, however, the embargo is, contrary to our just remonstrance, persisted in, we demand that the Commonwealth Government take efficient steps to ration the supply

of iron ore required for use in Australia so that the State of Western Australia will be assured of a reasonable share of such supply."

Sir Norbert afterwards withdrew that amendment. The Minister for Health, when speaking to the debate on this question, said this—

I quite agree with the member for Collie. The minerals should belong to the people, 60 years, 100 years, 200 years are as nothing in the life of a nation. The minerals belong not only to the present generation, but also to generations yet unborn. Many rash statements have been made with regard to populating the North and establishing industries in the North. The Leader of the Opposition and the Deputy Leader of the National Party have made it quite clear that cattle would not carry effectively to Japan.

You will remember, Sir, that it was proposed that cattle should be exported with the iron. The member for Subiaco went on to say—

It has been asserted by the Premier that the Japanese are now a meat-eating people. They are not in fact a meat-eating nation. In religion they are Buddhists and Shinto-ists and do not eat meat, although considerable quantities of meat go to Japan.

Mr. McCulloch: Who said that?

Hon. J. B. SLEEMAN: The present Minister for Health. She said—

I quite agree with the member for Collie—

The Minister for Health: I still think so, and so they will, under this agreement; so all you are talking about is so much rot.

Hon. J. B. SLEEMAN: Further on, at p. 565, the present Minister for Health said this—

I believe in the nationalisation of minerals. I am sorry that the member for Nedlands did not persist in his amendment, because in my opinion it was a constructive amendment, whereas the motion is destructive. I do not think the majority of the people of Western Australia is in sympathy with the Premier's motion; but if he thinks so—

This is the gem!

—It is a good opportunity for him to go to the country and put the question to the people. Let him ask the people if it is their will that our iron-ore should be allowed to go to a foreign country to be converted into munitions.

Those are two occasions on which she said that she believed in the nationalisation of all minerals and that they should belong to the people. The iron-ore deposits of this

State will not belong to the people if the control of them is to be passed to the B.H.P. The position would not be so bad if those deposits were to be granted to the company for only sufficient years to enable them to establish an iron and steel smelting works in this State, but the agreement does not provide for that. I have some further extracts here I would like to quote. This is what the present Minister for Industrial Development said in 1938, in support of the Premier's motion—

It appeared to me at first sight that the debate on this motion might well have been limited to the Leaders of the respective Parties. As the discussion has not been confined to the leaders of the respective Parties, however, I consider that other private members might express their views on the matter. I propose to support the motion without reservation, mental or otherwise. The situation seems to be capable of being summarised very shortly, and I do not propose to take up much time in discussing it. I think we are all satisfied—at any rate I am—that the reason so far advanced by the Federal Government for the imposition of the embargo is totally inadequate. If there is any other reason, and it is probable and in fact possible that there is such a reason—an international or some other reason—of much greater importance than the one that has so far been offered, I venture to suggest that the Federal Government could have taken the Premier of this State into its confidence and told him what the reason was.

Then he goes on to say at a later stage—

As the Premier has not been supplied with any reasons that would convince him that there was no occasion for this motion and that there was a sound basis for the imposition of the embargo—the information could have been given in confidence as between the head of one Government and the Leader of another Government—we must as Western Australians support the motion.

I have felt that Western Australia would be a great deal better off out of the Federation—

The Minister is prepared to send the iron-ore to Newcastle but is not prepared to have it processed here. Continuing—

—and were it not for the defence aspect I should still be more strongly of that opinion. The defence aspect does make some of us hesitate to put forward our ideas on the question of secession. However, the question of secession does not come into this matter. Nevertheless one thing is certain, and it is, that if we are to develop this State—

This State, Mr. Speaker, not New South Wales!

—to the best of our ability, we need some strong and sound reason why our attempts to foster this particular industry should for the time being or for a considerable future period be hindered. In the absence of such reason I intend to support the motion.

That was a motion moved by the then Premier, Mr. Willcock, against the ban imposed by the Commonwealth Government. The present Premier, in 1938, had this to say—

All of us were very sorry when we heard that the great iron-ore deposit at Yampi Sound was not to be worked. I believe that the only reason why the Federal Government has imposed the embargo is because it fears that there is a shortage of iron-ore in the Commonwealth. After all, Ministers cannot be blamed for accepting the advice of their experts. The Federal Government accepted the advice of its experts. I consider that the request made to the Federal Government that it should permit a certain quantity of ore to be exported over a certain number of years should have been granted.

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

So he said that the export of that tonnage over a given period would have made no difference at all! He went on to say—

I sympathise with the people of the North who had a chance of witnessing the development of a great industry, but who have now been disappointed.

Later on he said—

I realise that that is a difficult matter. I do not know where the compensation would end. I repeat that in my opinion the request for the export of 15,000,000 tons of ore should have been granted. Had work been started at Yampi Sound the foundations of a great industry would have been laid in this State.

Again I say that the foundations of a great iron and steel industry will not be laid in this State as a result of the passing of the Bill. If it were to provide definitely for the establishment of such works in this country, it would be different. I believe that the embargo on the export of iron-ore in 1938 was imposed not because the metal was to go to a

foreign country but because the trade was interfering with the sales of iron and steel by B.H.P. Ltd. As members know, that company had been participating in substantial trading operations with Japan and had the iron-ore been transported to that country the business of B.H.P. would certainly have been interfered with, because the company would not have been able to dispose of its production of iron and steel.

I think nothing but good would have resulted from the acceptance of the very reasonable suggestion made by the Leader of the Opposition. He said he was prepared to grant the company a lease for 50 years respecting the iron-ore on Cockatoo Island and would be agreeable to staying his hand for a further ten years. If at the end of that time B.H.P. could show that the company intended to establish an iron and steel works in this State, he would be prepared to give them a lease of Koolan Island. I cannot for the life of me understand why the Premier does not accept the suggestion of the Leader of the Opposition. It would mean the opening up of a large industry in this State instead of pursuing the present proposal of sending our valuable iron-ore to Newcastle and merely a rolling mill being established at Kwinana.

There is nothing in the Bill to guarantee that an iron and steel industry will ever be established in Western Australia. All the return we are to get from the millions of tons of iron-ore that are to be taken from Western Australia is the establishment of the rolling mill at Kwinana. I have a report published by the Mines Department in the publication, "The Mineral Resources of Western Australia", which was issued in 1945, that indicates the quantity of iron-ore above and below water level on the islands in Yampi Sound. The document sets out the following in reference to the iron-ore deposits in this State:—

These deposits have had little attention paid to them up to the present as sources of metallic iron, as conditions are adverse to trading such low-priced material to distant markets . . .

The economically important ores of the State are of three types:—(1) Haematite lodes or beds associated with pre-Cambrian greenstones and sediments; (2) brown iron-ore (limonite) lodes forming the weathered portions of large sulphide lodes; (c) laterites composed mainly of mixtures of limonite and gibbsite.

The largest iron deposits in the State are at Yampi Sound in the Kimberley division, and others exist near Roebourne in the North-West . . .

The Yampi Sound deposits consist of several beds of haematite forming members of a sedimentary series of quartzites, argillites, etc., of pre-

Cambrian age. The ore bodies, therefore, belong to the class of bedded sedimentary haematite deposits to which are referred about two-thirds of the world's known commercial iron-ore reserves.

That is a pretty big statement to make. The experts of the Mines Department say that about two-thirds of the world's known commercial iron-ore reserves are to be found on the islands at Yampi Sound. To continue the extract—

The largest bed measures 130ft. in thickness of first-class ore on Cockatoo Island, and over 100ft. near the Trig Station on Koolan Island, and on the former island the ore forms a wall a mile and a quarter long and up to 300ft. high, rising from the shore of the Sound and from deep water for about half its length. On Koolan Island, the main bed, probably the same as that on Cockatoo Island, crops out for over three and a half miles in length in precipitous cliffs, rising to 600ft. above sea level, and at three points the ore is bared right down into the waters of the Sound, with soundings of 10 fathoms of water close to the shore. The Sound is a deep, well-sheltered harbour, capable of navigation by the largest vessels afloat. The estimate of ore at Yampi above high-water mark is 97,000,000 tons which makes it one of the world's great iron deposits. The quantity obtainable by mining below water level must be vastly larger. There was at one time a strong bid by Japanese interests to obtain leases at Yampi Sound, but this was disallowed by the Commonwealth Government.

Thus it will be seen that the estimated quantity of iron-ore available is 97,000,000 tons above water level and a vastly larger quantity below it. The fact that that percentage of commercial iron-ore is available must supply members with the reason why B.H.P. is anxious to secure complete control of the iron-ore deposits on the islands in Yampi Sound. Once it obtains that control, its future will be assured. Western Australia will be the poorer in consequence, because there will be no iron and steel works established in this State. All we will have will be the rolling mill and the price we will pay will be the loss of the enormously rich and huge deposits in the North. I do not believe that even if some means of coking Collie coal is discovered, an integrated iron and steel industry will be established in this State.

It would not be in the interests of B.H.P. to establish such an undertaking here. All it seeks to do is to get possession of the huge quantities of iron-ore available in the North and in return to set up the small rolling mill. When that is done, it can proceed happily on its way. I hope that even

at this stage the Premier will decide to agree to the proposition advanced by the Leader of the Opposition. It might intimate to B.H.P. that it could have the iron-ore on Cockatoo Island in return for the establishment of rolling mills here, and if within 10 years it could satisfy the Government that an iron and steel works would be established here, it could have the Koolan Island deposit as well. I know it would be a wonderful thing for Western Australia if an integrated iron and steel industry were established here, but it would also have been wonderful if the value of the Wundowie project had been proved. If that undertaking could be successful, as it has been to a large extent, it would be of great advantage to the State, and the Leader of the Opposition should be complimented on having established it.

I am satisfied that if that undertaking were given a fair chance, it would do much towards the production of iron and steel in this State. It would be of advantage to the State if the charcoal-iron industry were to be developed rather than that our iron-ore should be taken elsewhere out of the State. It is all very well to say that we are sending our iron-ore to the East and are getting it back for use here, but the return we are to receive is not satisfactory. I hope the Premier will agree to the proposition of the Leader of the Opposition.

MR. LAWRENCE (South Fremantle) [8.25]: I open my contribution to the debate on the Bill with the remark that I watched the Premier when he was speaking tonight and noted that he was obviously ill at ease. I could only come to that conclusion, after due consideration of the Bill. He knows that this measure will certainly or, possibly be one of the major factors in defeating or, I might say, sealing the doom of the Government at the next general election. What was more surprising to me were the Premier's opening remarks when, in reply to an interjection, he stated that the deepest consideration had been given by the Government to the Bill. I took it from his statement that the Premier and his Ministers, together with the Co-ordinator of Industrial Development, had given due consideration to the measure and had made this iniquitous agreement with B.H.P.

I would like to ask the Premier whether he and his Cabinet considered the matter of the establishment of an integrated steel industry in this State, without having regard to information from various experts. The Government, as the representative of the people of Western Australia in Parliament, naturally has a great responsibility in looking after the welfare of the community. Nevertheless the Premier tonight has not given us one word of justification for the Bill. All he did was to refer to the feats of B.H.P. It is of no importance

to me what the great feats of B.H.P. may be nor yet what may be its faults. After all what has that phase to do with the debate on the Bill? The agreement, which the Bill seeks to ratify, was entered into by a handful of people—I refer to Cabinet—with what I suppose is the greatest monopolistic company in Australia. I do not think anyone will deny that that description of the company is accurate, yet we have had no word of justification for that document and its contents.

The Premier: Has the monopoly done any harm—if it is a monopoly?

MR. LAWRENCE: That is exactly what I would expect from the Premier, because all he pointed out during the debate was what the company had accomplished, as though that had anything to do with the agreement.

The Premier: But talking about monopolies, has the company proved detrimental to Australia?

MR. LAWRENCE: I have heard the Premier and his supporters say they do not believe in monopolies.

MR. HOAR: The fact remains that it is robbing the State of its wealth.

MR. LAWRENCE: I must take the Premier's remark with a grain of salt. The member for Fremantle has shown tonight that members on the Government side of the House have changed their opinion since 1938, particularly when we have regard to the statements made by the present Minister for Health, that all minerals in the State should be nationalised. I agree with her there.

The Premier: I do not think that that was what she said.

Hon. J. B. SLEEMAN: Yes, she did!

MR. LAWRENCE: I could refer to "Hansard" to support my statement, but I shall not waste time at this juncture. Those were the words she used. The Premier went on to say that the company is going to spend £3,000,000 or £4,000,000 in this State. B.H.P. made a profit of £3,000,000 in Australia last year and will probably make even more this year, and if it is going to spend £3,000,000 or £4,000,000 in the State, no member should be misled into believing that it will not make a good profit out of that investment. B.H.P. is not a philanthropic society.

The Premier: I do not expect it to be.

MR. LAWRENCE: That is why it proposes to expend all this money; it will probably get that amount returned three-fold.

MR. HOAR: The company seems to think the Government is a philanthropic society.

MR. LAWRENCE: I disagree with that, because I believe the Government considers the people are a philanthropic

society. The immense wealth of this country belongs to the people and is to be given to the company, and nothing is to be received in return for it. Only from the Opposition benches has there been any constructive criticism of the agreement. The other evening the member for South Perth stated that the Leader of the Opposition had offered no alternative proposition to the agreement before us.

The Premier: I do not think you listened very carefully. You kept up a running fire of interjections.

Mr. LAWRENCE: That is what the Premier is doing now. Later, the member for South Perth went on to say that the alternative suggested by the Leader of the Opposition was a very weak one. That is the sort of criticism we have had from the Government side of the House. I say it is definitely not good enough. I consider that the Leader of the Opposition gave a clear and lucid explanation of the Bill and of the colossal sell-out that the measure represents. The hon. member also stated that B.H.P. was a marvellous firm. I do not know how that is so. It has a monopoly of the steel industry in Australia and probably its main success is due to the people who work for the company and not to the people who have huge sums of money invested in it. We heard the Premier to-night speak of the wonderful conditions that B.H.P. has given to the workers. Nothing has been won by the workers except by a struggle. B.H.P. never handed anything to the worker on a silver platter.

Hon. E. Nulsen: It is all paid for by the consumers.

Mr. LAWRENCE: Would the Premier indicate that the workers are not entitled to it?

The Premier: I did not say that.

Mr. LAWRENCE: What else could the Premier have meant? Obviously the workers are entitled to it because they made £3,000,000 profit for the company last year. B.H.P. certainly did a remarkable job in the production of steel during the war. Nobody will deny that. However, many other people played an important part in the defence of the country and the ultimate winning of the war. I suggest that the Premier himself assisted to do so and so did other members.

The member for South Perth stated that he did not believe in monopolies. Yet he was very keen to grant a monopoly to B.H.P., as will be the case if this Bill is passed. As the Leader of the Opposition pointed out, what other company could ever hope to establish an integrated iron and steel industry in this State if B.H.P. had a monopoly of the whole of the iron-ore reserves of the State.

Mr. Nalder: Other companies have had an opportunity.

Mr. LAWRENCE: Yes, but is that any reason why a monopoly should be given to B.H.P.? Members on the Government side claim to favour free competition, but by ratifying this agreement, they will stifle free competition. There would be a chance of getting competition if the proposition put forward by the Leader of the Opposition were adopted. I believe that competition will be forthcoming because Australia in the course of time, though perhaps not for another hundred years, will be not far behind the leading manufacturing countries of the world. In the United States of America there are various steel corporations, and I believe there will be more than one in Australia when this country is fully developed. If we complete this agreement, however, we shall be preventing competition for the next hundred years.

Mr. Perkins: Do you think it likely that another firm would start in opposition to B.H.P. in Australia?

Mr. LAWRENCE: I cannot say, but an integrated iron and steel industry is not likely to be established in this State if this agreement is approved.

The Minister for Industrial Development: There are two chances—one, B.H.P. and one the Koolyanobbing reservation.

Mr. LAWRENCE: That is, if Collie coal can be successfully coked, but I do not place any faith in that being accomplished. I think it is an improbability.

Mr. Perkins: You do not think that B.H.P. can be trusted?

Mr. LAWRENCE: I would trust it just as much as would any member. I remind the hon. member that an interjection was made the other evening by the Minister for Health as to whether we trusted the company. What about the alternative? Does B.H.P. trust the Government? If the answer is in the affirmative, naturally the Government does not trust itself. What would B.H.P. have to fear by establishing a steel rolling mill without obtaining full control over every ounce of iron-ore in the State? What would it have to fear that its interests would not be protected by the Government and that it would not receive a decent spin?

Mr. Perkins: The company has a fear that there might be a bad Government in Western Australia at some time in the future.

Mr. LAWRENCE: I consider that the Government on this question has not played fairly with members of the House, officers of Government departments or the people. The member for South Perth also said he did not believe in people in other countries having basic materials for industry. We have heard the opinion bandied around in this Chamber that iron-ore should not be exported to Japan. I heartily disagree with that opinion. Any nation has the right to receive steel if it is needed for the economy of the country.

It seems to me that wars result because of the monopolies granted by Governments and because companies will not permit certain material to be exported to other countries. If nations cannot obtain the basic materials they require by fair means, they will resort to foul means or to war.

The same member mentioned the failure of State instrumentalities to pay their way. That may be so, but the Premier knows and the member for South Perth should know the reason. Whom could we get to buy the State Shipping Service or the railways? Nobody, because they are not paying propositions! So I cannot see that that argument had the effect of providing support for the Bill.

The Premier: That is no reason why we should start any more of them.

Mr. LAWRENCE: It is the duty of any Government, irrespective of its party political complexion, to start industries.

Mr. Hoar: The present Government started new bus services.

Mr. LAWRENCE: We have been told that B.H.P. is committed to certain undertakings. The question arises as to what the company is committed to, and I intend to deal with that question along the lines adopted by the Leader of the Opposition. The member for South Perth claimed that the working of the deposits of iron-ore in this State would be assured. Under this agreement, there is no guarantee whatever that the deposits will be worked.

The Attorney General: Do not you know the mining laws?

Mr. LAWRENCE: Perhaps not word for word, but I know the effect of them. Under the agreement, the Mining Act will have no force.

The Attorney General: It will in respect to Cockatoo Island.

Mr. LAWRENCE: What about Koolyanobbing? The Attorney General stated that, under the Mining Act, iron-ore could be mined there for 10 years. I know that it cannot be, because provision to that effect is made in the agreement. Nobody can deny the need for establishing secondary industries in this State. Our's is an immense territory, and if we look far enough ahead, we must appreciate that this State is destined to carry a large population. Necessarily we must have secondary industries established to provide that population with employment.

There is no doubt it is necessary for the welfare and progress of the State to establish those industries. Now the big question arises as to how to establish them. Is it to be by an agreement such as is proposed by the Government, or should it be by an agreement proposed by experts—not purely a handful of Cabinet Ministers—drawn from every branch of industry that the establishment of this fur-

ther industry will affect? As pointed out by the Leader of the Opposition the other night, after the Minister for Industrial Development had answered the question about the Mines Department being asked for advice, it appears that the Wundowie charcoal-iron industry experts were not asked anything about the matter.

The Mines Department was asked for its advice, but as the Leader of the Opposition pointed out, its information was apparently cast aside. There are other aspects to this, especially that of where the wharves, etc., are to be set up. We find they will come within the boundaries of the Fremantle Harbour Trust, which stretch from the inner harbour to a point between Safety Bay and Rockingham. I know that even on the aspect of the wharves, neither the Harbour Trust Commissioners nor Colonel Tydeman have been approached. I deplore the action of the Government in adopting an attitude such as this in connection with a most important industry which will affect the economy of the State in more ways than one.

The Australian Stevedoring Industry Commission has not been asked its opinion. Worse than anything else, the real owners of the iron-ore, the people themselves, have not been asked their opinion. The Leader of the Opposition threw out the challenge to the Premier the other night that the question should be taken to the people as an election matter. The Premier and his Ministers refused to do that because, I suggest, the Premier knows full well that the Commonwealth Liberal-Country Party Government is doomed, and that his party in this State is doomed. He is following the same tactics as those adopted by the Menzies-Fadden Government which has sold A.W.A., C.O.R. and the Commonwealth shipping line, and has crippled T.A.A. This Government is following the same principle and is serving its masters, the monopolies.

The Attorney General: Do you want the oil industry at Fremantle?

Mr. LAWRENCE: I believe, just as much as does the Attorney General, in the establishment of industry in the State, but I believe it should be established along sound lines, and that the wealth of the people should not be sold to a monopoly—not sold, but given away. It is necessary for the future economy of the State that both primary and secondary industries be established as soon as possible.

The Attorney General: You believe in fairies—a wave of the wand and they arrive.

Mr. LAWRENCE: When I look at the Attorney General, I believe in a lot of things. We have this agreement before us. It will to a large degree upset the economy of Fremantle, but the areas that will be affected by the establishment of

the industry—those embraced by the Rockingham and Fremantle Road Boards—have not been asked for any information. Even when the responsible Ministers of the Government made tours of my electorate, where the industries are to be established, they did not have the decency to say to me, "Come along and see what is going on in your electorate." I consider it is very shabby treatment to responsible people.

Mr. Brady: That is the general practice nowadays.

Mr. LAWRENCE: If ever I am in the position to do that to the Ministers who have done it to me, I would like to wield the stick, but I feel I am big enough not to do that. I trust that in future the Government will take some notice of the point I raise, and will do the decent thing by the members of the various electorates. The Government proposes to give to the B.H.P., for 71 years, the iron-ore at Cockatoo Island; for the same period, the iron-ore on Koolan Island; and for the same period the iron-ore at Irvine Island. Of course the big bone of contention is the closing of Koolyanobbing for 10 years so that B.H.P. will be given a certain monopoly of any steel industry to be established in this State.

The Minister for Industrial Development: You have completely misinterpreted that clause.

Mr. LAWRENCE: The Minister will have an opportunity to answer my remarks later.

The Minister for Industrial Development: I give you the information now.

Mr. LAWRENCE: I think the Minister should keep it until he replies.

The Premier: No.

Mr. LAWRENCE: The Government also intends to give to the B.H.P. electric power, and water to the extent of 4,000,000 gallons per week, to which no-one objects because we know the company must have water, yet people in other industries—especially the primary industries—cannot get a showerbath because they have no water and the Government cannot find one penny to give it to them.

The Minister for Industrial Development: This will not cost anything extra. It is going to the Kwinana Oil Refinery.

Mr. LAWRENCE: Does not the same thing apply there?

The Minister for Industrial Development: That is the law of the land. You did not oppose that.

Mr. LAWRENCE: It was not the law.

The Minister for Industrial Development: It is included in an Act which was passed in March last.

Mr. LAWRENCE: That is true, and the Government was warned about it then.

The Minister for Industrial Development: Warned about what?

Mr. LAWRENCE: It was pointed out to the Government at the time that it was spending much wealth and putting in a lot of work for secondary industry to the exclusion of primary industry. An amount of £200,000 is to be spent on dredging work, yet the Government cannot provide a decent hospital service, nor a water supply at Narrogin where people cannot get a showerbath.

The Minister for Works: Have you ever been to Narrogin?

Mr. LAWRENCE: Yes, and I will challenge the Minister on this.

The Minister for Works: You are always challenging somebody and not getting very far.

Mr. LAWRENCE: Let the Minister accept the challenge if he is game. I say that in certain parts of Narrogin a person cannot get a showerbath, but a decent water supply has been promised by the Government of the moment and past Governments since 1940.

The Premier: We are making every effort to carry it out.

Mr. LAWRENCE: The Government is not getting very far.

Mr. W. Hegney: You have the pipeline to Mt. Barker, have you not?

Mr. LAWRENCE: In comparison with what the Government proposes to do, what is the company going to do? The company will create a steel rolling mill to produce certain steel products to satisfy the local market. That is all the B.H.P. is committed to do, except for various works around the wharves.

The Premier: Is that all the company will do?

Mr. LAWRENCE: The Premier most certainly tries to camouflage my statements. I repeat the company is only committed to create a steel rolling mill to produce for the local market, and to do various small works around its waterfront area. Does the Premier deny that? In return it is to get a monopoly of every ounce of iron-ore known to be in the State.

The Minister for Works: What about Koolyanobbing?

Mr. LAWRENCE: It is tied up for 10 years, which definitely gives the company a monopoly.

The Minister for Industrial Development: Rubbish!

Mr. LAWRENCE: If another steel industry were established here the iron-ore would have to be bought back from the B.H.P.

The Minister for Industrial Development: Rubbish!

Mr. LAWRENCE: We can be assured that the B.H.P. would not let any other company compete with it.

The Minister for Works: How will it prevent it?

Mr. LAWRENCE: Quite easily. The Leader of the Opposition pointed that out.

The Premier: I do not think you have a grip of the subject, somehow.

Mr. LAWRENCE: I listened to the Premier tonight, and if I have not got as good a grip as he has, I will "go he", because he did not put forward anything constructive as to why the Chamber should pass the agreement.

Mr. Brady: He was out of his depth.

Mr. LAWRENCE: It becomes apparent to me that the Government believes that monopolies should be created.

The Minister for Works: Do not talk rot!

Mr. LAWRENCE: I do not think the Minister is any Rhodes scholar. I have the courage to go to the people on this question to see whether they are all silly.

The Minister for Works: We will have to face them at the next elections.

Mr. LAWRENCE: Very true, but by that time you will have this insidious thing through.

The Premier: We hope so.

Mr. LAWRENCE: It will not be with my agreement, I give my assurance on that. There is no doubt the Government is trying to do exactly the same as its counterpart in Federal politics, even to betraying its own members when it says it believes in competition. We can look at the filthy and vile thing the Menzies-Fadden Government did in regard to T.A.A. On the one hand it believed in competition, and on the other it stopped it.

The Minister for Lands: How did it stop it?

Mr. LAWRENCE: By refusing to allow T.A.A. to compete. That is exactly what was done.

The Minister for Works: Is that so?

Mr. LAWRENCE: That is so. The Government does not allow T.A.A. to compete because it has said, "Here are the Government mails, and you can tender for them as you did before," and T.A.A. acquired the tenders. But now the Government has said, "You shall have only half of these contracts and the other half shall go to the private company, plus £3,000,000."

The Minister for Works: It is in the interests of competition.

Mr. LAWRENCE: Is that competition?

The Minister for Works: Yes.

Mr. LAWRENCE: I do not see that there is much competition in T.A.A. having half the mail contracts taken from it by force. Then why does not the Government allow competition with regard to this agreement?

The Minister for Works: I thought you were going to pursue your argument about the other question.

Mr. LAWRENCE: There is no argument about it; it is quite obvious that free enterprise means competition, but I am afraid the Minister does not understand the meaning of the words. We also find that the company is to pay a royalty of 6d. per ton for all iron-ore taken from these various centres, and that payment can go on for the next 40 or 50 years. Neither the Minister in charge of the Bill nor the Premier has stated specifically whether that sum will stand for the next 40 years, but I take it that it will because it is in the agreement. Is it not possible that the price of iron-ore will increase within the next 40 years and if its price has doubled, the royalty should be increased to 1s. a ton. If it is not, B.H.P. will be making a profit of 100 per cent. at the expense of the people of Australia. The thing that hurts me most is that the Premier, not once but on three occasions to my knowledge, said in this House, before he heard any arguments against the agreement, that the Bill was going through. Before the measure was introduced, the Premier's mind was made up.

Mr. W. Hegney: He changed the mind of the member for Nedlands.

Mr. LAWRENCE: Does the Premier deny that?

Mr. Perkins: It shows he has strong convictions.

Mr. LAWRENCE: It shows that the Premier is too pig-headed to listen to argument because he interjected early in the opening remarks of the Leader of the Opposition who was the first to speak after the Minister introduced the Bill.

Mr. Perkins: Perhaps he does not think much of the quality of your argument?

Mr. LAWRENCE: I am speaking of the remarks of the Leader of the Opposition.

Mr. Perkins: Perhaps the same goes for them too.

Mr. LAWRENCE: Perhaps the hon. member might give us some information and his opinion of the Bill to let us see whether he knows anything about it. The hon. member took no part in drawing up the agreement and neither did any other back-bencher on the Government side.

Mr. W. Hegney: They have to swallow it.

Mr. LAWRENCE: That is quite true.

The Minister for Works: In the same way as you have had to swallow things from time to time; you gulped as you swallowed, too.

Mr. LAWRENCE: That is a fine attitude for the Minister to adopt. If that is to be the attitude of any Minister, then I say he is not fit to occupy a seat on the Treasury bench.

The Attorney General: I thought you talked a lot about discipline. When you were discussing the arbitration Bill, I had a lecture on the way you trained your union.

Mr. LAWRENCE: I would like to discipline the Attorney General.

The Minister for Works: You forced them to do certain things.

Mr. LAWRENCE: Probably the Premier would, too.

The Premier: Why me?

The Minister for Works: Why bring the Premier into it?

Mr. LAWRENCE: Because he is the leader of the band.

The Premier: It is a good band, too.

Mr. W. Hegney: It makes a lot of noise.

Hon. J. T. Tonkin: We will see what the people have to say about it.

The Attorney General: You have been disappointed once.

The Premier: Twice.

Mr. LAWRENCE: This agreement is particularly generous to B.H.P., and that company will give nothing to the people of this State in return for the wealth that is being taken from them. When we consider the effect of the very large holdings of B.H.P.—and I know of some firms that are holding large packets of shares in it, such as the Adelaide Steamship Co. and other big shipping interests—we realise that the company although it has produced a good quality steel, has also spread its tentacles, as would an octopus, over many industries. If this company is allowed to continue along the lines envisaged in this Bill we will find that much private enterprise in the future will be throttled, because where the big company operates and controls everything it can, at its own free will, dictate as to whether industries will be opened up or not. The Premier must agree with me when I say that under no circumstances should any private group or band of persons be allowed to control an industry to the exclusion of other industrialists, because it must be obvious that in time to come the country would be economically choked.

I trust that members on the Government and Opposition sides of the House will realise that it is the duty of members at all times to protect the property that is placed in their trust by the majority of people in this State. We have to look after their interests, and it is our duty to see that the Government does not make agreements that may be binding for years to come and will have an adverse effect upon future generations of Australians. We must also make sure that reasonable funds are available for the establishment of primary as well as secondary industries because it is obvious that, without primary industries, secondary industries cannot flourish. Therefore, I

appeal to members of this Chamber to consider carefully the alternative proposition submitted by the Leader of the Opposition.

MR. PERKINS (Roe) [9.8]: I wish to say a word or two on the pros and cons of this particular measure. I do not think that those who are opposed to it will disagree with the view that if the measure is passed the immediate certain gain for the State within the next few years is a rolling mill to cost approximately £4,000,000 or more.

Hon. J. T. Tonkin: Within five years, possibly.

Mr. PERKINS: Yes, and there is the further possibility that at some future time B.H.P. or its subsidiaries may be encouraged to set up a fully integrated iron and steel industry in Western Australia.

Hon. J. T. Tonkin: We regard that as a very remote possibility.

Mr. PERKINS: I said it was possible because I did not want to overstate the position. But the establishment of a rolling mill in Western Australia will be a considerable advance in the industrial development of the State.

Hon. J. T. Tonkin: Would you elaborate on that point and show us how?

Mr. PERKINS: It will give a better balance to the industrial development within the State; it will give a better balance of employment, for instance.

Hon. J. T. Tonkin: How many men will it employ?

The Premier: Why do you not let him make his own speech?

Hon. J. T. Tonkin: I will admit that the question is a little awkward.

Mr. PERKINS: It will provide employment in directions which at the moment are catered for to a comparatively small degree by the existing industrial enterprises. The supply of the processed product from the rolling mill may enable certain other fabricating industries to become established in Western Australia where otherwise, because of the uncertainty of steel supplies from the Eastern States, as well as some added costs and the difficulties of shipping, they would not become established. B.H.P. has endeavoured to keep the price of steel as even as possible in all States, but there is a possibility that certain fabricating industries may become established in Western Australia in the future if a steel rolling mill is set up.

There are already indications that because of the lack of this particular material our engineering works are at a disadvantage compared with the Eastern States. For instance, I was told recently that a certain firm in South Australia inquired about getting portion of their work done in Western Australia. When the firm came to examine the costs in

Western Australia, compared with costs in the Eastern States, they discovered quite a big difference. In one particular item—I think it was a casting of some sort—it cost 12s. in South Australia, 15s. in New South Wales and the best quote that could be obtained in Western Australia was 21s. 6d. Surely that indicates that some of our industries in this State are working at a disadvantage compared with their competitors in the other States.

I would say, without having any extensive knowledge of the subject, that the establishing a rolling mill of this size in Western Australia would give opportunities to many of our firms to develop, which otherwise might be denied them, and it does open up a great many possibilities. I think the Deputy Leader of the Opposition would agree with me that, if the Bill is passed, the establishment of this rolling mill would be of great advantage to Western Australia. I come now to the position that will exist if Parliament refuses to ratify the agreement. We have heard various speeches from members who are opposed to the Bill, but I have not heard them stress the point that if the Bill is defeated there is no obligation on B.H.P. to do anything towards establishing a rolling mill or any other section of their business in Western Australia.

Mr. Brady: They will do it just the same.

Mr. PERKINS: There is no obligation upon the company.

Mr. Brady: They will look after themselves.

Mr. PERKINS: I should imagine that if any representatives of the company were present in this House and listened to some of the speeches that have been made they would have grave doubts about the wisdom of establishing the company in Western Australia. If they read "Hansard" they will have considerable room for doubt as to the wisdom of that move, and it is reasonable to expect that at some time or another those in opposition will become the Government and, if they hold the views they now hold as strongly as they appear to hold them, it does not offer a rosy picture for B.H.P. to come to Western Australia and set up business here.

Mr. Kelly: You do not give up a fortune that easily.

Mr. PERKINS: Let us take the other aspect. Suppose that B.H.P. does not commence operations in this State! I pressed the member for South Fremantle to give us his opinion as to the possibility of some other company starting either a fully integrated iron and steel industry or a rolling mill in Western Australia. I notice he was very cautious about expressing an opinion on that particular subject. I would ask any other member who is opposing the Bill to express a

definite opinion on that particular subject. Do those members think that if B.H.P. does not set up in Western Australia it is likely that some other firm, whether it be an Australian company, a new company or some company from overseas, would come here and establish a fully integrated iron and steel industry within any measurable time.

Hon. E. Nulsen: Ultimately they will.

Mr. PERKINS: I will be very interested to hear if those members think along those lines. I would like to hear some members express that opinion definitely, because it may make interesting reading at some future date. The member for South Fremantle was most cautious and did not express a definite opinion. If members are thinking of expressing a definite opinion like that I suggest they have a look at the comparative pre-war steel prices; that is before any of the unnatural influences which have since come to affect the price of steel. If these members have a look, they will find that the price of steel in Australian currency charged by the B.H.P. at Australian ports at the beginning of the war was £12 10s. per ton.

The price in Australian currency, for the same size of steel in America was £15 to £16 a ton and in Great Britain also in Australian currency for the same class of steel on a comparable basis the price was £17 to £19 a ton. I ask those that are thinking of expressing an opinion along those lines I have mentioned whether they can cite any good reason why the balance of costs is going to alter so greatly in regard to any of these companies outside Australia, or any company in Australia that may think of entering this industry as to put them in a position to compete with B.H.P. If we take a reasonable view of the situation we must agree that it is most unlikely that any company British or foreign, or any new company to be established in Australia has any chance whatever of setting up a steel industry in Australia to compete with B.H.P.

Mr. W. Hegney: Do you know the comparative prices for raw materials?

Mr. PERKINS: We will not worry about raw materials because I take it that is something that will not alter. But if the hon. member can think of any good reasons to prove to the House that it is likely that any other firm is capable of setting up in competition with B.H.P., then I am one who is quite prepared to listen to the argument. But I have my doubts as to whether it is possible to produce any conclusive argument along those lines.

Mr. Butcher: It is not suggested that there would be another firm setting up in opposition to B.H.P. The suggestion was to get B.H.P. integrated in this State.

Mr. PERKINS: In that case what is the State giving away by signing an agreement handing over raw material to the same company to do the job?

Mr. Moir: We are giving everything away.

Mr. PERKINS: What is the difference? That is not a logical reply to the question I have raised. If it is the desire of members that B.H.P. should come in and set up an industry, what is to be lost by letting it have raw materials at this stage in order to give the company some security? I imagine there are not so many doubts on the bona fides of the B.H.P. that we should attempt to do something to discourage that company from starting operations in Western Australia.

Mr. Brady: It would take more than that to discourage them.

Mr. PERKINS: I did notice at some stage or another that nearly all—I would not say all—of those who have spoken against the Bill have shown a great deal of venom against B.H.P. The way the member for South Fremantle referred to this monopoly indicated that that word in itself carried some disparagement to B.H.P.

Mr. W. Hegney: You do not believe in monopolies, do you?

Mr. PERKINS: I was going to say that it was proposed by the present Leader of the Opposition, when he was Minister for Industrial Development, to establish the charcoal-iron industry in Western Australia. He wanted some technical advice as to what could be done to establish that industry, and I very well remember when I was on that side of the House that the present Leader of the Opposition made a very good speech indeed—a very persuasive speech also—containing some remarks about B.H.P. A panel had been set up to advise the Government on the establishment of this industry and in referring to that panel in "Hansard" No. 1 of 1943 at page 28, he had this to say—

The decisions of the panel were later referred to the experts of the B.H.P. Coy. for investigation and for any comments or recommendations they were prepared to make to the Government. The company freely offered the Government the services of its experts and any advice or information that could be made available to assist us to establish the iron industry. Such advice and information were given without cost to the State.

Hon. E. Nulsen: The Leader of the Opposition always appreciated what B.H.P. had done.

Mr. PERKINS: That shows what this evil monopoly does. I will quote a further excerpt from the speech of the then Minister for Industrial Development, who is now the Leader of the Opposition. It is as follows:—

In September of last year representatives of a committee appointed to concentrate upon the smaller proposal visited Newcastle to consult with experts of the Broken Hill Pty. Coy. Those representatives spent about three weeks in Newcastle in close and constant consultation with the company's experts, presented to them all the information that had been gathered, and placed before them the proposals. They asked the experts certainly to investigate the whole of the information and proposals and report in writing as soon as possible. The report of Mr. J. Young, of the Broken Hill Pty. Coy., was made available to the committee shortly afterwards. The report is a comprehensive one covering every phase of the proposal to establish the industry in the small scale basis I have indicated. I do not intend to read Mr. Young's report; to do so would occupy hours, but I shall indicate the main heading. If any member wishes to peruse the report I am willing to make it available.

The present Leader of the Opposition saw fit to go to this company about which some members of the House are saying such hard words at present—

Mr. W. Hegney: It is about the Government they are saying it.

Mr. PERKINS: That company agreed to make the technical assistance available which was responsible for planning the plant at Wundowie. That was given to the State without cost. That is advice given by a monopoly to a Government department, which was aiming to set up an industry to sell a product in direct competition with that self-same monopoly.

Mr. W. Hegney: It is your Government that is on the spot, not B.H.P.

Mr. PERKINS: Are those members that are opposing the Bill entitled to cast so many doubts about the bona fides of B.H.P. in this particular matter? If it is good enough to trust the company in one direction, it is good enough to trust it in some other direction. As far as this matter is concerned I am quite prepared to trust B.H.P. to do the right thing under this agreement, and the immediate prizes which the State will gain from setting up a rolling mill are very considerable indeed. I do not agree with members who attempt to throw doubts on the bona fides of B.H.P. in their undertaking to conduct all the necessary research, and to do their best to set up a fully integrated iron and steel industry in Western Australia as early as possible.

The only alternative mentioned in the House to obtain an iron and steel industry in Western Australia is the expansion of the charcoal-iron industry in Western Australia—unless some members have it

in mind that some company is going to set up in direct competition to B.H.P. I would be interested to hear that argument put forward. The industry at Wundowie is undoubtedly functioning at the present time, but I am afraid I cannot go into the same raptures about its success as the member for Gascoyne has done. So far as the financial success of the plant at Wundowie is concerned, the facts are that in the year 1949-50 according to the Auditor General's report the overall loss at Wundowie was £117,611.

Mr. Johnson: After interest or before?

Mr. PERKINS: The overall loss, including interest. The interest at four per cent. on £830,000 was £33,200. The net loss without interest, according to the Auditor General's report in 1949-50, was £84,411. The figure for 1950-51 of the overall loss was £101,805; the interest at four per cent. on £1,131,000 was £45,000. That gives a net loss without interest of £56,805.

Mr. May: The State has had the benefit of that.

Mr. PERKINS: I wonder whether members consider that that is the sort of basis that one can plan on in order to build up a big iron and steel industry in Western Australia.

Mr. Sewell: It was an experimental plan.

Mr. PERKINS: Maybe it was. After examining the position very carefully the then Minister for Industrial Development in presenting the Bill to the House gave certain figures. It was estimated that when the industry was set up it would need a capital of £125,000, with a working capital of £25,000, giving an overall figure of £150,000, and that, besides paying interest on that capital, the industry would show an estimated profit of £24,000 per year.

Mr. Moir: They did not know there was going to be a Commonwealth Liberal-Country Party Government.

Mr. PERKINS: The industry had plenty of opportunity to show a profit while Labour was in power in the Federal sphere.

Mr. Sewell: Would you assess the value of the industry to the State in terms of money?

Mr. PERKINS: The hon. member can develop that argument separately if he likes. The point I am dealing with is that the pig-iron which is coming out of Wundowie at present cost the State £101,805 last year.

Mr. May: Money well spent.

Mr. PERKINS: Possibly. But is it not better to have a concern like the B.H.P. establish a very much larger industry in the State and provide a rolling mill worth £4,000,000 which will turn out the cheap-

est steel bar available in the world for our own industries, at the same time making a profit for its shareholders, at no cost to the State at all?

Mr. Moir: But the Government will have to pay more money than was paid out at Wundowie.

The Minister for Industrial Development: Do not be funny!

Mr. PERKINS: I do not follow that.

Mr. Moir: It will have to do a lot of work. Who is going to pay for it?

Mr. PERKINS: The industrial establishments that will go to Kwinana will be paying for electricity and water and other services, and that money will go to the Government.

Mr. Moir: The Government has undertaken to do certain work.

The Minister for Industrial Development: And be paid for it.

The Minister for Works: Six per cent. on the cost of dredging.

Mr. PERKINS: After looking at the pros and cons of the subject, I think it extremely wise to accept this agreement with B.H.P. We certainly have something substantial to gain from it immediately, and what we are supposed to lose is something very shadowy indeed. Unless those opposing the Bill can show that some other firm is going to make use of these raw materials available in the State, surely it is better for us to allow a concern like the B.H.P. to turn them to profitable use which will be of service to the whole of Australia, rather than allow the materials to lie in the ground as they still could be lying in their natural state 50 or 100 years from now, and as they have done for countless years. At least this Bill offers something tangible, and if this agreement is accepted by the House, we shall see considerable advance in the industrial development of Western Australia in the next five years.

MR. NEEDHAM (North Perth) [9.34]: It is not customary for the member for Roe to misrepresent members intentionally at any rate. But in his speech tonight he misrepresented members on this side who have spoken in opposition to the agreement. He contended that because they described the B.H.P. as a monopoly they decried that company. Nothing of the sort was intended. I have not heard any member on this side decry the B.H.P. as a company. They are opposing this agreement because of its lopsided nature, whereby the B.H.P. is getting all the benefits and the State practically none. That has been the keynote of the speeches of members opposite, with the exception of that made by the Minister for Industrial Development when moving the second reading of the Bill. The Premier himself is not free from my charge

in that regard, but the only justification he has given us tonight for submitting this agreement to the House and entering into it with the B.H.P. is that the B.H.P. is a great company.

No-one denies that. We are all aware of the kind of company the B.H.P. is. We know its record, both in war and in peace. We know that it is a wonderful company for the production of steel and that its products have a world-wide reputation; but I want to know what that kind of argument has to do with the agreement we are considering. As far as I can see, it has none. I am very much afraid that an agreement of this nature is coming at the wrong time in the life of this Parliament. Such an agreement should come to Parliament at the beginning of its life, not in its dying moments. I question the right of the Government to enter into an agreement of this character in the last few weeks of this Parliament's life.

A better proposition would have been to have a conference with the B.H.P. and arrange a draft agreement, and at the next election submit that agreement to the people through the respective leaders of each side. It must not be forgotten that once this Parliament places its seal on the agreement there is no hope of an amendment, no chance of reconsidering it. The B.H.P. is established here, and our raw material, or a good deal of the iron-ore, becomes its property. I suggest that the Government could, without losing face, withdraw this agreement and keep it till the beginning of the year when it appeals to the electors for a renewal of their confidence. Then, whatever the result of that election, the party returned to power could proceed or not with the agreement in the light of the people's decision.

It is a kind of tradition that successive Governments must honour obligations entered into by their predecessors. That is not always done. Agreements have been changed at times, and legislation has been repealed; but this agreement is drafted in such a way that there is no escape once it is ratified. That is why I suggest it is not too late even now to withdraw the agreement and keep it for the election platform. Let the people of this country know exactly what it is and give their decision on it through the ballot box. The Premier has stated that the people of New South Wales are grateful for the existence of the B.H.P. There is no doubt about that, because the B.H.P. has established a steel industry in New South Wales, and the people and Government of that State are getting the benefit of it. Members on this side would welcome the B.H.P. if it would do for this State what it has done for New South Wales and South Australia, or even if this agreement contained any hope that within the next period of years the company would initiate an integrated steel industry.

However, from the beginning to the end of this agreement there is no guarantee that that will be done; not the slightest guarantee. Even at the expiration of the 71 years for which this agreement can last, provided it is renewed at the end of 50 years, I venture to say that those living in this country will be as far from seeing a steel industry established here as we are today. I will admit that at the first glimpse I had of this agreement I thought there was something worthwhile in it, and that the State would benefit; but the more I read of it, the more I was convinced that so far as the State is concerned, and so far as the prospect of having a steel industry here is concerned, there was nothing in it.

I can visualise that there was on one side of the conference table a body of men keenly alive to their own interests, expert in every detail in the manufacture of steel, with a very keen and expert knowledge of every process from the moment the ore is taken from the ground to the time when the manufactured article is placed on the market; and, on the other side, members of the Government, with a limited practical knowledge of the subject under discussion, but desirous at all hazards, and no matter what the cost, to have the B.H.P. working here in some way or another. All they have succeeded in doing is to get from the B.H.P. a steel rolling mill.

We have often heard the old statement about the mountain that laboured and brought forth a mouse. I think the efforts of the Government in securing this steel rolling mill are akin to that as far as the interests of this State are concerned. We are asked to give away everything and receive very little in return. The Premier, when replying to the Leader of the Opposition, tried to ridicule his statement that the B.H.P. would work the steel mill for only five or six months in the year, as it would in perhaps even less time than that be able to supply all the requirements of this State under the agreement. The Premier pooh-poohed that idea and asked would the company install the plant and engage men and then put them off from time to time, leaving the plant idle. The company could do that and would not lose much by it, nor would it be concerned about the men being idle.

The Premier: I think that is absurd.

Mr. NEEDHAM: The member for Melbourne referred to the provision in the agreement which indicates that that could be done and that the company could work its plant for five or six months and leave it idle for the rest of the year. He was quite right, because there is in the agreement a provision giving the company that opportunity. It appears at page 6 of the Bill where, in paragraph 4 (b) we find the following:—

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

That provision bears out the contention of the Leader of the Opposition that the company could from time to time allow the plant to remain idle so long as it supplied each year the requirements of this State in steel, angles, plates and so on. So the Premier was wrong in what he said in that regard when replying to the Leader of the Opposition, and I feel that if he read the agreement he could not have understood it completely. I want it to be clearly understood that there is no-one in this State more anxious than I am to see a steel industry established here. We must all realise how great is the necessity to have more secondary industries established in Western Australia.

Ever since I first came to this country I have advocated the establishment of secondary industries, so long as we maintain a balanced economy. When I came to Australia a little over 50 years ago, the tendency was to content ourselves with primary production and to become the hewers of wood and drawers of water for other parts of the world, but I am pleased to say that I have seen our secondary industries grow until now we are becoming noted for our exports. I would welcome a steel industry in this State, under proper conditions, but will not support a move to establish a steel industry here at any price, which is what this agreement amounts to.

If we were getting by means of the Bill the beginnings of a steel industry my opposition to the measure might not be so strong, but the period allotted—71 years if the agreement is renewed—might easily expire without the steel industry being any closer to becoming an accomplished fact than it is now. We are pinning too much faith on the proposed steel rolling mill and are being asked to give away our assets in order to secure it. It is for those reasons that I oppose the measure.

MR. MAY (Collie) [9.50]: I do not intend to use such verbiage as has been indulged in by other speakers to this debate. In spite of what has been said from the Government side of the House, I congratulate the B.H.P. on the wonderful deal it has made with the Government in regard to the establishment of the steel rolling mill. I have no quarrel with the company and am more directly concerned with the question of our iron-ore deposits than that of the proposed steel rolling mill which has been dangled in front of the Government in order to get it to give away the whole of our iron-ore deposits. The estimated tonnage

of ore at Cockatoo Island is 40,000,000 tons, which is a conservative figure. From what I have read on the question I believe that estimate should be doubled.

According to the Premier's Press statement last night, the estimated quantity of iron-ore at Koolan Island is also 40,000,000 tons, but that is not all. We must still take into consideration the Koolyanobbing deposits. On a conservative basis I think the total tonnage of ore available at Cockatoo Island, Koolan Island, Irvine Island and Koolyanobbing would not be less than 91,850,000 tons, all of which is to be tied up with the B.H.P. Of that tonnage, the company proposes to use each year 1,000,000 tons. The Bill, and the agreement it contains, will give the company a complete monopoly over this State's iron-ore deposits for the next 100 years, and what are we to receive in return for that?

The company promises to establish a steel rolling mill at Kwinana at a cost of £4,000,000 and that, of course, will be offset by the £2,000,000 that the State Government is to spend there. In addition to that, the Government will be responsible for the soil erosion caused by the company's wharves, and that is the position in which this State will be for the next 100 years. Cockatoo Island alone, at a rate of 1,000,000 tons a year, will supply the company's requirements of ore for 40 years, and possibly a further 40 years.

Mr. Hill: I draw attention to the state of the House.

MR. SPEAKER: There is a quorum present.

Mr. MAY: Without touching Koolan Island, Irvine Island or Koolyanobbing, the company will have sufficient iron-ore available to last it for a great many years, so why is it so urgently necessary to tie up all our iron-ore deposits with the company? I see no reason for such undue haste in the ratification of the agreement made by the Government with the company. Is it thought that the B.H.P., having gained a complete monopoly over our iron-ore deposits, will set up another plant at Koolan Island at a cost of £1,250,000? Of course it would do nothing of the sort. The company will work the Cockatoo Island deposits so long as ore is available there and will not touch the other deposits, but in the meantime the State will have lost control over its iron-ore resources for the next 100 years.

The Government has provided, in the agreement, a smother-up—as I would term it—to the effect that the B.H.P. must make available 200,000 tons of ore per year to any other company that may desire to start a steel industry in the State, but that does not mean anything. Is it likely that any company would take the risk of establishing a steel works in Western Australia if it had to go cap in hand

to the B.H.P. for its supplies of ore? Such a company would have to buy its ore from the B.H.P. at the B.H.P.'s own price, as I read the agreement. I am sure no member of this House would like to be associated with a company that was desirous of establishing an industry under those conditions.

If the B.H.P. were not granted a monopoly over the rest of our iron-ore resources, I am sure it would continue to work Cockatoo Island and that it would get an extension of those leases. It is now proposed to give that company complete control over all the iron deposits in this State, which will mean that it will continue to work only the iron-ore deposits on Cockatoo Island and refrain from working the deposits on the other islands that have been granted to it. The deposits on those islands will therefore be denied to any other company that desires to commence operations in opposition to the B.H.P. It has already been said that these deposits belong to the people of this State and there is no excuse for any Government to grant them to any one company which already has the right to mine ample resources of iron-ore, without having any lien over Koolan and Irvine Islands and the deposits at Koolyanobbing for many years.

There is no need for such a provision. The Bill, stripped of all its frills, means that the Government has given away to a private concern all the deposits held by the State. During the six years this Government has been in office, it will be known to have been remarkable for two reasons. Firstly, immediately it took office, it proceeded, without any conscience, to take away the Black Diamond coalmining leases that were granted to the State Electricity Commission. Because of the Government's action, the people of this State are now complaining about the high prices for electricity and gas.

Had the Commission been allowed to work its own coal leases I venture to say that there would have been no occasion for it to have increased the prices for electricity and gas to the extent it has done today. Secondly, this Government will go down in history as the one that has given away all the worthwhile iron-ore deposits of the State to a private concern for the sake of establishing a steel rolling mill.

HON. E. NULSEN (Eyre) [10.6]: I cannot let pass the opportunity to express my opposition to the Bill. I entirely agree with the opinions voiced by the Leader of the Opposition and the member for Gascoyne. They have outlined the position very clearly. I also agree with the remarks expressed by my other colleagues. I pass no comment on the integrity of the B.H.P., or its ability to perform good work

and its diligence in doing everything possible to assist the war effort under difficult conditions. However, it is a very keen business concern and it is in a lucrative industry. The dividends it is paying give clear evidence of that. Further, it is a proprietary company with a membership that is limited. Therefore, its members would be keen to make great profit and would do everything possible to secure control over all the iron deposits in Australia.

On principle alone, we should not grant this company a monopoly over all the iron-ore deposits in this State. Iron is the most important metal we have in Australia because without it we could not get far in primary or secondary industries. For the State to be satisfied with the establishment of a steel rolling mill in return for granting a monopoly over all our iron deposits is going too far. At least the Government should have the guarantee of the establishment of an integrated iron smelting works in this State, if not immediately then in the very near future. Under the agreement the Government has no guarantee of any mill being established; the only guarantee it has is that the company shall pay a royalty of 6d. on every ton of ore produced. The ore that is mined in this State will be transported to the Eastern States.

We are giving away a great heritage and posterity will probably ask, "Why was the Government so generous?" Although the personnel of B.H.P. at present may be sound, in 40 or 50 years probably not one of its present members will be left. We do not know what the future holds. The agreement stipulates that the company shall be granted the right to mine the iron-ore deposits on Cockatoo and Koolan Islands and also on Irvine Island, situated in Yampi Sound near Derby. Those islands contain the whole of the best iron-ore deposits in this State. I have always been opposed to any of our iron-ore being taken away from Western Australia without first being treated, and in 1936 I raised strong opposition to any of our iron-ore being exported to any other part of the world or any other State in the Commonwealth unless it was treated beforehand. By giving away these deposits we are preventing any competition that would otherwise be possible. Competition means the life of trade.

Provided we have the iron-ore available, there is no reason why, within a year or two, other companies in other parts of the world should not become interested in Western Australia for the establishment of iron-ore smelting works. However, if we are to grant the B.H.P. a monopoly over all the best of our iron-ore deposits for 71 years, or in perpetuity, what chance has any other company of setting up in opposition? In fairness to the B.H.P.,

I know that it has always provided good facilities and ample amenities to its employees. However, such amenities are paid for by the consumer. I believe in good working conditions for all employees and I have fought for such improvements in the past.

We are actually mortgaging the most important metal we possess. Iron-ore deposits are diminishing throughout the world and, although I am not saying that the B.H.P. Co. has exploited the people of Australia, I repeat that its personnel in 40 or 50 years time will not be the same as it is today and we must rely on the attitude of the personnel of that company in the future, because they will govern the activities of their company. If we are to grant this company a monopoly over the iron-ore deposits in this State, this will mean that legislation will have to be introduced in the future to fix the price of the product. No business concern is a benefactor, because it must look after its own members and shareholders. I have been in business for many years and I was never a benefactor because I was out to make profits. I am quite satisfied that it is human nature to do so.

The agreement the Government has entered into with B.H.P. is binding and it has gone too far. I would have been satisfied to enter into an agreement with the company to grant it an option over the iron-ore deposits in this State if it established an integrated steel works within ten years, but to grant it an open cheque to mine all the iron-ore deposits in Western Australia in perpetuity is far too sweeping. The Government should break down the agreement to ensure that it will not give away this heritage of the State to a company which, although it is doing good work at present, may entirely change its policy in the future.

MR. McCULLOCH (Hannans) [10.15]: I feel that members have gained a wrong impression of the object of the Opposition in pursuing this debate. We all agree that industries are required in the State and, in my opinion, it would be the object of any Parliament to help in their establishment. I have no grudge against Broken Hill Pty. Ltd. nor, as far as I am aware, has any other Opposition member on this side of the House.

Hon. E. Nulsen: I do not think so, either.

Mr. McCULLOCH: From the speeches of Opposition members, it will be clear that the greatest objection we have is the fact that the iron-ore deposits at Yampi Sound will be tied up for 71 years. I do not care whether the company concerned is monopolistic or what it may be, I disagree entirely with the tying up of such valuable deposits for 71 years.

Hon. E. Nulsen: They are really tied up for longer than that.

Mr. McCULLOCH: I know that over the years B.H.P. has done a very good job in Australia. After all, it is the only company of any dimensions that has operated in the iron and steel industry in the Commonwealth. Once we give any particular person or group of persons control of the whole of a vital link in the economy of a country, that person or group of persons will most definitely make it hard for the country to carry on. That has happened before. Strangely enough I have here a cutting from the "Kalgoorlie Miner" in which it states—

It is rumoured that the construction of the Kalgoorlie-Port Augusta railway is hung up—

This deals with a happening 40 years ago.

—not because of the sleeper dispute, but because the Steel Trust has its hands at the throat of the Federal Ministry. The multi-millionaires of the trust are said to be cross with the Federal authorities of Australia, and have decided that no rails should be supplied for at least six months, and then only at the trust's own price.

Any concern that gets hold of a vital industry can impose its own terms. Notwithstanding that B.H.P. has promised to establish a steel rolling mill at Kwinana, that does not say that we will obtain materials cheaper. I do not think we will. Broken Hill Pty. Ltd. is not a benevolent society; it is out to make profits. Once it gets hold of the whole iron and steel industry in this State, it will make us pay for it, let members make no mistake about that. The company has promised to erect the mill within five years and has purchased 600 acres on which to establish it. I do not know why it requires such an extensive area. I have seen blast furnaces and steel rolling mills in operation on less than one-quarter of 600 acres.

I say definitely that an area of 600 acres is not required for the purpose of a steel rolling mill. Furthermore, it is a condition of the agreement that the plant will operate only when required. Why is such a provision in the agreement? The indication is that the mill will not operate for the full 12 months, whether it be worked by one, two or three shifts. If the products of the mill are not required, the company will close down on its operations. Most decidedly the company will not pay men for hanging about when there is no market for its products. Members will agree that that is a dangerous clause to have in any agreement.

There is nothing in the document to say that the company will establish a complete iron and steel industry in this State. It will have the whole of the iron-ore available here with the exception of that at Koolyanobbing, respecting which some conditions also apply. Certainly the agreement in that respect is highly dangerous. What will the State receive in return for the present it is making B.H.P.? The com-

pany will obtain about 200,000,000 tons of iron-ore from Koolan Island alone. We have been told that there are at least 100,000,000 tons on the island above high water level and as there may be just as much or more below high water level, there is nothing to prevent the company from obtaining that greater quantity as well.

All that Western Australia is to receive for the iron-ore is a royalty of 6d. per ton. The member for Gascoyne said that the ore was worth £10 per ton, including costs. The information I have received is that the iron-ore from Cockatoo Island returns to B.H.P. at present a clear profit of £2 per ton. Adopting that figure, it means that the company is to get from 200,000,000 tons of iron-ore a return of £400,000,000. The State is to receive, on the basis of a royalty of 6d. a ton, a return of £5,000,000. It is a shame to take the money! For B.H.P. to pay that amount of royalty is just an insult to the State. Can any member tell me where anywhere else in the world a lease for 71 years over a deposit of iron-ore can be obtained in return for the payment of a royalty of 6d. per ton?

The Minister for Industrial Development: Yes, at Iron Knob in South Australia.

Mr. McCULLOCH: The Minister knows better than that. I can tell the Minister of the example of coal and ironstone in connection with which the Duke of Hamilton many years ago in Scotland got a royalty of 10d. per ton. Here B.H.P. offers 6d. per ton!

The Minister for Industrial Development: I think they get 3d. per ton in South Australia.

Mr. McCULLOCH: It is an insult to the people's intelligence that the company should offer a royalty of 6d. per ton. I admit that B.H.P. has spent a lot of money in connection with the industry in Australia, and will expend between £3,000,000 and £4,000,000 in the erection of the steel rolling mill at Kwinana. I do not know how the mill will cost so much; in fact, I do not think it will cost half that amount. I know it has spent a lot of money at Cockatoo Island where it has erected a big plant for loading purposes at a cost of about £1,500,000. It has provided bins that together will hold 12,000 tons of ore, which can be conveyed to the ships direct at the wharf.

At present B.H.P. cannot transport any more iron-ore from Yampi Sound than it is doing today—not one ton more. It has on the run three ore carriers of 12,500 tons dead weight capacity and two others of a capacity of 7,500 tons. Those are the ships that are engaged in the business today and they are fully occupied in the job. The company has under construction at Whyalla another ore carrier with a capacity of 12,500 tons and two others with a capacity of 10,000 tons. That work

involves considerable additional expense. On the other hand, I know that the construction of those ships will prove profitable to the company. The ships at present on the run were built since 1941 and will not last for all time. In my opinion, not one more ton of iron-ore will be able to be shipped from Yampi Sound each year, at any rate for the next 10 years.

The Minister for Industrial Development said that no iron-ore would be exported from Yampi Sound. That is quite all right, but the company could export ore from Iron Knob, and we would have no say in it at all. The company could export iron-ore to Japan, China or elsewhere from Iron Knob, and we could do nothing about it. The Premier made reference to the quality of the steel turned out by B.H.P. and said it was the best in the world. How could he say that? He has not seen the steel produced elsewhere. He should have a look at the steel that is produced in the Old Country at Sheffield, Mossend or Carron. The Bill seeks to ratify an agreement and we can do nothing about it. The agreement is signed and sealed, and B.H.P. is home on the pig's back.

During the course of the debate much has been said about Wundowie. It is a shabby trick that those associated with the industry at Wundowie have never been consulted in connection with this particular project. I should have thought that the first thing any responsible Government would have done would have been to consult those connected with the industry at Wundowie. It would have obtained the views of the experts there; if they were not acceptable, the Government need not have accepted their advice. I think the Minister for Industrial Development is jealous. He is most definitely jealous regarding Wundowie and has been so ever since he took over his portfolio.

The industry at Wundowie has done a good job during the years it has operated and no one concerned, whether it be the engineers in charge or the men working there, could have done better than they have. All sorts of red herrings have been drawn across the path. Even the I.C.I. put obstacles in the way of Wundowie. It could supply chemicals to other concerns but, when Wundowie applied for them, it would not supply. Speaking from my own observations, I am satisfied that Wundowie has done a good job. Though it is only a pilot plant, I believe the day will come when it will show a profit. At present, it is an industry in its infancy. The percentage of ore, I understand, is not as high as that to be obtained from Cockatoo or Koolan Islands, but it is being turned into ingots and some of it has been exported to other States. We can look forward to the time when the quantity exported will be still greater.

If the proposal of the Leader of the Opposition were adopted whereby an integrated iron and steel industry could be established at Bunbury or Collie and charcoal used for the smelting of the ore, it would be a good thing for the State. I have an objection to the centralisation that the establishment of a steel rolling mill at Kwinana would further aggravate. I have been approached by men desirous of obtaining work at Kwinana, and while one desires to assist such men, I cannot help feeling that the establishment of these industries on the coast will have the effect of robbing the primary industries of the labour they require. Any Government should do its utmost to foster industry and any Government that succeeds in doing so is deserving of gratitude, but under this measure, we shall be effectively barring opportunities to people who may come along in future with the object of establishing industries.

We cannot say what might happen in the next 50 years. Some firm might be able to establish an industry and succeed in undercutting B.H.P. or at any rate in competing satisfactorily with it. We have heard from members on the Government side that they do not believe in monopolies, but this proposal definitely means giving away to one company something that can never be returned to the State. Some of the provisions of the Bill may be amended, but the agreement must stand and we shall have to abide by the deal. I repeat that if B.H.P. were placed under an obligation to establish an integrated iron and steel industry in this State within a certain period, the State might then consider granting the company the leases on Koolan and Irvine Islands. Under present conditions, I must oppose the second reading of the Bill.

MR. BRADY (Guildford-Midland) [10.35]: Like the Leader of the Opposition, I must oppose the Bill in its present form. I have considered the agreement carefully and am of opinion that the Government has been altogether too generous to the company. In fact, it would almost appear that the Government was getting something from B.H.P. instead of the company getting something from the Government. I cannot help thinking that the Government is going out of its way to accommodate B.H.P. regardless of the best interests of the State.

We are led to believe that monopolies are anti-social and against the best interests of the country. Yet this Government, which is supposed to be averse to monopolies, is, by its action, furthering the interests of the greatest monopoly existing in Australia. It is recognised that B.H.P. is the greatest industrial establishment in the Commonwealth and here we have Western Australia furthering the interests of that monopoly. If such a proposal

were put forward in America, I believe it would be rejected under the anti-monopoly and anti-trust legislation existing there.

Why should the Government go out of its way to help the company? The member for Boulder referred to the absurdity of the royalty of 6d. per ton that the company must pay on raw material out of which a profit of about £2 per ton is made. While B.H.P. would be in a position to make £2,000,000 out of the use of iron-ore from Cockatoo Island and Koolan Island, the State would receive about £25,000. On the face of it, the proposition is a farce.

I regret that the State is going to lose control over this industry, just when we are on the way, as a result of the work at Wundowie, to securing a charcoal-iron and steel industry probably in the vicinity of Collie. The Government's action will forestall that of any future administration in an attempt to get an iron and steel industry in this State because the Government intends to give away our rights to B.H.P.

I do not know whether members have considered the people of whom B.H.P. consists, but if they consult the records, they will find that the company is in the hands of a very few people. Some years ago I read a book entitled "Who Owns Australia?" and anyone who has read it will recall that about 73 wealthy people control the main activities in Australia. One of the big companies included in the group was B.H.P. Today, I searched for the book and fortunately was successful, and I intend to read a portion of it to indicate the far-reaching influence of B.H.P. and the interlocking interests between 20 or 30 subsidiary companies. That is where the catch comes in. I do not know whether members realise that B.H.P. is making more profit by means of these subsidiary companies than out of the industry of the original company.

When one realises that a firm like Lysaghts is one of the subsidiary companies of the B.H.P., one sees how it is possible for those connected with it to make not only profits directly from that concern, but also huge profits from its subsidiaries. It has been mentioned freely here that this company can produce its product for about £10 or £12 10s. per ton; but let any member try to buy iron from Lysaghts or some of the subsidiary companies of the B.H.P. and he will find that he has to pay from £120 to £130 per ton.

Members on the Government side are leaving themselves open to pay tribute to the B.H.P. for the next 100 years. Those representing farming interests and country constituents are going to saddle their electors with the payment of tribute to the B.H.P. for the rest of their lives; and not only them but their children after them. No company can come into Western

Australia with the hope of competing successfully with the B.H.P. under the setup now being made possible.

Mr. Griffith: Do you know how much an 8ft. sheet of iron costs?

Mr. BRADY: Yes, about £2 per sheet.

Mr. Griffith: I would say you had not any idea.

Mr. BRADY: Let the hon. member try to buy an 8ft. sheet of iron and see how he gets on.

Mr. Griffith: You have not a clue.

Mr. BRADY: I have a clue all right. It is about £120 per ton; and, if he told the truth, the Minister for Housing, who is sitting next to the hon. member, would admit that that is the price.

Mr. Griffith: Imported or of local manufacture?

Mr. BRADY: I have seen sufficient of the B.H.P. and its activities to know that it is not going to be a charitable institution for the State Government or the people of Western Australia. As a matter of fact, if I asked the wise member for Canning the price of a B.H.P. share today he would not know it, nor would he know what dividends the company has paid or what bonus has been given to the shareholders. Yet he asks a stupid question about the price of an 8ft. sheet of iron. That is the extent of his interest in the B.H.P. The position is that in 1936 the share capital of the B.H.P. was £6,500,000 and in the same year it issued £4,500,000 in bonus shares.

The Attorney General: That represented reserves.

Mr. BRADY: It represented reserves paid over to the shareholders as shares.

The Attorney General: That is right. What is wrong with it?

Mr. BRADY: In other words a £1 share automatically became worth £1 15s. when those bonus shares were distributed. So that a shareholder who is receiving a dividend of 8½ per cent. is actually getting 14 per cent. That is the thing that sticks in my gizzard as an ordinary member of the community. People in the farming areas, backed by this Government, are going to pay tribute to the B.H.P. shareholders to the extent of over 14 per cent. per share. That is daylight robbery in times like the present.

The Attorney General: That statement is inaccurate.

Mr. BRADY: The Government should try to conserve the resources of Western Australia and make it possible for primary producers to grow their commodities at the lowest possible cost.

The Attorney General: Why did you not make proper inquiries before voicing rash statements?

Mr. BRADY: The proper way is to produce charcoal-iron on a bigger scale and induce other companies to compete with the B.H.P. Alternatively the State Government could, in conjunction with private companies, carry out work of that description itself.

Mr. Perkins: It has not been too successful at Wundowie.

Mr. BRADY: If the Government made it worth while, I am sure there are other iron and steel companies who would be interested in Western Australia, particularly if they could receive the inducements that will be given to the B.H.P. If the member for Roe wants to do his constituents a good turn, he should consider that proposition and see whether it would not be possible for other companies in the British Dominions to be interested in this State and the Koolan Island and Cockatoo Island deposits.

Mr. Perkins: The trouble is that they charge twice as much as the B.H.P.

Mr. BRADY: If they were using Cockatoo Island and Koolan Island ore, they could produce at the same price as the B.H.P. The higher cost of their product is due to the fact that they are paying more for their raw materials and have to cart them over long distances. I will not be told that the B.H.P. is a philanthropic institution. Last year it made £2,000,000 profit.

The Attorney General: And what is the capital of the B.H.P.? You do not know!

Mr. BRADY: As a matter of fact, it is £24,000,000. In 1936 it was only £6,500,000 and in 1952 it has been built up to £24,000,000.

The Attorney General: And the people put it in.

Mr. BRADY: The people did not.

The Attorney General: Yes, they did! You do not know what you are talking about; that is the trouble with you.

Mr. SPEAKER: Order!

Mr. BRADY: I have here "Rydge's" for the 1st October, 1952, and it contains the balance sheet of the company. If the Attorney General is as smart as he thinks he is, he will find that what I am saying is absolutely correct. The paper states—

The steady introduction of new capital raised paid-up capital to £6,671,564 in 1939. Vast capital expansion since then raised the figure to £24,944,196 at last balance date in the following issues:—4,445,859 bonus shares in 1940; 2,487,996 at par in 1941; 4,628,300 at a premium of 10s. per share in 1949; and 6,496,385 also at 10s. premium in February, 1951.

How does the Attorney General make out from that statement that the public put the money in?

The Attorney General: They did.

Mr. BRADY: The Attorney General knows that the bonus shares came out of the company's reserves.

The Attorney General: I know the £4,000,000 did, but what about the other amount?

Mr. BRADY: The Attorney General is trying to make out that the public put in the lot, and when I produce a balance sheet and show that the bonus shares are £4,500,000 he crawls down and says, "What about the other amount?" The fact remains that a lot of people have bought shares at a 10s. premium, so that they paid 30s. for shares worth £1. I think I had better read what I intended to read earlier from the publication "Who Owns Australia?" so that members will see how this company is interlocked with other huge companies. I hate the idea that this company, which is already the biggest industrial establishment in Australia, is going to be encouraged by the Government to get a further grip, like an octopus, on every industry in Western Australia. I quote from this publication.

The Attorney General: Is that a communist paper?

Mr. BRADY: The booklet states—

The Broken Hill Proprietary Ltd. is a huge company owning iron and coal-mines, smelting works, rolling mills, etc. But its importance does not consist merely in the works it directly and openly owns. Rather it is all-important in the Australian scheme of things economical, financial and industrial—and, we must add, political—because it is the hub of the hub, the sun around which revolves the whole of Australian secondary economy.

It is closely linked with the primary industries as well. To be more explicit, we mean, when we say that it is the centre of our economic solar system, that the few individuals who are the directors and the principal shareholders of the B.H.P. are also the chief directors of, and principal shareholders in, many other companies that own and control not only a vast proportion of the wealth of Australia, but, in so doing, also the lives and destinies of the masses of the Australian people.

The B.H.P. interests were born, as the name makes evident, in that hill of the Barrier Ranges which has given its name to the modern city of Broken Hill. There, fifty-two years ago, "Charles Rasp, a boundary rider on a far-western New South Wales sheep-run, pegged out a portion of a barren ridge in a grazing paddock that was to become known as one of the greatest silver-lead deposits in the world"

and began a history that "has been a grimly interesting record of death and dividends."

Between 1888 and 1931, "502 men met violent deaths . . . ; 1153 suffered serious injuries, while 609 have been registered as suffering from lead poisoning These figures do not include . . . thousands of men who worked until work became a physical impossibility, and then coughed their lives away with tuberculosis." During the same time, about £35,000,000 was distributed among the shareholders of the mining companies in the form of dividends and bonuses! An excellent outline of the price paid by the workers and their children for that wealth for the few is given by Mr. W. J. Thomas in his pamphlet, "Death and Dividends."

The Attorney General: Do you get the communist papers sent to you?

Mr. BRADY: No.

The Attorney General: That is one.

Mr. BRADY: Do not talk rot! Neither is "Ryldges" a communist paper. I think "Ryldges" is considered to be the best authority in Australia on financial matters, and all the information I have given in regard to dividends, shareholdings, etc. is contained in Ryldge's Journal. The company had reserves of £11,348,000 in 1950, which it has now built up to £16,000,000, and it is to be given further interests in Western Australia. The Leader of the Opposition was on the right path when he argued that the least the company could do was to establish an integrated iron and steel industry, and not just a rolling mill. If it did that, it would be showing a genuine interest in the future of the industry in Western Australia, and would be doing something worth while for the huge asset which the Government is giving it.

The State is selling its birthright for a mess of pottage. All our secondary industries are being put in the position of having to pay tribute to the company. The Deputy Premier, in introducing the Bill, said he had read somewhere that nothing is made without steel. He went on to say that he was inclined to doubt that statement at first, but having gone into the matter somewhat closely, he agreed it was almost 100 per cent. correct. Therefore, secondary, primary and all other kinds of industries will have to pay tribute to the B.H.P. for something which the State should be developing, and which should be produced by the State at the least possible cost.

Only today in "The West Australian" there was a 31 page supplement dealing with industries that are going forward in the State, and on every page of it two or three industries are mentioned that are almost solely dependent on iron and steel.

Mr. J. Hegney: Who paid for it—the B.H.P.?

Mr. BRADY: I think it is a supplement to give the Government a boost at the next elections.

Hon. J. B. Sleeman: It will want a lot of boosting.

Mr. BRADY: Yes, the people will not fall for this. The last page gives an idea of how the man on the land will be caught in the net because of the B.H.P. being given this monopoly. It contains an advertisement embracing International harvesters and bulldozers, dam-sinking plants, land-clearing tractors, etc. Here are a few companies in the State which will be affected—Chamberlain Industries, the Government Workshops, the railways, the State Implement Works, all the gold mines, 18 factories at Welshpool and the W.A. Wire Netting Co. These factories all use iron and steel in their products.

Then we have the power house at Fremantle, and the industrial establishments of various kinds throughout Western Australia, and the Anglo-Iranian Oil Company's refinery, which is yet to be established. All these concerns will pay tribute to the B.H.P. so that it can continue to pay huge dividends to its shareholders. Who are the shareholders? The book the Attorney General is so worried about tells us the names of a few of them. Unfortunately, this book was printed in 1939 and it may not be up to date. It shows that the Darlings hold 130,000 shares. Leonard Darling has a bundle of 8,465 and Norman Darling a bundle of 6,665. A bundle of 731,115 is held jointly by H. G. Darling, R. C. Meares (deceased), F. M. Mitchell, C. H. Hoskins and J. G. McGann. That is a total of 877,017 shares. Maurice Baillieu has 50 shares, Arthur Baillieu 1,300 shares, Beatrice Baillieu 14,625, Clive Baillieu, Arden Armstrong and S. B. Holder jointly 2,550; John M. Baillieu 375.

It would not be so bad if all the people in New South Wales were shareholders, but only about twenty or thirty people hold the shares, and everyone in Western Australia will have to pay tribute to them for the rest of the State's economic history. What have these people done to get that tribute from every man, woman and child? Companies like Elder, Smith & Co., T. A. Field Estates Ltd., Lysaghts, Myer Investment Pty. Ltd., Perpetual Trustee Co. and Australian Foundation Investment Trust are also shareholders.

About 73 people own Australia, and we are all working for them and paying tribute to them in one way or another. Now the octopus has spread to Western Australia so that more tribute can be made possible at the least inconvenience to the company—that is by the provision of a steel rolling mill. For this the State Government will be mulcted in hundreds of thousands of pounds to provide roads, railways, water and electricity. Who is

all this for? It is for twenty or thirty people who already have more wealth than they can ever spend, and some of them will never see Cockatoo or Koolan Islands. Yet we have to pass a Bill of this kind.

The surprising part of it is that many who are to pay this tribute are on the other side of the House and are sitting pretty behind the Government, helping it put the measure through. The time will come when this will catch up with them and they will not be able to talk their way out of it. The State is already more than half way to achieving its own steel industry, now that the pilot plant at Wundowie has proved itself. The member for Roe said that Wundowie lost £117,000 in 1949-50 and £100,000 in 1950-51, and that it should be scrapped, or words to that effect, yet there has been no suggestion from him that we should close down our railways which, under both Labour and Liberal Governments, have shown a loss of hundreds of thousands of pounds every year through subsidising the farmers by means of cheap freights.

Wundowie has made a profit almost from its inception—perhaps not a financial profit—in that it has made possible in this State industries that could not have survived without it. It has made a profit by allowing those industries to carry on, just as the railways have made it possible for our primary producers in general to carry on. The member for Roe was careful not to quote the Wundowie balance sheet for 1951-52.

The Minister for Industrial Development: He could not, as it is not yet available.

Mr. BRADY: The fact remains that the alleged loss was shown to be decreasing at a rapid rate.

Mr. Perkins: You are only guessing.

Mr. BRADY: The hon. member said that in 1949-50 the loss was £117,000 and in the figures he gave for the following year it had dropped by almost £20,000. To make matters worse, he included the interest in order to make the position appear as black as possible.

Mr. Perkins: Does not B.H.P. pay interest on its capital?

Mr. BRADY: It pays dividends.

Mr. Perkins: That is the same thing.

Mr. BRADY: The member for Roe put up a poor argument and will have to think of something better when he meets his electors at the forthcoming election.

Mr. Perkins: You will have to explain to your industrial supporters why you are trying to prevent them getting a steel rolling mill.

Mr. BRADY: I believe the B.H.P. would establish the steel mill to protect its own interests, even if the agreement were not ratified, as this is the biggest State in

the Commonwealth and is on the verge of huge industrial expansion. Ironically enough, on page 11 of this publication to which I have referred, there is reference to California as follows:—

The establishment of an integrated steel industry at the western side of America, big water conservation schemes and the development of latent resources have given Californian industry such a fillip that it is proving more than a competitor to the older established Eastern States and the industries operating in those States.

Western Australia is entering now the stage that California entered when it set up its integrated iron and steel industry and the possibilities, the potential wealth and the population are here. Whether or not it is done by the B.H.P. under this agreement, I can visualise an iron and steel industry being established in this State. I could not see the Bill passed in its present form without pointing out to members on the Government side of the House what a ghastly measure it is.

It is the worst Bill that has been before the House in the four years since I became a member. If agreed to it will sell out the State's birthright for a mess of pottage. I would not mind the B.H.P. coming to this State if it were going to set up an integrated industry and produce 100,000 tons of iron and steel a year, making it worth while for the Government to give away our iron-ore resources. Why cannot the company be satisfied with Cockatoo Island for the time being? If those were the terms of the agreement some other company or even the State Government would have the chance of establishing an industry of this kind. I hope that when in Committee the Bill will be amended in order to give the State a better deal.

Mr. W. HEGNEY: I move—

That the debate be adjourned.

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

Ayes	....	....	....	....	18
Noes	....	....	....	....	20
Majority against					2

Ayes.

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

(Teller.)

Noes.

Mr. Abbott	Mr. Oldfield
Mr. Brand	Mr. Owen
Dame F. Cardell-Oliver	Mr. Perkins
Mr. Doncy	Mr. Read
Mr. Grayden	Mr. Thorn
Mr. Hill	Mr. Totterdell
Mr. Mann	Mr. Watts
Mr. Manning	Mr. Wild
Mr. McLarty	Mr. Yates
Mr. Nalder	Mr. Griffith

(Teller.)

Pairs.

Ayes.	Noes.
Mr. Guthrie	Mr. Boveil
Mr. Hawke	Mr. Hearman
Mr. Kelly	Mr. Hutchinson
Mr. Coverley	Mr. Cornell

Motion thus negatived.

Mr. W. HEGNEY (Mt. Hawthorn) [11.10]: I have been in this House for some years now, and at different times legislation that has been distasteful to me has been introduced by this Government. But I can sincerely say at the outset that no measure more important to the State, or so unjustifiable has been introduced into this Chamber. I listened intently to the Minister for Industrial Development when he recently introduced the Bill, and he gave me the impression that the company was bestowing a great favour on the State by its proposal to establish a rolling mill at Kwinana. At times, the Minister appeared to be timid and hesitant, and as I have had an opportunity to study the terms of the agreement, I think he had an apology to make. I am strengthened in that argument by the demonstration of the Premier this evening. He was most feeble in his efforts, fruitless though they were, in trying to smash down the strong arguments put up by the Leader of the Opposition. The Premier said that he was not impressed by the remarks of the Leader of the Opposition, and yet he took 45 minutes to try to break down those arguments.

I have known the Premier for some time, and he frequently puts up strong arguments. However, on this occasion he was kicking against the wind and was most ineffective. If anyone approached this subject with an impartial mind, he would get the impression that the Premier was half apologising for the introduction of this iniquitous agreement. In any contract or agreement, each party must take on his shoulders certain responsibilities, rights, obligations and duties. Such an agreement would be mutual and I propose, in dealing with this measure, not to touch upon extraneous matters, as did the member for Roe. I will confine my remarks to the terms of the agreement and endeavour to show what the Government and the company are getting out of it.

In the time at my disposal I will endeavour to bovrilise the obligations placed upon the State by this agreement, and it appears to me that the main obligations are as follows:—To supply 600 acres

of land, including an area for the construction of certain works; to provide adequate power, water, rail and road services—4,000,000 gallons of water per week—to make available certain natural resources, and to protect the company's rights. The State has to maintain, at its own cost, the railway to the boundary of the works and to keep suitable roads in repair and to surface them with bitumen. A certain section of the Fremantle-Rockingham-rd. has to be closed and the State has to do any dredging necessary to ensure a depth of 30 feet at low water at the berth shown on the P.W.D. plan and, within four years from the passing of this Act, complete the dredging of the remainder of the channels shown on the P.W.D. plan.

The State is to carry out dredging to additional berths to a depth of 30ft. and a bottom width of 300ft. and to maintain at its own cost those berths to the depth and width mentioned. The State, at its own cost, is to deposit in the reclamation area the spoil obtained from the dredging. Those are matters of a consequential nature and the obligation is upon the State, within one month from the passing of the Act, to extend the term of the mineral leases at Cockatoo Island for 50 years and grant, within one month of the passing of the Act, the leases at Koolan and Irvine Islands for a period of 50 years, with the right of renewal for a further period of 21 years.

So it would appear to me in interpreting those particular clauses that the Government proposes to hand over to the company all the leases at Koolan and Irvine Islands for a period of 71 years. The company even has protection against price-fixing, and I will deal with that aspect, even though it is of a comparatively minor nature, a little later. The company is to get a virtual monopoly of the iron-ore deposits in the North-West of this State for 71 years, and for the paltry sum of 6d. per ton royalty.

Let me now deal with the obligations upon the company. I will not take up the time of the House in quoting all the padding and all the extraneous matters that have been covered in the agreement, and that are so much camouflage. The company's obligations are not many but, bovrilised, they are as follows:—To establish and operate a steel rolling mill with an aggregate capacity of 50,000 tons of steel products per annum, on the basis of three shifts; the mill to be established within five years and the company to operate the mill only for the periods of the year necessary in the opinion of the company. Incidentally, we have had no indication from any member on the other side of the House of how many men are likely to be employed, and for what periods.

The company is to construct a retaining wall, and to retain the dredging material within No. 1 reclamation area;

construct a wharf 600ft. in length and pay the nominal sum of 1s. 4d. per ton wharfage up to 100,000 tons for inward cargo and a lesser amount for all tonnage over that figure. For bulk cargo, the rate is 3d. per ton. The company is not to export iron-ore from the islands, but I heard it mentioned in the House tonight that there is no obligation on the company not to export iron-ore from Whyalla. The company has the right to a 50-year lease, and further renewals for periods up to 21 years. If one peruses this document, one would think there was room for another company, at some future date, to commence steel-making in this State. But when one further examines the position, it can clearly be seen that the terms of the agreement will give B.H.P. a monopoly of the iron-ore deposits in Western Australia.

The deposits at Koolyanobbing will be tied up for a period of ten years, but the wording of the agreement indicates to me that B.H.P. has got the thick end of the stick, and it has most graciously permitted, under the terms of the agreement, the State Government to take from the Koolyanobbing deposits 50,000 tons per annum for ten years.

The Minister for Industrial Development: That has nothing whatsoever to do with the Broken Hill Pty. Co.

Mr. W. HEGNEY: The company has also graciously permitted the State Government, on one year's notice, the right to enter into an agreement with some other company to enable it to mine iron-ore from Koolan or Irvine Islands to the extent of 200,000 tons a year. However, any company that read the proviso to that clause in the agreement would be very loath to commence operations in opposition to the B.H.P. because the latter company would have the right to refuse the rival company such a quantity of ore.

The Minister for Industrial Development: It has no rights at all. It shall supply the ore to the State and the State shall sell it to whom it likes.

Mr. W. HEGNEY: The Minister has interjected that this has nothing to do with the B.H.P. I will not quote the clause, but the agreement states—

That the company will if so requested by the State from time to time upon twelve months' prior notice in writing of its desire in that behalf arrange for Australian Iron & Steel Limited (a company duly incorporated under the Companies Statutes of New South Wales and having its registered office in the said State at Steamship Building Saint George's Terrace, Perth) or other the holder for the time being of the mineral leases on the islands to make available to the State such quantity or quantities of iron-ore from the said leases not

exceeding in the aggregate 200,000 tons in any one year of the term of this agreement as the State may require for use within the said State.

I will not read the whole clause, but the final words are—

... whereupon if there shall not at the time of the giving of the notice be any existing breach or non-observance of any of the provisions of this agreement by the company or Australian Iron & Steel Limited or other the holder for the time being of any of the mineral leases the subject of or granted under the provisions of this agreement the term of this agreement shall be extended accordingly upon the same terms and conditions except this present right of renewal and shall continue after the expiration of such extended term until determined by either party giving to the other two years' notice in writing in that behalf which notice may if so desired be given at any time within two years prior to the expiration of the extended term.

The Minister for Industrial Development: That is all right.

Mr. W. HEGNEY: I refuse to agree to the acceptance of a clause of such a character. If that clause is agreed to and another company decided to start operations in this State the B.H.P. company would be in a position to prevent it. I believe that sincerely.

The Minister for Industrial Development: I do not doubt your sincerity, but I doubt your sense.

Mr. W. HEGNEY: That illustrates what a bad deal the Government has made with the B.H.P. I am not charging the Broken Hill Pty. Co. with making a bad deal, but the Government, which is responsible for attending to the affairs and interests of the people of this State whom it represents. This clause is even written into the agreement—

That subject to the provisions of paragraphs (i) and (ii) of this sub-clause and so long as the company shall operate its interests in the said State as efficiently as can be reasonably expected and shall perform its obligations under this agreement the State while price fixing legislation shall be in force in the said State will not under any legislation prevent the products of the company from being sold at prices which will allow the company reasonable depreciation as determined by the company and the creation by the company of reasonable reserves and a reasonable return on the capital employed by the company in the said State.

The Minister for Industrial Development: What is wrong with that? Everyone else gets a price based on those figures.

Mr. W. HEGNEY: What is the necessity for it? Why pander to this company in preference to another company? What is the necessity for such a clause in an agreement of this nature?

The Minister for Industrial Development: Only for the purpose of putting it in writing.

Mr. W. HEGNEY: The B.H.P. Company or any other company should conform to the laws of the State. I have no doubt that if price-fixing legislation were still in force and it was necessary for the prices of commodities to be fixed, the Prices Branch would not compel the B.H.P. to sell its products at a loss. In carefully considering the clauses of this agreement one can only come to the conclusion that the Government has made a very bad deal. It has granted to B.H.P. a monopoly over all the iron-ore deposits in this State which will prevent any other company from commencing operations. I refuse to believe that for the State to have an iron and steel rolling mill established it was necessary to give away so much for so little in return.

Some years ago I visited Cockatoo and Koolan Islands and was informed that Cockatoo Island contained approximately 40,000,000 tons of high grade iron-ore. The company has stated that it will export 1,000,000 tons a year which would satisfy its needs for 40 years. It might have been a quid pro quo if B.H.P. had decided to establish a steel rolling mill in return for an extension of the lease over the Cockatoo Island deposits. Why does it want the deposits on Irvine and Koolan Islands at present? Mr. Montgomery, who was the State Mining Engineer a few years ago, reported that there were at least 92,000,000 tons of high grade iron above water level on Koolan Island. He also reported that there was probably a similar quantity below water level.

However, let us assume that 40,000,000 tons are available to B.H.P. Why does it want those other deposits tied up at the present time? If the company had agreed to establish a steel rolling mill at Kwinana it would have been a fair proposition for the State to give in return an extension of the lease to mine the deposits on Cockatoo Island without incorporating all these other clauses in the agreement. If the B.H.P. established an integrated steel and iron industry within a reasonable number of years its request to be granted a lease of the deposits on Koolan Island could have been considered. However, the Government has seen fit to give away those rich deposits on both Irvine and Koolan Islands in addition to extending the lease on Cockatoo Island, and no other company would have access

to those raw materials if it desired to establish a steel mill in this State in the future.

The B.H.P. would have unlimited resources of iron-ore if it were granted an extension of its lease on Cockatoo Island without giving it control over the iron-ore deposits on Irvine and Koolan Islands. To me this appears to be one of the worst deals any Government of this State has entered into. I know that the directors and executives of the B.H.P. are not a lot of mugs. They are hard-headed businessmen; they are carrying on a legitimate trade, business and industry. As has been said by previous speakers, they are not philanthropists. They are primarily engaged in making profits or dividends for the shareholders. They have done a good job in Western Australia; there is not the slightest shadow of doubt about that. But I do not believe that this State or this Government should be a party to giving the company a complete monopoly, at the present time, over the iron-ore deposits in Western Australia.

Only recently in the Commonwealth Government we had a position in which the present Federal Liberal-Country Party Government was hamstringing the activities of T.A.A. As a matter of fact, the Minister for Territories, Mr. Hasluck, introduced the Airlines Agreement Bill which, among other things, gives to A.N.A. the right to borrow up to £6,000,000 for 15 years. Incidentally, in the course of his remarks, Mr. Hasluck said that A.N.A. needed new equipment and the latest passenger aircraft to provide competition in Australian air services. Because the capital investment for modern aircraft was great, A.N.A. directors approached the Government and proposed the amalgamation of T.A.A. and A.N.A. When A.N.A. renewed that proposal with the present Government Mr. Hasluck said it was rejected. He went on to say—

We are opposed in principle to monopoly and we will seek to avoid it wherever we can. The Government believes that competition between A.N.A. and T.A.A. had produced advantages to the travelling public.

It looks to me as if this State Liberal-Country Party Government is following the pattern of its counterpart in the Federal arena. In the Commonwealth Parliament the Government is trying to do away with the A.W.A. and the Commonwealth line of ships. As the member for South Fremantle mentioned, it is hamstringing T.A.A. and it is disposing of the Commonwealth Oil Refineries; all assets and wealth of the Commonwealth of Australia. It is disposing of those assets. We have an asset in the raw materials of hundreds of millions of tons of iron-ore, and I think we should drive a very much harder bargain than is provided in this Bill or the schedules to it. I cannot see that the State is going to get

any great advantage out of this agreement. As a matter of fact, practically every clause of any note is in favour of the company. I do not blame the company or its executives for the terms of the agreement.

I wish to make it quite clear, without any mistake at all, that in spite of the fact that members on the opposite side of the House have been endeavouring to show that we are blaming B.H.P. for this agreement, I deny any such thing. If I were an executive or a director of B.H.P. I would do the best I could for the company but, if everything were handed out to me on a plate I would not, of course, refuse to take it, particularly when a responsible body alleged to be knowing what it was doing was prepared to grant conditions that have been written into the Bill and the accompanying schedule. I might say that I am unlike the member for Nedlands, who had some misgivings at the start but who, apparently, has been talked over and is now 100 per cent. behind the Bill.

When the Minister introduced the Bill I thought in the first five minutes that there was something different in it; something to the advantage of the State, compared with what he visualised last March. But after I studied his form, and the form of the Premier tonight in his very ineffective attempt to answer the Leader of the Opposition, I had many misgivings. When I studied this agreement closely I came to the definite conclusion that this is a complete sell-out by the Government; that the Government is not doing what is in the best interests of the people of the State if it still continues to agree to the terms of the Bill and the accompanying schedule.

The Government is acting very unfairly and very unjustly not only to the present generation of Western Australians but to the generations to come. This asset we have in Western Australia is worth more than 6d. a ton to B.H.P. or any other company. During the course of the debate it has been said that 10, 15 or 20 years is a very short time in the life of a country. It is, and it is for that reason that I oppose the Bill. In years to come the State will be in a much better position to bargain than the Government is in today. I am going to oppose the Bill and I hope there are members on the other side of the House who will vote in a like manner to protect the interests of the people of Western Australia.

Hon. J. T. TONKIN: I move—

That the debate be adjourned.

Motion put and negatived.

HON. J. T. TONKIN (Melville) [11.27]: I cannot understand the Government's attitude in connection with this matter. What is the urgency about it? What particular urgency is there for forcing this

measure through in this way? We have had the Standing Orders amended to limit the speeches and the members on this side who have spoken have only taken half the time permitted them. They are entitled to express their points of view but the Government seems determined, no matter how long we sit here, to push this through even though there is very little other business on the Notice Paper. The Government is most unreasonable in this regard and it seems to follow the process of exhaustion in order to force the Bill through—

Mr. J. Hegney: One of its supporters is exhausted.

Hon. J. T. TONKIN: —because it is a bad Bill. The Premier said that language used by the Leader of the Opposition was extravagant. In the circumstances of the Bill the language used by the Leader of the Opposition was certainly justified. According to the Premier a great deal of consideration had been given by the Government to the matter before the House. I wonder how much and in what direction? The Premier said, "We recognise what this will mean to Western Australia." What will it mean? Will it mean the establishment of an integrated iron and steel works? Who can say that it will? It appears to me to mean exactly the opposite; it appears that it might remove the possibility of our getting such an industry in this State.

The Premier referred to the large works that have been established by B.H.P. in New South Wales. The very strength of those works is an argument not in favour of the establishment of similar works in Western Australia because once B.H.P. has secured, as it will do under this Bill, the right to the iron-ore resources of this State, need it worry about establishing steel works here? All it need do is to draw upon our raw material to feed the iron and steel works in other States, as assuredly it will do.

What would be its chief concern in the continent of Australia? Its chief concern would be to ensure that there were adequate supplies of raw material for its works. That would be the basic consideration. To maintain the life of those works, it must take steps to ensure that the known resources of iron-ore, so far as it can manage this, are made available to it and to no-one else. This is done very effectively by the Bill. Not only does the Government give the company leases on Koolan Island and Irvine Island and extend the lease on Cockatoo Island, but it also makes provision that if, during the working of those leases, the ore bodies are found to extend beyond the boundaries of the leases, B.H.P. shall have them too.

Thus nothing is to be left for anybody else. The Bill provides that practically the whole of the iron-ore resources of

Western Australia shall go to B.H.P., not for 50 years, not for 71 years, but in perpetuity until they are worked out. That is to say, regardless of what those who come after us think and require, regardless of their ideas and desires about the establishment of an industry, this Government is determined once and for all that the whole of the iron-ore resources of Western Australia shall for ever be given to B.H.P. for it to utilise as it thinks fit, free from any control as to the price of the commodity manufactured from the iron-ore and free from any control that the Government may attempt to exercise. It may control the prices of other commodities, but the Bill provides that B.H.P. shall be perfectly free from any control of the price of its product.

A great show was made by the Premier as to what the establishment of an industry costing £4,000,000 will mean to this State. The company will get the £4,000,000 back quite easily and show a profit. Figures submitted this evening reveal that there are approximately 40 years' supplies on Cockatoo Island. Before the company touches the iron-ore on Koolan Island, it would need to make only £100,000 a year as a result of its freedom from price control in order to recover the £4,000,000 that it will expend on the steel rolling mill. Having done that, it will have secured to itself for all time the whole of the iron-ore resources of this State.

Not only does the Government give this material away for ever but it also undertakes to carry out a good deal of work involving large expenditure. It is a matter of considerable wonderment to me that the Government cannot finish a small job like the school-yard at North Fremantle, of which I heard the member for Fremantle speak, though the expenditure was approved some time ago, and yet can undertake to carry out a long list of works at its own cost. The State undertakes to provide adequate power, water and road services for the construction and operation of these works. It proposes to establish those services within a very limited time.

The State agrees within six months of the passing of the measure to provide at the boundary power for the construction in such quantities and under such conditions as shall be mutually agreed upon. The State agrees, subject to receiving reasonable notice, to provide and maintain a supply of electric power. The company may install its own machinery at any time and, consequently, after the State has gone to the expense of providing a supply, the company can tell the State it does not want its current.

Within six months of receiving notice, the Government must make available at the northern boundary such quantity of potable water and bore water up to 4,000,000 gallons a week. There are numerous places in the State that have

been told that the Government cannot provide water supplies because funds are not available.

Mr. J. Hegney: Any number of them.

Hon. J. T. TONKIN: Yet, here, within six months, the Government is to provide this supply. The State will, at its own cost, before the 31st December, 1954, construct and maintain and operate an efficient and adequate railway. This is a State that has not enough money to enable it to complete the school-yard at North Fremantle.

The Premier: We are doing some of those things at Kwinana.

Hon. J. T. TONKIN: I am wondering where the Premier is going to get the money. Work on the Albany harbour has been stopped because the Government has not the money. A dozen men are employed as a token force digging a channel, but the Government has stopped the job because there is no money. At the same time, it can contemplate putting in a railway, water supplies and electricity supplies within a few months.

The Premier: To establish a great industry.

Hon. J. T. TONKIN: Where is the Premier going to find the money?

The Premier: We shall find it.

Hon. J. T. TONKIN: Then the Premier cannot be telling the truth to people in the country where jobs have been stopped. Jobs have been started and stopped because of the lack of money. The Minister for Education has pre-fabricated school buildings on hand and cannot get them erected because he has not the money. That statement has been made publicly.

The Minister for Industrial Development: Not by me.

Hon. J. T. TONKIN: It has been made authoritatively by the Education Department.

Mr. J. Hegney: By the Director of Education.

The Minister for Industrial Development: The pre-fabricated buildings were the ones that were going to be erected. They are being erected as fast as we can put them up.

Hon. J. T. TONKIN: That is quite different from what was stated previously.

The Minister for Industrial Development: I referred to the orthodox buildings.

Hon. J. T. TONKIN: The statement was made, I think by the Director of Education, that pre-fabricated buildings had been imported and could not be erected.

The Minister for Industrial Development: They came faster than they could be erected.

Hon. J. T. TONKIN: This statement was that there was insufficient money to have them put up.

Mr. J. Hegney: You are quite correct there.

The Minister for Industrial Development: I would like to challenge that. I know the director as well as you.

Hon. J. T. TONKIN: I have the statement at home. I cut it out and I will bring it along and deal with it on the Estimates. There are numerous jobs throughout this State, some of them quite small, which have been stopped and the men put off because there is insufficient money. Why has the Albany harbour job stopped?

Mr. Sewell: And the Geraldton pipeline?

Hon. J. T. TONKIN: Yet the Government has no hesitation in committing itself to a large expenditure in connection with this company which does not promise to give us any more than a steel rolling mill in five years.

The Premier: And we are doing the same, of course, for the Anglo-Iranian company.

Hon. J. T. TONKIN: This will be additional to the Government's commitments to the Anglo-Iranian company.

The Minister for Industrial Development: All part of the same job.

Hon. J. T. TONKIN: The same job, but more expenditure.

The Minister for Industrial Development: I cannot see any great expenditure in it.

Hon. J. T. TONKIN: Pipes will be needed and they will not be the same pipes. A considerable quantity of pipes will be involved.

The Minister for Industrial Development: The Anglo-Iranian water supply will reach the boundary of these people.

Hon. J. T. TONKIN: Surely the Minister is not going to tell me that he will provide water supply and electricity supply for these people without any increased cost over and above what is involved for the Anglo-Iranian company!

The Minister for Industrial Development: Very slight.

Hon. J. T. TONKIN: I just will not believe it, because it is not possible to send electricity through the air without wire, and copper wire is costly. The Government has already said, through the State Electricity Commission, that it has difficulty in getting supplies to private consumers throughout the State because of the shortage of wire and the inability to provide it.

The Minister for Industrial Development: You fail to understand that the location of the land proposed to be erected on by B.H.P. is right next door and directly

north of the Anglo-Iranian company's land, and therefore anything that has to go to the Anglo-Iranian company will be on the boundary of the properties.

Hon. J. T. TONKIN: Will it?

The Minister for Industrial Development: Yes, practically.

Hon. J. T. TONKIN: Well, it is my opinion that this work will involve considerable additional expenditure to provide this water and this electricity and to put in the railway. Is the railway for the Anglo-Iranian company?

The Minister for Industrial Development: It is the Coogee-Kwinana line which goes right along the boundary of the land the company is proposing to buy.

Hon. J. B. Sleeman: Dredging is to be done and a jetty built.

The Minister for Industrial Development: They are building their own jetty or wharf or whatever it is.

Hon. J. T. TONKIN: The company is not dredging the swinging basin.

The Minister for Industrial Development: No; that is the only item in respect of which you can talk of expenditure.

Hon. J. T. TONKIN: No, it is not, as we shall see when the Estimates are brought down later on, as to what provision is made for this work. It is no good the Minister trying to convey the impression that all these things can be done for nothing.

The Minister for Industrial Development: I know; but I say they are not additional commitments.

Hon. J. T. TONKIN: Then so far as this company is concerned, they will be done for nothing, if that is so.

The Minister for Industrial Development: They are entitled to obtain an agreement that they will be supplied, all the same.

Hon. J. T. TONKIN: Yes; but my point is that it is so easy for the Government to find this money, so it says, though it is stopping jobs all over the countryside, and small jobs such as the gravelling of the North Fremantle schoolgrounds, for example, because it has no money. I suppose a few hundred pounds would be involved there to do a job for which the expenditure was approved a considerable time ago.

Hon. J. B. Sleeman: They are just going through the worst portions of the ground, putting a shovelful here and a shovelful there.

Hon. J. T. TONKIN: Because there is no money.

Hon. J. B. Sleeman: The Minister for Works said it was because of the financial position.

Hon. J. T. TONKIN: Yet this work is to be undertaken without any apparent trouble at all in order that we may get something within five years.

The Minister for Industrial Development: The hon. member is being very dense at the moment.

Hon. J. T. TONKIN: The member for Eyre has brought under my notice the reply given by the Minister for Works in connection with the matter about which I have been speaking. The member for Fremantle had asked whether the Minister was aware that last year approval was given and money allocated for the gravelling of the North Fremantle school-ground, but that owing to the installation of new lavatories, the gravelling of the ground had to be put off until the other work was finished. He also asked whether, if that were so, the Minister would inform the House when the work of gravelling was likely to be proceeded with.

Hon. J. B. Sleeman: It is a case of if you have a lavatory you cannot have the schoolground gravelled.

Hon. J. T. TONKIN: The Minister's reply was—

Although money was allocated some time ago for ground improvements at North Fremantle school, work could not then be put in hand owing to other construction activities in progress at this school.

These other works are completed, but owing to the financial position it is impossible now to effect the comprehensive ground improvements necessary.

Inquiries are being made to ascertain if some temporary relief can be effected by the spreading of gravel in the worst portions of the grounds.

Owing to the financial position, a tiddly-winking job like that cannot be completed and we are to have a fooling around by filling in a few of the worst spots. Yet the Government can undertake this expenditure in order to enable B.H.P. to come here and establish a steel rolling mill, which in its initial stage will employ 300 men, within five years and there is so much hurry that the Bill has to go through tonight.

Not only is the Government to provide this potable water and electricity supply and maintain and operate this railway, but it is also to ensure a suitable road which it will provide and maintain. It will be a bitumen road and it will not cost anything extra, according to the Minister. Upon 12 months' notice, the State will, within three years of the notice or two years of the completion of the retaining wall, whichever is the longer time, at its own cost do the necessary dredging to ensure a depth of 30ft. in a swinging basin and complete the dredging of

the remaining channels. It will, too, if additional wharves are built, dredge additional berths, and will maintain the dredging. So there will not only be a substantial initial cost involved in the dredging, but the cost of maintaining that dredging after it has been done initially.

The Government will at its own cost build up land which is to be reclaimed. That cannot be done cheaply. I made some inquiry at Albany as to the cost involved in filling in down there; and if the cost is to be comparable up here in filling up this land behind the wharves which are to be built, there will be a considerable expense to the Government, for which the company will pay nothing. The Minister interjected on a member speaking this evening that the company would have to pay for these services. But that will be for only some of them. The company will not pay anything for filling in this land behind the wharves, but it will get a title to the reclaimed land.

The Minister for Industrial Development: It is only to the extent of the spoil that has to be dumped somewhere.

Hon. J. T. TONKIN: No, it is not, because we will have to go on building the land up to a certain level.

The Minister for Industrial Development: Yes, but the spoil that will come out will be more than sufficient.

Hon. J. T. TONKIN: We hope!

The Minister for Industrial Development: The engineers have reported to that effect, and surely you have faith in them. They are our engineers and not those of the B.H.P. You had faith in them in your time.

Hon. J. T. TONKIN: We will see how it works out.

The Minister for Industrial Development: It will work out.

Hon. J. T. TONKIN: It has not always worked out.

The Minister for Industrial Development: Maybe not, but it will in this case.

Hon. J. T. TONKIN: It has not always worked out so far as costs are concerned. A few things have gone wrong at Albany. They are quite contrary to what the engineers thought would happen.

The Minister for Industrial Development: That is rather a different matter. I think.

Hon. J. T. TONKIN: I cannot see the difference. It involves a quantity of material deposited in a reclaimed area. It is obvious to anyone going to Albany that the height of the wharves is too low.

The Minister for Industrial Development: This is a very small area.

Mr. Hill: I think it is too high.

Hon. J. T. TONKIN: I think it is too low.

Mr. Hill: It is 5 ft. in Sydney.

Hon. J. T. TONKIN: If one stands on it, one can see it is too low. The Bill commences by saying that it is the desire of the State of Western Australia that an integrated iron and steel industry shall be established. I think we are on common ground there, but it is a question of whether the Bill will bring about the establishment of the industry, or prevent it. The company has been careful to safeguard itself in this connection, because the Bill provides that, although it is the aim of the parties to establish steel-making furnaces, and while the company intends to pursue such establishment in good faith, any decision in this respect by the company shall in no way affect any rights or obligations conferred or imposed by the agreement.

So the company is pledged to nothing in that regard. It can send a few officers oversea to make inquiries, and it can report to the Government from time to time as a result of those inquiries. But if it decides against establishing a steel works, then the decision shall not in any way affect its rights under the agreement. So it ought to be perfectly clear that, having secured to itself the right for all time to the iron resources of Western Australia, it need not be worried about the future. The company is even able to assign to someone else its rights and obligations. It need not continue in the business itself. It could sell out at a profit. If it so desired, it could get some other firm to take its place and make money on the deal, because it has the right to assign its rights and obligations.

Let us look at the price-fixing provision, which is where the company could quite easily recover the £4,000,000 spent on the rolling mill. It states that while price-fixing legislation shall be in force, Western Australia will not prevent the products of the company from being sold at prices which will allow the company—

1. Reasonable depreciation to be determined by the company;
2. The creation of reasonable reserves; and
3. A reasonable return on the capital.

And all the company need do is to provide for the writing off of £4,000,000 for the steel mill over 40 years. The company can include that rate of depreciation in the cost of production, as it is permitted to do under this legislation, and it will recover the £4,000,000 before it has used the iron at Cockatoo Island, and then it will have the rest for nothing and will be under no obligation to do any more.

The Bill goes even beyond that. Should the company decide that it will produce some extra products that are not produced

at Port Kembla or Newcastle—for example, window-frame sections—with a view to increasing the availability of further processed steel products, such as fencing posts, then it is permitted, free from price-control, to charge a price which will enable it to provide a reasonable depreciation, as determined by itself, the creation of reasonable reserves for future expansion, and a reasonable return on the capital invested. So it can recover at the expense of consumers in Western Australia the capital it will outlay in establishing the steel rolling mill. The company could finish by not being out of pocket at all, and the people of this State would have paid for handing over to it all the iron resources of Western Australia for ever.

Mr. Yates: Most business undertakings adopt that policy, do they not?

Hon. J. T. TONKIN: But they do not get given to them the iron resources of a State for ever. I have never in my life come across an example comparable to this.

Mr. Yates: You would not find one.

Hon. J. T. TONKIN: Of course not; that is what I am saying.

Mr. Yates: That does not detract from the fact that B.H.P. would not make exorbitant profits.

Hon. J. T. TONKIN: Does the hon. member mean to tell me that he could stand up and justify giving away for ever the iron resources of a State in exchange for a promise to put up, within five years, a steel rolling mill which might employ 300 men for portion of the year, and with no further obligation?

Mr. Yates: There is more than that to it.

Hon. J. T. TONKIN: No.

Mr. Yates: You will be very happy with the B.H.P. having these deposits if war breaks out again.

Mr. Lawrence: You are war happy.

Mr. Yates: No, I am not.

Hon. J. T. TONKIN: If we held on to these iron deposits and said to the B.H.P., "These are available to anyone who establishes an integrated iron and steel works in Western Australia, and if you want them you had better get busy," we might get the works we are after, but we will not get them this way; and our bargaining power is being given away. After we have given these iron resources to the B.H.P., what can we do in the future to get the works here if the company says it will not establish them? As the works in the Eastern States are built up, so there becomes less and less likelihood of the establishment by B.H.P. of large works in this State. Economics will enter very largely into what is done and, if it is more econ-

omical to continue to feed the established works in the Eastern States, do members think the company will come here and put up a works costing many millions of pounds just because we would like it to?

There is no stroke of statesmanship in this. If the aim is to secure a steel works for Western Australia, this is not the way to go about it as it will only deprive us of our bargaining power which otherwise might result in the establishment of such a works in this State. That is why we of the Opposition complain so bitterly against the proposition. We are not critical of B.H.P., which is a highly efficient organisation—its efficiency is demonstrated in this agreement under which it is able to secure, at practically no cost to itself, complete control for ever over the iron ore resources of Western Australia.

What is involved in sending a few technicians to Europe to inquire into processes for coking coal? That sort of thing is being done by firms every day. B.H.P. would do it in any case, and there is nothing involved in keeping the Government informed of the results. Under the Bill the company undertakes to keep the steel rolling mill operating for just so long as is necessary each year to supply the demands of this State for the product. The Premier said that the capacity of the mill will be twice the demand.

The Minister for Industrial Development: That is on a three-shift basis.

Hon. J. T. TONKIN: That being so, it should be evident that the company will not require to keep the works operating for the full 12 months in any year.

The Minister for Industrial Development: Is not the demand likely to increase?

Hon. J. T. TONKIN: Yes, but the works will not be completed for five years.

The Minister for Industrial Development: That will give plenty of time for the demand to increase.

Hon. J. T. TONKIN: The works will not be ready for five years and in the initial stages will employ 300 men. Must we rush into this? If the company was really interested in establishing a complete works in this State what would be wrong with promising them the leases when they had established the works? In that way we might get somewhere, but to give them the leases first and let them please themselves about establishing the industry is the last thing anyone with any sense would do. Yet with this Government it seems to be the first thing. There is no evidence that any attempt was made to reach a better agreement. According to the Bill it is at the request of the Government that the rolling mill is to be established.

Why did not the Government request an integrated iron and steel works? It would pay us to wait until a process is

discovered for the coking of Collie coal rather than to give our iron-ore resources away in the first place and just trust to luck. We have no moral right to give away forever the iron-ore resources of Western Australia. A 50-year period might have been reasonable, but to give these leases forever to a single company, under a complete monopoly and to allow it to fix its own price for the product will be to hold all our industries to ransom, and that is exactly what the Bill does. It contains no safeguard as to price.

What is the use of saying that the policy of the company up to the present has been to charge the same price in each capital city, when it can alter its policy at any time and, when it does so, charge a price in this State that will permit it to recover its capital cost over any period it determines and make a reasonable profit on capital invested as well as placing a reasonable sum to reserves? With our eyes wide open we are asked to agree to that proposition and believe that something marvellous is being done for us because within five years we are to have a steel rolling mill that will employ 300 men.

MR. MOIR (Boulder) [12.17 a.m.]: I do not offer any criticism of the B.H.P. for accepting the agreement—anyone would do that if offered the chance of being on the receiving end—but I do desire to criticise the Government for the frightfully bad bargain it has made. No body of men, with the welfare of the State at heart, could fail to make a far better agreement than this when having such huge quantities of iron-ore with which to bargain. It is almost inconceivable that any responsible body of people—let alone the Government of the State which is entrusted by the people with matters pertaining to the welfare of the State—would dare even to propose an agreement of this sort. I can well believe that the offer was made by the Government to the company as I cannot imagine any business concern having the hide to put forward proposals such as are contained in the Bill.

It appears that the Government, in its anxiety to get the B.H.P. to come to this State, has been prepared to hand over everything that it thought the company might possibly desire. The agreement has some extraordinary features. We find that the leases of Cockatoo, Koolan and Irvine Islands are to be handed over to the company for all time and that the deposits at Koolyanobbing are to be tied up for 10 years, with the proviso that the Government is to be allowed to take 50,000 tons of ore per year from those deposits. Also coal leases at Collie are to be made available to the company and I take it that they must be of considerable extent because they are all listed in the agreement.

The Minister for Industrial Development: No coal leases at Collie are being made available.

Mr. MOIR: It states in the second schedule—

Mining Reserve consisting of late Coal Mining Leases Nos. 153 to 156 inclusive

The Minister for Industrial Development: Those are reserved to the State for ten years and they are not to be mined or dipped during that period.

Mr. MOIR: But they have some connection with this agreement.

The Minister for Industrial Development: They have nothing to do with it.

Mr. MOIR: Then why are they listed in the agreement?

The Minister for Industrial Development: They are not; they are in the Bill.

Mr. MOIR: They are just there to fill up the back page?

The Minister for Industrial Development: The Bill deals with the agreement and those reserves.

Mr. MOIR: The reserves for Koolyanobbing are here, too.

The Minister for Industrial Development: Yes.

Mr. MOIR: That is very vital to this agreement. It is incorporated in the Bill.

The Minister for Industrial Development: It has nothing to do with the agreement.

Mr. MOIR: That is a remarkable thing.

Mr. Lawrence: It has a big bearing on it.

Mr. W. Hegney: It is part of the Bill.

The Minister for Industrial Development: Yes, but not of the agreement.

Mr. MOIR: It has nothing to do with the agreement! It is there merely to fill up the space!

Mr. W. Hegney: Indirectly it has something to do with the agreement.

Mr. MOIR: I would have been pleased to see in the Bill some reference to water supplies for the Goldfields. The member for Melville told us that water supplies are to be made available to this company almost immediately but of course they cannot be made available to the people on the Goldfields. The people at Norseman have not been able to go ahead with the building of a swimming pool. They expected to have it open this year and it would have been a wonderful amenity for the people in that town. They could not proceed with that project because the Government could not supply 180,000 gallons of water to fill the pool. If provision for that project had been included in the Second Schedule I would have taken a chance on its not meaning anything.

There are some extraordinary provisions in the agreement and the Mining Act, in certain respects, is to be completely disregarded as far as these leases are

concerned. The Mining Act provides certain conditions with which every mining company must comply but we find that this agreement will completely override the Act in that regard; I have never heard of any of the large goldmining companies wanting a Bill put through Parliament, or desiring to enter into an agreement with the Government to abrogate the sections in the Mining Act or any regulations in regard to mining leases. They seem to be satisfied to work under the Act and to have their leases extended for the different periods laid down.

There are large and wealthy goldmining companies operating in this State and some of them have assets far beyond the assets that will be created when B.H.P. establishes itself here. Those mining companies have been operating their leases for over 50 years and they have not asked for the provisions of the Mining Act to be set aside in any way. The Government seems most anxious that our iron-ore will be given away for all time: the Government seems to want to get rid of it so that there will be no more debate about it. The measure provides for a period beyond 71 years because the company has only to apply for an extension and it will be granted.

Hon. E. Nulsen: They have the right of renewal.

Mr. MOIR: Yes, they have the option and why should not they exercise it? Iron-ore is like any other commodity that is mined, whether it be gold, tin, lead, silver or anything else; every ton of it taken out of the ground means one ton less that is available. Wherever iron-ore deposits are being worked those deposits are being depleted. The world is dependent upon iron and steel to a large extent for its industrial projects and consequently our natural resources of iron-ore are being depleted rapidly. As the world's deposits diminish so our deposits become more valuable. But apparently this Government is not far-sighted enough to be able to see that because it is prepared to hand over our iron-ore deposits, or the greater part of them, to this company for all time.

There might be a certain amount of merit in that if we were getting something substantial for it. But when one examines the position one finds that that is not the case. We are getting a steel rolling mill which, in the initial stages, will employ about 300 men. But I would remind the Government that there are mining projects in this State which employ two or three times that number of men, but this Government does not go to their assistance and make all sorts of provisions in their favour and grant them leases in perpetuity. I can almost see the Minister for Industrial Development starting to interject. He will tell me that the Government has done certain things

for these mining companies. I agree that it has done in the past and houses have been built at Bullfinch and are being built at Norseman. But that is a small matter in comparison with what is proposed under this Bill.

I cannot let this occasion pass without referring to an interjection from the Attorney General during the speech of the member for South Fremantle. The member for South Fremantle referred to the fact that there is nothing in the agreement to compel B.H.P. to work these leases and the Attorney General said, "Do you not know the Mining Act?" I hope my references to the way that the Mining Act will be overridden will enlighten the Attorney General and let him see that as far as these leases are concerned the Mining Act has no application. In regard to the manner of working the leases, the agreement sets out that there can be a concentration of labour on any one of them and that will fulfil the labour requirements on any of the other leases.

The Attorney General: That is quite usual.

Mr. MOIR: That is not quite usual.

The Attorney General: It is done on the Goldfields.

Mr. MOIR: It is not done on the Goldfields under the Mining Act which states that other leases must be adjoining.

The Attorney General: Oh, no.

Mr. MOIR: Yes, it does. I will read the Act to the Attorney General if he so desires.

The Attorney General: I know it.

Mr. MOIR: Well, if the Attorney General knows it he had better not challenge me on it.

The Attorney General: I know it is done.

Mr. MOIR: The leases have to be adjoining and must not be over a certain length, otherwise they cannot be amalgamated. The Act also sets down how many men shall be employed on each lease and how many shall be employed on the amalgamated leases. However, in this agreement there is a different formula from that set down in the Mining Act. The B.H.P. must be a remarkable company when the Government will go to so much trouble to override the Mining Act which has been in force since 1904. We have been told that the B.H.P. requires 1,000,000 tons of ore a year from these leases. That company has been in operation and in production for some time. I wonder if any Government member can tell me how much ore it took from Cockatoo Island last year. The Deputy Premier does not answer, so I take it that he does not know.

I will tell the House how much ore the company took from Cockatoo Island last year, and I am basing my figures on the

amount of royalty it paid out last year at the rate of 6d. per ton; a price which was laid down in the Mining Act of 1904 and which has never been altered since. We all know how everything else has risen in value but apparently the royalty on either coal or iron-ore is not to advance beyond a price that was considered fair 48 years ago. According to the Public Accounts for the financial year ending the 30th June, 1952, B.H.P. paid £765 royalty on the iron-ore it extracted from Yampi. That would mean that the company mined 30,600 tons of iron-ore. It would appear that this company is not anxious to use up the deposits on this island. Apparently all it is concerned about is to tie up the leases to make it impossible for any other company to work them. It also appears that the Government is to assist the company to have control of these leases for all time. When the Leader of the Opposition was speaking to the debate a question was asked as to what Government officials had been consulted before this agreement was entered into.

Reference was made to the Under Secretary for Mines, but I would like to know if the State Mining Engineer was consulted in this matter. Evidently he was not, although he is a highly-qualified and highly-paid officer who is in charge of all mining matters in this State. However, the Government did not see fit to consult him before entering into negotiations on this matter. I wonder what the Government considers his duties should be. He evidently, in its opinion, is just a figure-head when it comes to a question of making a decision on iron-ore deposits. Apparently the Government recognises that he knows everything there is to know about goldmining or coalmining, but knows nothing about iron-ore. If it holds that view, I am of the opinion that the Government too knows little about iron-ore.

In addition to the leases that are to be granted to B.H.P., 600 acres of land is to be made available to it at cost. I wonder who decided that the area should be 600 acres. Anyone knows that such an area would house a fair sized city.

The Attorney General: That is the area usually allotted for the establishment of a steel industry; that was what was allotted at Newcastle.

Mr. MOIR: I hope the Attorney General is not so optimistic as to think that the B.H.P. will establish an industry here the size of that at Newcastle. If he does, he is more naive than I think he is.

The Attorney General: That is why the company wanted that area.

Mr. MOIR: Evidently, it is pretty good at telling a story.

Mr. Styants: It wants to sell the land to somebody else at a profit.

Mr. MOIR: I certainly would not believe the company's story. However, the Government has undertaken to make available those 600 acres at cost. When we consider the proposed developments that are to be undertaken adjacent to Kwinana and the great industrial development that is to follow, it can easily be realised that any land in that area will become very valuable. Despite that, however, the Government has made the decision to make a gift of this tract of land to the company. Further, it has undertaken to do everything it possibly can to assist the company to discover other minerals. I was rather intrigued when I read that in the agreement, because magnesite was mentioned.

At present the B.H.P. has probably the best magnesite deposits in this State, which are situated about nine or 10 miles east of Bulong. It has tested a considerable area and it knows exactly the extent of the deposits that are there. As everyone knows, magnesite is extremely necessary for the production of steel.

Hon. E. Nulsen: It has held those deposits for a long time.

Mr. MOIR: Yes, and it will probably go on holding them for many years to come. Why magnesite was mentioned in the agreement, I do not know, but there is probably enough magnesite on the leases, the company already holds to suffice it for many years. If the B.H.P. commenced working those deposits now it would not exhaust them even after every member of this Chamber has passed on. Mention was made of the moderate prices charged for steel by B.H.P. I think the correct slant was given on that by the member for Guildford-Midland when he pointed out that B.H.P.'s only profit did not lie in the product when it left that company; it went through other subsidiary companies and it would not lose any price as it went through those companies. An interesting side light is apparent on how fortunate this company is in some respects. I do not blame the company because it is there to make profits and to make the best deal it possibly can in all the circumstances. But the company is certainly very fortunate in that there is a Commonwealth embargo on manganese; manganese cannot be exported from the Commonwealth.

We have quite a few deposits of manganese in this State and the people who have leases of them cannot sell their product overseas. This product is greatly in demand today. America would buy all the manganese we could export and she would probably pay us the world parity price for a reasonable grade. I am told the price is £16 a ton. B.H.P. can buy its manganese here for £10 a ton because it is the only company buying manganese, and it therefore has a monopoly. The producer of manganese cannot sell it outside;

he must sell it to B.H.P. and the company is able to get this at a very reasonable price. Mention was made of B.H.P.'s relations with Labour. I have not come in contact with this company personally but I believe that the relationship with its workers is reasonably good.

The union to which I belong, the Australian Workers' Union, covers most of the categories of the men that work at Yampi. As far as I am aware the relationship there has always been good. But this company, like other companies, does not hand things to workers on a plate. The organisations looking after those workers have to negotiate; they have to go before the court and put their cases and the court makes an award. The same thing happens in the Eastern States and that is the position. It is true that the company has provided excellent amenities at Yampi for the workers, but of course that is not to be wondered at because, if good amenities are not provided in those outlandish places, men will not go there and work. Cockatoo Island is a barren place; it is a rock in the sea and if there are no amenities provided there the men will not be prepared to go there.

It is good business on the company's part to provide these amenities and like any other company which has its own welfare at heart, it does everything possible to have amicable relations with its workers. I do know that the B.H.P. operating at Yampi will take every point it possibly can when it comes to saving money. Until recently I was a representative of the employees on the Mine Workers' Relief Board. I know the board had the utmost difficulty in getting B.H.P. to comply with the Mine Workers' Relief Act to make the necessary contributions. The company finally did but to my mind it did so very reluctantly. Anyway I suppose it was doing no more than some other companies would do. With the Leader of the Opposition I believe that the Government could have made a far better bargain with this company. The Government could have given the company an option over the iron-ore with the proviso that it establish an integrated iron and steel industry here.

The Government should have ensured that we would get something substantial for these valuable leases which were practically being given away to the company. If the lease in the terms laid down in the agreement had been given to the company for Cockatoo Island, it would not have been too much to ask it to establish a steel rolling mill in Western Australia. But when we consider that the huge deposit at Koolan Island is to be thrown in as well, just on the off chance that this company, if it sees fit, will establish an integrated iron and steel industry here, then I say it is a completely bad bargain. If that is an example of the business acumen of Ministers on the Government side,

it is little wonder that the finances of the State are in such a bad position. It is little wonder if that is the way the Government does business.

We have heard it stated here at times that the Government does not believe in monopolies. But this agreement is going to perpetuate a monopoly for all time in the State. There is no doubt about that. We will lose our bargaining power and, no matter how powerful an iron and steel company might be, if it wanted to come here some 10, 20 or 30 years hence it could not do so because B.H.P. has the game sewn up completely. There is no company with any business sense at all that would ever dream of coming to Western Australia when it knew that an agreement of this nature was in existence. It would be in a hopeless position if it did and no company with any sense would contemplate such a move. It appears to me that the Government has gone into this in an extraordinarily lighthearted manner. The Government was going to find money to do this and to do that, and I was interested when the member for Melville alluded to the school at Fremantle.

There are quite a few projects on the Goldfields that cannot be gone on with because of the financial situation—at least that is what I was informed, as were other members of the Goldfields. The Government cannot build shade sheds to protect the children from the very fierce rays of the sun; this cannot be done because there is no money. But, of course, it seems that money can be found immediately to help in assisting this company notwithstanding the wretched promise the Government has made. This Government will go down in history as one which, while being entrusted with the welfare of the State, made one of the worst possible bargains. I can scarcely credit that anyone in his senses, or with any conception of responsibility, should enter into such a bad bargain.

THE MINISTER FOR INDUSTRIAL DEVELOPMENT (Hon. A. F. Watts—Stirling—in reply) [12.50 a.m.]: We have heard a great many utterances by members on the opposite side of the House which, in the main, have been a reiteration of the remarks of the Leader of the Opposition. With one possible exception, I do not think that anyone of those members has contributed to the debate anything in the way of information or even criticism that was not contained in the speech of the Leader of the Opposition, most of which was complete "hoovey," as I hope to prove.

Before proceeding to do so, I wish to make reference to a few of the remarks passed by the Deputy Leader of the Opposition when dealing mainly with the expenditure on such things as electricity, water supply, rail and road access. Every-

body is aware that Parliament agreed at a time when fortunately there was little question as to the financial ability of the State—

Hon. J. T. Tonkin: You are not quite right; there was a question.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Not much; the prospects were pretty bright.

Hon. J. T. Tonkin: They did not look bright, and I said so at the time.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I am prepared to concede that the hon. member may have said so. In my opinion, the outlook was much brighter then than it proved to be a few months later. The whole of the arrangements for carrying down to the Kwinana area electricity supplies, water supplies, and the road and railway were made at that time, and no further expenditure will be involved in providing those facilities. The State is obligated under the Anglo-Iranian agreement to provide those facilities, and they will pass along the boundary line of the land that B.H.P. proposes to acquire.

In regard to the railway, Parliament has since legislated for the construction of a line from Coogee to Kwinana. This was also contemplated in the Anglo-Iranian agreement, and it passes directly the boundary of the B.H.P. block. It almost touches that block; in fact, on one side it does touch the boundary of the land to be acquired by B.H.P. and therefore railway access will cost the State virtually nothing. While it may be regrettable in the minds of the member for Melville and other members opposite that any expenditure was authorised in regard to the Anglo-Iranian proposition, I am happy to say that no additional expenditure worth the name will be incurred in the proposal to provide the B.H.P. land with the facilities, because one proposition, in effect, is the other.

To turn now to some of the observations of the Leader of the Opposition—there is not time to deal with them all—he referred to the wonderful gift we are making to the company, and added that if it secured an extension of the Cockatoo Island leases, it would still be greatly in the State's debt. I discussed this matter on more than one occasion with the State Mining Engineer and the Under Secretary for Mines, both of whom indicated to me in the clearest possible terms that if we did not do anything under this agreement to affect the Cockatoo leases, B.H.P., through its subsidiary Australian Iron and Steel Co., will hold those leases for varying periods up to 81 years from the present time.

One lease at Cockatoo Island, No. 43, does not expire for 39 years, and upon the conditions relating to development being complied with—as they are—the company is entitled to a renewal of 21

years and a further option of 21 years. This would extend the leases for a period of 81 years. The rest of the leases would extend from 51 to 53 years. Therefore, to say to the company that we were prepared to grant an extension of the Cockatoo Island leases in exchange for what it proposes to do for us would be virtually saying that we were going to give the company nothing, because it has the leases and has a right to get them extended up to the time I have mentioned.

Much has been said about the quantity of iron-ore in the Koolan Island leases. I do not know how much there is of a quantity or quality which a steel expert would say could be economically mined and shipped, and that is the point to be considered. Various estimates have been made as to the quantity of iron-ore of varying grades and in various places that exist above and below water level. The quantity below water level is obviously mainly a guess. When the H. A. Brassert Co. of New York was employed by the Government to advise on the question of establishing an iron and steel industry in Western Australia, it had the advantage of all the information referred to by the Leader of the Opposition, that information having been contained in a report made by Dr. Moss, in conjunction with the Government Geologist, years before. They knew exactly what the estimates were, but the people who came over to make a report, in addition to being metallurgists, were also steel experts and were accompanied by their own geologists. In the light of all the facts, this is what they reported—

The main vein averages 134 feet wide, is 6,200 feet long and dips south about 52 degrees. The high point is 550 feet above tide, and the outcrop averages about 500 feet above tide. It has been proved by six cross-cut tunnels. The main vein contains 42,000,000 tons above water level.

The experts referred to examined the location of all the known veins on the island and reported regarding the availability of iron-ore for a steel plant. There is a great deal of difference between an estimate and what a steel expert would say could be economically mined and shipped. That is one reason why I did not mention any figures of the actual quantity of available iron-ore, and it does not matter very greatly.

Mr. W. Hegney: Apparently not.

Mr. J. Hegney: Not now.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: It would not matter at any time. As I understand the position, all mineral leases contain a provision that so long as the lessee carries out the conditions and develops and works the proposition in accordance with the law, he is entitled to and does obtain almost perpetual renewal of the leases until the

deposits are worked out. There are no evictions from mining leases when the conditions are complied with. There are no evictions from any other type of leases when the conditions are complied with. The procedure is that if the Act is complied with and the regulations followed, the mining tenements are made available time after time.

Mr. Moir: They have to work the leases.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Exactly! I am saying that as loudly as I can.

Hon. J. T. Tonkin: There is no obligation on the State to make them available.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: No. But it is always done and no doubt always will be done if my informants at the Mines Department, whom I trust and whom I think the hon. member trusts, are correct.

Hon. J. T. Tonkin: It was not done with the Black Diamond leases.

THE MINISTER FOR INDUSTRIAL DEVELOPMENT: An entirely different matter! That was a State instrumentality.

Hon. J. T. Tonkin: They were leases. You were referring to leases. They were mineral leases.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Yes, pick out the only one! And it is a State instrumentality.

Hon. J. T. Tonkin: You make a general statement, and when I give you an example you complain.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I am not complaining, but I will not spend my time dealing with that.

Hon. J. T. Tonkin: No, you would not get very far if you tried to. It is difficult to get over because it demonstrates that leases can be determined if the Government decides to do so. But with these leases it cannot be done.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: You mean, under the agreement?

Hon. J. T. Tonkin: Yes.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: The other reason was that either accidentally or intentionally—I am not in a position to say which, though at one time I suspected the latter—there seems to be a distinct misunderstanding on the part of members opposite as to the meaning of the two clauses in this Bill that deal with the Koolyanobbing leases. Let me make it perfectly clear at this stage, if I did not do so before, though I thought I did, and if the Bill does not make it plain, which I thought it did, that these particular clauses in the Bill have nothing whatever to do with the agreement with B.H.P., which is comprised in the First Schedule, and deal only with

the iron leases at Koolyanobbing and the coal leases at Collie which are set out in the Second Schedule of the Bill.

Mr. W. Hegney: What is it put there for?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: For a specific and very good purpose, which I will endeavour to explain, if I am given time, and which the hon. member explained all the wrong way round for the best part of three quarters of an hour this evening. These clauses were put into the Bill for the express purpose of preventing anybody from having anything to do with the Koolyanobbing leases near Southern Cross and the coal leases known as the Collie Burn at Collie, and to ensure that the Government would have something of immense value with which to bargain with anyone who wanted to come forward, or was likely to come forward, or happened to come forward, with the idea of establishing an integrated iron and steel industry in Western Australia. It therefore gives us two strings to our bow, one being the bona fide possibility of B.H.P. doing it under the agreement itself, quite a separate thing from the two clauses in the Bill; or alternatively somebody else doing it in respect of the Koolyanobbing leases, in which connection they might want the Collie Burn leases for coal.

In addition to that, the agreement provided that 200,000 tons of Koolan Island ore should be made available to the State by B.H.P. when the State required it, after 12 months' notice, and that it should be made available every year if required. There is nothing unusual in 12 months' notice; nor would it affect anybody, because it is not possible to erect the beginnings of a plant for an integrated industry in 12 months. The 50,000 tons per annum which the clauses provide can in this period of 10 years be drawn by the State or the Minister from the Koolyanobbing leases was intended to ensure that the tying up or reservation of the Koolyanobbing leases, could not have the effect, as it otherwise would have had, of entirely preventing anybody, whether the Minister for Industrial Development or anybody else, from taking Koolyanobbing iron-ore to any extent at all during that 10 years, when the Government knew and the Minister knew that, under existing circumstances, and presuming as we did that they would continue, the Wundowie industry would want about 20,000 tons.

Mr. May: Why tie it up with the B.H.P.?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: It is not tied up to the B.H.P., but to the Crown—the Crown in this State, whose agent is the Minister for Industrial Development in this instance. The provision states—

The Minister acting for and on behalf of the State may, within the period mentioned in section three of this Act, enter into an agreement with a person for the construction and establishment in the State by that person of an iron-ore smelting and steel-making plant having a rated capacity of not less than one hundred thousand tons of pig iron per year.

No agreement under subsection (1) of this section shall be executed by the Minister unless the person referred to in that subsection enters into a bond with and acknowledges himself bound to the State in the penal sum of One hundred thousand pounds to be paid to the State at the Treasury in Perth conditioned on the commencement and completion of the construction of the plant as referred to in subsection (4) of this section.

Mr. Moir: You tie that up pretty well.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Of course! We have had company promoters and men of straw coming around this country for the last four or five years—indeed, for the last 25 years—talking about doing something about an iron and steel industry and not one of them has had a bob to rub against another bob! I know the people I have seen and talked to and had correspondence with, and I described the history of one that could not raise £150,000 even when the Government agreed to underwrite one half of it. I say without fear of contradiction that if we do not get these people to put up a bond of £100,000, all we will get are company promoters and men of straw. If a man or a company or a syndicate cannot put up a bond of £100,000 what earthly prospect has that man or that concern of ever being able to raise the £10,000,000 or the £15,000,000 which would be required, on the most reasonable computation, to erect a fully integrated iron and steel industry in this State? No hope whatever!

So the whole position is that these clauses in the Bill have nothing whatever to do with the B.H.P. They are not part of the agreement. The only part of the Bill that deals with the agreement is the one particular clause. The clauses under discussion were included expressly in order that the iron-ore resources of Koolyanobbing—70,000,000 tons at least, of comparable quality to what exists at Koolan Island, if not better—coupled with the iron-ore that B.H.P. under the agreement is obliged to provide to this State at the rate of 200,000 tons a year, would keep a 500,000-ton industry going for 233 years. What nonsense has been talked in this House when it is realised that that is the position! It would keep an industry going at the rate of 500,000 tons a year for 233 years.

Mr. W. Hegney: How long would Koolan Island keep B.H.P. going?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I do not care! It has been argued that the State has sold all its resources and that these clauses are to benefit B.H.P. I tell members, and everybody that makes a study of them could tell members, that they were put there for an entirely opposite reason. They will not benefit B.H.P. Anybody can come forward so long as he can show that he has the bona fides and is not a man of straw, to establish this industry in this State; and then and only then can the Minister make an agreement and accept the bond. I do not object for one moment to the amendment proposed by the member for Nedlands to provide that even after this period of ten years the areas at Koolyanobbing and Collie shall be reserved to the Crown and not be leased, cancelled or transferred without the approval of Parliament. I have no objection to that because it dovetails in with the intention of the clause. The amount referred to of 50,000 tons a year is only what the Minister can take out before he makes an agreement with some outside concern to establish the industry.

Mr. Kelly: Why did you find it necessary to include Koolyanobbing at all?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: In what?

Mr. Kelly: In the agreement.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: It is not in the agreement.

Mr. Kelly: It is in the Bill.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Yes, with the idea of reserving it for more express conditions. If the hon. member would be so foolish as to take these two clauses out of the Bill he would still ratify the whole agreement with the B.H.P.

Mr. Moir: The Crown has control over it now.

The Attorney General: The Crown has not, but the executive has, which is a big difference.

THE MINISTER FOR INDUSTRIAL DEVELOPMENT: That is so. This ties the thing up by Act of Parliament for a period of ten years, and in the absence of agreement in the meantime to set up an integrated iron and steel industry, I am prepared to accept an amendment that the further approval of Parliament shall be required.

Mr. Kelly: I still cannot see why it is included.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: The Attorney General has said that this will be subject to legislation whereas at present the position is that the reserves are subject to the execu-

tive. Another factor in the matter which has to be considered is that the coalmining leases at Collie are in the same position as the leases at Koolyanobbing. The Premier and the member for Roe have dealt effectively with the financial position at Wundowie, and I do not propose to cover the point again. I will, however, without any criticism at all, indicate that since the 23rd October, 1951, the prices of Wundowie pig-iron have been between £3 2s. 6d. and £2 15s. per ton greater than those of the B.H.P.

The Attorney General: And some of our industries are loaded with those costs, too.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: There has been some complaint from the ironmasters about this, but so far we have supported the complaints without any great difficulty. I do not say any more; those are the facts. The prices have been considerably higher—to the extent of £3 per ton for No. 1 standard plain iron compared with the B.H.P. price for approximately the same type of iron. These figures were obtained from the Wundowie office itself.

Hon. E. Nulsen: That is pig-iron.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Yes, it has been said that the agreement gives the right for the company to use secondhand plant and equipment. Clause 3 of the agreement provides—

The company will on the passing of the Act, commence the construction on the works site of a steel rolling mill or mills of modern design and construction having an aggregate capacity of not less than 50,000 tons of steel products per annum operating on a 3-shift basis. The type of plant to be installed and the range and quality of sections to be produced by the mill shall be determined by the company after officers of the company have made a full investigation of the steel requirements of the said State but in any event such construction shall consist substantially of new plant, machinery and equipment.

Any fairminded person will agree that we cannot erect a building of modern design and construction by using secondhand stuff. Statements of that kind made in the House are so much "hokey."

Mr. Johnson: Why not stipulate new machinery?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: There is always the possibility of some used machinery being required, particularly these days. Many things have to be acquired which can only be obtained from overseas only after long delays, whereas those already in the Commonwealth are perfectly serviceable. If it were stipulated that it should be all new plant, the project might be held up for months while the plant was being ob-

tained. Members opposite absolutely refused to look upon the B.H.P. as anything but a parcel of cutthroats.

Mr. Kelly: That is entirely wrong.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: The Leader of the Opposition was asked by the Minister for Health, by interjection, "You will agree that it is a very honest firm," and he replied—

Far be it from me to question the honesty of any firm or individual; I am not here to do that. I would say that the Broken Hill Pty. Co. Ltd. is a very wideawake firm. I should say it always has its eye on the main chance and that it misses no opportunity of building up its activities or of adding to its control of the vital raw material of iron-ore. I pay it all those compliments and more along the same lines.

He would not admit for one minute that it was an honest firm. I am afraid there is either one of two things causing the major opposition to the Bill—having dealt with the item concerning Koolyanobbing, which ultimately might have caused some concern—and one is either an unreasoning animus against the B.H.P., or alternatively, a political ideology which is different from mine. In the first case I suggest there are grounds for supposing it is an unreasoning dislike of the B.H.P. because so many qualifications have been hedged around any small compliments that members opposite might see fit to pay to the organisation. On the other side, if it is a question of political ideology we might find it in the observations of the Leader of the Opposition in regard to a charcoal-iron industry—that if at any time we had a Government from the opposite side it would probably try to set up a charcoal-iron industry somewhere in the South-West of the State.

Apart from the fact that I am perfectly satisfied that any such industry would only contribute to the further financial difficulties of the State, I ask myself at what period in the next few years will the State be able, on top of all its other commitments for social services and so on, to find the £10,000,000 or £15,000,000 required to establish an industry of this nature; and there is no gainsaying the fact that that would be the figure. The State is not likely to have the money, or be able to get it, in the light of future prospects, to expend on an industry of that nature. If the State were able to do so, I venture to suggest that heavy losses would ultimately accrue because of the fact that a charcoal-iron industry has necessarily to be comparatively small. I have it on the authority of Messrs. H. A. Brassert & Company, of New York, that the largest charcoal-iron industry in the world has a capacity of 200 tons per day,

and that most are smaller than that. And so it would have to be a very small one with an output comparatively small in relation to its financial structure and capital investment and the nett result would almost certainly be a substantial loss to the community. In Brassert's report referred to elsewhere they state—

Due to its low strength a certain percentage of fines would be made that would have to be screened out at the furnace, while its great affinity for moisture would result in wide variations of moisture content, depending on the weather and its time in transit. Both these factors would have an adverse effect on blast furnace practice. They might result in a charcoal pig-iron costing £2 per ton higher than the cost of coke pig-iron from the same furnace and, in addition, total iron output from the furnace would be only about two-thirds as much as on coke.

That is their considered opinion, having gone into this question. They knew that Western Australia had the timber, if we cared to use 20 acres a day. They had gone into the matter and had recommended against a charcoal-iron industry. They said further—

The lower output on charcoal also means an at least 25 per cent. higher operating cost above materials in addition, even with charcoal available at the same price as coke. On the basis of the relative prices of charcoal throughout the world compared to coke at locations close to coalfields, its availability at a price no higher than coke, while not impossible, would certainly be unusual.

And so it is not so easy to say—even if one has the right political ideology—that we should establish this industry on charcoal-iron, because in that way we might easily get into a pickle. I do not agree with the Leader of the Opposition that we are wasting our time in considering having an industry based on Collie coal. I have great faith in the scientists of the present day and believe they are commencing now to solve this problem. When introducing the measure I told what had been reported by the Director of Works on his return to England after a trip to Germany and I am of the opinion that, given reasonable time, a way will be found of using sub-bituminous coals in coke blast furnaces, to the eternal benefit of this State and its Collie coal field. I decline to accept the view of the Leader of the Opposition that it is an impossibility, which is practically what he said. He stated—

I think anyone who has given serious consideration to the question of basing an iron and steel industry in this State upon Collie coal or coke which

could or might be produced from it in the future, is strongly inclined to the conclusion that it will either never happen or will not happen for many years to come.

I do not agree with that argument and am surprised that the Leader of the Opposition should have put it forward. Obviously he adopted it only because he wished to find in it another argument against the Bill—

Mr. W. Hegney: There is a fair bit of "hooley" in the agreement.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I know more about it than the hon. member does and I say there is no "hooley" in it.

Mr. W. Hegney: We would like to know more about it.

The Premier: You have just followed a lead, over there.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I am satisfied that the agreement not to export iron-ore from Australia at this juncture is advantageous to the State. I think we should ensure that Australian technicians and workmen are employed, as far as possible, in converting this ore into iron and steel, whatever may be the ultimate destination of the product, because over that we cannot have control. I think it would therefore be wise to incorporate that provision into the agreement. I do not go behind the door in saying that I entirely agree with it for the reasons I have just given.

Much has been said about prices—much that could be classed as misinterpretation of the proposal. If one has sufficient imagination it is of course possible to weave the most dire consequences into any agreement, proposal, or legislation of that kind, but if this agreement is studied carefully it will be found that the cost structure to be allowed to B.H.P. is a reasonable one and the one usually allowed in contracts of this nature dealing with prices. The company is not allowed in any circumstances to fix unreasonable prices.

Hon. J. T. Tonkin: It can fix its own price.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: If at any time there is no price-control it is everyone's privilege—as it has been from time immemorial—to decide the price at which his product shall be sold.

Hon. J. T. Tonkin: And if there is price-control?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: If there is a world market on which the product is sold that regulates the price and in other circumstances it is done by consumer resistance, but so long as price-control continues it is applicable to the extent mentioned in the agreement—

Hon. J. T. Tonkin: Which is not at all.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: —which is a reasonable proposal and on the same basis as is allowed by the Prices Commissioner in dealing with prices at the present time.

Hon. J. T. Tonkin: No-one will have control over the price to be charged under this agreement.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: The hon. member is suffering from "imaginitis." I disagree with him and contend—as I have every right to, and with justification—that the proposition in the agreement, if carefully studied and applied, must give a reasonable control over the price to be charged by the company—

Hon. J. T. Tonkin: To whom?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: —to the people who are going to buy the product. Dealing with the price of iron-ore for the 200,000 tons, that is, I think, almost identical with the arrangement that was made under the Iron and Steel Act of 1947 in relation to the Koolan Island leases. The agreement itself is subject to the same proposition, that it is to be construed in accordance with the laws of the State and that any disputes are to be referred to arbitration under the Industrial Arbitration Act of 1895. I leave it to members to judge why those provisions that were acceptable in 1947 without opposition in this Chamber should be so bitterly opposed now that they appear in regard to another concern.

Question put and passed.

Bill read a second time.

Point of Order.

Hon. J. T. Tonkin: What did you say, Mr. Speaker?

Mr. Speaker: I put the question.

Hon. J. T. Tonkin: I did not hear it. I wanted to call for a division.

Mr. Speaker: I put the question and said "The ayes have it."

Hon. J. T. Tonkin: I did not hear it.

The Premier: Every member in the Chamber heard it, if he is honest enough to say so.

In Committee.

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

Clause 1—Short title.

Progress reported.

House adjourned at 1.32 a.m. (Wednesday).

Legislative Assembly

Wednesday, 5th November, 1952.

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

QUESTIONS.

PRICES CONTROL.

As to Authority of Commissioner.

Hon. A. R. G. HAWKE: asked the Attorney General:

Will he lay upon the Table of the House a copy of the Prices Control Act regulation which gives all the say in relation to the control of prices to the Prices Commissioner?

The ATTORNEY GENERAL replied:

By Prices Control Regulation 17 gazetted on the 11th August, 1949, the Commissioner of Prices is empowered from time to time in his absolute discretion to fix and declare maximum prices with respect to declared goods and maximum rates with respect to declared services, and no one can interfere with his discretion in such matters. Until he so fixes and declares maximum prices for declared goods, the selling prices of those goods are not controlled.

I will lay upon the Table of the House a copy of the "Gazette" above referred to.

RAILWAYS.

(a) As to Population per Mile.

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

What is the population per mile of railway in—