

their cases to the Government for consideration, to present their cases through the local branch of the Liberal Party or some other organisation.

Mr. Court: There was no question of financial problems. They were dealing with general problems relating to marketing, fruit, diseases, and poultry. They wanted to get together to represent these matters to an official body. It was as easy as that.

Mr. HAWKE: The Minister is struggling very unimpressively. The main difficulty with which small storekeepers are concerned would not relate to marketing of apples, pears, or potatoes. They would be concerned with the serious fact, from their point of view, that the struggle for survival was becoming harder as the months passed by. What the Minister has said by way of interjection about small farmers might have some basis in fact; but he cannot apply that, by any stretch of the imagination or by pouring out the smooth words of which he is capable of uttering, to the small storekeepers.

I suggest to the Minister in good faith that when he goes out to address a semi-secret, or secret meeting of the Liberal-Country League members in future he bind them to secrecy; or that he be much more careful in choosing the words with which to try to satisfy them for the moment, but in effect to palm them off.

We know without any imagination at all what would happen to most of these approaches going to the Minister through the local branch of the Liberal-Country League, or the progress association. They would certainly reach the Minister's office; but I think it would not be very long before they were hopelessly buried in a mass of cobwebs.

**Question put and passed.**

**Bill read a second time.**

*In Committee, etc.*

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

*Third Reading*

Bill read a third time, on motion by Mr. Brand (Treasurer), and transmitted to the Council.

*House adjourned at 3.20 a.m.  
(Wednesday)*

## Legislative Council

Wednesday, the 9th August, 1961

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

### QUESTIONS ON NOTICE

#### PORT HEDLAND-MARBLE BAR ROAD

##### *Bituminisation*

- The Hon. H. C. STRICKLAND asked the Minister for Mines:
    - Does the Government's declared intention to bitumen-surface roads where rail services have been discontinued include sealing of the Port Hedland - Marble Bar road?
    - If it does, when will the work be completed?
    - If it does not, why does it not?
- The Hon. A. F. GRIFFITH replied:
- Several miles of this road have already been sealed.
  - The work might be spread over a period of several years as the volume of traffic and maintenance costs would not at present justify the heavy expenditure involved in a large annual surfacing programme on this road.
  - Answered by Nos. (1) and (2).

### PROSPECTORS' ASSISTANCE SCHEME

#### *Effect of Workers' Compensation Payments*

2. The Hon. J. J. GARRIGAN asked the Minister for Mines:

Is it a fact that a person receiving weekly payment from workers' compensation for an industrial disease is unable to obtain financial assistance under the Prospectors' Assistance Scheme?

The Hon. A. F. GRIFFITH replied:

Yes. I take it that when the honourable member refers to "payment from workers' compensation for an industrial disease" he means silicosis and/or tuberculosis. Of course it has always been the case that a miner suffering from silicosis or tuberculosis is paid compensation as a basis of—to use the word again—compensation for the disease from which he is suffering; and it is not considered desirable to encourage him to go back into the same industry in which he is receiving compensation, because that is no good to him. Therefore the answer must be "Yes".

### SELF-SERVICE PETROL PUMPS

#### *Necessity for Legislation*

3. The Hon. R. C. MATTISKE asked the Minister for Mines:

- (1) Is legislation necessary to permit the use of self-service petrol pumps in Western Australia?
- (2) If so, will the Government give early consideration to this matter?

The Hon. A. F. GRIFFITH replied:

- (1) No. Provision is made for petrol pumps of all kinds to be "shops" in section 100 of the Factories and Shops Act, 1920-1959.

Before any automatic pump could be put into use the approval of the Weights and Measures Branch of the Police Department would be necessary.

- (2) Answered by No. (1).

### ROADS IN NORTH ELECTORAL PROVINCE

#### *Bituminisation*

4. The Hon. H. C. STRICKLAND asked the Minister for Mines:

- (1) What are the total areas of—
  - (a) North Electoral Province;
  - (b) remainder of Western Australia?
- (2) What is the total mileage of main, important secondary, and developmental roads in each area?

- (3) What is the mileage of bitumen surfacing constructed in each area?

- (4) How many miles of bitumen surfacing are programmed to be constructed in each area during this financial year?

The Hon. A. F. GRIFFITH replied:

- (1) (a) North Electoral Province—425,000 sq. miles.

- (b) Remainder of Western Australia—551,000 sq. miles.

- (2) (a) North Electoral Province—

Main Miles	I.S.R. Miles	Dev. Miles	Total Miles
227	3,024	10,836	14,087

- (b) Remainder of Western Australia—

Miles	Miles	Miles	Miles
3,244	4,416	69,520	77,180
Total: 3,471	7,440	80,356	91,287*

\* 30th June, 1960.

- (3) (a) North Electoral Province—317 miles.\*

- (b) Remainder of Western Australia—8,097 miles.\*

\* as at the 30th June, 1960.

- (4) (a) North Electoral Province—57 miles.

- (b) Remainder of Western Australia—474 miles.

Note.—Answers Nos. (1), (2) and (3) include Main Roads Department and all local authorities. Answer No. (4) is from Main Roads Department statistics.

### SUPPLY BILL, £25,000,000

#### *Standing Orders Suspension*

THE HON. A. F. GRIFFITH (Suburban—Minister for Mines) [4.45 p.m.]: I move—

That so much of the Standing Orders be suspended so as to enable a Supply Bill to be taken on receipt of a message from the Legislative Assembly, and to have precedence each day before the Address-in-Reply, and to be passed through all stages at any one sitting.

Question put and passed.

### DEPUTY CHAIRMEN OF COMMITTEES

#### *Election*

On motion by The Hon. A. F. Griffith (Minister for Mines), resolved:

That in accordance with Standing Order No. 31a The Hon. E. M. Davies, The Hon. G. C. MacKinnon and The Hon. A. R. Jones be elected to act as Deputy Chairmen of Committees during the current session.

**COMMITTEES FOR THE SESSION***Appointment*

On motions by The Hon. A. F. Griffith (Minister for Mines) sessional committees were appointed as follows:—

*Standing Orders.*—The Hon. E. M. Davies, The Hon. H. K. Watson, and The Hon. A. L. Loton.

*Library.*—The Hon. J. G. Hislop, and The Hon. R. F. Hutchison.

*House.*—The Hon. E. M. Heenan, The Hon. J. Murray, The Hon. A. R. Jones, and The Hon. G. E. Jeffery.

*Printing.*—The Hon. G. Bennetts, and The Hon. J. M. Thomson.

**SUPPLY BILL, £25,000,000***First Reading*

Bill received from the Assembly; and, on motion by The Hon. A. F. Griffith (Minister for Mines), read a first time.

**ADDRESS-IN-REPLY: THIRD DAY***Amendment to Motion*

Debate resumed from the 8th August, on the following motion by The Hon. H. K. Watson:—

That the following Address be presented to His Excellency the Lieutenant-Governor and Administrator in reply to the Speech he has been pleased to deliver to Parliament:—

May it please Your Excellency: We, the members of the Legislative Council of the State of Western Australia in Parliament assembled, beg to express loyalty to our Most Gracious Sovereign, and to thank your Excellency for the Speech you have been pleased to deliver to Parliament.

To which The Hon. H. C. Strickland had moved the following amendment:—

That the following words be added to the motion:—

However, we condemn strongly the action of the Government in selling the State Building Supplies at bargain prices to an enormously wealthy overseas company, and we consider a Royal Commission should be set up to investigate the transaction thoroughly.

**THE HON. A. F. GRIFFITH** (Suburban—Minister for Mines) [4.50 p.m.]: The form which the speeches by the Leader of the Opposition has taken during the last three sessions of Parliament in which he has occupied that position has been quite orderly in its pattern, and last night that pattern was the same as that followed in the two previous speeches he made in 1959 and 1960. At the end of both the speeches in those two years, and again at the end of the speech he made last night, he

moved an amendment to the Address-in-Reply. I do not complain in any way about that, because that is the prerogative of any honourable member if he so thinks fit. However, I would like to preface my remarks with respect to his speeches by dealing firstly with the question of pairs.

You know, Mr. President, that in the past a certain situation has prevailed over the arrangement of pairs; and, by an exchange of letters between the Premier and the Leader of the Opposition in another place, I was under the impression that we had reached an understanding in respect of pairs, in that they would be granted on such occasions as they were desired except with regard to censure motions and Bills requiring a constitutional majority. It so happened that yesterday afternoon two of the members who support the Government happened to be absent. I am not making any excuses for their absence, because I say, with respect to all members, that it is our duty and responsibility to be present when Parliament is in session.

The Hon. F. J. S. Wise: When the bells ring.

The Hon. A. F. GRIFFITH: Yes, when the bells ring, as Mr. Wise has said. So far as I was concerned, as Leader of the House, everything was quite all right and normal, and we would have expected to be granted two pairs unless, as I have outlined, there was to be a vote taken on a censure motion or a Bill requiring a constitutional majority. However, I would like the Leader of the Opposition in this House to tell me, for my benefit and for the benefit of all members here, just exactly where we stand on this issue. I will not know, and I am sure nobody else will know—except perhaps the Leader of the Opposition and the honourable member who may have the move in mind—whether some amendment is going to be moved which, in the opinion of the Opposition, is a vote of no-confidence in the Government—if such a thing is possible in the Legislative Council.

The PRESIDENT (The Hon. L. C. Diver): I do not want to interrupt the Minister unnecessarily, but I would point out that he is now speaking to an amendment.

The Hon. A. F. GRIFFITH: I am well aware I am speaking to the amendment, Sir, which could have been carried last night if a vote had been taken and if the circumstances I have outlined had prevailed. To that extent, Mr. President, and with respect, I think I am quite on the mark.

The Hon. H. C. Strickland: We would not have taken advantage of you like that.

The Hon. A. F. GRIFFITH: I know the honourable member would not, but I would like to take this opportunity, for the benefit of all concerned, to ascertain whether we can arrive at some understanding both for the sake of the Whips

of this House and of any individual who desires to absent himself on Government business or on private business. For example, at the moment my ministerial colleague is absent on Government business. If the state of the House was such that his vote was required, would we be entitled, in certain circumstances, to ask for a pair for him?

I would be happy indeed to discuss this matter with the Leader of the Opposition to see whether we can come to some understanding which we consider can be put into effect. So much for that matter.

The speech made by Mr. Strickland—and you, Mr. President, have warned me that I must not traverse any ground except that which is covered by the amendment—offered criticism of the Government in many respects, and then, in his final words, he moved the amendment which is now on the notice paper. If the volume of verbiage that had been previously used in the debate had been attached to the motion which the honourable member moved, there may have been something in it. However, on the question of the words contained in the motion to amend the Address-in-Reply, the Leader of the Opposition had relatively little to say. In fact, with respect to him, I think he was struggling desperately all the way through the speech that he delivered to the House yesterday afternoon.

He told us about unemployment and the problems associated with it, and brought in the question of the State Building Supplies and said that once again we had given away some of the State's assets to our friends at bargain prices.

The Hon. R. F. Hutchison: That was true enough.

The Hon. G. Bennetts: They made a bargain sale of them.

The Hon. A. F. GRIFFITH: Both the members who interjected can make their speeches afterwards and tell me how true they think it is. It is a catchcry, of course, to say that when a Government—especially when it is a Liberal Party - Country Party Government—does something, it is done at bargain prices. The Leader of the Opposition said that he thought it would have been much better if the Government had disposed of the State Building Supplies to a local firm. I can just imagine what the outcry from the honourable member and every other Labor member in this House would have been if that had been done. It would have been tremendous, for the very reason that we would have been charged with making the State Building Supplies over to a local firm which could completely control the timber market, whereas, in fact, we have negotiated to sell the State Building Supplies to an influential group from overseas.

The Hon. H. C. Strickland: I did not specify the existing operators.

The Hon. A. F. GRIFFITH: If my memory serves me correctly, the honourable member said it would have been better to dispose of the State Building Supplies to a local concern.

The Hon. H. C. Strickland: Yes, to a local concern.

The Hon. A. F. GRIFFITH: What does that mean?

The Hon. H. C. Strickland: To any local concern.

The Hon. A. F. GRIFFITH: Surely the honourable member is not so foolish as to suggest that we should dispose of the State Building Supplies to somebody who does not have a thorough knowledge of the timber industry! We have sold the State Building Supplies, and this will bring other State trading concerns and the building industry to a state of competition which will be keen and which will be an improvement on the existing situation. We made no secret of the fact that, if we were elected to Government, we would sell the State Building Supplies whenever the opportunity presented itself. That was clearly set out in the policy speech by the Premier to the people of this State.

The Hon. H. C. Strickland: He did not say that. He said his Government would put them on a sound business basis and dispose of them at a fair price.

The Hon. A. F. GRIFFITH: That is correct. I have a copy of the Premier's policy speech and I could give his exact words.

The Hon. H. C. Strickland: I would like that.

The Hon. A. F. GRIFFITH: The sale of the State Building Supplies was in conformity with what we set out to do on that occasion.

The Hon. R. F. Hutchison: You have nothing to be proud of, in view of the destruction you have caused.

The Hon. A. F. GRIFFITH: I do not know how the honourable member can know much about this matter. In his policy speech the Premier said—

The time has come to halt the growth of these Government businesses, not only because of their huge cost to the taxpayer in meeting the losses or finding the money for capital works, but to arrest and reverse the onward march of State socialism which they spearheaded.

It is not our desire to close these concerns down. We are anxious to make them payable, based on sound business principles. Our policy aim will be to transfer them progressively to the field of private enterprise without loss of employment and where their continued operation will no longer be a drag upon the economy.

The document I have before me was laid on the Table of the House today; it relates to the wages and salary employees of the State Building Supplies, and is an agreement made between the Trade Union Council of Western Australia and the Government. Contained in this document is the basis, in conformity with the policy I have just read out, upon which these employees will continue to be employed in the State Building Supplies.

The fact that Mr. Strickland laid emphasis on the wealth of the overseas companies which have purchased the State Building Supplies is not unexpected. One is prompted to ask whether it is implied that the Opposition would have been happier if the State Building Supplies had been sold to a struggling concern with a doubtful future.

The Hon. R. F. Hutchison: Your Government should not have sold it at all.

The Hon. A. F. GRIFFITH: Could I have a few minutes to continue this address without so many interjections? I suggest it is more satisfactory from the point of view of the State in regard to the continuity in business of the State Building Supplies, the employment of the people engaged in the instrumentality, the future of Western Australia, the manner in which the concern will be conducted, and the competitive impact it will have upon other parties engaged in the same industry, to sell the State Building Supplies to some interests of considerable note, rather than—as has been suggested—to turn the undertaking over to some struggling concern with a doubtful future, and one which may not be able to run the business after taking it over.

It can be said there might be some merit in the criticism if the Government had acted outside its statutory authority, expressly given to it by Parliament; or, I repeat, if the sale had been effected without any notice. There is no question whatever about any secrecy concerning the sale of the State Building Supplies, because the Government advertised the sale in the newspapers in every capital city of Australia, on the 18th of May last, declaring its willingness to negotiate the sale of this instrumentality. The fact that interested parties from Europe, the United Kingdom, the U.S.A., and the Eastern States examined the proposition with a view to negotiations—as was the intention of the Government—is well known. It has been said that the Government could not dispose of a State trading concern, such as the State Building Supplies, without reference to Parliament.

On the question of price, if any party had offered a substantially higher price, or better conditions, than was offered by the Hawker Siddeley group, it would have made known such higher price and better conditions to the public long before this.

After protracted negotiations by the Government, lasting a considerable time, a sale at a price which is considered fair and reasonable was made.

The Hon. F. R. H. Lavery: Has that sale been finalised?

The Hon. A. F. GRIFFITH: Yes. When I say that I mean the actual take over will not take place for a while.

The Hon. R. F. Hutchison: You should not have sold—

The PRESIDENT (The Hon. L. C. Diver): The honourable member will resume his seat. I have been very tolerant with interjections made by one member. I wish she would follow the pattern of other members in this House and refrain from interjecting so much.

The Hon. A. F. GRIFFITH: There are times when interjections are helpful, and I do not mind them being made. By way of interjection, a debate could sometimes be improved. In answer to the query raised by Mr. Lavery, the take-over of the State Building Supplies might take a while. I understand it will take some months, but the actual sale has been concluded.

I am advised by my colleague, the Minister for Industrial Development, that the agreement is to be tabled in Parliament not later than Tuesday next, when members will have the opportunity of examining it. The public will then realise that the Government has negotiated this sale on the basis of a fair and reasonable price; of reasonable protection for the employees; and, very importantly, of continuity of this industry within the economy of Western Australia.

When Mr. Strickland was speaking I understood him to advocate the sale of this undertaking to a local or Australian concern. One could imagine the outcry which would have been raised by members of the Labor Party if we had sold this instrumentality to one of the existing timber interests in this State, such as Bunning Bros., Millars, or the Kauri Timber Co. There would have been allegations that competition had been reduced by handing this undertaking over to those interests, and that we had sold the State Building Supplies out to our friends, when, in fact, nothing like that has happened. We simply negotiated with a group which will apply itself industriously to improve the State Building Supplies and to create competition; something which this State needs. There need be no fears about the effect of this sale.

The Hon. H. C. Strickland: Does the Government expect timber to be sold competitively by this concern?

The Hon. A. F. GRIFFITH: The Government expects competition will be as keen in the timber industry as it is in any other industry.

The Hon. H. C. Strickland: By all the interests submitting the same price!

The Hon. A. F. GRIFFITH: As a result of competition. There is not much more I can say about this matter, except to point out that the Leader of the Opposition placed a great deal of emphasis on the question of unemployment. He related that to the sale of the State Building Supplies. He said we were not concerned about the number of unemployed in this State; that we, in the Government, were prepared to present to the House a rosy-looking speech to be delivered by His Excellency, when we knew there was unemployment in Western Australia. We do not deny that there is some unemployment; but the situation will not be aggravated by the sale of the State Building Supplies.

I shall have the opportunity—I intend to take the fullest advantage of every opportunity that I can—to reply to the other points which have been raised by Mr. Strickland in the Address-in-Reply debate; I shall also, at that stage, have the opportunity to answer some of the points which will be raised in this debate.

One feature about motions to amend the Address-in-Reply is that very early in the session members are given the opportunity to air their grievances, to bring forward parochial matters, and to commend the Government—as Mr. Watson did—for what it is doing. I am grateful to him for what he did.

I hope the House will not pass this motion and that when a vote is taken members will take into consideration the factors leading to the sale of the State Building Supplies: namely the Premier's policy speech in which he said that if he were elected by the people of the State his Government would dispose of the State trading concerns on the terms which I have read out. We did succeed in winning the elections, and we were given a mandate by the people.

That view was expressed by the general secretary of the Australian Labor Party (Mr. Chamberlain) when he said through the newspapers on one occasion that he did not doubt the Government had been given a mandate, but that the way to deal with the Government was at the next elections. That is perfectly true. If the people are not satisfied with the conduct of affairs in Western Australia then no doubt they will exercise their votes at the next elections.

The Hon. G. Bennetts: It would be too late then.

The Hon. A. F. GRIFFITH: In the meantime this Government is doing what it considers to be right. It has disposed of the State Building Supplies to the Hawker Siddeley group, a group which will do justice not only to that instrumentality but also to Western Australia. I hope this

House will not pass the amendment, but will allow the Address-in-Reply to be delivered to His Excellency, in the form in which it was delivered to us.

THE HON. F. J. S. WISE (North) [5.14 p.m.]: I think it could be said safely and truthfully that the Minister in charge of this House has given a most disappointing explanation in speaking to the amendment moved by Mr. Strickland.

The Minister gave one reason, and many excuses for the Government's action in this matter. The reason he gave—quite a valid one—was that the Premier, in his policy speech, made it clear that it was to be part of his party's policy, if elected, to put into effect, without prejudice to the employees and on a basis which would benefit the community, the sale of State trading concerns after they were made profitable. But even that, of course, in this case was not honoured in any but one particular; and it is quite idle for the Minister to tell us that it is a mere catch-cry to say that this was done at a bargain price. It might be self-satisfying to the Minister to make that statement, but it does not suffice at all.

I intend a little later to analyse that angle very thoroughly through Auditor-Generals' statements on the basis of the accounts which have been presented to Parliament through the years. The Minister went on to say, a few moments ago, that the Government, in May last, advertised its willingness to negotiate sales; and from that advertising it had many inquiries.

I think this House wishes to know—and I think the public is entitled to know—whether the assets were offered to all inquirers at the same price and on the same terms as those at which the Hawker Siddeley group obtained them. Is not the House and the public entitled to know what transpired in the correspondence between the parties, namely, the Government and the inquirers? And any person interested in this subject has a responsibility in a public sense to inquire much deeper than the few comments that have been made on this subject by the Premier and the Minister for Industrial Development—the two who alone have made public statements on this matter.

This proposed amendment to the Address-in-Reply motion is something wholly warranted; and as I proceed shall endeavour to show that an inquiry would not only be in the best interests of the State, but it would surely give the Government considerable satisfaction if the fears which very many people have in this community were shown to be not well founded. That there are such fears, the Government will shortly have to acknowledge. The news of this transaction caused considerable consternation and comment in many sections of the community in many parts of the State. The Minister, in the course of his comments, said that he could

imagine the outcry if the Government had sold these assets to local people. I can imagine the outcry if a Labor Government had sold them at all and, indeed, had sold them at the price and on the terms upon which this remarkable asset has been sold.

It is quite proper, and acknowledged to be right and proper, that parties holding violently opposing political opinions on public matters are acting with normality; but when opinions are translated into political policies, and action is taken which is prejudicial to the public interest, it becomes a very serious matter. I repeat that the sale of the State Building Supplies at a low valuation and on easy terms is something which startled the community.

It was well known, as the Minister has said, that the Government was making every endeavour to sell the concerns. We do not know from any statement so far made whether there was an opportunity for persons to buy a portion of the State Building Supplies as a going concern, or whether this asset of the State, worth several millions of pounds, was put up as one lot for the purpose of a gigantic company obtaining it: because it is more than passing strange that when the bargain price had been arrived at the Banksiadale mill was thrown in as something extra. The greatest asset in hardwood timber of its kind in this continent is involved in the sale of that mill alone—an asset and an equity involving the timber rights which, if properly handled, would have brought, of itself, interested people into the timber industry prepared to pay half a million pounds for the one mill alone, with the best tracts of jarrah available in this State. The right to mill that tract of timber is worth an enormous sum.

Of course, implicit in the sale of these entities are the timber concessions which make the mills workable, and the availability of timber from State forests adjacent to, or adjoining, the milling interests. The availability of such timber from such concessions, for at least a quarter of a century, will be involved in the assets included in the price of £2,200,000; and, I repeat, if any Government other than the present Government had given away this wealth of the people in this manner, there would have been a tremendous outcry in the Press: there would have been pressure for an investigation. A Royal Commission would have been sought and pressed for; and the whole affair would have been trenchantly criticised.

What are the facts in regard to valuation? The following is the Press statement which appeared in *The West Australian* on the 27th June, 1961:—

The Premier in announcing the sale said the total realisation of assets is expected to produce £2,200,000. The final figure will depend on collection of book debts and disposal of stock

which will be undertaken by Hawker Siddeley on behalf of the Government. Premier Brand said that a write-off of more than £1,500,000 was necessary to bring S.B.S. assets down to a realistic commercial value, because of heavy over-capitalisation in its books over a long period.

That is something which needs ample proof. That cannot be tossed aside lightly; it cannot just be passed over by saying that this concern has been over-capitalised. These valuations, as shown in the annual balance sheet, are not in excess by £1,500,000, as stated by the Premier. In the year 1940-41, the Auditor-General made the statement that depreciation at that point would be discontinued because some of the assets had been totally depreciated. In the financial year 1940-41, the value of the assets as shown by the Auditor-General in his report for the State sawmills and the State brickworks was under £100,000.

Year by year the Auditor-General has, since that time, drawn attention to the fact that he cannot bring in the figures prior to 1940-41, because there has not been a revaluation of the assets since the end of that depreciation period; and although depreciation was halted and a valuation was arranged, as at 1950, it was never done. Every asset which has since been acquired; every mill which has been built; every portion of State Building Supplies which was acquired or developed by that interest, has had the annual depreciation written down at the annual striking of the accounts; and, as at the end of June, 1960, a sum of £900,000—the figure shown in the balance sheet is £983,583—is shown as the depreciation written off the capital account in the years since 1941.

Those accounts have been certified by the Auditor-General—a man who is not a servant of the Government, but who is responsible to report to this Parliament—who not only stated that the valuations have been fair, but also, on the second point taken by the Premier, in his June statement, discounted the Premier's statement entirely. The Premier had this to say in regard to stocks and supplies:

Another factor was the build-up of unsold stocks, the book value of which had reached more than £800,000.

The total sales per year of State Building Supplies approached the £3,000,000 mark—I repeat, £3,000,000—being the sales from production of this instrumentality. Stocks were held year after year against demand varying up to a figure approaching £800,000; and year after year, going back for many years, this is the sort of comment by the Auditor-General. What I am about to quote appears in the 1956 Auditor-General's report. He said—

For some years timber stocks at mills have been priced on a basis that has resulted in valuations substantially

below production costs. Timber stocks at local yards have also been priced considerably under market value.

Those very words appear in at least 10 Auditor-General's reports over the past 20 years. In the last report, for the financial year ended the 30th June, 1960, the Auditor-General, in regard to stock valuations, says—

For some years timber stocks at mills have been priced on a basis that has resulted in valuations below production costs. Timber stocks at local yards also have been priced under market value. Although valuation adjustments in recent years tend to reflect stock values at a more realistic figure, the present basis of valuation still leaves the stocks conservatively priced.

So much for the misleading statement that the £800,000 represented in stock values had to be substantially discounted because of the excess in value which the figure represented. It was referred to by the Premier as a build-up of unsold stocks to the value of £800,000.

Excluding the Banksiadale mill, which was a former Railways Department mill, and one of the greatest assets which the State Government possessed in a timber sense, we find that the State sawmills, when they were conducted under that heading, had more than ample reserves and more than an ample valuation, and much more value than the price which was paid by this company, namely, £2,000,000. Those assets alone were worth more than that figure.

I have mentioned that the full depreciation charged, as is shown in the last Auditor-General's report, is approaching £1,000,000; and that principle has been applied year by year to every asset created in the last 20 years. Some have finished up at a depreciated value. I would like to ask the Minister this: Who made the valuation of these assets which enabled £1,500,000 to be written off in order to arrive at a fair price? Was it some independent authority? Because it has never been made public to the best of my knowledge. Were arbitrators brought in? Were people experienced in the industry asked to give a valuation of this asset? If so, who were they? I say that, because we are not playing with peanuts. This is not the case of a frock shop or a State hotel; it is an asset of the people which has been sold at a hire-purchase rate and deposit, and something which I submit many people in Australia could have financed from earnings had they known it would be possible to buy on those terms.

Therefore it is quite idle to give as the one reason—and the rest excuses—that it is Government policy, and accepted by the people, that these assets should be disposed of when they have been turned into profitable undertakings and protection given to

the employees. That is not sufficient. I submit that a business of such magnitude warranted a valuation of a very high order. Several sawmills were involved, as well as timber-yards in the metropolitan area and brickworks at Armadale and Byford. They are all in the deal, as well as the Banksiadale mill; and I submit that as yet no reason or excuse has been offered as to why that should have been included.

It is my view that without the sawmills, and without the value of the asset itself, the timber rights alone, which will be implicit in this sale as a going concern, are worth more than £2,000,000 over the period allowed for the payment of this asset. Therefore I say that this is a matter which warrants an inquiry to show that it is above reproach in every way, and that the Government did act in the light of its policy, which it is quite entitled to do, and that it did not act unfairly in the public interest and did not give away—and I repeat the words "give away"—a wonderful State asset at a price which can be covered by the profit from annual turnover.

The timber resources involved in this deal have no counterpart in Australia, and this deal has been made with an organisation which has acknowledged capital assets of £325,000,000 in various industries covering 50 companies. They are all controlled by the Hawker Siddeley group, and that figure of £325,000,000 was given at the time of the negotiations as the capital interest of this concern. Yet we as the taxpayers of Western Australia, past, present, and future, are to make a substantial contribution to this company so that it can take over an organisation which has paid into Consolidated Revenue something approaching £1,000,000 over the years, as well as making many other important contributions to the welfare of the people of the State.

I have no objection to our opponents thinking differently: on the lines that the State Building Supplies should not be a State enterprise; that is their prerogative. But unless there is something for the Government to be worried about with this deal, the motion will be agreed to. However, I doubt whether that will happen, because one has only to think of the numbers in this House to know that it will not be carried. It is in the best interests of public thinking, and in the best interests of the whole community that this question should be inquired into; and the links in the chain which are not to be found at the moment should be made available.

All of the evidence which is necessary to show whether or not this is a valid deal, in so far as price is concerned, should be made public. An inquiry should be held to show that £1,500,000 was quite properly written off by the Treasurer before the valuation was struck, and also to prove



that all the other concessions which have been given, and which are included in the agreement, are quite proper in the light of all the circumstances.

I repeat: The statement of the Minister in the House this afternoon was most unsatisfying; it was no more satisfying than any of the statements relative to this subject from the Premier or the Minister for Industrial Development. In my view, an inquiry must be held: a Royal Commission, with the Royal Commissioner a judge of the Supreme Court, should be appointed to inquire into the valuations of this State asset, and to show whether the deal has been a proper one and in the interests of the people of this State.

**THE HON. F. R. H. LAVERY** (West) [5.42 p.m.]: I do not propose to say very much on this amendment, but on behalf of the general public, of whom I am one representative in this Chamber, I would like to ask some questions. I do not deny the statement by the Minister this evening that the policy speech of the present Government did include a statement relative to the sale of State trading concerns. That is only repeating what I said when speaking to a Bill introduced last year. I have never denied that that was in the Government's policy speech. However, I drew attention last year to certain sales that might be made, and this afternoon I intend to talk along similar lines.

It has been said that our criticism—and when I say “our” I mean the people who are opposed to the Government—of this deal is because the company involved happens to be a very wealthy company. There may be some substance in that claim by the Government, but the whole basis of our complaint is not that this is a wealthy company—because it is a wonderful company, a progressive company—but because of the terms that this company has been given by the Government. There is no doubt that the local person who negotiated this deal should be highly remunerated by the company for the wonderful bargain he has obtained from the State. But this is like the paper mills deal—this wealthy company has purchased from the Government an extremely valuable asset on better terms than I could get if I wanted to buy a TV set worth £130. In fact, I am sure I would have to pay a bigger deposit in comparison to the value of the article, and a higher rate of interest, than this company is being asked for the State Building Supplies.

When we are told that there is no money for this and no money for that, and we have unemployment in this State, we want to know why this company has been given such generous terms. The Government says it cannot provide any more work for the unemployed, and yet a company of this magnitude is being asked to pay only £200,000 deposit, and £100,000 per annum over the next 20 years.

It is my belief that from the sale of 900,000 sleepers that will be required for the rails between Kalgoorlie and Kwinana—that is after the Menzies Government approves, and is satisfied that B.H.P. is not driving too hard a bargain—this company will make a considerable profit. There are businessmen in this House who only have to put their pens to paper—some of them need not even do that—to know the tremendous profit that will accrue from the production and sale of the 900,000 sleepers which will be required for the building of the railway, and which will come out of the Banksiadale mill in that area.

Accordingly it is our complaint that the company concerned, having become the purchaser of this very valuable asset, should be compelled to pay a higher deposit, and to increase its yearly payments so that the deal can be completed sooner than is envisaged at the moment. A company of this size certainly does not require 20 years to pay for this undertaking; not with the amount of money involved. The company in question is associated with so many other business interests that any one of its subsidiaries could pay cash for this undertaking without even knowing, at the end of the financial year, that it had done so.

That is why we speak of the great wealth of this company. It is not our intention to decry the company at all. Until we are able to read the agreement that will be laid on the Table of the House—on next Tuesday we are told—I must speak, and ask questions from rumours that I have heard. The first question I would like to ask, and which stems from rumour, is: What is the position regarding stocks—which were once owned by the State Building Supplies—standing at grass in the yards controlled by the Hawker Siddeley group?

Are these stocks the property of the Hawker Siddeley group, or are they still the property of the State? We have not been told about that yet. Maybe when the agreement comes before the House for ratification we will be informed what the position is. However, on behalf of the number of people I represent, I would like to know what is intended. The rumour I have heard is that these stocks will still belong to the State, and will be sold on commission on behalf of the State by the Hawker Siddeley group.

If that is correct, there may be nothing wrong with it. But—and there is a big “but” here—over what period will they be sold? Will it be over 20 years? Are we going to have our timber that is already paid for by production costs wait for 20 years to be sold? Or are little bits going to be picked off here and there? At the same time, is the timber that the Hawker Siddeley group will cut, to be sold in preference to the timber now in stock? I asked the Minister a little while ago

whether this agreement had been finalised, because Dame Rumour has it—as a matter of fact I discovered this as late as 2 o'clock this morning—

The Hon. E. M. Davies: That is early.

The Hon. F. R. H. LAVERY: Yes; I was out on the job then. The information I received was that this agreement is not finalised, because of some minor legal difficulty; and, that being so, perhaps we might not have the agreement here next Tuesday. These are questions, not criticisms, and I would like some answers to them.

The Hon. A. F. Griffith: I cannot give you the answers now.

The Hon. F. R. H. LAVERY: The reason I am asking for them is to enable the Minister to give me his answers when replying.

The Hon. A. F. Griffith: I have replied.

The Hon. F. R. H. LAVERY: We are also told of an agreement with the T.U.I.C. concerning the staff of the State Building Supplies now being employed by Hawker Siddeley.

The agreement in question is nothing like that mentioned in the statement made by the Minister for Industrial Development when he gave notice in the newspapers in May that this business was to be sold. It is not true to say that all the members of the staff are happy with the agreement, as was promised by the Premier in his Policy Speech in the 1959 elections. The Premier said they would be protected, and that this business would have to continue in the State. A great number of these people are not at all happy.

The Hon. A. R. Jones: Why?

The Hon. F. R. H. LAVERY: As a matter of fact, it is public property as to what is likely to happen to the manager of the State Building Supplies with relation to the salary he was receiving at the time; though it is not yet known what position he will be given or what salary he will be paid. It is said by members of his staff who are supposed to know a little about the matter, that, in the future, he will not be receiving the salary he received in the past. I do not know whether this is true, but I do desire these matters to be known to the House.

I would like now to touch on another point which appeared in the Lieutenant-Governor's Speech. I am sorry to say that there are a lot of "ifs" and "buts" in the Speech made by the Lieutenant-Governor, and I will be having a little more to say on that aspect at the proper time. On page 7 of his Speech concerning negotiation of the sale, there is what to my mind appears to be an escape clause, or statement. We find the Lieutenant-Governor in his Speech using the three words "it is hoped." What does that mean? He says, "It is hoped that the

transfer of this concern to a successful industrial group will open up new timber trade opportunities."

I ask you, Sir, to excuse me for one moment if I go off the track and refer to the agreement concerning The Great Western Mining Company and the matter of aluminium.

The PRESIDENT (The Hon. L. C. Diver): The honourable member must keep to the amendment.

The Hon. F. R. H. LAVERY: I trust you will excuse this one. I am told that the company will have a case full of scrip and no cash on the takeover. Are we going to find ourselves in the same position here, or is the State going to benefit financially from this deal? To my way of thinking it certainly will not. With those remarks I support the amendment.

**THE HON. R. F. HUTCHISON** (Suburban) [5.54 p.m.]: First I would like to say, Mr. President, that I am sorry you had to speak to me about interjecting. My interjections were not meant to aggravate you at all. When one considers my long association, and that of my family, with the timber industry, perhaps I will be forgiven for feeling so very deeply on this point.

I have been associated with the timber industry since my early life, long before the Minister even knew what politics was about. I was associated with the timber industry when the first No. 4 State sawmill was purchased by the Labor Government. It was taken over from the South-West Timber Company. I was down there when the old truck system was in force; so, with all respect to the Minister, I do know a good deal about the timber industry; and I would like him to be assured on that point.

In those days we found men, under the truck system, obliged by private enterprise to deal through the mill store. Things finally reached the disgraceful position when, after a year's work, the men would have about £10 or £20 to draw, and only their food covered. I know a good deal about the timber industry and the hardship experienced by these people, because I was one who also suffered.

When the State sawmills were taken over by the Government—at that time a Labor Government—it infused a breath of fresh air into the industry. So when I have to sit here and listen to what is being done to throw away the assets belonging to the people of this State—a young State which is not nearly fully developed—it is little wonder that I feel as I do. These assets are being sold out. They are being thrown away, and I know exactly what is going to happen. I have children, grandchildren, and great grandchildren who will have to live under conditions brought about by the disgraceful action of this

Government in selling our State assets. Accordingly I hope I may be forgiven for feeling so deeply on this point.

The actions of this Government will result in destroying the heritage of the people—this great and valuable timber asset. There is a chair in the Legislative Assembly that was made from a jarrah pile which was won from those forests in the very early days when I was associated with the industry. I repeat we have a very valuable asset in our hardwood timber, and we have now handed over this asset to a wealthy company on a time payment basis, and on a deposit which should make the company ashamed to take over the asset.

I do not propose to sit here and be meek and mild, while knowing what has been done to this State by the Government, which certainly does not deserve the name of Government. For the first time since 1930 we find ourselves faced with the dreadful position of having groups of unemployed men marching to Parliament House, appealing for help. Surely this is one industry in which they might be employed! There is always employment in the timber industry if the Government chooses to make it available; and an opportunity could certainly be afforded these unfortunate people in an endeavour to find them employment.

The loss of this asset will be a severe blow to the people of Western Australia. I am sure I do not know why it is necessary for us to sell our assets to a wealthy company on such a small deposit. If it resulted in the State benefiting by a few million pounds cash, there might be some justification for the action of the Government; but it is a wicked thing to sell to a company a basic industry and a basic asset.

There is no doubt that the action of this Government will bring about insecurity throughout the length and breadth of Western Australia. The people who matter, those who work with their hands to keep these industries going, will find themselves in a most insecure position. The Government cannot find sufficient bread and butter for the people of the State at the moment. During my travels through Europe I found full employment throughout that continent, and it is difficult for me to appreciate why the Government of a State such as ours cannot find sufficient employment for its people—small as the numbers are.

There are many natural assets which could be opened up without our having to sell these great timber concessions. I am struck with horror at the actions of this Government; at its wantonness; and at the instability its actions are creating. No previous Government has ever attempted to do what this Government has

done since the last election. I know the people voted this Government into office; but I also know the lesson the people are receiving.

The proof that this was a successful State-owned asset is the fact that this Government was able to sell it. If it were not a good asset and were not successful, the Government would not have been able to sell the undertaking. Why sell something that is good for the State—something that was not created by the hands of this Government?

This year we have had national disasters in the forms of fire and flood; but before sitting down after making this short speech I would say this: The greatest disaster this State has ever known beyond fire and flood is the Government which the people put into office and which occupies the Treasury bench at the present time. I also protest at the wantonness of this Government in selling State-owned assets and bringing the country to disaster. I would point out to the Minister that I know more about the timber industry of Western Australia than he will learn in the next 10 years.

The Hon. A. F. Griffith: You know more about everything than I do.

**THE HON. R. THOMPSON** (West) [6.2 p.m.]: After listening to the contribution made by Mr. Wise tonight, I think there must be a lot of doubts in the minds of members in this Chamber. I am surprised that only the Minister has had the courage to get up to try to justify the sale of the State Building Supplies to the Hawker Siddeley group. I would have thought that other members of the Government would have some knowledge of the transaction and so would make some contribution to the debate. It appears that the Opposition has been armed with sufficient criticism against the action of the Government to warrant its taking this stand. Yet, not one Government member, other than the Minister, has had the courage to get up and state his views. The reason, of course, is that they do not know what was in the contract of sale. I challenge them to prove that that statement is wrong.

The Hon. C. R. Abbey: That is all eyewash!

The Hon. R. THOMPSON: An interjector just said that that is all eyewash. However, I would sincerely like to hear his views as to what is in the contract. Scanty remarks have been made about the contract in the Press, but further than that we know nothing about it. If it is fair and above board, I should think members of the Government would welcome a Royal Commission which could prove that we are wrong and the Government is right.

The Hon. A. R. Jones: Royal Commissions are very costly and they never do any good.

The Hon. R. THOMPSON: The honourable member supported the Royal Commission into betting which set out to really blackmail the Labor Party; but, in that regard, it was not successful. I think, in March next year, things will rebound once more on the Government. Many times I have heard the Minister say how sorry he felt for the weak arguments put forward and contributions made by members of the Opposition. However, on this occasion I really feel sorry for the Minister because he put up such a weak argument in trying to justify something about which he has very little knowledge.

The Hon. F. R. H. Lavery: "Little sympathy with" is better.

The Hon. A. F. Griffith: Now you know how it feels.

The PRESIDENT (The Hon. L. C. Diver): Order!

The Hon. R. THOMPSON: I know how the Minister must feel. I am sympathetic towards him, because I have heard him castigate other members on many occasions. However, the position is now reversed.

It is not my intention to record a silent vote on this matter; and I will close by saying that if members of the Government are sincere they will welcome a Royal Commission into this sale.

**THE HON. E. M. HEENAN** (North-East) [6.6 p.m.]: I would like to add a few words in support of the proposed amendment, with which I think the majority of members must agree after having heard the remarks of Mr. Strickland, Mr. Wise, Mr. Lavery, Mrs. Hutchison, and Mr. R. Thompson. After all, the amendment only represents a small addendum to the Address-in-Reply.

I heartily agree with the closing remarks of Mr. Ron Thompson that if the Government is happy about this transaction it will have little or nothing to lose by the carrying of this amendment to the Address-in-Reply. I agree with the statements made by Mr. Strickland and Mr. Wise that this transaction—the price paid; the generous terms; and the high value of the asset involved—caused a great deal of concern among a lot of people in this State. I also agree that the speech of the Minister did not do a great deal to clarify these well-founded doubts.

In the Lieutenant-Governor's Speech we read of the wonderful development and the wonderful progress of this State; and of the enormous faith in the future of the State. Yet, here we have a comprehensive and valuable State asset which has been sold at a price which, to the average layman, represents a bargain. Parliament has nothing to do with the fixation of the price; and apparently we can do little beyond criticising it. However, I agree with Mr.

Wise and Mr. Strickland that the Parliament and the people of this State are entitled to know a lot more about the negotiations and the state of affairs which brought the dealing about.

I am prepared to concede that it is the policy of the Government for these industries to be carried on by private enterprise. One can gather from the policy of the Government in the last elections that it intended disposing of State assets. But there is a very heavy obligation on any Government—the members of which are the trustees of the State for the time being—to be guarded and careful in how it disposes of these valuable assets.

Parliament is going to be presented with an agreement for ratification with Laporte Industries Ltd., relating to a £4,000,000 deal; and another with an aluminium industry in connection with the mining of bauxite and establishing an alumina refinery.

The PRESIDENT (The Hon. L. C. Diver): Will the honourable member please confine his remarks to the amendment?

The Hon. E. M. HEENAN: I think I can link up my remarks, Mr. President. I was going to say that if Parliament is to be called upon to deal with and consider these agreements involving millions of pounds in connection with State assets, surely Parliament should have had more say and more information concerning this transaction which presumably is related to a State asset of some millions of pounds in value and which has been in existence for many years.

For those reasons, and for the very cogent reasons that have been put forward by previous speakers I fully support the amendment moved by Mr. Strickland—an amendment which I think is well justified and should be carried.

**THE HON. E. M. DAVIES** (West) [6.12 p.m.]: I move—

That the debate be adjourned.

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

**Ayes—14.**

Hon. G. Bennetts	Hon. F. R. H. Lavery
Hon. E. M. Davies	Hon. H. C. Strickland
Hon. J. J. Garrigan	Hon. J. D. Teahan
Hon. W. R. Hall	Hon. R. Thompson
Hon. E. M. Heenan	Hon. W. F. Willesee
Hon. R. F. Hutchison	Hon. F. J. S. Wise
Hon. A. R. Jones	Hon. G. E. Jeffery

(Teller.)

**Noes—15.**

Hon. C. R. Abbey	Hon. R. C. Mattiske
Hon. N. E. Baxter	Hon. C. H. Simpson
Hon. J. Cunningham	Hon. S. T. J. Thompson
Hon. A. F. Griffith	Hon. J. M. Thomson
Hon. J. G. Hislop	Hon. H. K. Watson
Hon. L. A. Logan	Hon. P. D. Willmott
Hon. A. L. Loton	Hon. J. Murray
Hon. G. C. MacKinnon	

(Teller.)

**Majority against—1.**

**Motion thus negatived.**

*Sitting suspended from 6.15 to 7.30 p.m.*

**THE HON. E. M. DAVIES** (West) [7.30 p.m.]: I desire to associate myself with the amendment which has been moved to the motion for the adoption of the Address-in-Reply. While I agree it is necessary that we should have a motion for the adoption of the Address-in-Reply, I believe it becomes necessary from time to time to remind the Government of something it has omitted to do, or to ask it to explain fully certain matters which it has not tried to explain. I feel that the amendment which is before us now is one that is necessary so that the people of this State should have an opportunity of being told something of very great importance. It is of importance because this undertaking which has been sold has been the property of the taxpayers of this State for a number of years.

The State Building Supplies has been responsible in the main for a great portion of the production of this State over a period of years and has, therefore, contributed a great deal towards the State's welfare. The State Building Supplies has, up to date, provided the sleepers and other timber necessary for the construction of railway lines and has, therefore, played a great part in the development of the agricultural areas which were opened up during the regime of Sir James Mitchell. It is for this reason that the taxpayers should be informed of the details of the sale of this undertaking.

I was very much surprised this afternoon that the Leader of the Government in this House, when replying to the introduction of the amendment, had very little to say. His speech was of short duration and did not contain any of the relevant facts we would expect to hear. Further, the supporters of the Government in this House up to date have remained quite silent on the matter and it appears to me that there is the belief that the least said about this particular proposition the better for all concerned.

The amendment which has been moved is very mild, being as follows:—

However, we condemn strongly the action of the Government in selling the State Building Supplies at bargain prices to an enormously wealthy overseas company, and we consider a Royal Commission should be set up to investigate the transaction thoroughly.

I see nothing wrong with the amendment. If the Government has nothing to hide from the people of this State it should be prepared to pass the amendment which would provide for the appointment of a Royal Commission. However, as I have said, up to date the Leader of the Government in this House has opposed the amendment and no other supporter in this House has had anything to say about it. I hope that before this debate is concluded some of the Government representatives here will have something to say on

the matter; that was my reason for moving for the adjournment of the debate. This would have given other members an opportunity tomorrow to speak to the amendment after having heard the contribution of the Leader of the House.

The Minister for Mines stated that, in the policy speech of his party, mention was made of the sale of State concerns. I have no objection to that statement and I do not suppose anyone else has because Governments and parties always have a policy when going to the polls, and that policy is expected to be put into operation if a party is elected to office. However, that has not always been done, and I think members will recall that on various occasions those in the present Government at any rate, have promised certain benefits in their policy speeches and have then not fulfilled such promises. However, it is no argument to say that everyone must agree that a thing is right because a certain party had it included in its policy speech. I, as one of Her Majesty's Opposition, believe it is my duty to support this amendment because if passed it would provide ways and means for the people of this State to be told the reasons for the Government's action, first of all in selling the undertaking, but most of all in the way the sale has been carried out.

I am quite sure that because this undertaking has been in existence for such a long time and has played so important a part in the development of this State there are quite a number of people who would have been prepared to purchase it but on a far better basis than it has been

I would like to know the reason the sale has been made on a hire-purchase basis. The organisation to which the undertaking has been sold is reputed to be very strong financially and we would therefore, have expected to receive a cash price—whereby some use could have been made of the money received—instead of the payments being made in dribs and drabs over a number of years.

Another matter which should be explained is the inclusion of the railway mill in the sale. The timber mills, the brick-yards, the railway mill, and all other undertakings associated with this business have been disposed of for a mere deposit the rest of the price to be paid over a period of 20 years. If that is the way the business of this State is to be executed by this Government, because it wants to dispose of something, I am very concerned. First of all the Government had no right to reduce the value of the undertaking. The book value is the value of a particular undertaking and one that is fixed by those whose responsibility it has been to value the stocks and building. Yet, without seeking any approval from Parliament or anyone else, as far as I can gather, the Government has reduced the book value and stated that the undertaking is not

worth the amount shown on the books and has, therefore, let the company have it for less.

By supporting this amendment we will at least have our names recorded as being opposed to the sale of State enterprises; and I feel that it has not really been a sale but has been a give away. The Government no doubt believes that by its action it is going to benefit the State. The Minister for Mines has informed us that competition will be continued. However, we have had some example of competition with certain people who conduct business from time to time. Not so long ago we were informed that collusive tendering was being carried on, and I am now beginning to wonder whether, as the railways mill has been disposed of, the Government is going to be able to obtain sleepers and other requirements at a reasonable price from the people who will now have control of the State Building Supplies.

This is some of the information that should be provided for the people, and the only way this is possible—if the Government is not prepared to supply it—is for this amendment to be passed.

I would like to know what the attitude of the Auditor-General is to this matter. We have heard by medium of the Press over recent weeks that the book value of the undertaking was too high. I am curious to ascertain whether this is so, because if it is, and a fictitious book value has been placed on the books, the Auditor-General should be asked to explain why it has been permitted. If it is not the case, we should be informed of the reasons why the Government has been permitted to reduce the book value in order to dispose of a State undertaking.

Another very important point is that no indication has been given as to the period of employment which will be guaranteed the present staff. They do not know whether they are safe for 12 months or for good; nor do they know the position in regard to the wages and other conditions. For all these reasons I support the amendment which I hope will be carried.

**THE HON. J. MURRAY** (South-West) [7.43]: I do not intend to say very much in connection with this amendment to the motion for the adoption of the Address-in-Reply, because I believe that the Leader of the Opposition in this House would have been wiser to wait until the agreement was tabled. This would have given members an opportunity to refer to its contents when discussing the matter.

**The Hon. E. M. Davies:** What is the good of that after it is sold?

**The Hon. J. MURRAY:** It is sold now; let the honourable member not delude himself in that way.

**The Hon. H. C. Strickland:** Why did you vote against the adjournment if you think this way?

**The Hon. J. MURRAY:** For the simple reason that no pairs were granted last night. Had pairs been granted last night, we would have gone on then and discussed the question in the fullest form.

**The Hon. H. C. Strickland:** It does not fit in with your argument now.

**The Hon. J. MURRAY:** The honourable member asked me a question and I have given him my answer.

**The PRESIDENT** (The Hon. L. C. Diver): Order! The honourable member will deal with the matter before us.

**The Hon. J. MURRAY:** When the Leader of the Opposition introduced his amendment, despite the suggestion to the Leader of the Government that he had not brought in the question of selling the State Building Supplies to a local timber firm, his remarks were so clear that there could be no shadow of doubt about what he meant, because he said that these people had nothing to do with the pioneering of the timber industry, and suchlike, and they should not be beneficiaries of this move. In other words, he was implying that if anybody should get the advantage of a bargain rate—he used that expression; I do not believe it myself—it should have been one of the local timber interests.

The local timber interests that have any large amount of free or floating capital, are few and far between. Whilst Millars Timber & Trading Company has certain shareholders in Western Australia, its greatest shareholding is in London; and the firm originated from there. The firm was originally brought to this State under much greater gift circumstances than anything envisaged in the agreement with Hawker Siddeley. Millars Timber & Trading Company got extensive concessions throughout the State—concessions by which no royalty was to be paid on the timber. One of the greatest concessions the company received was the Jarrahdale concession which extended from well into the Canning Dam catchment area to the Mundaring catchment area and down as far as North Dandalup. Since that time, this concession has been whittled away; and under the Forests Act of 1918, the company has to pay a royalty. But when it first started here it got karri and jarrah on a no-royalty basis.

Before leaving Millars Timber & Trading Company, I would like to say that I think Mrs. Hutchison referred to the conditions in the timber industry at a certain stage. I have no doubt that some of the bad conditions to which she referred originated in mills belonging to Millars Timber & Trading Company. Tracing the history of the company, which operated at Karridale and other places in the early days, it compelled its employees to make

their purchases in the company's stores; and not only did it compel its employees to do that, or get the sack, but it compelled them to use notes issued by the company itself. Those notes were known as "shin plasters", and they were only cashable or good money value at the company's stores, nowhere else.

The Hon. H. C. Strickland: Does this company belong to the State Building Supplies?

The Hon. J. MURRAY: I will tie this up with the honourable member's amendment and the speech he made. The honourable member referred to the local timber industry that the State Building Supplies should be sold to.

The Hon. H. C. Strickland: I did not say a word about that.

The Hon. J. MURRAY: Do not say that; the honourable member talked about the pioneers of the timber industry. The other timber firm that might have floating capital is the Kauri Timber Company. This firm is not a local company, either, but a New Zealand company. The only local company in a big way—and it is in a big way now because of the difficult housing position that arose after the war; and since then it has built up an enormous business—is Bunning Bros. I would say that not one of the three companies that I have mentioned could, by itself, guarantee the fulfilment of even the agreement that the Opposition calls a "give-away agreement," in spite of the fact that some members say it is like a hire-purchase agreement that could be carried out by almost anybody.

The agreement as we know it, and as it has been publicised in the Press, mentions the amount of £200,000 deposit and the sum of £100,000 per year for 20 years; and, of course, in addition to the £100,000 a year for 20 years it goes without saying that interest will be included.

The Hon. R. Thompson: At what rate?

The Hon. J. MURRAY: I am not here to say that. I have said that the Leader of the Opposition would have been much better advised had he waited until the agreement was on the table. Even if the interest rate is as low as 4 per cent. or  $3\frac{1}{2}$  per cent., it will still amount to a considerable figure on the residue of £2,000,000.

There is another point with regard to the State Building Supplies. For many years I have spoken on the question of over-production in the sawmilling industry. When I have referred to over-production in the industry in the past I have always stressed that we have practically an unlimited market for our jarrah timber, but that there is over-production in regard to our karri. Whilst I have pointed out that if it were true, as successive Conservators of Forests would have us believe, that our timber resources would be at a very low

ebb by 1980, I did not think it was a very wise plan to keep on over-producing from our timber resources by producing stocks that could not be got rid of at an economic price.

I think it was last year that I drew attention to the fact that in an effort to get rid of some surplus stocks, the State Building Supplies—despite what Mr. Wise says about what is in the Auditor-General's report, and all the rest of it, in connection with stocks—went to South Australia and sold the stocks there, because they had become a burden to the organisation, at a price well below the cost of production here. That is the position today with the stocks that had to be included in this sale.

As far as I know—without having the agreement I cannot verify this—I would say that Hawker Siddeley have not taken over, at a cash price, the stocks on hand. But knowing the Government members as I do, I feel perfectly certain that Hawker Siddeley, by their contract of agreement, will be compelled to look after those stocks and be responsible for them until they are sold.

The Hon. R. Thompson: Will they look after your constituents, too?

The Hon. J. MURRAY: Pardon me?

The Hon. R. Thompson: Will they look after your constituents, too?

The PRESIDENT (The Hon. L. C. Diver): Order!

The Hon. J. MURRAY: Mr. President, I have spoken on this question on so many occasions that members in this House and those in another place know that I feel that they and the union representatives outside are underrating their own workmen and doing them the biggest disservice they can possibly do them.

The men who work for the State Building Supplies were no different from the men who worked for Millars Timber & Trading Company or the men who worked for Bunning Bros., and no different from the men who worked for the Kauri Timber Company, or those who worked for the small mills that were in operation. But because of the circumstances under which they were working, they were seldom allowed to give of their best. That was mainly because the management was not near to the men. The management was the Government, not some person whom the men could recognise and about whom they could say, "This is the boss who is looking after us; this is the man we are working for, and he is looking after our conditions."

When men are working under the conditions I have described, they give of their very best; and that is what makes the difference between profit and loss, as is shown on the balance sheets of the private sawmillers as against the results shown by the State Building Supplies; and that is what

members will find now: that the men taken over by Hawker Siddeley, knowing full well that they will be well looked after, and will continue to be looked after in the future as long as they give a fair day's work for a fair day's pay, will have nothing to fear at all.

Today, conditions on the mills throughout the State are a long way different from what they were previously. In the days to which Mrs. Hutchison referred, conditions were bad. I have said this many times: They were bad not only in private enterprise but also in the State Building Supplies. There were houses provided—shacks, rather—but the employees were not encouraged to become family men or married men. The employers wanted, generally speaking, to employ single men.

The Hon. R. F. Hutchison interjected.

The Hon. J. MURRAY: I cannot hear the interjection, and will pay no attention to it.

The Hon. R. F. Hutchison: You do not want to.

The Hon. J. MURRAY: Only recently, before the sale took place, the Government made a statement to the effect that if it failed to sell the S.B.S. it would be faced with the sum of £600,000 capital expenditure within the next three years to modernise the plant which, according to some members, is supposed to be a valuable asset and which is being sold at book value. However, in some cases, the plant has depreciated so much that that is the expenditure necessary to bring it up to date within the next three years.

Not having the agreement on the table so that I may refer to it, I might find afterwards that I had been speaking without my book; but, I think members will find that in the agreement with the Government, the Hawker Siddeley group is being compelled to find not only the money that is required for the deposit of the purchase of the S.B.S. but also a certain amount of money which the Government would have been obliged to spend for the purpose of bringing the plant up to date.

The Hon. A. R. Jones: What amount is that? Roughly, £600,000?

The Hon. R. Thompson: The company can afford to do that in view of the price at which they are getting the S.B.S.

The Hon. J. MURRAY: I think the honourable member who interjected has not really studied the timber mills, the position in those mills, the position in the timber trade, and the ramifications of the industry generally when he talks about the low price at which the S.B.S. is being sold. What happened in regard to the sale of the State Building Supplies? When the Government announced that it was prepared to receive offers for the sale of the State trading concern, it was not flooded with offers from people prepared to pay

phenomenal sums for the so-called gift industries about which members speak. The Government was certainly not rushed with offers, although it did receive quite a few.

The Hon. L. A. Logan: It received many inquiries.

The Hon. J. MURRAY: The Minister should not interrupt. His interjection is worse than those made by another honourable member. All these inquirers preferred to buy on their own inspections, classifications and valuations. Knowing the Government, again I say that it accepted offers, and from among those offers, none of which was set without independent valuers, in the main, and without independent valuers by the Government, it was found that there was not much difference in the valuations, but there was a great deal of difference in the value of the offers made, not only with regard to the execution of the agreement, but also in other ways.

The Hon. H. C. Strickland: Don't you think an auction sale would have been better?

The Hon. J. MURRAY: What! To sell to the highest bidder? To sell without any conditions whatsoever concerning the men who are employed in the State Building Supplies or anywhere else? We would not have received one-third of what the Government is getting now.

The Hon. H. C. Strickland: How do you know?

The Hon. J. MURRAY: I know the state of the industry. The Leader of the Opposition made plenty of play, too, in raising the question of competition and how he, as Minister for Railways, was faced with a state of collusive tendering which he broke. How did he break it? He broke it by bringing people from outside the associated sawmillers.

The Hon. H. C. Strickland: I called tenders.

The Hon. J. MURRAY: Yes, the Minister called tenders and received them from people who were outside the association of the Associated Sawmillers because the Associated Sawmillers, included in which was the State Building Supplies, were indulging in what the Minister called collusive tendering. The State Building Supplies always worked on a list produced by the Associated Sawmillers. The only difference between the two, three, or four price lists was the colour of the covers and the names on the outside of those covers. The contents and the prices in those price lists did not vary; they were all the same.

The Hon. H. C. Strickland: That is why I did not buy any.

The Hon. J. MURRAY: To return to one point raised by the members of the Opposition in regard to the sale of the S.B.S., I think a good point was made by Mr. Wise in referring to the inclusion of the



Banksiadale mill in the sale of the State Building Supplies. I venture to suggest that had all the assets of the S.B.S. been put up for auction, as has been suggested by the Leader of the Opposition, without the inclusion of the Banksiadale mill, in all probability no bid would have been made; because without the inclusion of that mill the concern is not really an asset at all as it has a very limited amount of jarrah in its mills. The majority of the timber held by the State Building Supplies is karri; and, as I have said on many occasions, karri is a drug on the timber market.

I know it is the hope of the Government, the hope of myself personally, and the hope of many other men who work under the old State Building Supplies system that, in introducing an overseas firm to the timber industry in this State, which is independent of action, that firm will be able to find suitable markets for our karri. We lost our biggest market for karri under Government instructions during that very grave period after the war when there was a timber shortage in Western Australia and everywhere else; when the State was asked to stop the export of karri or, if we did not stop it in its entirety, to send only token shipments overseas. From this State we lost a most lucrative market so far as karri was concerned, and that was the export of wagon scantling to places throughout the British Isles. So far as I know we have lost that market for all time unless somebody can now instil some degree of enthusiasm into our friends in England to support us as they did in the past. That is the hope we have; the hope of bringing in new ideas and new capital which will be closely tied up with interests in the Old Country.

The Hon. H. C. Strickland: They are bringing in new capital very slowly.

The Hon. J. MURRAY: In its entirety, the introduction of capital is only a very small item. It is not the expenditure of money from the sale of the State Building Supplies that is important: it is the additional benefits that will be derived from the sale of our products which will bring in the wherewithal about which Mr. Ron Thompson is so concerned.

The Hon. R. Thompson: You are the one that should be concerned about it and not I, because the sale of the State Building Supplies affects your electorate.

The Hon. J. MURRAY: I have never been afraid to face my electors on this question. The honourable member need not worry on that score. My constituents are aware of my views on the State Building Supplies as being one of the greatest handicaps against the successful operation of the timber industry. As members of this Chamber may recall, I posed a question, when my party was in Opposition, to the then Minister in regard

to whether the State Building Supplies had any channels of disposal of timber other than that through the Associated Sawmillers. Three small channels were mentioned, which were of no value at all. Therefore, the only channel available then for the purpose of getting rid of our timber production was through the Associated Sawmillers. I suggest at this stage that what the S.B.S. got from the Associated Sawmillers in the way of orders represented, frequently, only crumbs from the rich man's table.

I do not think I will go any further on this subject, except to say that I oppose the motion. I would feel much happier if the agreement were on the table of the House, because I object very strongly to making statements regarding which I may be proved to be slightly wrong; but I think, in the main, I may be very closely right. I have travelled throughout my electorate since the sale of the State Building Supplies was mooted and I find that there is a very happy picture throughout because the men now know where they are going.

The Hon. F. R. H. Lavery: They know where they are going all right; especially in six or seven years' time!

The Hon. J. MURRAY: Yes, the men know where they are going; they are going on the highroad to success with the Hawker Siddeley group. I now wish to tidy up something to which I was referring when speaking of the inclusion of the Banksiadale mill in the sale. It is understood—and this is strictly for the benefit of those people who do not understand the industry—that if one is dealing in general sawmilling, the basis that is equitable for economic milling is not less than 40 per cent. jarrah to 60 per cent. karri. If the percentage drifts beyond that, timber milling becomes uneconomic. Therefore for me, at any rate, it is very easy to understand why it was necessary—if a sale of the State Building Supplies were to be made—to include the Banksiadale mill in the sale; because, as Mr. Wise has pointed out, that is a very extensive tract of first-class jarrah country. For many years it was heartbreaking to the Forests Department to see some of the best joinery timber in this State being cut into railway sleepers. A much lower grade of timber could have been used for that purpose, to give the same degree of safety. This timber was situated in the best part of the jarrah forests in this State and was being cut by the Railways Department as the demand arose, irrespective of the quality of timber which went into the railway sleepers.

#### *Personal Explanation*

The Hon. H. C. STRICKLAND: I desire to make an explanation under Standing Order No. 385 which states that a member may be heard again to explain himself in regard to some material part of his speech

which has been misquoted or misunderstood. The honourable member who has just resumed his seat misquoted me when he stated that I advocated the selling of the concern in question—the State Building Supplies—to other sawmilling organisations.

It will be necessary to examine what I said in *Hansard* to clear the matter up. I said—

I am opposed to the sale of the concerns at all, but I do say that if the Government decided to sell the concerns it should at least have accepted a lower figure from a local organisation rather than a few hundred thousand pounds more from an overseas organisation.

There was no mention of any timber firm. I had in mind any organisation, or any of the small operators outside of Associated Sawmillers, who might be prepared to buy the undertaking, or a portion of it.

#### *Debate Resumed.*

**THE HON. N. E. BAXTER** (Central) [8.17 p.m.]: It was not my intention to record a silent vote on the amendment to the motion. I have not been invited by the jibes of members of the Opposition to get to my feet and debate this matter. It is an accepted principle of British justice and of the parliamentary system that an accused is entitled to hear the charges against him before he puts forward his defence. On this occasion those who support the Government are entitled to hear the charges of the Opposition, before the Opposition can expect us to reply to the accusations.

Much play has been made of the book valuation of the State Building Supplies. An extravagant valuation was given by Opposition members, and one figure was a total value of £4,000,000. The book valuation at the end of 1959 showed £2,760,000. We could add to that valuation the value of the Banksiadale mill, which was quoted by Mr. Wise as being worth £500,000. He was placing too high a valuation on that mill, because the value as recognised by the State Government at the end of last year was £250,000 odd. So the honourable member's estimate of £500,000 appears to be £250,000 over the actual value.

**The Hon. F. R. H. Lavery:** That valuation included the uncut timber.

**The Hon. N. E. BAXTER:** Uncut timber is only goodwill value.

**The Hon. F. J. S. Wise:** You would be flooded with offers around £500,000.

**The Hon. N. E. BAXTER:** That may be so. Members opposite have complained about the decision of the Government to sell the State Building Supplies as a whole and not in part. The reason is that it was a condition of sale to dispose of the

undertaking as a whole, so that the unprofitable parts of that undertaking were disposed of; and so that provisions regarding superannuation, long service leave, and continuity of employment could be agreed on.

The State sawmills, as an entity on its own, showed a total loss of £69,000 in 1959. No party would be prepared to acquire that portion of the State Building Supplies if it had to meet superannuation and long service leave payments as well as guarantee continuity of employment for a period. That would be a poor business proposition—to buy a losing concern on which the purchaser has to expend £500,000 to put it into good working order. On top of that there is the consideration of the need to spend a great deal of money to build up the overseas trade which it has lost.

In the annual report of the State Building Supplies for 1959 an explanation is given for the losses during that year; and the report shows the position in the timber industry in this State, particularly in relation to the State sawmills. It is as follows:—

Explanations can be offered as above to partially account for unsatisfactory results but the fact remains that on total funds employed for 1958-59 of £2,736,000, on our own standard of 7½ per cent. as a target, return on funds, including interest, should have been £205,200 where, in actual fact, return was only £74,909. With an interest commitment on Loan Funds of £121,766 this has resulted in a recorded net loss of £46,867. In the Timber Division our costs of production are just too high in relation to average return on sales, calling for a necessary exploration by all concerned of every avenue for reduction of costs, extension of sales and improvement in average return on sales of timber and other products. It is necessary to record that little improvement can be anticipated in 1959-60 with inevitable loss under new policies of a substantial proportion of Government business.

Apropos of that, let us examine the position of the timber industry during the depression years. In this debate Mrs. Hutchison said that it was not until a Labor Government took over control of the State trading concerns that they showed a reasonable state of affairs and a profit. Let us look at the timber industry in the 1930's. The private mills in the south-west and the State sawmills were working quarter time; this happened just after the regime of a Labor Government. Within two years, through obtaining overseas orders during the term of a coalition Liberal and Country Party Government, the mills returned to half-time work. I do not see how Mrs. Hutchison can laud the administration of the

State Building Supplies or the State sawmills by a Government of the party she supports.

Let us refer to the later years when a boom was experienced in the timber industry during the term of office of a Labor Government. It was during the post-war years, after building construction had for a long period been at a low ebb, when the boom was experienced. This State required all the timber it could get for building and other purposes. In addition, South Australia, New South Wales, as well as the other States, including countries overseas, were crying out for our timber supplies. We did not have sufficient to export any overseas, so we lost our overseas trade.

With a recession in the building trade, particularly in this State when the housing lag was overtaken as a result of the modern trend in building where little timber is used, the demand for our timber slackened. In the larger construction of today, the only timber used is for form work and for partitions between the offices. Some of it is used in making furniture. This type of construction consists of a wooden framework with three-ply covering, and very little timber is used. This led to a slackening in the demand for our timber.

In the other States as the housing lag was being overtaken, their demand for our timber also decreased. There is only one answer to this problem: if one has a dying horse one should get out from under.

Even if this State does lose something of the capital value in the sale of the State Building Supplies, we would not lose anything, in fact, because the loss would soon be offset by a saving in the losses that would have been sustained had the instrumentality not been sold. We are undergoing a period when we cannot expect the State Building Supplies to be an economic proposition. It is being taken over by a worldwide organisation which has ways and means of disposing of our timber production overseas.

This company will have to spend probably £600,000 to put the undertaking in good order. Is it, therefore, not better that we dispose of the undertaking rather than leave it as it was, where the products of the State were not being sold, and where, as a result of a decrease in production, unemployment was created? What would be the position if we had retained this undertaking and the employees were thrown out of work? The Government would have been blamed.

It may be said by Opposition members that I am calling a different tune to that I called last year. That is not the position. My action last year was taken to ensure that if and when the State Building Supplies was sold, the conditions laid down by the Government would cover

certain factors. From the information I have received, all the conditions promised by the Minister at that time have now been complied with.

Last year I moved an amendment to the motion relating to the sale of the State trading concerns. My view was that such sale should be referred to Parliament, but Parliament decided otherwise, and one has to accept that decision. I accept that decision and the assurance given by the Government that it will put into effect certain conditions.

I cannot see any good coming out of the appointment of a Royal Commission into this matter. This sale has been criticised and several speakers have said that the undertaking is being sold on a £250,000 deposit with the balance to be paid in the next 20 years. Who is to say that this company might not repay the balance in the next five years? This arrangement will enable the company to adopt a long-term policy of rehabilitating the undertaking, and to market our timber overseas.

What could be better for our State than the sale of the S.B.S. to an organisation that can market our products overseas and not only bring into this State income from exports, but can assure the workers—as the company does—permanent employment? Before long we shall be thankful that this company has taken over the State Building Supplies. If we sold it to a local company, or split it up, as suggested by Mr. Strickland, into several parts and then sold it, what could we expect? Would the local companies have the finance to rehabilitate the whole show and put it on to a sound basis and guarantee workers continued employment? Or would a local company pick the eyes out of the S.B.S., and take out only those portions of it which would be payable, such as the State brickworks? I know that when the sale of the State brickworks and the State sawmills was suggested a small syndicate was formed in the Armadale area. It offered to buy the State brickworks because the State brickworks was showing a profit. The syndicate was not interested in the State sawmills.

The Hon. H. C. Strickland: It did not get a chance to buy it.

The Hon. N. E. BAXTER: No. Should the persons concerned have had a chance if they were not prepared to take the whole as a complete entity?

The Hon. H. C. Strickland: Seeing that it had taxpayers as shareholders, it should have been given a chance.

The Hon. N. E. BAXTER: A reasonable proposition would have been to sell the State Building Supplies as an entity where a good bargain could be driven; and I believe the Government has driven a good bargain. I therefore oppose the motion.

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

Ayes—13.

Hon. G. Bennetts	Hon. H. C. Strickland
Hon. E. M. Davies	Hon. J. D. Teahan
Hon. J. J. Garrigan	Hon. R. Thompson
Hon. E. M. Heenan	Hon. W. F. Willesee
Hon. R. F. Hutchison	Hon. F. J. S. Wise
Hon. G. E. Jeffery	Hon. W. R. Hall
Hon. F. R. H. Lavery	(Teller.)

Noes—18.

Hon. C. R. Abbey	Hon. G. C. MacKinnon
Hon. N. E. Baxter	Hon. R. C. Mattiske
Hon. J. Cunningham	Hon. C. H. Simpson
Hon. A. F. Griffith	Hon. S. T. J. Thompson
Hon. J. G. Hislop	Hon. J. M. Thomson
Hon. A. R. Jones	Hon. H. K. Watson
Hon. L. A. Logan	Hon. F. D. Willmott
Hon. A. L. Loton	Hon. J. Murray
	(Teller.)

**Majority against—3.**

**Amendment thus negatived.**

**Debate adjourned, on motion by The Hon. F. J. S. Wise.**

## **SUPPLY BILL, £25,000,000**

### *Second Reading*

**THE HON. A. F. GRIFFITH** (Suburban Minister for Mines) [8.37 p.m.]: I move—

That the Bill be now read a second time.

This measure comes to us, as is the custom at this time of the year, from another place.

As the title of the Bill implies, this is a request to Parliament to make available sufficient finance for the Government to carry out its obligations and maintain the services.

The sums being sought are required to satisfy the warrants under the hand of the Governor under the provisions of the law now in force in respect of any services voted by the Legislative Assembly during the financial year ended the 30th June, 1962, or issued for such purposes; and all expenditure for the purposes of temporary advances as aforesaid are to be recouped by charging the specific appropriation of Parliament applicable thereto, or by recovery thereof from the Government or persons on whose account the advances may have to be made. The sums required for these purposes are as follows:—

Consolidated Revenue Fund	£18 million
General Loan Fund	£5 million
Advance to Treasurer	£2 million

totalling in all—£25 million, being £1½ million more than was sought about this time last year.

The increased amount of money required is not phenomenal.

To throw it into its right perspective, I would let honourable members know that a sum no larger than £9 million was required in 1951 to meet the State's requirements, increasing to £13 million in 1952; £16 million in 1953; £16½ million in 1954; £17 million in 1955; £19 million in 1956;

£21 million in 1957; £21 million in 1958; £21 million in 1959; and £23½ million in 1960.

It is interesting to note that in the year 1959, when the amount asked for was £21,000,000, there was a record number of unemployed in the State in January of that year, the figure being, as Mr. Strickland pointed out last night, 7,431.

The Hon. H. C. Strickland: But you got the money in June. There is a big difference between January and June.

The Hon. A. F. GRIFFITH: One could apply the argument used by Mr. Strickland to a question that he asked me concerning the record amount of money that the State has received. As I have indicated, they appear to me to all be records from the year 1951; they appear to become progressively greater. As costs have increased from year to year, so the amount has increased.

The increase has been gradual and due to many causes, one of which we are glad to say is the consistent development of the State.

The Hon. H. C. Strickland: What is the difference between 1958-59 and 1959-60?

The Hon. A. F. GRIFFITH: In 1959 the figure was £21,000,000; in 1960 it was £23,500,000.

The Hon. H. C. Strickland: The first year in office your Government got £5,000,000 more.

The Hon. A. F. GRIFFITH: This year we are asking for £25,000,000. We received £23,500,000 last year, and £21,000,000 in 1959—that was the year of the elections.

There was a period, though, during 1957-1959, when requirements were apparently completely static.

The Hon. H. C. Strickland: Has the Minister looked into the position on the basis of a calendar year or a financial year?

The Hon. A. F. GRIFFITH: The financial year. The amount is applicable to the 30th June of the particular year. I was pointing out that apparently in the years 1957, 1958, and 1959 the position remained static because the Government of the day did not ask for any alteration in the figures.

As I remarked previously, the additional amount of £1½ million being sought on this occasion does not represent a phenomenal increase. There is nothing exceptional about the upward trend. Furthermore, there is no intention of the Government expending these moneys other than on the welfare of the State. I look upon the upward trend as indicative of a progressive and happy country, and commend the Bill to all members.

Today I spent a little time looking through the speeches which have been made by His Excellency the Governor on behalf of various Governments covering a long period. Those speeches always give

the same information, namely, a record of what has been done in the previous year and a statement of what it is hoped will be done in the following year. Strange as it may seem, the speeches are always on an optimistic note, and that is just what we would expect. In conclusion, I would like to comment that the Speech delivered the other day by His Excellency was not different from the speeches which have been delivered to Parliament for a long time.

Debate adjourned, on motion by The Hon. W. F. Willesee.

## ADJOURNMENT OF THE HOUSE: SPECIAL

**THE HON. A. F. GRIFFITH** (Suburban—Minister for Mines): I move—

That the House, at its rising, adjourn until 2.30 p.m. on Thursday, the 10th August.

Question put and passed.

*House adjourned at 8.45 p.m.*

# Legislative Assembly

Wednesday, the 9th August, 1961

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

## QUESTIONS ON NOTICE

### "SUNSET" HOME INMATES

#### *Pension Deductions for Health Benefits Scheme*

1. Mr. **BRADY** asked the Minister for Health:
  - (1) Did he approve of the inmates of *Sunset* having deducted from their weekly pension the annual cost of health benefits scheme in two moieties?
  - (2) Were the inmates consulted in regard to the deductions?
  - (3) Is he aware that a number of inmates of *Sunset* feel that they have not been fairly treated?