

The Hon. E. M. Heenan: You agree we should try to do something for them?

The Hon. J. G. HISLOP: I have my ideas as to how I would improve things for these people; and I trust the Minister will be able to do something; that he will bring down legislation that I know he is aware of. I know that the Minister's sympathies are in the same direction as mine. But if, at the end of the session, I feel there are elements in the community that are preventing the Minister from doing what I know he would like to do, then it will be my intention to move for a Royal Commission to be appointed to go into this matter, because I still believe it is one of the great disgraces that exist in Western Australia.

The Hon. A. F. Griffith: I am very anxious to do something, as you know, but there are difficulties that I can explain. However, I hope to be able to overcome them.

The Hon. J. G. HISLOP: If the Minister cannot overcome them, then I think it is about time this House itself took action to assist him. I will watch the position with great interest.

The Hon. E. M. Heenan: That is good news.

The Hon. J. G. HISLOP: I do not want to say any more about the silicosis problem at this stage, but I have again, this year, accumulated quite a large amount of further knowledge in regard to the disease itself. I had the privilege of spending an evening with Dr. Schepers of Dupont, and I have been in constant communication with him since. I feel quite certain that eventually the struggle will end and the Minister will be able to introduce the legislation he desires in order to help these men; and there are dozens and dozens of them. They really get nothing in the way of reward for their years of service in the goldmines.

The Hon. J. J. Garrigan: We have known that for many years.

The Hon. J. G. HISLOP: It is something we must correct. I know the Minister is sympathetic.

The Hon. A. F. Griffith: You stated the main difficulty when you said there were dozens and dozens. Unfortunately, I have been unable to measure the extent of the liability on the fund.

The Hon. E. M. Heenan: Possibly a select committee would be the answer.

The Hon. J. G. HISLOP: I have raised the point, and I know the Minister is deeply sympathetic. I have told the House that the problem still exists, and I know something will be done to assist these men. I have much pleasure in agreeing to the motion.

Debate adjourned on motion by The Hon. E. M. Heenan.

House adjourned at 8.7 p.m.

# Legislative Assembly

Tuesday, the 15th August, 1961

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

**SUPPLY BILL, £25,000,000***Returned*

Bill returned from the Council without amendment.

**QUESTIONS ON NOTICE****V.I.P. HOUSE, WYNDHAM***Weekly Cost and Daily Tariff*

1. Mr. RHATIGAN asked the Treasurer:

- (1) On what basis is the running of the V.I.P. house at Wyndham conducted?
- (2) What is the weekly cost of running the house—
  - (a) when occupied by V.I.P.'s;
  - (b) in the absence of V.I.P.'s?
- (3) What is the daily tariff paid by—
  - (a) Ministers;
  - (b) others?

*Receipts and Payments*

- (4) What are the total receipts and payments from the date of commencement of operations to the present time?

*Provision of Liquor*

- (5) Is liquor provided at this house. If the answer is "Yes," who pays for it?

Mr. BRAND replied:

- (1) to (5) I am advised that the Public Works Department has provided the house referred to as a transit house, due to the limited facilities at the Wyndham Hotel to be used as staging accommodation during the construction work at the Ord River.

The house will be utilised for quarters for a married departmental officer at Wyndham after the completion of the Ord River Dam project.

Provisions and refreshments are paid for by those using the accommodation.

**OFF-COURSE BETTING***Size of Signs at T.A.B. Agencies*

2. Mr. EVANS asked the Minister for Police.

If, as indicated by his answer to question No. 32 on the notice paper of the 9th August, it is expected that an effect of T.A.B. control of off-course betting will be such as not to encourage betting off-course, why is the policy of the T.A.B. re the size of signs used to denote that certain premises are authorised T.A.B. betting premises, such as to allow bigger and more elaborate signs than previously were sanctioned by the Betting Control Board?

Mr. PERKINS replied:

The board, as a matter of policy, has never fixed any size for its sign.

For the sake of economy it adopted a standard size as put out by the Modern Sign Co. Pty. Ltd. The sign is not used to encourage people to bet but to show them where to go to bet legally.

**RESERVES***Cancellations*

3. Mr. GRAHAM asked the Minister for Lands.

What acreage of reserves has been cancelled, and is intended to be cancelled by the present Government?

Mr. BOVELL replied:

During the period from the 1st April, 1959, to the 31st July, 1961, 319 reserves were cancelled totalling 638,999 acres, inclusive of a stock route reserve in the Kimberley Division, comprising 336,000 acres.

A further 10 reserves, totalling 550 acres, are awaiting cancellation. During the same period, 707 reserves, aggregating 120,607 acres, have been declared.

### STATE FORESTS

#### *Areas Dedicated by Hawke and Brand-Watts Governments*

4. Mr. GRAHAM asked the Minister for Forests:

What area was dedicated as State Forest by—

- (a) the Hawke Government;  
(b) the present Government?

Mr. BOVELL replied:

Year	Acres
(a) 1953	772
1954	2,378
1955	372,574
1956	58,830
1957	99,336
1958	179,223
1959	154,815
Total	867,928
	acres
(b) 1959	1,238
1960	6,022
1961	14,609
Total	21,869

### TOTALISATOR AGENCY BOARD

#### *Tabling of Legal Opinion*

5. Mr. TONKIN asked the Minister for Police:

- (1) With reference to his refusal to table the legal opinion obtained by the Totalisator Agency Board from Parker and Parker concerning credit betting and the lending of money by board agents to bettors to enable them to maintain their credits, is he aware that the written opinion has been made available to some persons who are in no way connected with the T.A.B.?
- (2) As the opinion has been read by some members of the public, can the document be properly regarded as "confidential"?
- (3) Is not his refusal (under the circumstances) to table the document an affront to Parliament?

Mr. PERKINS replied:

- (1) and (2) Yes. I am aware that the written opinion has been made available to some persons, but such persons were persons who were seeking engagement with the board.
- (3) No.

### FIREWORKS

#### *Proposal for Banning*

6. Mr. HEAL asked the Premier:
- (1) Has he considered the proposal for the banning of fireworks?
- (2) If so, with what results?
- Mr. BRAND replied:
- (1) Yes.
- (2) Cabinet decided that no action be taken at this stage.

### WELLS' ORGANISATION

#### *Part Played in Heart Appeals*

7. Mr. JAMIESON asked the Minister for Health:
- (1) Did the Wells' Organisation take any part in the organising of "Operation Heartbeat" or the Commonwealth Heart Appeal Campaign?
- (2) If so, what percentage of the gross collections of the appeal did the Wells' Organisation retain for its services?

Mr. ROSS HUTCHINSON replied:

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

### TECHNICAL ANNEXE AT ALBANY

#### *Commencement of Building Operations*

8. Mr. HALL asked the Minister for Education:

In view of the statement that a technical annexe would be built at Albany this financial year, can he advise when building operations will be commenced?

Mr. WATTS replied:

Tenders for the construction of the technical annexe will be called on the 29th August, 1961. It is expected that building operations will commence within six weeks of that date.

### POLICE STATION AT ALBANY

#### *Site and Erection Date*

9. Mr. HALL asked the Minister for Police:

- (1) Has a site been selected for the erection of a new police station at Albany?
- (2) If the answer to No. (1) is "Yes," when is it contemplated that the building of the new police station will commence?

Mr. PERKINS replied:

- (1) It is proposed to erect the new police buildings on the existing site.
- (2) It is hoped sufficient funds will be available to commence work within this financial year.

**BELLEVUE SCHOOL***New Classrooms*

10. Mr. BRADY asked the Minister for Education:

- (1) As schoolchildren at Bellevue have been using a washroom as a classroom for at least five years, will he endeavour to have new classrooms built immediately?
- (2) Does his department consider cement floors are in the best interest of children and teachers?
- (3) Can he state the reasons for the delay in providing urgently needed classrooms at Bellevue School?

Mr. WATTS replied:

- (1) The erection of a classroom is listed for this year.
- (2) No.
- (3) Funds have been insufficient to meet all the building needs of the Education Department.

**RAILWAY PASSENGER BUSES***Faulty Tyres and Use of Retreads in South-West Service*

11. Mr. BRADY asked the Minister for Railways:

- (1) Have any passenger buses been delayed or suffered damages in the south-west bus service due to faulty tyres, during the past twelve months?
- (2) Is the trouble due to using re-treaded tyres on such buses?
- (3) Will he give directions that passenger-carrying buses must not use retreaded tyres?

Mr. COURT replied:

- (1) Yes; but no more than is normal in such operations.
- (2) No. Trouble has been experienced with both new and retreaded tyres.
- (3) No.

**JAMES STREET, GUILDFORD***Delay in Completion of Road Works*

12. Mr. BRADY asked the Minister for Works:

- (1) Can he state the reason for the delay in completion of road works at James Street, Guildford?
- (2) Is he aware that business houses in the area have had considerable reduction in turnover due to delay in completion of the road?
- (3) Could extra men employed on overtime be used to speed up the completion of the work?

Mr. WILD replied:

- (1) Some delay in completion of work has been caused by weather conditions and difficulties with a water main.

(2) Inconvenience to business houses and residents is unavoidable where town streets are constructed, but everything possible is done to keep it to a minimum.

(3) Overtime work will not overcome the difficulties mentioned in the reply to question No. (1).

**COPPER***Incentive Subsidy on Production of Low-grade Ores*

13. Mr. KELLY asked the Treasurer:

As the effectual use of copper impregnated superphosphate is increasing at a fast rate, does he not consider that the introduction of an incentive subsidy on the production of low-grade copper ore would greatly increase available supplies of oxide copper, and thus ensure adequate supplies of copper superphosphate to primary producers?

Mr. BRAND replied:

No. An increase in the proportion of low-grade copper ores is not desirable.

**MT. WALKER SCHOOL***Provision of Water Supply*

14. Mr. KELLY asked the Minister for Water Supplies:

- (1) Has consideration been given to extending the water main to the Mt. Walker School or beyond?
- (2) If so, when will this work be undertaken?

Mr. WILD replied:

- (1) Yes.
- (2) It has been decided not to extend the existing mains but to install a "dry" system of septic installation.

**GRIBBLE CREEK WATER SCHEME***Government's Assistance in Establishment*

15. Mr. MOIR asked the Minister for Works:

What was the reason for the refusal to assist the Kalgoorlie Shire Council in establishing a water conservation scheme on Gribble Creek?

Mr. WILD replied:

There has been no refusal to assist the Kalgoorlie Shire Council in establishing a water conservation scheme on Gribble Creek. The matter is still under negotiation.

**MOUNTS BAY ROAD***Classification as Main Road*

16. Mr. HEAL asked the Minister for Works:

- (1) Is Mounts Bay Road classed as a main road?
- (2) If not, why not?

Mr. WILD replied:

- (1) No.
- (2) It is classed as a major regional highway by the Metropolitan Regional Planning Authority.

**STIRLING HIGHWAY***Length*

17. Mr. HEAL asked the Minister for Works:

- (1) What is the length of Stirling Highway?
- (2) Where does it commence and finish?

*Cost of Median Strip and Alterations*

- (3) What was the total cost of the installation of the median strip?
- (4) What sum has been spent, as at the 1st August, 1961, on any alteration or removal of the strip?

Mr. WILD replied:

- (1) 6.71 miles.
- (2) It commences at Winthrop Avenue and finishes at the North Fremantle traffic bridge.
- (3) £5,670.
- (4) £800.

**ESPERANCE PORT***Tabling of Report on Development*

18. Mr. NULSEN asked the Minister for Works:

Will he lay upon the Table of the House the 1961 report on the Esperance port, giving details of development and the immediate possibility of a land-backed wharf?

Mr. WILD replied:

Following a recently completed hydrographic survey, a possible scheme for a land-backed berth has been prepared and is actively under consideration.

**COAL IMPORTS***Tonnage*

19. Mr. MAY asked the Minister for Railways:

- (1) What was—
  - (a) the total tonnage of coal imported from outside Western Australia for the period the 1st January, 1961, to the 31st July, 1961?

*Quantity Used by Railways Department and Price Paid*

- (b) the total tonnage of this coal used by the Railways Department covering the same period?
- (2) What was the price paid, per ton, for this coal landed at West Australian ports?

Mr. COURT replied:

- (1) (a) 8,347 tons.
- (b) 7,734 tons (from 1/1/61 to the 4-weekly period ended 15/7/61.)
- (2) £8 7s. 9d. per ton.

**ELECTRICITY***Total Generating Capacity of Power Stations*

20. Mr. O'NEIL asked the Minister for Electricity:

- (1) What is the total generating capacity in megawatts of all power stations feeding the S.E.C. grid system serving the metropolitan area and the south-west?
- (2) By what amount does this exceed the highest loading on the commission's supply?

Mr. WATTS replied:

- (1) 287 M.W.
- (2) 108 M.W.

**COAL SUPPLIES***State's Known Reserves, and Wilga Field*

21. Mr. O'NEIL asked the Minister representing the Minister for Mines:

- (1) What are the State's known coal reserves?
- (2) What is the extent of the known or estimated reserves of coal in the Wilga field?

Mr. ROSS HUTCHINSON replied:

- (1) Mines Department Geological Survey Bulletin No. 105 (Part 2) contains the information requested.
- (2) Mines Department Annual Report for 1924 contains a report by the then State Mining Engineer on Wilga. Some recent exploration of the field has shown that the extent of the coal measures could be less than disclosed in the 1924 report.

**DISCOLOURED WATER***Flushing of Mains as a Remedial Measure*

22. Mr. O'NEIL asked the Minister for Water Supplies:

In view of indications given in reply to my question No. 15 of Thursday, the 10th August, that prompt attention is given to the

flushing of mains when discolouration occurs in any local part of the network, will he instruct his Department to promptly investigate the position in Como, Collier, Manning, Applecross, Mt. Pleasant, and Brentwood, with a view to correcting the most unsatisfactory position which obtains in those areas?

Mr. WILD replied:

Frequent observation by the department's staff does not indicate that the position is unsatisfactory in the areas named.

If the honourable member will contact the department with any specific cases, they will be given prompt attention.

### RAILWAY SLEEPERS

#### *Calling of Tenders*

23. Mr. HAWKE asked the Minister for Railways:

- (1) Were tenders called for sleepers for the Railways Department to close last April or thereabouts?
- (2) If so, was any tenderer notified that the tender was successful; and, if so, for what number of sleepers?
- (3) If tenders were so called and no tender has yet been accepted, what is the reason for the long delay?

#### *Supplies from Hawker Siddeley Company*

- (4) Is the Government committed to take any quantity of sleepers from the Hawker Siddeley Company?
- (5) If so, what is the quantity for the current financial year?

Mr. COURT replied:

- (1) Yes.
- (2) No.
- (3) (a) A need to examine some overall considerations within the timber trade and forestry policy.  
(b) A need to examine the capacity of some tenderers to meet their commitments.
- (4) and (5) The Government made it a condition of the sale that the purchaser would obligate itself to supply 25 per cent of the Railways Department's sleeper requirements.

### ELECTRICITY SUPPLIES,

#### MANJIMUP AND SOUTHWARD

#### *Provision of Maintenance Personnel*

24. Mr. ROWBERRY asked the Minister for Electricity:

In view of the delay and inconvenience to consumers in Manjimup and towns to the southward,

when a breakdown in service occurs, will he take steps to have some maintenance personnel stationed in Manjimup in future?

Mr. WATTS replied:

Outages can best be dealt with at the origin of the supply: in this case, a switching station near Bridgetown.

### POLICE QUARTERS AT MANJIMUP

#### *Erection*

25. Mr. ROWBERRY asked the Minister for Police:

- (1) Is it the intention of the Government to proceed with the erection of police quarters at Manjimup?
- (2) If so, when?

Mr. PERKINS replied:

- (1) Yes.
- (2) The item is listed on the building programme for 1961-62.

### LIQUOR FOR NATIVES

#### *Refusal of Sale*

26. Mr. EVANS asked the Minister for Native Welfare:

- (1) Are police officers still required to encourage hotelkeepers to refuse to sell bottled liquor to a native holding citizenship rights?
- (2) Has any approach along similar lines been made to licensees having the right to sell liquor by the gallon?
- (3) How can such discrimination, which is obviously encouraged as between white and coloured citizens, be reconciled with the letter and spirit of the Natives (Citizenship Rights) Act?

Mr. PERKINS replied:

- (1) to (3) Where police fear riotous conduct is likely to result from bottled intoxicating liquor being consumed by natives and others not legally entitled to obtain it, have encouraged police officers to request licensees to refuse supply bottled or bulk liquor to citizens, either white or coloured who are considered likely to pass it on to consumers who are not legally entitled to purchase it.

### BETTING TICKETS

#### *Printing and Cost*

27. Mr. GRAHAM asked the Minister for Police:

- (1) By whom were betting tickets printed for the Betting Control Board?
- (2) What was the charge?

- (3) By whom are betting tickets being printed for the Totalisator Agency Board?
- (4) What is the charge?

*Calling of Tenders*

- (5) Were tenders called in the latter instance?
- (6) If not, why not?
- (7) Why was the work given to the present firm?

Mr. PERKINS replied:

- (1) By the Government Printer and then overprinted by private printers—mainly the *Fairplay* newspaper—to show the name and address of the individual bookmaker.
- (2) The charge made by the Treasury Department to bookmakers was 8s. per book of 480 tickets.
- (3) *Fairplay* newspaper.
- (4) Including sales tax 7s. 3.5d. per 1,000 tickets.
- (5) to (7) No. The work was given to the present firm to replace work lost to it due to the commencement of the Totalisator Agency Board operations. In addition, the board is not prepared to call for quotes until *Fairplay* has recovered its experimental and developmental costs, including the cost of a special numbering device from overseas. Before the board accepted the *Fairplay* quotes it satisfied itself that the prices to be charged compared more than favourably with the prices of other firms for betting tickets.

## ELECTRICITY AND GAS PRODUCTION

### *Fuel Consumption and Cost*

28. Mr. GRAHAM asked the Minister for Electricity:

What was the quantity and cost of fuel for electricity and gas production by the State Electricity Commission for—

- (a) local coal;  
 (b) imported coal;  
 (c) oil;  
 (d) firewood;  
 (e) other,  
 for the years 1959-1960 and 1960-1961 respectively?

Mr. WATTS replied:

The answers are as follows:—

- (a) Collie coal:  
 1959-1960 — 529,169 tons;  
 £1,435,037.  
 1960-1961 — 414,934 tons;  
 £1,111,804.

- (b) Newcastle coal:  
 1959-1960 — 20,701 tons;  
 £176,376.  
 1960-1961 — 22,757 tons;  
 £189,351.

- (c) Fuel oil:  
 1959-1960 — 12,171 tons;  
 £258,184.  
 1960-1961 — 85,034 tons;  
 £845,134.

- (d) Wood:  
 1959-1960—nil.  
 1960-1961—nil.

- (e) Other (tar and coke):  
 1959-1960 — 2,140 tons;  
 £17,223.  
 1960-1961 — 3,030 tons;  
 £34,025.

29. This question was postponed.

## ALVAN HOUSE AND McDONALD HOUSE

### *Tabling of Papers*

30. Mr. GRAHAM asked the Minister for Native Welfare:

Will he lay upon the Table of the House all papers relating to the disposal of Alvan House and McDonald House?

Mr. PERKINS replied:

Yes, for the remainder of the week.

The papers were tabled.

## ACCIDENTS ON FARMS

### *Number and Compensation*

31. Mr. HALL asked the Minister for Police:

- (1) How many persons were killed on farms in Western Australia by way of accidents—all types—for the years 1956, 1957, 1958, 1959, and 1960?
- (2) How many accidents were reported for the years 1956, 1957, 1958, 1959, and 1960 which were not fatal?
- (3) What amount of money was paid in the form of compensation with regard to—  
 (a) fatal accidents;  
 (b) not fatal;  
 for the years 1956, 1957, 1958, 1959, and 1960?

Mr. PERKINS replied:

- (1) to (3) These figures are not available from departments under my control.

## RAILWAYS DEPARTMENT REVENUE

### *Amount from Increased Freight and Sales of Wheat to Communist China*

32. Mr. HAWKE asked the Minister for Railways:

- (1) What additional amount of revenue was received by the Railways Department during last financial year as a result of the increased railway freights and fares as applied by the Government?
- (2) How much wheat consigned to Communist China was transported by the Railways Department during last financial year, and what amount of freight did the transport of that wheat bring to the Railways Department?

Mr. COURT replied:

- (1) The additional revenue received from increased charges imposed on the 1st September, 1960, was assessed at £987,000 for the financial year ended the 30th June, 1961.
- (2) The quantity as advised by the Australian Wheat Board was 234,458 tons. At the average earnings per ton last financial year this would return approximately £490,000 in revenue to the Railways Department.

## QUESTIONS WITHOUT NOTICE

### TOTALISATOR AGENCY BOARD

#### *Declaration of Incorrect Dividend*

1. Mr. TONKIN asked the Minister for Police:

- (1) What was the total financial benefit which the Totalisator Agency Board obtained at the expense of bettors as a result of illegally declaring a dividend of 14s. for a win on *Aroha* at Canterbury on Saturday last instead of 14s. 6d.?
- (2) Is he aware that the Victorian Legislation specifically provides against any racing club or totalisator company benefiting from a declaration of incorrect dividends and also for the imposition of a penalty where the explanation is unsatisfactory?
- (3) Does he not think that something should be done to force the T.A.B. to show more regard for the rights of investors and to oblige it to exercise greater care when calculating dividends?

Mr. PERKINS replied:

The Deputy Leader of the Opposition was good enough to let me have notice of this question. I

obtained a report from the Totalisator Agency Board and the answers are as follows:—

(1) The Totalisator Agency Board did not illegally declare a dividend for a win on *Aroha*. An incorrect on-course tote dividend was received by the board through its official agent. In applying regulation No. 36 (1) (a), as this regulation was applied to an incorrect dividend it necessarily meant that the dividend declared by the board had to be incorrect.

(2) No. But this is accepted.

(3) No, as the board has the greatest regard for the rights of investors and exercises every possible care when calculating dividends.

## STATE BUILDING SUPPLIES

### *Payments to Treasury*

2. Mr. OLDFIELD asked the Treasurer:

What is the amount paid to the Treasury by the State Building Supplies since its inception (prior to amalgamation of sawmills and brickworks and since amalgamation) in respect of (a) interest; (b) repayment of capital; and (c) profit?

Mr. BRAND replied:

The honourable member gave me notice of this question, the reply to which is as follows:—

Amounts paid to the Treasury prior to amalgamation—

(a) £1,208,258.

(b) £121,757.

(c) £941,168 and in the same period losses totalling £142,148 were recouped by the Treasury.

Amounts paid to the Treasury since amalgamation—

(a) £503,125.

(b) £83,633.

(c) £11,153 and in the same period losses totalling £139,346 were recouped by the Treasury. In addition it will be necessary for the Treasury to recoup the loss for 1960-61 estimated at £70,000.

I would like to emphasise, in respect of this figure, that it is purely an estimate, because the final statements of accounts are not in.



# BETTING TICKETS

## *Printing and Cost*

3. Mr. GRAHAM asked the Minister for Police:

Regarding question No. 27 on the notice paper, I would have thought it would be obvious that No. (2) of the series was to seek information as to the charge to the Betting Control Board made by the then printers; in other words, the Government Printing Office. I am not interested in how much the Betting Control Board might charge the bookmakers for this work. Therefore, I would ask the Minister to supply me with the figure for which the printer printed tickets for the Betting Control Board; and, if he likes, to add to it also the cost of the overprinting that he mentioned.

Mr. PERKINS replied:

I think the member for East Perth should put this question on the notice paper in the form in which he requires the information.

Mr. Graham: I have.

Mr. PERKINS: I said when the Totalisator Agency Board was set up that I did not contemplate the Minister would interfere in the board's operations, and questions dealing with the operations of the board I refer to the board. If they are not answered in the form that members require I will put them again. I have no wish to hide any information; and if the member for East Perth will put his question on the notice paper in the exact form he wishes the answer to be given, as he has done now, I will obtain the information for him at the next sitting of the House.

Mr. Graham: I think the reply was a deliberate evasion by the T.A.B.

# TOTALISATOR AGENCY BOARD

## *Tabling of Legal Opinion*

4. Mr. TONKIN asked the Minister for Police:

As the Minister has already informed the House that the legal opinion which was obtained from Parker & Parker has been shown to ordinary members of the public, some of whom have not become T.A.B. agents, does he not now consider that the document is no longer confidential and should not be withheld from Parliament?

Mr. PERKINS replied:

I see no good reason for tabling this particular document. As the member for Melville well knows,

in the statute setting up this board, and also by the explanations given, it was desired to give the maximum autonomy to this particular board. There is nothing to be ashamed of in the opinion. I have seen it and I have read it; and it would not be embarrassing to me in any way to table it.

Mr. Tonkin: Then why not table it?

Mr. PERKINS: On the other hand, if the member for Melville asks me to table all sorts of documents from the T.A.B. he is establishing a new principle, which I do not think is desirable.

Mr. Tonkin: A pretty lame excuse.

# ADDRESS-IN-REPLY: FOURTH DAY

## *Amendment to Motion*

Debate resumed from the 10th August, on the following motion by Mr. Craig:—

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 Assembly 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 address to Parliament.

To which Mr. Tonkin had moved the following amendment:—

Finally we strongly condemn the action of the Government in selling State Building Supplies and the Railway mill at Banksiadale at bargain prices and on extremely generous time-payment conditions to an enormously wealthy private company, and consider a Royal Commission should be set up to thoroughly investigate the transaction.

MR. ROWBERRY (Warren) [4.55 p.m.]: When the House adjourned on Thursday I was endeavouring to demonstrate from the answers the Minister for Industrial Development gave to questions I asked last year, that because of the difference between what should have been the selling price of the State Building Supplies, and the price which was eventually received, there would be a continuing charge upon the State. I do not know if I made any impression upon the almost impenetrable aura with which the Minister seems to surround himself, but I would like to refer back to the question.

In answer to my questions the Minister for Industrial Development said that the total debt to the State from the inception of the State Building Supplies was £3,063,061. The accomplished price was £2,200,000, which shows a deficit of something like £863,061. That will be a continuing charge upon the State as the Minister's replies to my series of questions indicate. I asked the Minister the following question:—

In the event of the sale of State Building Supplies, will the interest bill be a continued charge against the State?

The Minister's reply was—

Only to the extent that any sale price falls short of total liability to the Treasury.

The sale price falls short of the total liability by £863,000; and I would point out that with interest at 5 per cent. that will be a continuing charge against the State of something like £47,000 a year, which will have to be deducted from any sums that will be paid in the way of interest and capital repayments to the State by the Hawker Siddeley group. The second question I asked was—

What total of interest and sinking fund is paid by these instrumentalities each year?

I hope the Minister read the question correctly because I said "each year". His answer was—

For the year ended the 30th June, 1960—£153,105.

Are we to conclude from those figures that every year the State Building Supplies paid into the Treasury a sum of £153,000? When we consider that the payment of interest and sinking fund is a payment made before profits are declared—and it has to come from profits—we see that if we multiply £153,000 by the number of years that the State Building Supplies have been in operation, according to the Minister we get an almost astronomical figure. That will be a continued loss of income to this State; and it clearly indicates that, far from the sale of the State Building Supplies being a financial gain to the State, it has been a considerable financial loss.

The Minister for Industrial Development was the chief negotiator in these transactions, and we ought to compare his remarks with a leader in *The West Australian* of the 12th August, 1961. The Minister, in his remarks, made the allegation that members on this side were merely exhibiting spite and venom, and were using many adjectives in their attacks on private enterprise.

It is interesting to read this leader. It is headed, "Labor Leaders Discredit Their Own Party." This, I would say, is about the last gasp, coming as it does from a publication such as *The West Australian*.

If any agency has discredited the Labor Party in this State, or failed to give it the praise, commendation, or publicity it ought, that agency would be *The West Australian* paper.

Mr. Mann: More than once it has given you credit when you have done something. Why don't you be honest?

Mr. ROWBERRY: Rubbish! I will now read from the leading article. It says—

Even in politics, nothing could be more absurd than the allegation that the Brand Government would wish to make deals which sacrificed Western Australian interests in order to enrich overseas capitalists.

The Government could with sincerity be accused, rightly or wrongly, of having been outsmarted in negotiations.

I wonder how the Minister for Railways liked that?

Mr. Court: It did not say we were outsmarted. It says you were entitled to make the accusation. That is fair comment.

Mr. ROWBERRY: I wonder how the Ministers of the Government like that comment? The article continues—

But to impugn its honesty of purpose is a political manoeuvre of a crude and unworthy kind.

Having first let the Minister and the Government down, this newspaper immediately starts to build them up again.

Mr. Court: It has not let us down. It has made a statement of fact.

Mr. Roberts: Are you going to read the rest of the article?

Mr. ROWBERRY: First of all the newspaper accuses the Minister of having been outsmarted. Here we have a very smart Minister, who knows accountancy from A to Z and from Z to A, and yet we find he has been outsmarted. I wonder whether this was done willingly or knowingly.

Mr. Court: It did not say that. You read that again. You are distorting the facts.

Mr. ROWBERRY: I will read it again to the Minister. It takes a lot to penetrate this aura which surrounds the Minister, and to which I have already referred. The article says—

The Government could with sincerity be accused, rightly or wrongly, of having been outsmarted in negotiations.

Mr. Court: You read the next part, where it says, "rightly or wrongly."

Mr. ROWBERRY: I have already read that. However, I will read the next part. It says—

But to impugn its honesty of purpose is a political manoeuvre of a crude and unworthy kind.

Of course *The West Australian* would not be expected to hammer the Government down; so it coated the pill. I might be giving something away. If the leader writer did not coat the pill, he would not get the first statement past: that "the Government could with sincerity be accused of being outsmarted."

Mr. Court: Read the next few words which say, "rightly or wrongly."

Mr. ROWBERRY: I will read them.

Mr. Roberts: We have been asking for it.

Mr. ROWBERRY: Very well. They are as follows:—

It is in a way an unfortunate thing that Sir Halford Reddish should have been associated with the company which bought the State Building Supplies.

Mr. Court: That is all right. They are entitled to comment. We do not object to people commenting.

Mr. ROWBERRY: The article continues—

Although Sir Halford appears as a good friend of the State his intrusions into local politics have been injudicious.

So the Minister has come in hook, line, and sinker.

Mr. Court: Read those words "rightly or wrongly."

Mr. ROWBERRY: The words "rightly or wrongly" mean that this could be the subject of sincere debate, and that is what we are trying to achieve. We are trying to prove to the Minister that he has incurred a debt on this State which may continue for the next 20 years.

Mr. Court: Nonsense! We have taken a debt off the State.

Mr. ROWBERRY: Not only that, but we have lost an asset which would contribute this amount for us.

Mr. Graham: If only we could lose the Minister!

Mr. Roberts: The member for East Perth would be better lost.

Mr. O'Neil: He is lost.

Mr. ROWBERRY: Here we have *The West Australian*, which sings high and low, and which talks about having seen the writing on the wall, saying that the Government could with sincerity be accused of having been outsmarted.

Mr. Court: Rightly or wrongly.

Mr. ROWBERRY: Whether the Government has been guilty of having been outsmarted, or whether we can interpret this as foolishness on its part, or as dishonesty, it is clearly proved that the Government is inefficient and has no further right to occupy the Government benches of this Parliament.

Mr. Court: That is what you hope.

Mr. Roberts: Would you like an election tomorrow?

Mr. Graham: Why not?

Mr. ROWBERRY: In its publication of the 4th July, 1961, *The West Australian* says in its leading article—

Old political catch cries and inaccurate financial statements are the ingredients of Opposition Leader Hawke's criticism of the sale of State Building Supplies to the Hawker Siddeley group. He and his party have shown their chagrin at a check to State Labor's socialist aims, but have produced nothing to support their charge that a valuable State asset has been "thrown away".

This newspaper, which sings both high and low, also says that the Government with sincerity can be accused of foolishness.

Mr. Graham: When I said something like that the Premier said it was a dirty lie; but it is all right when it comes from the leading article of *The West Australian*.

Mr. Brand: I am sorry; I did not hear that.

Mr. ROWBERRY: We on this side of the House are asking that a Royal Commission be appointed to investigate the entire proceedings of the State Building Supplies.

Mr. Graham: And particularly the Minister.

Mr. ROWBERRY: If I were Premier of the State and in the position in which the Premier finds himself, I would welcome this suggestion from any quarter. No honest-to-goodness accountant, or book-keeper, fears an auditor's report; and that is what a Royal Commission would amount to—it would be an audited report on the whole transaction. I would prove beyond any shadow of a doubt whether the Government has been foolish or dishonest—or perhaps worse—in this negotiation.

It could prove whether the Minister for Railways and Sir Halford Reddish, who are business associates, allowed that fact to influence the transaction; whether that circumstance had anything to do with the bargain price obtained for the State Building Supplies. The Government should have no objection to our request to appoint a Royal Commission; on the other hand, it should welcome this move to prove its political integrity and honesty.

If it accepted the proposition, it would also prove conclusively that the Premier was speaking the truth when he said, "We have nothing to hide in this connection." It would prove its honesty to the people of the State; and I might add that the people of the State, particularly in the lower south-west, no matter what their political colour, are not satisfied that the Government obtained a fair and reasonable price for these undertakings.

The **SPEAKER** (Mr. Hearman): The honourable member has another five minutes.

Mr. **ROWBERRY**: That being so, Mr. Speaker, I will devote the rest of my remarks to the Minister for Railways. During the course of the debate it has been asked—by interjection, mostly—"What do the men think?" I would suggest to the Premier and the Minister for Railways—and to all members of the Government—that the best way to find out what the men think would be for them to go and see the men and ascertain what they did think.

I may tell the Minister for Railways that prior to the sale of the State Building Supplies—as long ago as 18 months past—a plebiscite was taken of all employees of the State Building Supplies in the Warren area; and 98 per cent. of the employees, from the top executive managers right down to the ordinary labourer in the yard, expressed their opposition to such a sale.

Mr. Court: What did you expect them to do at that particular time? That was a first-class example of interfering with a person's freedom.

Mr. O'Neill: Secret ballot?

Mr. **ROWBERRY**: There was no question of interfering with people's freedom, nor was there any question of a secret ballot or anything like that. It did not have to be a plebiscite. It was a spontaneous objection by every employee to the sale of the mill. So that dispenses with the idea that the objection to the sale was stirred up by members of the Opposition.

I want to draw the Minister's attention to one or two items in the agreement, signed on behalf of the wages and salaried officers, which are causing considerable doubt in the minds of the employees. The first is on page 3 of the agreement, which deals with superannuation. It reads as follows:—

The Government will refund to each contributor the full amount of his contributions made under the Superannuation and Family Benefits Act instead of the surrender value thereof as provided for by the Act. Where a contributor has not completed ten years' service under the State the Government will pay in addition to the above refund the equivalent of the State contributions for the period during which the employee contributed.

That reads in a most ambiguous manner to the people concerned.

Mr. Court: It has not worried the employees.

Mr. **ROWBERRY**: I wish the Minister would make an explanation about this, because it reads as if those who have not completed ten years' service will get something in addition to those who have completed that much service, or more.

Mr. Court: It is thoroughly understood by the employees and the unions. It was a concession on the part of the Government.

Mr. **ROWBERRY**: It is not understood by members of the State Building Supplies, because I had a meeting at Pemberton on Sunday morning, and this matter was referred to me, and I was asked to have it clarified.

Mr. Court: You amaze me!

Mr. **ROWBERRY**: The fourth item in the agreement deals with long-service leave and reads—

An employee who elects to do so may carry forward service . . .

But there is no provision made, or any advice given to the employee as to what two methods he will use to make application for it. Is any provision made for application forms? because when I went through the mills a fortnight ago nearly every employee asked me what he had to do to qualify for *pro rata* payment.

Mr. Court: He goes to his employer in the ordinary course of events. There is nothing special or secret about this. If you are experiencing any trouble I shall get the matter clarified for you.

The **SPEAKER** (Mr. Hearman): The honourable member's time has expired.

*Extension of Time.*

Mr. **GRAHAM**: I move—

That the honourable member's time be extended.

The reason is that he represents a considerable area affected by the sale of the State Building Supplies.

*Motion put and passed.*

The **SPEAKER**: The honourable member may proceed.

*Debate Resumed*

Mr. **ROWBERRY**: I was dealing with the reaction of the employees in the State Building Supplies to the conditions of re-employment, long-service leave and *pro rata* payment, and superannuation. I refer now to an extract from the Minister's speech in this debate. He said there had seldom been a more refreshing reaction; and that the people who work in the establishment are not fools. They certainly are not fools; and because of that they are able to see the foolishness of the action of the Minister in disposing of this State asset at such a low price.

It has been said that the State Building Supplies has been run at a loss. Yet here is a firm composed of acute businessmen—the Hawker Siddeley group—being prepared to take over that instrumentality. What is the reason for its action? Why does it take over a business which has been run at a loss? Why has it been run at a loss? Is it the fault of the employees?

Is it the fault of the management? Is it the fault of the policy of the organisation?

The loss, of course, could be attributed to the shortcomings of the management. Could it be that the chief executive officers of the State Building Supplies, who were violently opposed politically to the idea of socialistic enterprises, were not doing their duty and were running this instrumentality at a loss? Or could it have been the fact that they were not competent? I am sure that if these mills have not shown a profit—or were run at a loss—the fault could not be laid at the feet of the employees. It is to be found elsewhere.

I can list items to illustrate gross inefficiency in the method of supervision by the top brass in the State Building Supplies. The other evening I interjected to suggest that that was so. My experience with the State Building Supplies has extended over 28 years. I know that certain sums of money have been poured down the drain; but when the matter was brought to the notice of the then general manager he said the instrumentality had to experiment with new ideas and new equipment so that the instrumentality could pass along the benefit of its experience to the rest of the trade in Western Australia. I wonder who is going to be the donkey or the chopping-block for experiments on behalf of the timber industry from now onwards?

I know of one instance concerning the purchase of a guillotine machine, which was acquired to cut hardwood boards for fruit cases. It was purchased second-hand from South Australia, having been discarded in that State as useless. It was brought to Western Australia to cope with our hardwoods, for a reason which no practical employee could discover. The machine had inherent mechanical deficiencies, and it was totally unsuited to slicing our Western Australian hardwood into thin boards.

We know from history that the guillotine worked very efficiently in France and Russia in the past; but for cutting Western Australian hardwoods this guillotine proved to be a complete failure. The machine could have been shown to be a complete failure if consultations had been held between the executive and the experienced men who work these machines in the industry. Thousands and thousands of pounds were spent in trying to make that machine work; but that was attempting to do the impossible.

The guillotine for cutting timber has inherent mechanical defects which cannot be overcome. It rocks on a central pin. One of the basic principles in physics is that a body moving in one direction must come to rest before it can start to move in the reverse direction.

The SPEAKER (Mr. Hearman): I hope the honourable member is relating his remarks to the amendment before us.

Mr. Tonkin: As much as the sale of Moola Bulla Station can be related.

Mr. ROWBERRY: I am relating these remarks to the amendment by pointing out the reasons why the State Building Supplies was sold while it was operating at a loss. I am showing how such losses came about. If that is not relevant to the amendment, then I bow to your ruling.

The SPEAKER (Mr. Hearman): The honourable member has still to relate to the amendment his remarks about the principles of physics.

Mr. ROWBERRY: That was only one instance of gross inefficiency and gross mismanagement of State funds by the top executive of the State Building Supplies.

Mr. W. A. Manning: What does the Manjimup Shire Council say about the receipt of vehicle licenses from the new concern?

Mr. ROWBERRY: We should consider the benefits which the State Building Supplies has conferred upon the Manjimup Shire Council. We should not forget that this instrumentality was principally responsible for opening up the district. It was responsible for providing employment to a large number of people, who in turn paid motor-vehicle licenses to the shire council. The point is that the opportunity existed for any private employer to exploit our timber in the south-west, but nobody took advantage until the State Building Supplies showed the way.

At present, two-thirds of the income in the shire council area of Manjimup comes from timber, the exploitation of which was largely brought about by the foresight of the men who established the State Building Supplies in that area. There are other intangibles attached to a State sawmill in a district which may, or may not apply to the question.

By and large the Government has nothing to fear from the appointment of a Royal Commission. If one were appointed, the Government would have the chance to prove that the Minister for Industrial Development and Sir Halford Reddish, as business associates, did not influence the sale price of the State Building Supplies one iota. It could also prove that although Sir Halford Reddish is connected with the Hawker Siddeley group, that fact did not have any influence on the purchase price either. The Government could prove that contrary to the assertion of the leader in *The West Australian* of the 12th August that the Government was not outsmarted in this connection.

Mr. Court: *The West Australian* did not say that at all.

Mr. ROWBERRY: That newspaper said the sale was open to sincere debate, if there was a suspicion. *The West Australian*

changed its attitude after that leader appeared, when it said that the Opposition was insincere. Now it has doubts. The appointment of a Royal Commission would establish that the Government had been perfectly honest and had not been foolish in its negotiations, and that the Minister for Industrial Development had not been outsmarted. Because of those few considerations I support the amendment.

**MR. W. HEGNEY** (Mt. Hawthorn [5.27 p.m.]): I propose to make a few comments in connection with the disposal of the State Building Supplies and the Banksiadale mill by the Government. Firstly, I want to reply to the scurrilous and untrue statement made in this Chamber last Thursday by the member for South Perth when he was speaking on the amendment. The reason I am commenting on his statement is that he used rather serious terms—I have not his actual words—in suggesting that some criminal proceedings should follow the sale of Moola Bulla Station. He likened that sale to the sale of the State Building Supplies.

I unequivocally invite the Minister for Native Welfare, the Premier, or any member of the Government to table the papers relating to the sale of Moola Bulla Station.

**Mr. Perkins:** You are getting on very dangerous ground. You will have a lot to be ashamed of. I have looked at the files.

**Mr. W. HEGNEY:** The Minister had better hold his horses. As far as I am concerned I have nothing to hide, and the papers can be tabled by the Minister. I go further and say that if the member for South Perth is happy and agreeable I am prepared to add an addendum to the amendment to the effect that a Royal Commission be appointed to inquire into the sale of Moola Bulla Station as well.

The vital difference between the sale of Moola Bulla Station—the member for South Perth did say that one donkey got away, and every member on this side of the House agreed that that had been the case after having heard the member for South Perth—was that tenders were called.

**Mr. Bovell:** Was the highest tender accepted?

**Mr. W. HEGNEY:** Speaking from memory, I would say this sale took place six years ago, about 1954 or 1955. The member for Guildford-Midland took over his portfolio in March or April of 1956. I shall not go into detail in regard to this particular aspect.

**Mr. Bovell:** Was the highest tender accepted?

**Mr. W. HEGNEY:** Suffice to say that the Lands Department and the Treasury Department senior officials took part in the discussions. I think there was a

pastoral inspector named Johnston who put a value on it, and tenders were called. The Government took the responsibility, of course, for the acceptance of a certain tender.

**Mr. Bovell:** Yes; but was the highest tender accepted?

**Mr. W. HEGNEY:** This is the point—

**Mr. Bovell:** Was the highest tender accepted for the State Building Supplies?

**The SPEAKER** (Mr. Hearman): Order!

**Mr. W. HEGNEY:** At this stage I can candidly and honestly say that I do not know whether the highest tender was accepted; but I am prepared to stake my reputation on this matter and invite the Minister for Native Welfare to table the papers. I will go further and I will support the member for South Perth if the Government will agree to a Royal Commission into the sale of Moola Bulla. The member for South Perth tried to create a similarity, but there is none.

**Mr. Bovell:** No!

**Mr. W. HEGNEY:** The member for South Perth has had the opportunity since the sale of Moola Bulla to make these allegations. Why has he waited for six years before doing so? Is it because there is a Victoria Park by-election? As a public man, it was his duty to bring this matter up in less than six years if he believed what he said. The Government has been in office for 2½ years, and it has not engaged in any recriminations in regard to what was done.

I want members to understand that the vital difference between the sale of a State asset in the form of Moola Bulla Station and the sale of State assets in the form of the State Building Supplies—and it is most necessary that members should understand this—is that tenders were called for Moola Bulla Station.

I will now proceed to deal with some of the statements made by the Minister for Railways. The following is the amendment which I am supporting:—

Finally we strongly condemn the action of the Government in selling State Building Supplies and the Railway mill at Banksiadale at bargain prices and on extremely generous time-payment conditions to an enormously wealthy private company, and consider a Royal Commission should be set up to thoroughly investigate the transaction.

I certainly consider that the action of this Government in disposing of the assets of the State warrants a complete investigation by a Royal Commission. The Minister for Railways was labouring in his reply to the Deputy Leader of the Opposition and the member for East Perth in justifying the action of his Government in parting with these assets for the sum of £2,200,000. I do not know the actual

value of the State Building Supplies, but I suggest that a Royal Commission would ascertain some of these facts, which we are entitled to know.

I was amazed when I was told the other day by the Minister for Railways that, of the £2,200,000, approximately £400,000 represented sundry debts. He also stated that no instalments would be paid for the first four years. We want to know what was the value of those assets.

The Minister stated that the members on this side were imbued with hatred and malice—and I think he used the word "venom"—against private enterprise. That is entirely untrue, inasmuch as the activities of the previous Government disclosed that it was very sympathetic to private enterprise; and during the course of its regime the then Minister for Industrial Development, who was the Premier, and the then Minister for Mines, who was also Minister for a time, did everything possible to expand industry in this State. The figures will show that quite a number of industries were, in fact, established during the term of office of the Labor Government.

Because the then Government endeavoured to protect a number of small businesses in this State by introducing the Monopolies and Restrictive Trade Practices Act, the Minister and some of his Liberal colleagues did everything they possibly could by very devious methods to undermine the Labor Government of the State. As a matter of fact, representations were made by him overseas, and one of the knights mentioned during this debate entered the matter very prominently. By endeavouring to undermine the Government of this State, the Minister for Industrial Development rendered a disservice to it.

You, Mr. Speaker, would call me to order and probably the Minister for Industrial Development would ask me for a withdrawal if I used the term sabotage; but that is what I believed was going on. Cement is a very important article; and because the Government of the day endeavoured to ensure that the price of cement was kept reasonable and that there was no monopoly, efforts were made by the then Opposition, led by the Minister for Industrial Development, to undermine the interests of the State.

Mr. Court: I made no representations abroad.

Mr. W. HEGNEY: The Minister for Industrial Development—I think in answer to an interjection as to why tenders were not called—said that it was the best price which could be obtained. How does he know it was the best price if tenders were not called and representations made throughout Australia and overseas? How does he know that someone would not have tendered a higher price?

Mr. Court: But this was open to everyone to negotiate.

Mr. W. HEGNEY: The Minister for Industrial Development is not going to hoodwink me that way. There is political influence behind this sale. I do not know, but it has been indicated here that one of those who were very closely associated with Cockburn Cement is also a director of the Hawker Siddeley company. This ought to be brought out in a Royal Commission. I think also it might be found by this individual to the funds of the Liberal Party.

Mr. Court: He has already stated in the Press that is not so.

Mr. Graham: No he hasn't!

Mr. W. HEGNEY: I do not know whether that statement is true, but it has been made in this House. I am not saying it is true, because I do not know; but a Royal Commission would determine the truth.

Mr. Ross Hutchinson: Lots of extravagant statements have been made in this House during this debate.

The SPEAKER (Mr. Hearman): I do not think that matter comes within the terms of this amendment.

Mr. W. HEGNEY: With all due respect to you, sir, the amendment is asking for a Royal Commission to investigate the sale of the State Building Supplies, and I am saying, without any equivocation whatever, that the statements I have made are entitled to be investigated; and if it is found that there is political influence behind this sale, the interests of the State have been undermined and the Government deserves the highest condemnation. It should agree without any restraint to the establishment of a Royal Commission to justify its actions.

The Minister said that the price increases agreed upon by the Associated Saw-millers took place in May, before it was known that the sale would be made to the company mentioned. I tell the Minister quite candidly that I do not believe him.

Mr. Court: You don't have to. I have told you a statement of fact.

Mr. W. HEGNEY: Does the Minister mean to tell us that communications took place and the sale was made on the 1st July, and he did not know that his Government was going to dispose of these wonderful assets?

Mr. Court: We do not direct the manager in his dealings with the association.

Mr. W. HEGNEY: The sale was made on the 1st July. Price increases were effected as from May. I suggest that the purchasing company will charge at least the same price as the Associated Saw-millers; and it is quite evident that over a period the people of Western Australia

who buy the timber will pay a substantial amount of the purchase price of £2,200,000.

Mr. Fletcher: It is elementary.

Mr. W. HEGNEY: Of course it is elementary—to me at any rate. I repeat that the Minister does not hoodwink me nor any other member on this side of the House when he states that, when prices were increased in May, he did not know the sale was to be effected from the 1st July.

Mr. Court: It is just your poisoned mind towards all forms of private enterprise.

Mr. W. HEGNEY: The position as I see it is that a Royal Commission would be most timely, and I think it would clear up quite a few matters and give the information required by the people.

Why were the State Saw Mills and the State Brick Works established in the first place? They were combined by an Act of Parliament in 1957; but prior to that they were separate entities, the same as the State Engineering Works and others. History will disclose that they were established because of the increase in prices. Certain companies were holding a gun at the heads of potential consumers, so the Government of the day set up the State instrumentalities to put a curb on prices.

I have no doubt that the Minister will quote figures to illustrate that the State Building Supplies showed a loss in the last year or two. I am not surprised at that at all. It may have made losses; but it was quite understandable, because the Minister and his Government made sure that the activities of the State Building Supplies were ringbarked. They tried to depress the value so that their political friends could gain the assets.

Mr. Court: What about the losses sustained during your Government's regime?

Mr. W. HEGNEY: This Government would sell the State Building Supplies for £1,000,000 or less to get rid of it before next March or April. I am satisfied about that. I would like to know the attitude of the Government in regard to other undertakings set up in the interests of the people of Western Australia. For instance, what about the Rural and Industries Bank? A Liberal Party Government in 1930 handed over the State Bank to the Commonwealth; and in 1945 the then Labour Government established the Rural and Industries Bank. We would like to know what this Government intends to do with the Rural and Industries Bank. Does it propose to hamstring the State Government Insurance Office and other undertakings before many days are passed?

A Royal Commission should be established to determine the equity, and the justification or otherwise, of the Government's action in regard to this transaction. If it is shown that the Government has not done the right thing—that at the least it has been injudicious—then it may

be a reminder to it to take more care of this State's assets: the instrumentalities to which I have referred.

I would like to deal for a few moments with the parrot cry that the Minister for Industrial Development has made and which one or two of the other Ministers have taken up in regard to the undertakings which they propose to sell—the State undertakings. They say the conditions will be a fair and reasonable price; a continuation of the industry within the economy of the State; and the protection of the employees.

Mr. Court: Good stuff!

Mr. W. HEGNEY: The Minister has repeated these conditions so often that he has convinced himself, but not me—

Mr. Mann: That would be impossible.

Mr. W. HEGNEY:—or a lot of others. I think a Royal Commission should determine what is a fair and reasonable price. Let us have a close investigation into the whole ramifications surrounding the signing of this agreement; let us have a clear and deep probe into all the conditions culminating in the signing of this agreement; and let a Royal Commission determine whether a fair and reasonable price has been granted.

I am open to correction in regard to the continuation of the industry within the economy of the State. I would like to know—I have not had a chance to study the agreement fully—whether there is any obligation on Hawker Siddeley—

Mr. Tonkin: That company has not bought it.

Mr. W. HEGNEY: I am asking whether it has.

Mr. Graham: It has not.

Mr. W. HEGNEY: I will assume that the Hawker Siddeley group has bought the State Building Supplies, and that a condition set by the Government is the continuation of the industry within the economy of the State. Is it necessary for the purchasing company to carry on the industry at its present strength? If not, then at what strength? If it is obligatory on the part of the company to carry on the enterprise at its present strength, for how long will it be necessary to carry on the activities that are now undertaken?

Mr. Court: The company has to invest a further £500,000.

Mr. W. HEGNEY: If the company decides to sell in 12 months, or two years, or five years, what obligation is upon it?

Mr. Court: You have a look at the agreement.

Mr. W. HEGNEY: I want to know that. The protection of the employees is one factor which is most important. Up to date the employees in the timber industry—the major portion of them: the wages men—have been employed under the Timber Workers' Award. In some cases they



have been under a daily contract of service; and in others, under a weekly contract of service. The award will operate as far as the private company is concerned. Is there any other obligation on the part of the company to retain the services of the men for a period of one year, five years or 10 years; or, under the terms of the agreement, until the company completes its financial obligations?

Mr. Court: If you had listened on Thursday night you would have known. I told you all that.

Mr. W. HEGNEY: I listened. I do not want to be sidestepped; I want to know these things. The Minister is anxious to get rid of this concern, and we have been told that he has said the employees are now free from political influence; that they are all free and happy. Well, they are not all free and happy; and, in regard to political influence, they were never under political influence.

Government members: Oh!

Mr. W. HEGNEY: Members opposite can laugh and sneer; but when they were on this side of the Chamber and we were trying to protect the small industries of the State, they did enough sniping. The other night, the Minister accused the Deputy Leader of the Opposition of snooping, but he could not hold a candle to the Minister's sniping. For how long will these employees be protected? Will they be protected indefinitely, or for one year, or for 10 years?

In conclusion, I would like to indicate that this amendment condemns the Government for its action. The Minister has said that the policy of the Government is to sell State enterprises. Well, he is carrying out the Government's policy; but I think we are entitled to know that if the property of the people—the assets and the holdings of the people—are to be sold, there will be a fair deal, and that a fair price will be paid.

I have nothing against the Hawker Siddeley group of companies, or any other company. I am aware that this organisation will carry out the terms of the award and will abide by the laws of the State. But we are entitled to know just what protection the employees will get; and I think the best way to have this matter cleared up is by having a Royal Commission to investigate the whole of the activities of the responsible Minister and the officers of the Government—the activities culminating in the signing of the agreement.

I am not making accusations, or suggesting that there is anything improper on the part of the Hawker Siddeley group, or the Government, as far as that is concerned, but we are entitled to know what the position is; and the only way to have the matter cleared up is by having a thorough investigation. I am very surprised at the Government indicating that

it is in opposition to this amendment and will call for a party vote on the issue. I have no doubt the Government will defeat the amendment.

MR. BRADY (Guildford-Midland) [5.53 p.m.]: Being an ex-Minister in charge of the State Building Supplies, I feel I should have something to say in regard to the amendment; and I must state at the outset that I have done so much reading and research on this matter I am afraid some of my remarks might be a bit disjointed. Nevertheless, I will try to paint a picture, as I see it, for the benefit of my electors and, I hope, for the benefit of all industrialists in Western Australia and for all the people in Western Australia.

I feel that the Deputy Leader of the Opposition has been very reserved in the terms of his amendment. I think he could have been much stronger in his remarks.

Mr. Tonkin: He would have been if he had had this agreement first.

Mr. BRADY: I do not doubt that for a moment. Doubtless the very fact that the agreement was not available cramped the style of the Deputy Leader of the Opposition. The more I have read and thought about this matter, the more I feel the State has been sold—lock, stock, and barrel—in regard to its timber interests.

The early history of the timber industry in Western Australia would make one cry. It could almost be said that the early settlers—the people who worked in the industry—were slaves. It is well known that the truck system was in vogue in some of the private timber mills, so that employees worked for 12 months; and at the end of that time, when they went to see how much they were going to get for their year's work, they found, in some cases, that they were to get nothing at all, but had to put in something.

Such was the early history of the private timber mills in Western Australia. Is it any wonder that the Labor leaders of the early days thought we had to have exploitation of our timber industry for the benefit of the people of Western Australia and not for the benefit of overseas capitalists, and the sons and daughters of those who founded the colony in 1829? Such are the people who are today continuing to exploit Western Australia, and Australia, the same as they are exploiting South Africa and the other Dominions: the same as those who leave 300 and 400 men in the goldmines in South Africa without anything being said or done about the position. They are the people who are now interested in buying the State Building Supplies and taking over our assets—

Mr. Court: You are romancing.

Mr. BRADY: —and doing the same thing.

Mr. Court: Nonsense!

Mr. BRADY: I am talking of the Hawker Siddeley group and of others; because there is no doubt the Dominions are being sold out—

Mr. Mann: Why don't you be a man?

Mr. BRADY: —lock, stock, and barrel. The member for Avon Valley says, "Why don't you be a man?" He is one of those who will be in the net in a few years, because the Old Country is going to join the European Common Market. What I think about the member for Avon Valley and the primary producers in Western Australia in regard to the future—

The SPEAKER (Mr. Hearman): Order!

Mr. BRADY: The member for Avon Valley—

The SPEAKER: Order! The honourable member will have to relate these remarks to the amendment.

Mr. Court: This is a straight-out anti-British speech.

Mr. Graham: This is anti-Western Australian, this is. You would not believe what is in this document.

Mr. Roberts: Tell us about it later on.

Mr. Graham: The Minister would not produce it earlier.

The SPEAKER (Mr. Hearman): Order! The member for Guildford-Midland has the floor, and I do not want any more from the member for East Perth, the member for Avon Valley, or the member for Bunbury.

Mr. BRADY: Thank you, Sir, for your protection. The fact remains that a State asset worth £3,600,000, without the value of the Banksiadale mill, has been sold to an overseas company for £2,200,000, on extended terms over 20 years; and it is a fact that some of the assets will return £300,000 or £400,000 almost immediately.

The Banksiadale mill, which is one of the most valuable mills in Western Australia, has been thrown in for nothing. That mill is cutting over jarrah forests which give the highest percentage return in this State—anything from 45 per cent. to 47 per cent., when many of the other mills are getting a return of only 20 per cent. or 25 per cent.

That is the type of transaction this Government has entered into with an overseas investor called the Hawker Siddeley group; and the trading record of that organisation shows a turnover of £458,000,000 in 17 months, and a profit of £7,750,000. These are the people who are being sold a £3,600,000 asset in Western Australia for two-thirds of its value. As though this company could not pay cash for the proposition at the right price!

The more one goes into the figures, the more one is justified in supporting the amendment for a Royal Commission. It

is well known, as I said before, that the timber industry has been big business in Western Australia right from the inception; and the workers were exploited in the early days of the industry.

It was only a few years ago when we had a Select Committee into the Kauri Timber Company's proposal to get certain leases without tenders being called, despite the fact that the Act lays down that tenders have to be called. Such are the manoeuvrings of big business to get things its way.

Mr. Graham: Quite right.

Mr. BRADY: The people of Western Australia own this asset; and Labor Governments of bygone days decided it was about time the natural resources of the State were exploited in the interests of the people of the State—not in the interests of the people who opened up the country 150 or 200 years ago, but in the interests of the people of Western Australia who are now resident here. The fact remains that this industry has returned no less than £2,000,000 in interest payments on loan moneys to the State Treasury. The sum of £2,000,000 has been built up in interest from the industry, yet it has now been sold out to an overseas group with its headquarters 12,000 miles away.

As I said before, every aspect of the transaction is a disgrace. The other evening some member made reference to the fact that this industry did not pay rates, or to the fact that its assets were over-valued; but I know that during my time as Minister the State Building Supplies performed work in the various road board districts without any charge to the road boards concerned in an effort to offset some of the shortcomings of the alleged rate losses incurred by State trading concerns. I was told that the roads through the forests had not been capitalised because the department felt it was better to have them remain that way to offset future losses. They should have been capitalised.

If a Royal Commission is held we will obtain the facts and find out whether that is so. I recollect quite distinctly having discussed the matter of the roads through the forests and the leaseholds. Yet we are told that this enterprise is over-valued. This is how much it was over-valued: the general manager of the State Building Supplies was putting up a proposition to Cabinet that this State trading concern should return a minimum of 7½ per cent.

Mr. Court: Yet it could not cover its interest charges.

Mr. BRADY: It was well known that some companies were paying 15 and 20 per cent. So it is quite easy to realise that this group to which we are handing over the State Building Supplies, with the Banksiadale Mill thrown in, will make a return of

15 to 20 per cent. on its investment. Therefore, the Government has virtually handed over at a bargain price this asset which belongs to the people.

Mr. Court: When you were negotiating for the Banksiadale mill to be transferred to the control of the S.B.S. what value did you put on it?

Mr. BRADY: If I had known that this particular industry was to be sold out in the manner it has been, I would have gone more closely into the matter.

Mr. Court: Why did you not tell Parliament?

Mr. Graham: Don't be so childish! It was merely a transfer from one department to another.

Mr. BRADY: The taking over of the Banksiadale mill ensured that the railways, without exploitation, would obtain all its timber supplies for bridges, culverts, houses, wagons, and so on, when it wanted them. However, now that the State Building Supplies have been handed over to the Hawker Siddeley group the Railways Department has a guarantee that the company will ensure supplies for railway requirements for only the next 10 years. Fancy a guarantee of only 10 years in a young country like Western Australia!

Mr. Court: With the right of renewal for a further 10 years.

Mr. BRADY: What is more, the monopolies and the combines will get together and the people will be held up for ransom. As the member for Avon Valley interjected earlier, he is one of those who has been exploited by the shipping companies as a result of the Commonwealth Government handing over the Commonwealth-owned ships to private enterprise. This has resulted in freights going up by 10 to 15 per cent. at various intervals which the primary producers cannot afford, but which they are forced to pay. The squeeze is on, and the people who are controlling the shipping are the same type as the Hawker Siddeley group which will control the activities of the State Building Supplies in the future.

The State tried to foster the progress of the State Building Supplies in an endeavour to protect the people's assets and to give to the people something to which they are entitled by utilising their own natural resources; and then this Government makes a good fellow of itself by handing over the people's assets to this company.

Mr. Court: You are a great help in trying to encourage new industries here!

Mr. BRADY: I do not think there is any need to attract people here. If the Government were governing the State as it should be all our natural resources could be exploited by our own people, and our own money, and for the benefit of everyone in Western Australia.

Mr. Court: But when?

Mr. BRADY: All these millions of pounds obtained from the granting of timber rights will now go overseas. What is the position? As I have said previously I have done so much research into this matter in the last few weeks that it is extremely difficult to outline the true and complete story in the time available to me now. The fact remains, however, that about one-third of a million acres of land under leasehold will undoubtedly go over to this particular enterprise. From memory I think the Shannon River mill leaseholds alone represent about 130,000 acres.

Mr. Court: But the company only gets the timber rights.

Mr. BRADY: Banksiadale mill has about 60,000 acres under leasehold. There are two mills alone representing a total of 190,000 acres leasehold. If we strike an average of those two—that is, an average of 95,000 acres of leasehold land for each of the other four mills—we can see that there is approximately one-third of a million acres being handed over to this private company for the purpose of exploiting the forests in any way it so desires for its own particular interests and for the benefit of overseas investors who are 12,000 miles away. As a result, the people of Western Australia will lose the right to earn the interest charges on the capital that has been invested by the State Building Supplies.

Mr. Graham: The Minister for Industrial Development has said before that the Associated Sawmillers is the price-fixing authority.

The SPEAKER (Mr. Hearman): Order!

Mr. Graham: The Minister knows he has done that in the agreement.

The SPEAKER: Order!

Mr. Graham: I am sorry, Mr. Speaker.

Mr. BRADY: I believe that this is the 25th anniversary of the establishment of the Hawker Siddeley group, and the Minister has made the company a very nice silver jubilee presentation. The company will no doubt erect a memorial to the Minister on one of the mills in recognition of the way he has treated it.

Mr. Court: I am sure you will not!

Mr. BRADY: As I went around inspecting these timber mills when they were being built, I was told that some of them were the most modern in the southern hemisphere. I remember discussing, with Mr. Gregson, how modern the Dwellingup mill was. There were some very important people present at the opening of that mill. On one occasion Mr. Gregson said to me, "As a State enterprise, I feel we should be leaders in this particular industry." He tried to fulfil that ambition with a view to making the State Building Supplies the leader in the timber industry, one of the obligations for having all these mills under State enterprise.

Mr. Court: You picked a bad one when you picked the Dwellingup mill.

Mr. BRADY: I did not pick a bad one! The Dwellingup mill is a good one, but unfortunately it had a fire.

Mr. Court: This has nothing to do with the fires.

Mr. BRADY: The general manager was anxious to make that mill one of the most modern in the southern hemisphere. He had one of the most modern drying kilns ever erected in the Manjimup area. I think you, Mr. Speaker, were present at that opening and you must have been impressed with the initiative and drive shown by the general manager in trying to bring this State trading concern up to date, so that it could cope with all drying kiln requirements in this State and the milling of dry timber for the various firms that wanted it.

What went on at Dwellingup and Manjimup was also happening at the other mills. In the Pemberton mill a plant was erected for timber processing, and pressurising karri cross-arms, and so it went on. This was not an industry that was out of date and obsolescent. It was not only up to the times, but was ahead of the times.

Speaking further along those lines, on one occasion I had to refuse the general manager of the State Building Supplies when he requested that the State should purchase a finger-jointing machine from America. I did that because, at the time, I considered there was too much money going out of the State instead of coming into it. Now, however, the Government has handed this industry over to the Hawker Siddeley group.

Mr. Graham: The K.S.M., or whatever its name is.

Mr. Court: It is the Hawker Siddeley Building Supplies Pty. Ltd.

Mr. BRADY: I will now refer to some of the losses which some members have said have been made by the State Building Supplies in recent years. The fact remains that for 33 years out of 42 the State Building Supplies has been run at a profit, and because there have been losses in the last few years—some of which were brought about by this Government—

Mr. Court: Don't bring that up!

Mr. BRADY: Those losses were brought about because during the regime of the previous Liberal-Country Party Government the river mill at Albany was purchased by it and £80,000 was written off in one fell swoop.

Mr. Tonkin: Who established that mill?

Mr. BRADY: It was established during the regime of the McLarty-Watts Government.

Mr. Graham: Without consulting a forester or a sawmiller.

Mr. BRADY: The State Building Supplies would not have advised the purchase of that mill at all! It would not have advised taking over a mill such as that which was purchased by the McLarty-Watts Government! So this Government must carry its share of responsibility for the losses that have been made by the State Building Supplies in recent years. Despite the fact that this Government took away millions of pounds worth of business from the State Building Supplies in the way of Government orders, this concern was making a valiant effort to keep its head above water; and, as I said before, was paying anything up to £120,000 or £130,000 a year in interest on loan moneys.

There is another interesting feature about this sale, and that is that the Minister stated on several occasions that the Government could not continue to spend loan money on the industry in the way it has been spent in the past. In one newspaper he was reported as having said that £600,000 would need to be spent in the next three years, and in another newspaper he was reported as having said that £600,000 would have to be spent in the next four years for the purpose of putting this industry on a sound footing and apparently, in his view, to keep the industry going. However, did he make arrangements with the Hawker Siddeley group that it should spend £600,000 in a similar manner?

There is reference to the fact that the company has to spend £500,000; yet the Minister says that if the State Building Supplies were to remain under his control, he would have to expend £600,000. If the expenditure were £600,000 in the first instance, why did he not say to the Hawker Siddeley Group that it was obligated to spend this money? So a great deal of softening up went on for 12 months before this sale was completed.

As I said before, concerning the Banksiadale mill, the railways had protection in regard to its supplies of timber for sleepers, wagons, bridges, and culverts. If we leave aside the consideration of the Banksiadale mill, which, as I said before, is the best jarrah-cutting mill in the State, and revert to the role of the State Building Supplies in protecting the Government in regard to its requirements for timber for the building of hospitals, schools, and all the thousand and one jobs the Government is called upon to perform in fulfilling its responsibilities in the interests of the State, I repeat again that this trading concern supplied that timber when the Government wanted it. However, will monopolies do that? Will the Hawker Siddeley group do that?

I say that its first regard will be for the making of profits, and the State's requirements will be a secondary consideration. Has the Minister ensured that when the hospitals, schools, and the thousand and

one other Government undertakings are put in hand the Hawker Siddeley group will give the Government the preference which the State Building Supplies invariably gave the Government in the past?

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

Mr. BRADY: Before the tea suspension I was outlining some of the reasons why I thought this Royal Commission should be set up, and made the point that in regard to the Banksiadale mill the Government had been very generous with the disposal of the assets of the State Building Supplies. Also, at the suspension I was endeavouring to make a point with regard to protection for the Government in relation to its activities outside the railways. If a Royal Commission were appointed, these matters could be investigated, particularly in relation to the disposal of the sawmills.

During my research into this matter I could not help thinking that if the Commonwealth Government agreed to the broad gauge railway from Kalgoorlie to Fremantle—

Mr. Roberts: It agreed to the survey tonight in the Budget Speech.

Mr. BRADY: —millions of pounds' worth of sleepers alone would be required, not forgetting bridges, culverts, and the hundred and one other things necessary in railway construction. No doubt Hawker Siddeley will be well in the picture with an advantage over many of the local mills.

Mr. Tonkin: And the prices to be paid, such as determined by the combine.

Mr. BRADY: Yes, the prices will be determined by these people.

Mr. Court: By tender.

Mr. Tonkin: By the combine. It is in the agreement.

Mr. Court: You have not read the agreement on sleepers.

Mr. Tonkin: The sawmillers' association price.

Mr. Court: Not for sleepers.

Mr. BRADY: As far as I am concerned the State Government is giving this enterprise to the Hawker Siddeley people even if that firm only obtains orders in connection with the broad gauge; and no doubt the firm will get the majority of them.

Mr. Court: Only if it submits the best tender.

Mr. BRADY: A Royal Commission would see whether a fair price had been obtained for land, plant, and buildings that had been taken over by the Hawker Siddeley Group. There seems to be some doubt about the areas of land and value in regard to these particular mills. I do not know whether the plant has ever been

written up as it should have been, but quite a lot of it was bought at reasonable prices prior to inflation.

Mr. Court: You know the manager wanted it written down during your administration.

Mr. BRADY: The majority of the assets of the State Building Supplies were bought prior to 1948. After that we had a change of Government and the Liberal-Country Party Government took over parliamentary activities in the Commonwealth sphere. Following that, we went through a period of inflation; and a lot of private firms in the metropolitan area and throughout Western Australia had their assets revalued. As a result of that revaluation, their assets were set out at much higher prices. I think one prominent member in this House is associated with a company that had its assets revalued.

Therefore, it is logical to assume that in the case of the State Building Supplies many of the assets set down prior to 1948, should have been worth considerably more at the time of their disposal. So far as I know, during my time in the ministry the assets of the State Building Supplies were valued on a conservative basis. I have already said earlier this evening that certain roads which were put down through the forests were not shown as capital expenditure at all.

I feel that a Royal Commission would bring out the true facts of this transaction. I am of the opinion that the Hawker Siddeley group has been given this enterprise, even taking into regard the activities in which it will engage through the sawmills. In addition, the brickyards at Byford and Armadale will also be taken over. There is no doubt that in recent years the State Building Supplies has been a leader in regard to the supply of bricks for the metropolitan area. This enterprise was able to supply bricks when private enterprise could not do so.

I seem to remember that bricks were a payable proposition and the enterprise was doing quite a huge turnover as regards quantities. In looking at my notes I am reminded of some of the tractors which were used at the Banksiadale mill when I was Minister. They were manufactured by Holt and International; and I believe some of those machines are valued today at £10,000 or £11,000. I understand some of these were shown in the assets at £6,000.

Mr. Court: They wear out.

Mr. BRADY: If this trend is general right throughout, with assets valued at £3,500,000, it can be seen what a good thing this company is on in purchasing this particular enterprise.

The company is in a good position as regards the brickyards. Bricks require large quantities of raw materials; and these raw materials are hard to come by. However, the State Building Supplies had the

rights to huge quantities of shale. This will enable the Hawker Siddeley Group to get in on the ground floor with the market already made.

It looks as if this company has taken very little risk, if any at all, because the Lieutenant-Governor's speech has shown that the Government anticipates that within the next few years great strides are going to be made in Western Australia. Some members who have already spoken have estimated that between £50,000,000 and £90,000,000 will be spent by private enterprise in Western Australia during the next few years. If there is going to be all this progress in Western Australia, I am of the opinion that the Government has shown bad foresight in getting rid of the State Building Supplies, because a large amount of work will, no doubt, take place. If all this comes about, the Hawker Siddeley Group will be certain of getting in on the ground floor.

During my administration, the State Building Supplies was looking for new sites in order to set up establishments. In recent years it sought a new site in the Bellevue district, which is just outside of Midland Junction. I understand the State Building Supplies was making good progress in that area. We all know that the city is to extend northward, and no doubt the State Building Supplies considered the Bellevue site to be very desirable as thousands of primary producers go backwards and forwards to the abattoirs with their stock. Therefore, a site in that area would provide a readymade market. I also know that the State Building Supplies was looking for other areas in which to expand.

The Hawker Siddeley Group is going to come in on the ground floor with markets already established; with modern plant and equipment, and an assured output for both timber and bricks. I feel the Government should not object to a Royal Commission, which should be appointed in order to assure the public that a fair and reasonable price has been obtained for this State enterprise, because right from the outset that is what the Government said it was endeavouring to obtain.

The other evening the Minister said the Government was justified in selling this enterprise because it had stated that it was its policy to do so. Right from 1930, Liberal-Country Party Governments have said they were going to sell State trading concerns. In fact, in 1930 the late Sir James Mitchell, when leading the Liberal-Country Party Government at the time, amended the State Trading Concerns Act to provide for the sale of State trading concerns without reference to Parliament. This was necessary because, up to that time, the 1916 Act provided—from memory, I think it was in section 25—that Parliament would have to determine whether State trading concerns were sold or not. In 1930 Sir James Mitchell introduced legislation into this House by way of an

amendment to the Act which gave his Government the right to sell State trading concerns, which the Government of the day said it would do.

Subsequent to that there were other Liberal-Country Party Governments in office, but State trading concerns were not sold. I feel there were very good reasons for that. I am of the opinion that among other reasons, Country-Party members and supporters of the Liberal-Country Party Governments did not feel it was right to sell those concerns. I think members of the Country Party—and fortunately some members of the Liberal Party—realised that country people would be exploited most in the event of a sale of State trading concerns.

Mr. Court: Rubbish!

Mr. BRADY: I consider it is again up to the Country Party members of the Liberal-Country Party Government to state that they do not want this enterprise to be sold.

Mr. Court: You must be forgetting the motion moved by the member for Narrogin when we were in Opposition.

Mr. BRADY: I have not forgotten the motion moved by the member for Narrogin; but that honourable member set it out in his motion that the assets of the State trading concerns would be valued at a much higher figure than is the case at the present time. If the Minister had a look at the speech made by the member for Narrogin when introducing his motion, he would see how much more money was involved. I read that speech one day this week. It is readily available in *Hansard*.

Mr. Mann: So they jolly well should!

Mr. BRADY: The member for Avon Valley should read the speech instead of making silly asides. He would then not agree to let many of his country friends down without a protest. At the recent Country Party conference the members of that party were concerned about actions of the Country Party coalition in the Federal Government. I quote from *The West Australian* of the 3rd August last. The article is headed, "Coalition Under Fire at Talks"; and it reads as follows:—

The actions of the Country Party coalition in the Federal Government came under fire during the Country Party annual conference in Perth yesterday.

A resolution from the South Stirling branch, stating that the Country Party did not show sufficient firmness in insisting on its policies while a member of a coalition government, was passed back to the branch with a request for specific details.

A South Stirling delegate said the Country Party had lost a lot of ground by supporting the removal of the 10 per cent. sales tax on motor car sales.

Federal C.P. members had not shown sufficient—

The **SPEAKER** (Mr. Hearman): Order! I do not think the honourable member can relate Federal matters to this amendment.

Mr. **BRADY**: I cannot specifically; but it just goes to show how Country Party members are beginning to wake up to the Country Party members in the Federal Government; and they will wake up to them here. They will realise what a tragedy has happened to Western Australia, and particularly in regard to their future activities.

I believe I have come to the end of my time in regard to this matter. The heehaw laughter from the other side of the House reminds me of what the member for South Perth had to say the other night with regard to the Moola Bulla transaction. He charged the Labor members with organising the march to Parliament House of 60 unemployed. I think there was one from Midland Junction and there are over 350 unemployed there. He quoted figures for the sale and transportation of cattle. He told us that they got rid of all the aborigines; and in his next breath said large numbers of stock were mustered and sold in northern districts.

Mr. **Bovell**: The honourable member is having a pipe dream.

Mr. **BRADY**: He gave no facts or figures; they were just general statements. He said that the member for Guildford-Midland was Minister. He is about two or three years behind the times. The member for Guildford-Midland was not a Minister at all. The member for South Perth is usually groping in the dark, and he was in the dark over this particular question. The Minister concerned at that time has already offered to agree to a Royal Commission to ascertain whether that was a justifiable transaction.

I have much pleasure in supporting the amendment of the Deputy Leader of the Opposition. I think he has been generous to the Government in the terms set out in the amendment. Instead of dodging the issue, the Government—particularly the Country Party supporters—should approve of a Royal Commission being set up in order to assure itself that a fair price has been obtained for this enterprise. To say that the price of £2,500,000 is reasonable, when the enterprise is worth £3,600,00, is the height of absurdity.

#### *Personal Explanation.*

Mr. **GRAYDEN**: May I make a personal explanation? Earlier in this debate the member for Mt. Hawthorn made reference to some remarks I made in this House a few days ago.

The **SPEAKER** (Mr. Hearman): The honourable member may make an explanation only if he has been misquoted or his remarks have been misinterpreted.

Mr. **GRAYDEN**: The member for Mt. Hawthorn had imputed that I should have brought this matter up before.

The **SPEAKER** (Mr. Hearman): I will not allow that.

Mr. **GRAYDEN**: The information I have now is far more scandalous than that which I had the other day.

#### *Debate Resumed.*

MR. **HALL** (Albany) [7.50 p.m.]: In speaking to the amendment I wish to commend the member for Melville for his attempt to bring some justice to the people of this State. The amendment does not go quite far enough. It says—

Finally we strongly condemn the action of the Government in selling the State Building Supplies—

which is bad enough in itself

—and the railway mill at Banksiadale at bargain prices and on extremely generous time-payment conditions to an enormously wealthy private company, and consider a Royal Commission should be set up to thoroughly investigate the transaction.

The people have been alarmed at this transaction for some considerable time, which is evident from the Press cuttings which most members file away. We find the agreement refers to K.S.M., whatever that means. Perhaps the Minister can explain it.

Mr. **Court**: It is a simple explanation. It is the name under which the Hawker Siddeley Company was registered at the time it was making up its mind about its trading name.

Mr. **HALL**: It is a pity that information had not been given to the Press previously. An item in the *Daily News* of Friday, the 30th June, 1961, reads as follows:—

W.A. trade unions are planning an all-out war against the State Government over the sale of State Building Supplies to Hawker Siddeley.

That speaks for itself of an alarming position so far as the workers of this State are concerned.

Mr. **Mann**: Does the honourable member really believe that statement?

Mr. **HALL**: I am inclined to believe it, and I cannot but hope that the member for Avon Valley will believe it, because of the serious implication it could have on people employed in the building trades.

Mr. **Graham**: The member for Avon Valley is not capable of understanding it.

Mr. **Court**: What date was that statement?

Mr. **HALL**: The 30th June.

Mr. **Court**: That was not reflected in the discussions with the unions.

Mr. HALL: I quote further—

The meeting questioned the effect of the sale upon the operations of the State Building Supplies. They asked—

Would the Hawker Siddeley Company act as a brake on price rises by local timber merchants who this week—about the same time as the State Building Supplies deal was made public—increased the price of timber by 3s. a 100 super ft.?

That was a significant happening. I do not know what the future holds if timber has already gone up 3s. per 100 super ft. I can foresee monopolistic controls. To quote further—

Would State Building Supplies maintain a supply of first-class timber for local needs rather than concentrating on export?

None of us are going to be against the exporting of timber provided it gets its just rewards, which it has in the past received from this organisation. To continue—

Would Hawker Siddeley Company or other local merchants provide the railways with first class timber at local trading prices now that the Government railway mill at Banksiadale had been sold?

Mr. Court: They will be supplied with better than that.

Mr. HALL: And further:—

Would any action be taken to prevent a monopoly in brick production?

I gather that will be used up to the maximum advantage, so that the railways will get the advantage. When the price rises I shudder to think what might happen. The State Building Supplies is a definite asset to the State; it supplies timber, joinery, and hardware. In 1959-1960 it supplied £2,143,154 worth. In 1960-1961 the value of the same commodity supplied amounted to £2,337,000. In 1959-1960 the value of bricks supplied amounted to £571,593; and in 1960-1961, to £570,000.

These are just a few of the commodities sent out by the State Building Supplies—assets of the State—supplied at a price economically suitable for the small builder and receiver of those supplies. Monopolistic control over these building supplies means that the small person or small builder will be seriously affected. We have to look a little bit deeper. The member for Guildford-Midland outlined the extensive forestry that will come under the control of this company, and we must see what effect that will have. It is predicted that this State will eventually enter the paper pulp manufacturing industry. Will this company be the one privileged to enjoy the establishment of such an industry in that area?

Mr. Court: What of it?

Mr. HALL: Will it be put on the plate at the cheapest possible price? That is something only the future can tell us.

Mr. Court: Wouldn't the honourable member like to see somebody establish the paper pulp industry?

Mr. HALL: At the right price, so that the State will receive the full advantage of it. Most of these enterprises have been paid for over a long period by the State and therefore they are assets of the State. The Government, with its coalition, will tell us it has a mandate to sell and dispose of these enterprises on its electioneering promises. I feel that no Government should attempt to sell the assets of the State without first appealing to the public to see whether it favours the disposal or sale of its assets. I cannot imagine that the public will let that happen when the ultimate result would be an increase in the cost of commodities required in the building trade.

Mr. Court: The honourable member is only guessing.

Mr. HALL: The member for Warren has pointed out the effect this sale will have on those men who have been associated with the State Building Supplies for many years. Some of the men concerned have been employed for 25 or 30 years. I feel that the security of these men will be jeopardised. I do not think any Government can dictate to any private enterprise concerning future employment. Private enterprise will always seek its pound of flesh.

Men in the 25 to 30 age group will be able to hold their own with the demands made upon their services. But we may get the same picture as we have today, and that will affect men in the 45 to 50 age group. A large percentage of our present unemployed is in that age group. A man of 45 to 50 finds it almost impossible to compete with a man of 20 to 25. So there will be retrenchments, or dismissals. They might be hidden under many different guises, and the Minister might feel, in all sincerity, that the employees are fully secure; but human nature being what it is, private enterprise will be after its pound of flesh, and I am afraid it will have to get it.

Moola Bulla came into the debate last Thursday, and there was a lot of talk about donkeys; they got into the field somehow. However, I would like to point out that it looks as though the State Engineering Works are to suffer the same fate as the State Building Supplies. As a matter of fact the Minister for Works has intimated that that is to be the case, and that will be of great importance to the people of the State because it has been a paying concern.

Mr. Tonkin: That won't make any difference.



The **SPEAKER** (Mr. Hearman): I do not think the honourable member can discuss the hypothetical sale of the State Engineering Works on this amendment.

Mr. **HALL**: I think it goes a bit further than a hypothetical case, Mr. Speaker; but I will bow to your wishes. At the moment there is a cloud over that concern; and there is a cloud over Chamberlains and all other State enterprises because the Government may dispose of them. We must face up to that prospect in looking at the whole picture and see what effect the ultimate sale of these State assets will have.

There is not much more I want to say, because there are no branches of the State Building Supplies in my electorate, for which I am very thankful; but I think the sale of the State Building Supplies will mean an added cost in the production of homes and in the production of furniture and fittings. Also I think we will find that the railways will have to meet increased costs through having to purchase its sleeper requirements from private enterprise.

Mr. **FLETCHER** (Fremantle) [8.3 p.m.]: I want to deal briefly with the question of the disposal of the State Building Supplies; and, in doing so, support the amendment moved by the Deputy Leader of the Opposition. Firstly, I would like to deal with the aspect mentioned by the member for Guildford-Midland—I refer to the broad gauge railway line between Kalgoorlie and Kwinana. Reference was made to this project and the sleepers which would be required for the widening of the railway gauge. Those sleepers will be cut from the taxpayers' forests, at the taxpayers' expense, and in a mill which was originally acquired with the taxpayers' money.

Mr. Court: Who told you that?

Mr. **FLETCHER**: That is a fact, no matter what argument may be launched from the Government side. Members opposite cannot get away from the fact that the taxpayers' money was used to acquire the mill and the plant and to pay the wages that the employees concerned have received. When this wider gauge railway line is built the necessary sleepers will be cut with plant and equipment that was purchased and installed at the taxpayers' expense—plant and equipment which has now been sacrificed for a fraction of its original cost.

Mr. Court: At which mill are these sleepers to be cut for the wider gauge railway line?

Mr. **FLETCHER**: I am not certain, but I have a shrewd suspicion they will be cut at the Banksiadale mill, which means they will be cut at a mill purchased with the taxpayers' money.

Mr. Court: Why don't you read the agreement? It specifically excludes the broad gauge railway.

Mr. **FLETCHER**: There is no need to snigger!

Mr. Court: I am not sniggering.

Mr. **FLETCHER**: By the time it happens there will be—

Mr. Mann: What?

Mr. **FLETCHER**:—a nice little arrangement between the Hawker Siddeley Group and the various other milling concerns in the State. You see, Mr. Minister, the cutting of the sleepers will be done by contract; and assuming it is done by contract, there will be a nice little arrangement among all the timber merchants regarding the tenders submitted.

Mr. Tonkin: You are quite right there. It has been going on for years.

Mr. Court: How is it that the State Building Supplies have not tendered low enough to get tenders?

Mr. Tonkin: Would you like to hear more about that?

Mr. Court: I would too. I have the report here.

Mr. **FLETCHER**: Where would be the alleged competition, which the Minister pretends to believe in and support? I would point out that it is possible from this day forward for collusive tendering to take place; and I would also point out that simultaneously, practically, with the fact being known that the State Building Supplies had been sold there was an increase of 3s. per 100 super feet in the price of timber. I would have thought that the timber merchants, or the timber traders' association, or whatever they call themselves, would at least have been a little more subtle in that regard.

Mr. Court: Do you know that there is intense competition in the sleeper field because there are so many small producers?

Mr. **FLETCHER**: Previous to this Government taking office, and during our regime, the restrictive trade practices legislation was in existence; but that was repealed by the present Government.

Mr. Crommelin: And so it should have been.

Mr. **FLETCHER**: It was repealed, and if ever events cast their shadows they certainly cast them then, and the situation exists at the moment where we have the prospect of there being no competition at all in respect of the supply of timber to the public of Western Australia.

Mr. Court: There is plenty.

Mr. **FLETCHER**: The only excuse made by that side of the House—and this includes the Premier—is that the Government received a mandate from the people. I argued this point last session, and I remember quoting Professor Crowley of the Western Australian University as an authority. He definitely showed, and *Hansard* will reveal the figures I quoted, that

the Labor Party received more primary votes than the Liberal Party and the Country Party put together. In effect, the Government was elected on the second preferences of a party that has no representative in this House. That being so, has the Government got a mandate to do what it has done? And the Government having done something which it had no right to do, I would say that the appointment of a Royal Commission is perfectly justified so that it can inquire into the right of this Government to do what it has done when it was elected, as I said, on the second preferences of a party that has no representative in this Chamber.

Mr. Crommelin: We are still in the box seat.

Mr. FLETCHER: That may be so but, as I have submitted, it is not by the will of the majority that the Government parties have been placed where they now sit. Since the inauguration of the State Building Supplies in Western Australia they have made a profit of approximately £600,000; yet members opposite try to say that during the last three years this concern has been showing a loss.

Mr. Court: For the last five or six years.

Mr. FLETCHER: No wonder it has, because the business previously done by the State Building Supplies was given to the friends of the Government, or the people whom those on the other side represent.

Mr. Court: It lost money then.

Mr. FLETCHER: There was consternation on the other side of the House the other night when I said, "Suppose there was a loss?" I think the Minister for Health said, "What's wrong with huge profits?" I say this: I do not object to profits—and we do not object to profits—so long as they are reasonable and so long as they are not being made at the public's expense. If a public utility makes only £1 profit a year, provided it is giving a cheap service to the community I have no objection. Therefore I cannot see why there should be such consternation from the other side of the House when one expresses objection to the making of profits by private enterprise. At this stage I think it would be appropriate to quote a headline from *The West Australian* which reads—

John Lysaghts earn 23 per cent. on capital.

It was 23.59 per cent. to be exact. Can anybody tell me how that profit can be made without charging exorbitant prices for the articles that that company produces? If this overseas company, which has recently acquired a public asset, is going to make a profit similar to the figure I have just quoted, it will be made at the public expense.

Mr. Court: It will be a wizard if it can do that out of this show.

Mr. FLETCHER: The whole matter is to be condemned, and it is something which warrants a Royal Commission. As I said, this concern has been sacrificed at an infinitesimal figure, and nowhere near its true worth. I would not call 23.59 per cent. a reasonable profit.

Mr. Roberts: What percentage would you call reasonable?

Mr. FLETCHER: Not that. Anyway, who is making this speech? That percentage was bad enough; but I would like to refer to another overseas company. We have no objection to companies bringing their know-how to Australia so long as we do not have to pay too big a price for it. Last year I quoted the amount of assistance given by the Commonwealth Government to an overseas company, namely Holdens. That firm made a profit of £15,000,000 last year and every penny of it was sent outside Australia; and since, with this new company's arrival there is a further prospect of £15,000,000 leaving this country annually at the expense of the public, I think a Royal Commission into the acquisition of the S.B.S. by the company is justified.

Mr. Court: First of all it has to make a profit and then it has to pay rates and taxes, etc.

Mr. FLETCHER: It will undoubtedly make a profit because of the ruthlessness of the people who are after profits. We do not object to reasonable profits; as I said, we do not object if a public utility makes only £1 profit a year so long as it gives a cheap and good service to the public in general. But for some reason or other those on the other side of the House worship profits; the question of profits is paramount in their thinking, and the public interest is secondary.

Whilst he was speaking, the Minister commented on the employees. I visited the area prior to this matter receiving headlines in the Press and I stayed for about three days. I spoke with the employees; and it is of no use the Minister or anybody on the other side of the House saying that they are satisfied. There is extreme dissatisfaction amongst the employees because, like all other Government employees, they previously received their long-service leave every 10 years; whereas now they will have to wait anything up to 15 or 16 years for it. Such an alteration in their conditions is not conducive to satisfaction amongst the employees; it certainly would not be to me if I were an employee of that concern.

As regards housing, the rental of the homes there was quite cheap. For 12s. 6d. a week they could get a nice home and all their wood requirements for 5s. for three tons. What guarantee have those people that they will be similarly well treated in that respect in the future? If anyone wanted a new stove in his home all he had to do was to tell the manager

and he would have a new one installed free of charge. Homes that were built on the site were occupied by people, some of whom had retired, at a cheap rental. But all that will probably be altered, and I think the whole question should be investigated through the medium of a Royal Commission.

Mr. Tonkin: And they have no guarantee of employment, either.

Mr. FLETCHER: I saw a very efficient plant and very efficient employees, and this company has acquired all that at a fraction of the true value of the concern. I rode on the loco for a distance of 58 miles into the timber leases, and during the ride I saw some beautiful forest country which this company is acquiring. Those trees can be cut down, to the detriment of the future citizens of Western Australia.

Mr. Court: How do you work that out? What is the Conservator of Forests going to do in the meantime?

Mr. FLETCHER: He would be subject to your Government while you are on that side of the House.

Mr. Court: They are subject to the Act.

Mr. FLETCHER: I do not believe that these timber concessions should be made available *ad lib* to private companies. I would liken this situation to that which surrounded the Koolan Island iron ore deposits. Those deposits were made available to the Broken Hill Pty. Co. Ltd. on a 99-year lease; in other words, that concession was given away.

Are we to see a repetition by our timber forests being given away to private enterprise for a similar purpose? The present Government will not always be in office. Suppose the Labor Government does get back and it is required to undertake its promise to the people that it will establish similar projects after the present Government has tied up all the timber by granting rights to this overseas firm, what prospect would it have of bringing into existence an industry that could compete with the Hawker Siddeley Group? It would be impossible, because all the timber reserves are now held by that company to the detriment of the people of this State. As a result, there will not be any competition in the future in the timber industry. If any member on the opposite side of the House is of the opinion that there will be competition among private industry in the future, in my opinion he is only paying lip service to what he is alleged to believe in.

I will now quote an extract from a leading article published in *The West Australian* on the 4th July. It reads as follows:—

After the Brand Government had honoured its promise to restore the elements of fair trade in the interests

of State development, the S.B.S., with its interest payments on heavy capital liabilities, began to lose.

Is it any wonder that it began to lose?

Mr. Court: It was losing money long before that.

Mr. FLETCHER: Only briefly, for approximately three years. Earlier I quoted the overall profit that had been made by the State Building Supplies, and so did the Leader of the Opposition. He pointed out that over £600,000 profit had been made over a period of years. I can also quote another leading article from the Press, which has made reference to the Commonwealth Government's economic policy. As is known, the Commonwealth Government is of a similar complexion to the Government in this State, and the Commonwealth Government must take responsibility for the semi-depression that exists at the moment. That was a prime factor which caused the State Building Supplies to make losses during recent years.

Mr. Mann: Damn rot!

Mr. FLETCHER: The member for Avon Valley says "damn rot"—

The SPEAKER (Mr. Hearman): Order!

Mr. FLETCHER: I would like to know what satisfaction—

The SPEAKER (Mr. Hearman): Order! I do not think the honourable member can use language such as that in the House.

Mr. FLETCHER: I apologise on behalf of the member for Avon Valley for provoking him into making that interjection.

The SPEAKER (Mr. Hearman): I never heard that interjection from the member for Avon Valley.

Mr. FLETCHER: I read out the last paragraph of the leading article which appeared in *The West Australian* dated the 4th July, and in which the Premier has made an allusion to fair trading. In regard to fair trading I am wondering if there will not be a repetition of that which was referred to during last session. Now that all competition in the timber industry has gone as a result of the transfer of the State Building Supplies to the Hawker Siddeley Group, I am wondering if there will be a repetition of a monopoly I quoted during last session in regard to plasterboard.

The SPEAKER (Mr. Hearman): I think the honourable member will have difficulty in relating this to the amendment.

Mr. FLETCHER: If you will bear with me, Mr. Speaker, I will relate it to the amendment in this way and show that the appointment of a Royal Commission into the sale of the State Building Supplies is justified: During last session it was pointed out that there was a monopoly existing in regard to the sale of plasterboard as a

result of there being no competition within the trade. From this side of the House I explained how one individual desired to obtain a quote for some plasterboard work to be done in his house. He obtained quotes from every plasterboard manufacturer in the metropolitan area, and one of them had quoted a price which was less than that of the others. Later on, he came along and notified this person who wanted the plasterboard work done that his quote would have to be the same as that submitted by all the other manufacturers.

That case points to the fact, as was mentioned last session, that there was no possibility of competition among plasterboard manufacturers whilst a monopoly existed. I now say that a similar situation will arise in regard to timber requirements by the public, including the farmers of this State, because the prospect of competition in the timber industry has now disappeared. As a consequence, I say that the appointment of a Royal Commission is thoroughly justified. I support the amendment moved by the Deputy Leader of the Opposition.

**MR. OLDFIELD** (Mt. Lawley) [8.21 p.m.]: The trend of this debate has taken a turn on the assumption that the State Building Supplies has been operating at a loss for the past four or five years. Actually, the balance sheet in the annual report does show a small loss. I am sure, however, that if the member for Mt. Marshall were to examine these reports he would agree that the loss shown in the annual report of the State Building Supplies is purely a differential between commercial and Government accounting. I also know very well that the Minister, being an eminent accountant in this city would come to the same conclusion if he were to examine the reports.

**Mr. Court:** No he wouldn't!

**Mr. OLDFIELD:** The member for North Perth might well laugh, but he has not studied the report. He has not taken time to look at the report; and, even if he did so, I doubt whether he would understand it.

**Mr. Roberts:** How do you know he has not taken time to look at it?

**Mr. OLDFIELD:** I know that because all he does is look at members on the front bench; and when they say, "Raise your hand", he will raise his hand.

**Mr. Roberts:** Do you say that you did not do that when you were on this side of the House?

**Mr. OLDFIELD:** Yes, I did; and the member for Bunbury is muzzled the same as I was when I was over there. A comparison between commercial accounting and Government accounting makes quite a difference to the figures that are produced at the end of the year.

**Mr. Court:** They are produced on a commercial basis.

**Mr. OLDFIELD:** How can they be produced on a commercial basis if interest is charged before the year starts? If I were to go tomorrow to the manager of a company and ask him to submit a taxation return, would he submit one showing interest paid on subscribed capital?

**Mr. Court:** For taxation purposes there is a complete deduction for all interest paid.

**Mr. OLDFIELD:** That has only been amended recently.

**Mr. Court:** That has been so ever since I have known anything about taxation.

**Mr. OLDFIELD:** But never on subscribed capital! One cannot charge interest on subscribed capital.

**Mr. Court:** You do not get interest on subscribed capital, but interest on borrowed money.

**Mr. OLDFIELD:** Of course one does not; but according to the capital subscribed to the State Building Supplies each year, so the interest varies.

**Mr. Court:** If it borrows money it has to pay interest.

**Mr. Tonkin:** It was charged a lot more than  $4\frac{1}{2}$  per cent. which the Hawker Siddeley Group will pay.

**Mr. OLDFIELD:** Since the inception of the State Building Supplies it has done that throughout the years.

**Mr. Court:** The Hawker Siddeley Group is not on a much lower interest rate.

**Mr. OLDFIELD:** All told, throughout the years the State sawmills and the State brickworks have paid £1,387,383 in interest.

**Mr. Court:** In 48 years.

**Mr. OLDFIELD:** Yes, for 48 years; and during that time they were operating at a profit. If this capital had been subscribed by shareholders that interest would have been paid out by way of dividends. It must be added to the profits. The total interest and profits paid to Consolidated Revenue over the years amounted to £2,869,094 less about £280,000 recouped by the Treasury for losses sustained.

**Mr. Court:** Divide that by 48 and it does not give you a very handsome yield per annum. In fact, it is a pretty poor yield.

**Mr. OLDFIELD:** The Minister is trying to draw a red herring across the trail. For a number of years' trading the interest charge on the funds employed amounted to £125,128. That was a gain to the Treasury. There was a further £6,000 in interest paid to the bank on an overdraft of some £100,000 or so. If that £125,128 interest had not been debited against the company before the operations commenced, the company this year would have been in a position to pay a 3 per cent. dividend and have £3,000 in reserve. There was

interest of £33,000 in addition to the capitalisation of the brickworks; and apart from that, there was £182,000 to the sinking fund.

Mr. Court: And losses to be recouped. You cannot have it both ways.

Mr. OLDFIELD: Of course. An ordinary company has a reserve to stand losses in the years when things do not go too well. It has divided equalisation funds whereby even if it does not operate at a profit in one year it still pays a dividend. That is normal commercial accounting practice—to put money into reserves to do those things.

In this case the State Building Supplies is paying interest on moneys which is provided from loan funds, but it has not been credited with profits it has paid into Consolidated Revenue, which, at one stage amounted to £952,321. It came down last year through recoups on total profits over the years to £670,827.

Mr. Court: I do not think you would have invested in this show on face value, on the figures you have given us tonight.

Mr. OLDFIELD: I think it is a good going concern, and could show a handsome profit. Allowing for the difference between commercial accounting and Government accounting it would have shown a profit of 3 per cent. plus £3,000 odd in reserves. This would have been more if we allowed for other charges which were levied, and which would not normally be levied on private enterprise, and which have not been placed to the credit of the enterprise throughout the years.

Mr. Court: What about the charges it has been relieved of, such as rates and taxes and sales taxes, etc.?

Mr. OLDFIELD: We are talking about the figures that appear on the balance sheet. Another claim which the Deputy Commissioner of Taxation would not have allowed the Minister for Railways in the preparation of a taxation return would have been depreciation. This seems rather high.

Mr. Court: He would allow much more than that.

Mr. OLDFIELD: I would like to see a break-up of depreciation in these accounts. Would the Minister undertake to provide us with a schedule of this depreciation?

Mr. Court: I do not have to. The concern gets much more than any commercial firm for taxation purposes.

Mr. OLDFIELD: Of course it does.

Mr. Court: That is one of the reasons why it is over-capitalised.

Mr. OLDFIELD: Who says it is over-capitalised?

Mr. Court: It happens to be grossly over-capitalised.

Mr. OLDFIELD: According to the balance sheet, the funds at the present time amount to £2,187,000. One fact is inescapable: When the present Minister for Works was Minister for State Building Supplies and Housing in 1950 he did not object to spending £800,000 in building the brickworks at Armadale. Yet, for the purposes of this sale, its value today is £250,000.

Mr. Court: He built that at a time of tremendous shortages. There were shortages of materials and of manpower.

Mr. OLDFIELD: And does the Minister imply that that will make a difference of £550,000? As the Minister knows, land and buildings cannot be used as depreciation for taxation purposes. This is a depreciation of £550,000—from £800,000 to £250,000.

Mr. Court: More than buildings are involved. There are kilns, etc.

Mr. OLDFIELD: I know that. There is also office equipment. But do not let the Minister tell me that the depreciable items would amount to £550,000! The bulk of the £800,000 went into kilns for the production of pressed bricks, and also in buildings to house the staff.

These losses which have been claimed, have been claimed with great relish by members of the Government since the inception of this debate; and they will continue to be claimed in the future. Let us have a look at the timber itself. An assessment of the sawn timber stock ready for marketing was something like £600,000 worth of timber. I do not know what the break-up is, or whether it was so much in sleepers, and so much in scantlings, etc.; but there was £600,000 worth of sawn timber ready for market.

The agreement was tabled here tonight, and I have not had a chance to look at it in detail. But according to the information given by the Minister, the company was to pay a deposit of £200,000; and after 1965 it was to pay £100,000 per annum. In the meantime it would pay interest at a rate of about 4½ per cent. or 5 per cent. per annum. That is a gift for anybody who knows how to finance a company. This concern already has £600,000 worth of sawn timber ready for market, and it only has to find £200,000, which will keep it going for four years before it is necessary for it to pay anything else.

Mr. Court: Apart from that, it must put in £500,000 to develop this business.

Mr. OLDFIELD: The Minister says the company has to do that; but we doubt it. We would like to see this £500,000 spent by the company in developing this industry. There is nothing in the agreement—at least I could see nothing in the hasty look I had—to say that the company has to spend £500,000 in developing the business.

Mr. Court: It is obligated to do so out of its funds.

Mr. OLDFIELD: Obligated to whom?

Mr. Court: Read the agreement and you will be quite happy.

Mr. Graham: It gets an increase of £50,000 a year.

Mr. OLDFIELD: The Minister knows very well how this company can quite easily finance this venture. The company only has to approach the Customs Credit Corporation, or some other financial organisation, and it will be given £200,000 on the strength of the £600,000 worth of sawn timber. If the company cannot sell £600,000 worth of sawn timber for £200,000 or £300,000 in a very short period, it has no right to be in business.

If the company cuts the price in half it will sell that timber in no time. It can then sit back for four years and operate because of the very small interest it will pay. In the meantime the State will pay more interest to the people who loaned the money to the State originally than that which will be paid by K.S.M. The State will lose the interest. The railways will lose in having to pay an increased price for sleepers, and timber used in the construction of culverts and buildings. No doubt the Public Works Department will lose, because it also will have to pay an increased price for all its timber and brick requirements.

When we examine this agreement we notice that the price at which sleepers are to be supplied by the company to the Railways Department will be 25 per cent. of the total requirements of the department, at a price to be determined by the weighted average of all tenders accepted, and not to fall below £21 a load. If the average falls below £21 this company will receive £21 from the department.

Mr. Court: It is hardly likely that the price will get below £21.

Mr. OLDFIELD: I know one sawmiller in this State, whose name I am prepared to give to the Minister, who is prepared to supply sleepers to the Railways Department at £14 a load at siding.

Mr. Graham: As a matter of fact it is in excess of £21, because the basic wage has been increased since the agreement was signed.

Mr. OLDFIELD: This sawmiller said that because he could not supply the full requirements under the tender, he would be most happy and would make a handsome profit by supplying sleepers at between £14 and £18 a load.

Mr. Court: Why did he not tender?

Mr. OLDFIELD: He could not tender because of the quantity provision. The big sawmillers tender for the supply of sleepers, and then they subcontract to the smaller sawmillers. The friends of

the Minister for Industrial Development were getting £22 to £24 a load, and they were subcontracting at £16 to £18 a load. The sawmiller concerned said he would rather accept a lower price for the sleepers and give the State the benefit, than accept a higher price and pay the difference to the Commonwealth in income tax.

Mr. Court: But people can tender for smaller quantities. Some parties have tendered for the supply of as few as 11,000 sleepers. They receive full consideration.

Mr. OLDFIELD: This sawmiller has not got good forest country from which to produce these sleepers. He is more or less scavenging. By doing that, he is able to salvage timber which in the normal course of events is burnt. He is able to convert this salvaged timber into sleepers.

Mr. Court: Do you know the average price for sleepers when the Hawke Government called tenders in 1958? It was £22 14s. 1d.

Mr. Hawke: That resulted from collusive tendering by the big firms, and the Minister for Industrial Development knows it.

Mr. Court: We have been able to buy sleepers cheaper since that time.

Mr. OLDFIELD: The Minister has not told us at what price the Railways Department obtained sleepers from the Banksiadale mill, which the department operated itself. The department would be getting a supply of sleepers from that mill at £14 or £15 a load. Now the department will pay a minimum of £21 a load, and more with the weighted average provision of the agreement.

There is no doubt whatsoever that this company will join Associated Sawmillers. We are all aware of the collusive tendering and weighted averages which occurred previously, when the large sawmillers got together and chartered a steamer to transport sleepers overseas. We all know that their tenders were all about the same mark.

Mr. Tonkin: Not about the same mark, but the same.

Mr. OLDFIELD: They decided among themselves that one would get 25 per cent. and another 30 per cent. of the supply, and they rubbed their hands in joy while the taxpayer carried the burden.

Mr. Court: Why was the tender of the State Building Supplies during the time of the Hawke Government higher than the average?

Mr. Tonkin: It was deliberately done so that the sawmillers could get the tender.

Mr. Court: Did you tell them to do that?

Mr. Tonkin: The officer concerned was an executive officer of the Associated Sawmillers before he went over.

Mr. Court: That is a shocking indictment on the man. He was appointed general manager by the Hawke Government.

Mr. OLDFIELD: The Minister may try to worm around this question if he likes, but we on this side and everybody in Western Australia knows that the valuation of the State Building Supplies is considerably in excess of the purchase price. It was a sale on a deposit of £200,000, like the sale of electrical appliances on which little or no deposit is made and no interest is charged. Such terms are becoming fashionable with the Government—to insist on little or no deposit, and the balance on long terms. I do not know why the Government does not insert a full-page advertisement in overseas newspapers advertising the sale of State enterprises—as the electrical retailers are doing with their goods in this State.

Mr. Court: You have given me an idea.

Mr. OLDFIELD: That would be one way to sell the Wundowie charcoal iron works or the State Engineering Works. Sufficient evidence has been given to show, and sufficient people in Western Australia realise the true value of the asset which the Government has dissipated, and the facts warrant a thorough investigation into these questions: Who made the recommendations for the sale of the State Building Supplies? Who was responsible for the valuation? Who was responsible for agreeing to the terms?

This whole deal is a complete sell-out of the assets of the people, and a complete sell-out of the conditions of the employees of the State Building Supplies; it is a denial of the retiring privileges of the employees. It is all very well for the Government to say that the retiring conditions agreed upon between the company and the Government have received the blessing of the unions concerned. They have not. The unions and the employees concerned had to accept what was offered to them. That was all they could do. It is no use for the Minister to tell us that the unions and the employees were happy with the arrangements for the take-over.

Mr. Court: They accepted the conditions as being fair.

Mr. OLDFIELD: They had to accept the conditions; but they did not consider the Government was fair, because the retiring benefits of employees would be less than those they would have been entitled to.

Mr. Court: Have you discussed this matter with the union officials who were connected with the discussions?

Mr. OLDFIELD: The union officials made it quite clear that they were not happy with the arrangements. They were faced with a *fait accompli* when the Government told them what had been done. I would like the Minister to make a public and an emphatic statement that the unions

were happy with the arrangements arrived at. My information is that the position was the reverse of what he has told us.

Mr. Court: If the employees were not happy they would have been noisy about this before now.

Mr. OLDFIELD: Some of those employees have given loyal service to the Government, and have worked in the State Building Supplies for upwards of 40 years. Some are just reaching the retiring age. Instead of their retiring in two or three years' time on the superannuation units to which they were entitled, and for which they contributed, their superannuation will be reduced considerably. In one case there will be a reduction from £23 to £18 a week.

Mr. Court: Is he a man over 60 years of age?

Mr. OLDFIELD: It is no use for the Minister to try to pin down the case.

Mr. Court: Men over 60 years of age are treated as special cases.

Mr. OLDFIELD: This person is to be treated as a special case.

Mr. Court: You say he is retiring?

Mr. OLDFIELD: I am not going to tell the Minister who he is. Probably he would be victimised if I did, because he dared to speak.

Mr. Court: If he is over 60 years of age he will not be affected.

Mr. OLDFIELD: I am not saying how old he is. He is not that many years off retirement, but his pension is to be reduced by at least £250 per annum, after he had contributed for many years to the fund.

Mr. W. Hegney: He has only protection for one month in his employment.

Mr. Court: That is strange to me.

Mr. OLDFIELD: Therefore, for the reasons which I have outlined, all I can do is whole-heartedly support the amendment, as I consider we should have a Royal Commission into the sale of the State Building Supplies.

Mr. Graham: And into the Minister.

MR. W. A. MANNING (Narrogin) [8.45 p.m.]: I rise to oppose the amendment, particularly as I have been both quoted and misquoted in connection with the proposition I put up in 1957 for the sale of certain State trading concerns.

Mr. Brady: Not give them away.

Mr. W. A. MANNING: No, not give them away. I will have something to say about that in a minute. Members opposite have been grasping in the sky for figures and have quoted whatever figures they liked to imagine. They have done this so often that they have really convinced themselves that what they are saying represents the facts.

Mr. Oldfield: The figures given by your Treasurer and in your reports: Are they not accurate?

The SPEAKER (Mr. Hearman): Order!

Mr. W. A. MANNING: The figures the honourable member quoted are not very accurate. I will quote figures that should be accurate and which should be acceptable to members opposite.

Mr. Oldfield: Did you get them out of a report?

Mr. W. A. MANNING: No, out of *Hansard*; and I quote from a speech the then Minister for Works—now the Deputy Leader of the Opposition—made in 1957. This is what he had to say in reply to the proposition which I put up at that time.

Mr. Oldfield: You do not believe the figures in the Auditor-General's report?

Mr. W. A. MANNING: I am quoting figures given by the Deputy Leader of the Opposition in 1957. He had this to say—

If I may go back to the illustration that I was giving in regard to the State Saw Mills, the average payment in profit and interest amounts to £41,772 per annum. Interest rates have varied from time to time, and the present rate they are paying is  $4\frac{1}{2}$  per cent., an increase of  $\frac{1}{2}$  per cent. on the previous year. On the capital at the 30th June, 1956, the average net profit—and that is a point some members raised a moment ago—works out at 1.4 per cent.

It was stated that the interest rate was  $4\frac{1}{2}$  per cent., an increase of  $\frac{1}{2}$  per cent.; so what reduced it to 1.4 per cent.? The losses which were incurred year by year as a result of the operations of this concern. Can one state that a concern is making a profit if it pays interest at  $4\frac{1}{2}$  per cent. and it loses about  $3\frac{1}{4}$  per cent. of the  $4\frac{1}{2}$  per cent. it has already made, with a net result of 1.4 per cent.? Those figures were given by the then Minister for Works; so I presume they will be acceptable to members of the Opposition. On that basis then, can members say it is a profitable concern? The total losses over 48 years represent a colossal sum. When figures like that are added one only fools one's self. In the words of the then Minister for Works, the net profit over 48 years worked out at 1.4 per cent.; so where is this good going concern mentioned by the member for Mt. Lawley?

If it were a good going concern and tenders were called it would bring good prices; but nobody is going to pay a high price for a concern that is only making 1.4 per cent.

Mr. W. Hegney: Why were tenders not called?

Mr. W. A. MANNING: Competitive prices for the concern were submitted. One could invest the amount accepted and from interest receive more than from the State Building Supplies.

Mr. Tonkin: How much interest does the concern pay?

Mr. W. A. MANNING: The member for Guildford-Midland said that in my motion to sell State trading concerns I quoted a figure much in excess of the present price. I have been through my speech, and the only figure I quoted was a round one of £3,000,000. That figure included the State Brick Works, the State Saw Mills, all the State Hotels, and the State Engineering Works. Therefore, it can be seen that the price for the State Building Supplies is somewhere within the range of the round figure I quoted in 1957. It is a mystery to me how members of the Opposition had any idea of the values of the land or buildings or anything else because—

Mr. Graham: It is a mystery how you do, too.

The SPEAKER (Mr. Hearman): Order.

Mr. W. A. MANNING: —I could not get it from the then Government.

Mr. W. A. MANNING: On the 25th July 1957, I asked a question concerning rates and taxes. The second part of the question read as follows:—

- (2) If none was paid, what amounts would be paid as land tax in this current year were the land similarly used by a private concern?

The answer I received was as follows:—

- (2) As the land held by these concerns is not subject to the land tax Acts, no valuation for land tax purposes has been made. In the absence of such valuation, the required information cannot be supplied.

Mr. Roberts: Who gave that information?

Mr. W. A. MANNING: The then Minister for Native Welfare, the member for Guildford-Midland. He could not tell me the value of these things at that time, yet today he can. He has obtained high-faluting figures out of the sky and told us what these values are. However, in 1957, when I tried to get him down to taintacks he could not tell me the value of the land for land tax purposes. In any case, land tax was not paid by State trading concerns; and very few rates were paid. They were not rates at all; they were payments in lieu of rates.

Mr. Curran: It was a cheap timber supply.

Mr. W. A. MANNING: There was not a penny difference in the price between State Saw Mills and other mills.

Mr. Bickerton: There would have been without any State Building Supplies.

Mr. W. A. MANNING: The State Building Supplies and Millars operated side by side in Narrogin. The prices were a ruling rate fixed by agreement. Members opposite say that the State Building Supplies has kept prices down; but they



have another think coming. The State Building Supplies never kept prices down, as it charged exactly the same as other people. However, the other people paid rates, taxes, stamp duty, and car and vehicle licenses and still made a profit selling at the same price as the State Building Supplies.

Mr. Rowberry: How come they made a loss?

Mr. W. A. MANNING: The honourable member is right in the timber industry and should know. Apparently some waste was going on somewhere. However, the State concern had the advantages of lower costs, but it could not sell its timber any cheaper; and it made a loss which had to be borne by the people of this State over the years.

Mr. Hawke: It did not make a loss.

Mr. W. A. MANNING: A loss was made; and this money should have been used for the building of hospitals and schools, as I advocated in 1957. At that time I quoted what the duty of government was, and used a definition from a dictionary. It was, "ruling and directing the affairs of State."

Mr. Tonkin: Did you say, "ruining"?

Mr. W. A. MANNING: No, "ruling". The honourable member has the "ruin" idea. "Ruling" not "ruining" as the Opposition would like us to do. I do not think the sale of bricks and the sale of timber should be carried out by a Government, especially when those operations result in a loss and the use of capital.

Mr. Bickerton: Did you support the Government that put in the Banksiadale mill?

Mr. W. A. MANNING: I am supporting the present Government. The State Brick Works, as it was known then, usually made a net loss.

Mr. Hawke: No it didn't. It made a profit in 33 years out of 42, and paid £1,750,000 in interest to the State Treasury.

Mr. W. A. MANNING: I have given the net result of 1.4 per cent. as shown in the figures quoted by the Deputy Leader of the Opposition in 1957.

Mr. Hawke: Take the official figures.

Mr. W. A. MANNING: The figures I quoted were from his speech, which appeared in *Hansard*. In the very week I was speaking, a truckload of bricks arrived in Narrogin for a Government job. Upon arrival they were immediately condemned, and another lot had to be sent. The landed price of those bricks was £12 per 1,000 higher than the price for which Narrogin bricks could be secured.

Who pays for all these things? They could have been secured for £12 per 1,000 less on the spot; but because it was Government policy at that time, they had to come from the State Brick Works. Never mind what extra cost was involved! The State paid for that. The State was paying

two ways—for the losses, and for the extra amount on the bricks for Government buildings.

Mr. J. Hegney: What year was that?

Mr. Hawke: It was 1822.

Mr. W. A. MANNING: It was 1957; fairly recently. I feel that we must oppose the amendment because it is based on fallacies and figures which cannot be substantiated. In fact, the figures I have quoted are entirely different from those figures quoted by members of the Opposition.

MR. BICKERTON (Pilbara) [8.56 p.m.]: I feel that the amendment moved by the Deputy Leader of the Opposition affords the Government a great opportunity—an excellent opportunity indeed—to prove to the people that it acted in the best interests of the taxpayer and the State of Western Australia as a whole. I cannot see why, if the Government has been quite honest in its dealings in regard to the sale, it should object to an inquiry taking place to satisfy not only the Opposition but a vast section of the public, which is not satisfied with the sale of the State Building Supplies at the price and on the conditions obtained. By accepting the amendment and proceeding with the inquiry, the Government could prove without doubt that it has nothing to hide. By rejecting it, it appears to me that it prefers to surround this matter with some form of secrecy.

One thing which appears certain regarding the sale is that the Government did not exactly go out of its way to make the State Building Supplies look like a good buying proposition before it sold it. From many statements made, and especially by the Minister himself, it appeared that huge losses were being made prior to the sale. I would hardly call that good sales promotion. I would think that a Government, selling the taxpayers' assets, would do everything it could to gain the best price. I do not see how the best price could be obtained for an organisation if it was reduced in the eyes of prospective buyers.

Another matter is the uncertainty which hung over the employees and staff of this organisation prior to the sale. The feeling that they were insecure would hardly lend itself to efficiency; and that, I have no doubt, would also be a contributing factor to reducing considerably the actual sale price of the industry before it was sold. We could possibly call it a type of softening up programme to assist the Minister to sell it at a price to suit the buyer rather than the seller. As I said the other night when discussing this matter, if the Government could not at this stage have obtained a better price, the obvious thing to do would have been to let the organisation carry on, as it was not making a loss, until such time as a good, reasonable, and just price could have been obtained for it.

I agree with the amendment, and particularly that portion which requests a Royal Commission into the sale of the industry. There are many reasons why a Royal Commission would clear up queries in connection with this deal. We could say that it would substantiate or refute the opinion which is held by this Opposition and also many people in this State that it was sold at a give-away price. It would prove or disprove that the valuation placed on the State Building Supplies by the Government was indeed true and just. It would also prove or disprove any allegations that may have been made or implied to the effect that an individual or groups of individuals may have made some financial gain out of this deal to the detriment of the State of Western Australia. It would establish whether or not the disposal of this public industry to a private overseas company was indeed in the best interests of the State.

These and many other things would be the purpose of that Royal Commission; and I cannot see why the Government should object to having the inquiry if, in its own mind, it is quite satisfied that the answer to these questions will be for it rather than against it.

Such a Royal Commission would substantiate or refute the claim by the Minister for Industrial Development that such an industry is better run by private enterprise than public enterprise at this stage of the State's development. Personally I doubt it. Perhaps at some other stage, yes; but I believe that the State Building Supplies has done much to stabilise prices in Western Australia, and I think the continuation of that industry would continue to keep prices at a reasonable level.

A Royal Commission would also enable the Government to substantiate its claim, made through the Minister, that certain concessions given to this company were worth while for the sake of having it established in Western Australia. I think there is a limit to the number of concessions which should be made in exchange for an industry establishing itself here. Another point which the inquiry would clear up is as to whether the cost of sleepers to the Railways Department will be increased by the sale of this industry, and also whether the cost of building materials will be substantially increased. Those are things which a Royal Commission would give inside information about, and those are the only reasons why the inquiry is requested.

It would also show what effect the sale will have on employment in this particular industry in Western Australia. I feel it is going to have a great effect and could create further unemployment. It would also be revealed just what advice—expert or otherwise—the Government obtained before deciding to sell this industry and

before fixing a certain price for it—that is, if it obtained any advice at all—and whether or not it took notice of any advice which may have been tendered to it. It would also be disclosed whether or not the profits made by this company in its operations in Western Australia will be invested in this State; or whether, as in the case of the other overseas companies which have been established in Australia, those profits will go overseas.

We know, up to a point, the trouble the Commonwealth Government is in at the present with such overseas companies as General Motors. What advantage is it going to be to Western Australia, even if we do obtain perhaps one or two more points of efficiency, if all profits derived by the company from this industry, which it obtained on very generous terms, happen to be sent overseas and we lose the use of that money so far as Western Australia is concerned?

The Commission would also disclose to us what areas of forest land have been given away to private enterprise by the Government. Finally, it would prove that the Government is acting in the best interests of the State in selling this enterprise and not in the interests of its political platform, which I believe to be the case. As I said the other night, I think the Government is over-anxious to ensure that as many State enterprises as possible are killed at any cost, just in case there happens to be a change at the next general election.

A Royal Commission into this matter to obtain those details I have mentioned and many others, is, to my way of thinking essential; and if the Government has nothing to hide in the matter I cannot see why it should refuse the request of the Opposition and, indeed, of many members of the public. A large percentage of the public considers that this deal is something worth looking into.

Mr. W. Hegney: Some say it is very smelly.

Mr. BICKERTON: I would also like to know what part the Cabinet as a whole played in this deal: whether it was a complete Cabinet decision, or whether it was left entirely in the hands of the Minister for Industrial Development, and the Government nodded its head when it came to signing the agreement.

Mr. Court: This Government does not work like that.

Mr. BICKERTON: This agreement was signed even before the return of the Attorney-General. I would have thought the Attorney-General would be a fairly important person in matters such as these, particularly where legal agreements are concerned. However, he was considered in no way necessary, and the whole thing was fixed up in his absence. I do not know whether it just happened that way; but it does seem to me that he would have been

one person to have some say in a matter of this nature; and it is a great pity we do not get the impression from other Ministers on the Government side as to how they feel about it. We have to take the word of the Minister for Industrial Development that they all agree on what he has done and the way he has done it.

Mr. Court: I think they do; in fact, I am sure they do.

Mr. BICKERTON: There is only one other matter on which I would like to touch. I refer to Moola Bulla, which was brought up in defence of the Government's present case. The member for South Perth went to extremes the other night to justify the action of the present Government in disposing of the State Building Supplies by bringing up the sale of Moola Bulla Station some six years ago. What that had to do with justifying the action of the present Government in this case, I fail to see.

However, there was one thing that struck me very forcibly; namely, the fact that the member for South Perth let this matter go some six years before bringing it to the notice of the House, which I thought was rather strange. Tenders were called for the sale of Moola Bulla Station, and a reference to *Hansard* will prove that the highest tender was accepted.

Mr. Court: That has been denied.

Mr. BICKERTON: This sale took place some six years ago. The papers were laid on the Table of the House, and the then Opposition apparently saw no reason to take any action or even make a speech on the matter in this House. I have searched the reports of *Hansard*, and I find that at no time has the member for South Perth asked a question in this House regarding Moola Bulla. There were only four questions asked by the then Opposition. The papers were laid upon the Table of the House and not one word of protest was raised until the other night, when the member for South Perth—apparently to assist his recently adopted party—brought this matter up; and I do not think it has any bearing on the present matter whatsoever. The member for South Perth used terms the other night such as, "Word of honour." To test his sincerity, the member for South Perth could, perhaps by way of interjection, tell the House on his word of honour whether, as mentioned by a member earlier, if the Moola Bulla matter is included in the present motion along with State sawmills, he would be prepared to vote for the amendment.

Mr. Grayden: I can tell the honourable member on my word of honour that the facts concerning Moola Bulla are twice as bad as I described to the House the other day. I did not find this out until today.

Mr. BICKERTON: That is the opinion of the member for South Perth. Nevertheless, the papers were laid on the Table of the

House, and there is nothing to hide in connection with Moola Bulla Station. It seems strange that a responsible member of this House, who is supposed to know of these terrible things that are going on, lets them go on for five or six years before he brings them to the notice of the House; and then he brings them to our notice only in support of the present deal of the Government.

Mr. Roberts: He was waiting for the appropriate time.

Mr. BICKERTON: I repeat: The only way to test the sincerity of the member for South Perth on this matter is to let Moola Bulla be included in this amendment and then see whether he will vote for it.

MR. HEAL (West Perth) [9.12 p.m.]: I rise to support strongly the amendment to the Address-in-Reply, moved by the Leader of the Opposition, for the setting up of a Royal Commission in connection with the sale of the State Building Supplies. When the Minister for Railways was replying to the debate, he said that a lot of political nonsense was spoken by the Deputy Leader of the Opposition when presenting his case. You will remember, Sir, that when the Minister for Railways was the member for Nedlands and sitting on this side of the House, if ever a man spoke a lot of political nonsense it was the member for Nedlands when the Hawke Government was in office.

Mr. W. Hegney: And he is continuing to do so as a Minister.

Mr. HEAL: When remarks were made concerning Sir Halford Reddish, the member for Nedlands could not rise fast enough to protect that person; and the next day he wrote to Sir Halford Reddish and sent cables to protect him.

Mr. Court: In fairness to him.

Mr. HEAL: He condemns anyone on this side of the House who dares to criticise what his Government does. Is the Opposition here merely to put what he does on a plate for the Government and for the people of Western Australia? The Minister said that everything was above board in connection with the agreement with the State Building Supplies. If that is so, why the objection to a Royal Commission? A Royal Commission would clear the air so far as we on this side of the House are concerned and so far as the people of Western Australia are concerned. For the Minister's information, I was recently speaking to a couple of well-known Liberal supporters who have served on several committees, and I was told by one that he was ashamed that he supported a Government that sold the State Building Supplies.

Mr. Roberts: He can't be a good Liberal.

Mr. HEAL: He said the Government was giving the State Building Supplies away; and that is surely a fact. It is all right for the member for Bunbury to interject. For the last two or three sessions he has only interjected and moved the gag; and he has not been on his feet once to support the move by his Government. Let him get on his feet, as did the member for South Perth and the member for Narrogin, so that his words can be reported in *Hansard*.

In *The Bulletin* of the 5th August, there is the following heading—

"Perth, the Do-it-Yourself City," by John Graham.

At the top of the article there is a photograph of one Charles Court. I do not know why they call him Charles; they could call him Charlie or just "C" and leave it at that.

Mr. Court: I wish they would.

Mr. HEAL: No doubt the Minister wrote the article himself, but underneath the photograph are the words "The Spirit of the New Age" and the heading of the article is "Perth: The Do-it-Yourself City" and there is a sub-heading "No outsider can buy or talk his way in". If ever a company has bought its way in, or talked its way into Western Australia, it is the Hawker Siddeley Group headed by one Reddish. No doubt the Minister had something to do with that statement, and maybe he would like to retract some of the things it says.

Mr. W. Hegney: Reddish knows his onions!

Mr. HEAL: The amazing thing about the set-up of this Liberal-Country Party Government compared with previous Liberal-Country Party Governments which have been in office in this State is its attitude to State enterprises. When the McLarty-Watts Government was in office it poured thousands of pounds into the State sawmills and the State brickworks; it advocated State enterprises and assisted these socialised instrumentalities in the State of Western Australia.

In other States throughout Australia, especially in South Australia, State enterprises are being improved. The present Premier of South Australia is not selling State concerns: as a matter of fact he is pouring millions of pounds into them and further improving their condition. But since this Government has been in office it has gone the other way; and the Minister for Railways in particular, since he has taken over the portfolio of Minister in charge of State Building Supplies, has been in a terrific hurry to get rid of the State trading concerns.

Maybe he is worried that in the next six or seven months there will be an election and he will find himself out of office and unable to carry on as he wishes to do. The Minister for Works is laughing,

but he was the man who set up the new brickworks at Armadale, and poured over £1,000,000 into them. Now he is giving that £1,000,000 to this company; and with all the other assets that are involved, the Hawker Siddeley Group is getting the whole project for the small sum of £2,200,000.

Mr. Wild: It is the best thing we ever did.

Mr. HEAL: The Minister poured £1,000,000 into the State brickworks at Armadale, and the worst thing he did was to support Cabinet in its decision to sell this concern.

Mr. Graham: It is giving it away.

Mr. J. Hegney: The electors at Armadale are not too happy about it, either.

Mr. HEAL: I am sure they will record their objection in the ballot boxes at the next election. The Minister stated that the money that was saved in this deal would be spent on schools, hospitals, and other educational facilities in the State. I do not know what money will be saved.

Mr. Tonkin: Did you hear that the Minister was going to run away from Dale?

Mr. HEAL: If he has any brains he will.

Mr. W. Hegney: He will be uphill.

Mr. HEAL: I do not know what money will be saved with this deal, because once this private company takes over—I suppose it has taken over already—the price for building materials will increase, and they have been doing over past years under the Menzies Federal Government, and also through the policy of the Brand Watts Government over the past two years. So I cannot see how any money will be saved to the Government.

This company is to pay a deposit of £200,000 and then it will not be required to pay another penny for three years. The remaining £2,000,000 is to be paid off over the following 17 years. Therefore, what money is the Government going to save to allow it to pour thousands of pounds into various projects for which the State is crying out because of the policy of the present Administration? This asset has been given away to the Hawker Siddeley Group, and I would like to illustrate the members the financial position of this group. A statement appeared in a London newspaper on the 9th July, and it reads—

Remarkable growth of Hawker Siddeley Group. In 25 years group has increased turnover from £6,000,000 in first year to £458,000,000 in last 12 months.

If this company is sound—and no doubt it is, as can be seen by reading those figures—why should it not pay cash for the assets it is getting from this State? Surely the company can raise £2,200,000, which the Minister says is a fair and reasonable

price for this asset! This company had a turnover of £458,000,000 in the last 17 months, and yet it is getting this wonderful asset on a time-payment basis. Further on the article reads—

Trading profit £29,000,000; highest ever order book; exports £56,000,000; group writes off £15,000,000 on civil aircraft design and development; urgent plea for British space programme.

Yet here the Minister sits smugly in his seat and asks these people to pay only £2,200,000 for an asset worth twice that figure. I do not know where we are going under this Government. The other night we heard the member for South Perth talking about certain members on this side of the House saying that Sir Halford Reddish was going to pay certain funds to the Liberal Party. If that is true it is no wonder, because the Hawker Siddeley Group is getting an asset at half its real price. We also heard the honourable member say that the S.P. bookmakers' association is going to pay £15,000—

The SPEAKER (Mr. Hearman): I do not think that comes within the amendment at all.

Mr. Graham: The member for South Perth mentioned it.

Mr. Wild: They don't want that brought up.

Mr. HEAL: The member for South Perth mentioned it when you were sitting in your Chair, Mr. Speaker, and you let him drivel on for half an hour. However, I will bow to your ruling. I think the Minister who said that we don't want the matter brought up knows more about it than he cares to say. However, I hope that in future debates you will rule in the same way as you have done tonight, Mr. Speaker.

The Minister for Railways has said that the employees will be safeguarded when the company takes over. I would like to ask him whether there is anything in the agreement in relation to the men's employment, or whether there is something to make sure that there will be no retrenchments, such as we have seen from the Public Works Department day-labour organisation over the last two years. I mention this because it has been brought to my notice that retrenchments are taking place already.

Mr. Court: How many?

Mr. HEAL: I would not know how many, but I believe there are one or two in the drafting section.

Mr. Tonkin: There is no protection at all for the employees in the agreement.

Mr. HEAL: The Minister should know whether or not there is protection for the men in the agreement.

Mr. Court: You want to be more careful of your facts. You only create unrest and insecurity by that sort of talk.

Mr. Tonkin: There is no protection at all.

Mr. HEAL: I would like the Minister to make inquiries.

Mr. Tonkin: They can sack as many as they like and the Minister can't stop them.

Mr. Court: No they can't.

Mr. Tonkin: Yes they can, and you can't stop them.

Mr. Court: I am not going to try to convince you; it is impossible.

Mr. HEAL: I would like to assure the Minister that I am careful about what I say, and I do not try to cause unrest among the people of Western Australia; but I would like him to check up on what I have said to find out whether any person in the drafting section of the S.B.S. has received notice that his employment is to cease in two or three weeks' time. I would be only too happy to hear that there are to be no retrenchments out there.

Mr. Tonkin: There will be retrenchments out there.

Mr. Court: I am waiting for you to be specific about this, because all the information up to date has not been specific.

Mr. HEAL: I understand two men have been given notice, and I would like the Minister to check up on the matter for me. Much has been said by members on the Government side about the fact that once these concerns are taken over by free enterprise the State will progress; that things will never be brighter; and the Premier said there will be full employment by Christmas. I do not know about that. We have been under a free enterprise Commonwealth Government for the last 12 years, and where has that got us? The cost of living is rising every day; wages are going up; and we are suffering from inflation. Free enterprise has not done anything for the State of Western Australia since this Government has been in office. Over the last two and a half years things have not improved; as a matter of fact to my mind, and in the view of other people also, things have got worse.

I ask the Minister, and in fact all members opposite: What is free enterprise? As I have said before, I believe free enterprise is when a person can buy a commodity that he wants at a certain price; and the person who makes it can sell that commodity at a price, and sell it in competition with other people. But that sort of free enterprise is not working in this State. The Minister, the Deputy Premier, and I were members of a Royal Commission which went into restrictive trade practices, and we found that these so-called associations connected with the timber industry, the glass industry, and

many other industries, were selling their commodities under a form of price control imposed by these associations.

As soon as price control is mentioned to this Government it throws its hands in the air and states that that would be worse, and that such things cannot happen in Western Australia. However, these conditions do exist and the associations are putting the prices up on every commodity that is sold in Western Australia. Also, if a member of any association were to step out of line by selling a commodity at a price cheaper than that set by the association, he would be rejected by that association and would no longer be able to obtain supplies of the goods he was re-tailing.

It is no use the Minister saying that is not so, because those facts were brought out in evidence whilst I was sitting as a member of the Royal Commission that inquired into monopolies and restrictive trade practices. Where does one get when associations such as these are in control of trade? One does not get anywhere; and the people of Western Australia are the ones who suffer. So I sincerely hope that members on the Government side of the House will bring their heads out of the clouds and support this amendment that has been moved by the Deputy Leader of the Opposition.

**MR. TOMS** (Maylands) [9.26 p.m.]: In supporting the amendment moved to the Address-in-Reply I am of the opinion that the member for Melville has framed it in a judicial manner. By that I mean he has not, in any way, made any complaint against the firm which has been given the State Building Supplies. Rather, his complaint is lodged against the Government which did not sell this State asset but gave it away for a mere song. I feel it is necessary to indicate early in my speech that no honourable member on this side of the House has castigated a firm which has been able to mould the members of the Government as clay in its hands.

The Minister has gone to great pains to justify the sale—as he calls it—of the State Building Supplies for £2,200,000 on the ridiculous terms of £200,000 deposit, with no payment for three years, apart from a little interest; and the balance of £2,000,000 to be paid in 17 annual payments thereafter. I only wish that you could vote, Mr. Speaker, because I believe that you may be one who would agree with the amendment which has been moved from this side of the House; and that you would not agree that the sum to be paid by this firm is a fair price for seven sawmills and three brickworks. Those are brickworks which, during the regime of the McLarty-Watts Government, were extended to the tune of an expenditure of £800,000 for the buildings constructed at Armadale in order

to meet the demand for bricks which private enterprise, at that time, could not meet.

Today, without any shadow of doubt, the State brickworks are the premier brickworks in Western Australia. For many years now they have manufactured the best article that it is possible to buy. Therefore, how anyone in this Parliament can say that the sum of £2,200,000 is a fair price for all these establishments under the control of the State Building Supplies is completely beyond my comprehension.

The mill at Banksiadale was also included in this sale to the Hawker Siddeley Group for the simple reason that had it been left out of the agreement as the one Government-controlled operating mill in this State it could have been a sty in the eye and of great annoyance to the Timber Merchants' Association.

It has been estimated by those members who have visited the Banksiadale mill that its value varied from £500,000 to £750,000 and yet, for the purpose of this sale, its value has been written down to £250,000. The Minister must know that the sale of the Banksiadale mill will result in increased railway charges because of the increase that will occur in the price of timber needed to fulfil the requirements of the railways.

For instance, I have been informed that the sale of this mill will result in increased costs to the railways car and wagon shop in the vicinity of £60,000. Therefore, in four years the Hawker Siddeley Group will have recovered the deposit on the purchase price of the State Building Supplies by way of extra profit on the supply of timber to that railway shop alone.

The Minister has also made great play on the fact that in the agreement to sell the State Building Supplies the company has undertaken to promote the sale of karri. As one who was associated with this particular trading concern for a period of 21 years, I say now that this will be nothing new. The ex-Minister for Housing the member for East Perth, was one who endeavoured, along with the State Building Supplies, to push the sale of karri as far as he possibly could.

Yet here is a new firm coming to this State; and we are led to believe that, as a result of its efforts, the sale of karri will reach an unprecedented height. I say again that this is nothing new, and that this firm will experience the same difficulty as has been experienced in the past by others who have endeavoured to promote the sale of karri.

A great deal of emphasis has been placed, by Government supporters particularly, on the extremely low profits which they say have been made by the State Building Supplies—or, as it was known before, the State Saw Mills and the State Brick Works—in recent years. I would like to believe that the Minister for Industries

Development would be fair enough to concede that any profits made by those State trading concerns were in fact paid into consolidated revenue, and that whenever any replacements of plant or additional buildings were required there were no reserves upon which those State trading concerns could draw for that purpose. Therefore, it was necessary for them, once again, to borrow money and to pay interest on it. That has been one of the handicaps experienced by the State Building Supplies; and I know that under our present Government method of bookkeeping it is not possible to place the profits made into a sinking fund in order to meet the expenditure necessary for any replacements of plant or additional buildings. That fact has been lost sight of whenever any profit percentages have been quoted.

One of the many factors which struck me as being peculiar was the Minister's complete knowledge of the feeling of satisfaction among the men employed by these concerns.

Mr. Rowberry: Imagination!

Mr. TOMS: I would not even say it was imagination. I would almost be inclined to refer to it as hallucination. As I have said before, for 21 years I have been associated with the men employed in these State trading concerns, and the only political interference I was ever aware of during that time was that which occurred when portion of the plant needed to be extended and the money was not available.

It seems to me that members of the Government, as well as perhaps some members of the public have the opinion that a State trading concern is a place to which no-hopers go for employment. That is a misconception. I was fortunate enough to be in charge of one of the departments at this State trading concern, and private builders chose to buy their joinery from this section because of the quality of the work turned out, and also because of the efficiency. In fact, when I was in charge of the department I had private builders say to me from time to time that, to look down the shop, one would never imagine it was a Government enterprise, particularly when one saw the men working so consistently. The men were never driven; they did not have to be driven.

I believe that members of the Government are chafing at the present Opposition. They have some sort of phobia that private enterprise and free enterprise are the answer to everything. The present Minister for Works paid some lip service last year when he indicated that private enterprise and public works could work hand in hand. However, the actions of the Government since it took office belie the truth of that statement; because I believe everything possible has been done to run down the value of State trading concerns and to build up private enterprise as much as possible.

As I said in rising to speak, I felt I should say a few words in support of this amendment. I believe the wording of the amendment is worthy of the support of this House. If the Government really believes that the terms of contract it entered into in order to secure a reasonable and fair price and reasonable conditions for the workers are right, surely it has nothing to be ashamed of in supporting the amendment before the House. I support the amendment.

Debate (on amendment to the motion) adjourned, on motion by Mr. I. W. Manning.

House adjourned at 9.36 p.m.

## Legislative Council

Wednesday, the 16th August, 1961

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