

is cast tonight. Accordingly, I ask members to support the motion for the disallowance of this regulation.

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

Ayes—20.

Mr. Bickerton	Mr. J. Hegney
Mr. Brady	Mr. Jamieson
Mr. Curran	Mr. Norton
Mr. Davies	Mr. Oldfield
Mr. Evans	Mr. Rhatigan
Mr. Fletcher	Mr. Rowberry
Mr. Graham	Mr. Sewell
Mr. Hall	Mr. Toms
Mr. Hawke	Mr. Tonkin
Mr. Heal	Mr. May

(Teller.)

Noes—21.

Mr. Bovell	Mr. Nalder
Mr. Cornell	Mr. Nimmo
Mr. Court	Mr. O'Connor
Mr. Craig	Mr. O'Neill
Mr. Crommelin	Mr. Owen
Mr. Grayden	Mr. Perkins
Mr. Guthrie	Mr. Roberts
Dr. Henn	Mr. Watts
Mr. Hutchinson	Mr. Wild
Mr. Lewis	Mr. I. W. Manning
Mr. W. A. Manning	

(Teller.)

Pairs.

Noes.

Mr. Moir	Mr. Mann
Mr. Nulsen	Mr. Burt
Mr. W. Hegney	Sir Ross McLarty
Mr. Kelly	Mr. Brand

Majority against—1.

Question thus negatived.

CITY OF PERTH PARKING FACILITIES ACT: DISALLOWANCE OF PART 4A OF BY-LAW No. 60

Motion: Order Discharged

Order of the Day read for the resumption of the debate from the 6th September on the following motion by Mr. Graham:—

That Part 4A (comprising clauses 37A, 37B, 37C, and 37D) of by-law No. 60 relating to the care, control, and management of parking facilities made with the approval of the Minister for Transport by order of the Council of the City of Perth pursuant to the provisions of the City of Perth Parking Facilities Act, 1956-1958, and confirmed by His Excellency the Governor in Executive Council pursuant to the provisions of the said Act and published in the *Government Gazette* on the 31st January, 1961, and the amendment thereof published in the *Government Gazette* on the 24th May, 1961, and laid before this House on the 8th August, 1961, be and are hereby disallowed.

MR. GRAHAM (East Perth) [10.6 p.m.]: This is complementary to Order of the Day No. 10 and I move—

That the Order be discharged.

Motion put and passed.

Order discharged.

TRAFFIC ACT: DISALLOWANCE OF REGULATION No. 170

Motion

Order of the Day read for the resumption of the debate from the 11th October on the following motion moved by Mr. J. Hegney:—

That new regulation 170 made under the Traffic Act, 1919, and published in the *Government Gazette* on the 24th May, 1961, and laid on the Table of the House on the 8th August, 1961, be and is hereby disallowed.

Question put and negatived.

House adjourned at 10.7 p.m.

Legislative Council

Thursday, the 19th October, 1961

BILLS—	CONTENTS	Page
Bulk Handling Act Amendment Bill—		
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Supply Bill (No. 2), £22,000,000 : Receipt ; 1r.		1791
Welfare and Assistance Bill : 3r.		1786

The PRESIDENT (The Hon. L. C. Diver) took the Chair at 2.30 p.m., and read prayers.

BILLS (5): THIRD READING

1. Welfare and Assistance Bill.

Bill read a third time, on motion by The Hon. L. A. Logan (Minister for Child Welfare), and passed.

2. Criminal Code Amendment Bill.

3. Justices Act Amendment Bill.

4. Juries Act Amendment Bill.

Bills read a third time, on motions by The Hon. A. F. Griffith (Minister for Mines), and passed.

3. Stamp Act Amendment Bill.

Bill read a third time, on motion by The Hon. L. A. Logan (Minister for Local Government), and passed.

STATE HOUSING ACT AMENDMENT BILL

Second Reading

THE HON. A. F. GRIFFITH (Suburban—Minister for Housing) [2.40 p.m.]: I move—

That the Bill be now read a second time.

I wish to let members know that the clauses of this Bill have five main purposes. The first of these proposes to amend section 9 of the Act. It is this section which deals with the constitution of the State Housing Commission.

The members of the commission number seven at present, having been increased to that number under the provisions of Act No. 27 of 1947. Under the provisions of section 9 it is necessary for three of these members to be officers employed in the Public Service of the State; one to be a person representing the industrial unions of workers registered in connection with the various building trades within the State; one to be a registered builder with a wide knowledge and experience in the building industry; one to be a woman; and one to be a discharged member of the forces.

One of the three Public Service members has recently retired, having served on the commission since 1932, and as chairman since 1954. I refer to Mr. A. E. Clare, formerly Principal Architect of the Public Works Department. The Government is of opinion that it would be most advantageous to the commission to retain Mr. Clare as a member.

This gentleman has an extensive knowledge and experience in housing, and the purpose of this amendment to section 9 is to enable him to continue to serve the State in a sphere for which he is particularly well-equipped.

It will be appreciated that the Act requires three members of the Public Service to be members, whereas in fact there are now only two such active members. The only manner by which the commission can continue to retain the services of Mr. Clare is by reducing the number of Public Service members on the board from three to two, and by appointing another member who has the required qualifications.

The Bill proposes to insert a new section in the Act to provide for the appointment to the commission of a person who

is well versed in the building industry in this State. It is my intention, as Minister, to retain Mr. Clare as chairman of the commission. I feel sure that no-one will object to this proposal, because he has been of great value to the commission and this State. In view of the forthcoming Empire Games in 1962, I am anxious to see Mr. Clare retain his position as chairman, because he has shown a great interest in the Empire Games, quite apart from his work on the commission.

The next amendment with which I wish to deal is that concerning section 21 of the Act. This section enumerates the special powers of the commission. I would remind members that, in the interests of rural administration, the Government introduced a scheme in 1958 to provide housing for essential Government employees in country districts.

The scheme provided that the selection of districts and occupants was to be made by a special committee consisting of the manager of the commission as chairman, with the Public Service Commissioner and the Under Treasurer as members. The commission, of course, was responsible for the erection, maintenance, and management of buildings under the scheme.

It has eventuated that the Auditor-General has drawn the attention of the commission to the absence of statutory authority for the commission to administer this scheme. The relative clause of this Bill has been introduced for the purpose of providing such necessary authority.

Another amendment has to do with part VII of the State Housing Act, which authorises the commission to erect dwelling houses for rental on a weekly basis. Section 24 of that part provides that funds so applied are to be placed to the commission's credit in a special account at the Treasury.

Activity under this part of the Act has so waned that, as a consequence of the closure of the Army huts emergency housing scheme, there remain only three scheme houses left under part VII. The Treasury and the commission both accordingly concur in the view that the maintaining of a separate account at the Treasury can no longer be justified and is, in fact, not warranted.

As members will appreciate, this is purely a minor administrative problem, the resolving of which would remove what is practically an anomaly. The commission keeps several thousand accounts in accordance with its statutory authority. These are in respect of parts V and VI of the Act; and there is no purpose in making such special provision in respect of part VII.

A further amendment affects section 35 which states the conditions of disposal by a lessee of his interest in a worker's dwelling. A provision is made under section (4) (a) (iii), in respect of the making and lodgment of a statutory declaration

regarding the consideration being paid as the purchase price of the land and dwelling originally erected under the lease-hold provisions of part V of the Act.

This provision is quite redundant, because the land in question would be the subject of a lease to the vending party. Such a lease can only be assigned with the consent of the commission, and consequently, the question of the purchase price of the land does not arise. The proposed amendment will eliminate this anomaly.

The last amendment is in respect of section 60A. This section deals with the application of Commonwealth Housing Act moneys, and under one of its provisions, it is competent for the commission to make loans on security of second mortgage for the building of a dwelling-house or the completion of a partially-erected dwelling-house where the cost, in either instance, does not exceed £3,000. This figure is exclusive of the value of the land. The commission may also make loans for the purchase of a new house of a value not exceeding £3,000, exclusive of the value of the land upon which it is built.

This figure of £3,000 has remained static since it was introduced in 1945. The proposed amendment provides for quite a modest increase of this figure to £3,300, in order to bring it more into line with current building costs, increased values, and current demands.

Members will appreciate that, governmentally, the majority of the amendments proposed in this Bill are of a rather minor nature. Opportunity has been taken to tidy up the Act in several respects, while, at the same time, providing one or two quite important requirements.

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

BULK HANDLING ACT AMENDMENT BILL

Second Reading

THE HON. L. A. LOGAN (Midland—Minister for Local Government) [2.49 p.m.]: I move—

That the Bill be now read a second time.

I would let members know that two of its three main provisions deal with foundations tolls, and the third with future polls.

A motion was carried at the annual meeting of Co-operative Bulk Handling Ltd. which was held on the 7th March last, approving of an increase in the maximum foundation toll on the recommendation of the directors of the company. I wish to emphasise here that it was the maximum toll which the motion covered, and the terms of this Bill comply with that approval. The actual amount of the toll is approved by the Governor-in-Council from time to time.

Substantial funds are required for the company's construction programme, and should it be unsuccessful in raising finance elsewhere, it may need to use funds coming forward from the foundation toll at a higher rate than as at present. Initially then, the Bill proposes that the maximum foundation toll be increased from 1d. to 4d. per bushel.

There was a further recommendation to the effect that, after 1967, the company be enabled to merge the foundation and port equipment debentures, with the effect of making them repayable over a ten-year period instead of fifteen years, as at present, in the case of the foundation debentures, and five years in respect of the port equipment debentures. This Bill provides for the subsequent mergence of these debentures, when practicable, after 1967.

Even though the majority of the growers present favoured the recommendation of the directors, the chairman referred the matter to a poll of shareholders. This was an important decision because the articles of association provide that where such a poll is held, the result of such poll is the decision of the meeting.

The company, about that time, organised a series of country meetings and arranged for each to be attended by at least one director in order to enable shareholders to discuss the motion and raise any queries. Ballot papers were forwarded to all shareholders. It has been reported that at all meetings the majority favoured the proposal and in many other cases unanimous approval resulted. The result of the poll was as follows:—

Percentage of papers returned	41.1
Affirmative	4,080
Negative	1,236
Majority for the affirmative was	2,844

The Hon. F. J. S. Wise: That sounds like a Legislative Council election—either apathy or satisfaction.

The Hon. L. A. LOGAN: Satisfaction. I referred earlier to the need for Co-operative Bulk Handling to raise substantial funds; and I might add that at present endeavours are being made to borrow £3,500,000. This money is required for the continuation of its construction programme, which involves an expenditure in excess of £10,000,000, including the modern terminal facilities at Geraldton, additional cell storage at the Albany terminal for 1,000,000 bushels, extension to the Bunbury terminal, and construction of extensive additions at the Fremantle terminal now about to commence. The company intends to continue its programme of improvement at country sidings. Some of its recent works in this regard have been the building of experimental concrete vertical cell silos at Tammin and Three Springs, and a large concrete horizontal storage at Katanning.

When placing emphasis upon the decision to make provision for a maximum toll only, I had in mind the assurance which I am advised the directors of the company gave their shareholders, that there would be no increase in the rate of toll above the figure necessary to complete its construction programme should the company be able to borrow the whole or part of the necessary funds required.

The tolls referred to are statutory collections from wheatgrowers consisting of, firstly, a foundation toll at 1d. per bushel, with debentures repayable over fifteen years; and, secondly, a port equipment toll at 2d. per bushel with debentures repayable over five years. With the passing of this Bill the maximum joint toll which might be collected would be 6d. per bushel; but the actual amount, as I mentioned previously, would be approved by the Governor-in-Council from time to time.

Because the proposal received the approval of a meeting of shareholders, from which the decision to hold the ballot emanated, the company advised that there was no necessity to hold a secret ballot; this for the reason that, had the motion been finalised at the meeting, a show of hands would have been taken.

Nevertheless, the Government considers—and this is a view in which the company concurs—that it is desirable for all polls under the Act to be conducted under provisions of the secret ballot. It is accordingly proposed to amend the Act to give effect to this decision. It is, incidentally, customary for the company to hold a secret ballot when conducting elections of directors.

An assurance has been given by the company that it will furnish the Minister each year with a statement setting out the financial position of the foundation toll and the port equipment toll. It is proposed that when eventually the tolls are merged, such statements will show the amount spent in relation to port facilities, and that used for other bulk-handling facilities and equipment.

In addition to this, the company has given an assurance that it will not request the Government for any increase in toll to be gazetted, unless absolutely essential. On the other hand, should it be necessary to call on the toll to assist in the financing of its programme, there would be need to have it applied to the coming harvest.

With a view to implementing the merger of the tolls, the Bill provides for the period for redemption of debentures issued from the foundation toll to be reduced from fifteen to ten years, and a corresponding increase in the period for the redemption of port equipment tolls from five up to ten years.

It is considered that more satisfactory conditions will apply with all debentures on a ten-yearly basis, rather than with some

for fifteen years and some for five. I might add that this proposal was also favoured by the majority of growers at the annual meeting and was included in the poll, to the result of which I have previously made reference.

A good reason why it is proposed to increase the foundation toll and not the port equipment toll is that the foundation toll can be used at either country or ports, while the latter is limited to port use.

Consequently, the proposals in the Bill with regard to this matter will enable Co-operative Bulk Handling to use the funds to the best advantage, because they permit of greater flexibility.

There is a degree of urgency attached to the passing of this measure as we approach the harvest season; and as it meets the wishes of the directors and the majority of growers who voted at the poll, it is recommended to members for their consideration.

THE HON. A. R. JONES (Midland)
[2.58 p.m.]: I desire to say a few words in connection with this Bill. I feel it is very necessary that Co-operative Bulk Handling should be given the O.K., as it were, to go ahead and collect tolls to a greater extent if it becomes requisite to do so. I emphasise the point that every effort will be made by the directors to secure money on loan to do the work. The money is not always available, and as there is an urgency about the matter, it is necessary that we pass this legislation and have it on the statute book in order that we may take advantage of it for this harvest, if necessary.

The reasons for this measure have been outlined in the Minister's second reading speech. I would like to add, however, that the wheat industry of Australia involves the utmost urgency so far as our economic life is concerned. Quite apart from the overseas credit which we receive from it, the wheat industry provides more work for our own people than any other industry; and in the economic life of the country it is second to none. It is an important industry to our community, and it is very necessary that we should market a good product. Under the present Co-operative Bulk Handling set-up, and with the storage facilities at our ports, it is not possible to deliver grain overseas in the state in which we would like it to be delivered.

We must not forget that wheat is very plentiful at the present time, and has been for a number of years. It does seem that for many more years than we care to look ahead, wheat will be in plentiful supply in the world. But if we are to receive our fair share of the market, we will have to see that our product is put on the market in a very good condition.

It is no doubt generally acknowledged that we have had trouble with the weevil pest. Other countries have also had this

trouble. The only way we can eliminate the possibility of the weevil pest getting away from our shores by being transmitted with our wheat deliveries is to have a thorough fumigating system connected with our wheat handling facilities. In Geraldton where cells have been built, and wheat can be emptied into one cell in which a certain type of gas is used to kill the weevil pest, the fear of infestation has been lessened. However, if there is any regermination or rebirth of the pest, it could be transferred to another cell and the same process carried out again; and that would totally eliminate the possibility of weevils getting away from our shores.

The same thing will apply in Albany and Bunbury, but at the port of Fremantle there are no facilities to prevent weevil infestation, and it is most urgent that those facilities be brought up to date. Possibly it will not be long before we will need similar facilities at Esperance.

It is essential that the money be made available; and although the limit is 6d. a bushel, I am certain that that limit will not need to be imposed. But even if the limit of 6d. a bushel were imposed on a farmer's harvest this year, and in some cases it proved a hardship, it would not be nearly as bad as if nothing were done to provide the facilities required and the time arrived when, because our wheat was not being exported in good condition, we lost our overseas markets. That would be much harder on the wheatgrower than the toll which will be imposed. We must be prepared to market wheat of the best quality, so that it will be preferred to all others in the markets of the world.

We must realise that we may have to allow 3d., 4d., or even up to 6d. a bushel to be taken from our wheat proceeds for the next few years if we want to market wheat in good condition; because to do that we have to provide the proper facilities. Apart from port facilities we have to consider the facilities for handling wheat in the country. There is an urgent demand by farmers, generally, in the country for better handling facilities so that they can get rid of their wheat quickly. As we all know, some of these country installations have been in operation since 1930 or 1931, and they are reaching the stage where they need replacing.

I feel sure that the policy of the directors of Co-operative Bulk Handling will be that when replacements are made a different type of bin will be erected: one which will cost much more initially, but which will eventually turn out to be the cheapest because of the lower handling costs—

The Hon. L. A. Logan: And less maintenance.

The Hon. A. R. JONES: Yes. So on all counts I think we would be well advised to give the Bill our blessing, and pass it as quickly as possible; because, as I have said before, we in this country are very much dependent on the wheat industry. I commend the Government for introducing the measure and hope that it will be passed quickly through this House so that, if need be, its provisions can be implemented this year and apply to this year's harvest.

Before concluding my remarks I think I should tell members—that is those who are not already conversant with the scheme—how it operates. The money which may be taken is a toll, and is really money lent on an interest-free basis by the farmers. I say that because in actual fact it is operated on a debenture system, and the debentures are repaid by a form of lottery. The debenture holders might be paid back at the end of five years, or at the end of 15 years; whenever their turn comes up under the lottery system. This Bill seeks to bring the two tolls together: that is the port toll and the country toll—I forget its proper name—and instead of the debenture holders being repaid under the lottery system, in either the first year, or anything up to the 10th or the 15th year, they will be paid a proportional amount each year. So while we do lend money or have a toll taken from each harvest, the money is lent on an interest-free basis by the farmers. I have much pleasure in supporting the measure.

THE HON. F. J. S. WISE (North) [3.5 p.m.]: I do not think it would be right to allow this Bill to pass without some comment; and I should like to extend congratulations to the organisation which the Bill is designed to help. Through the years Co-operative Bulk Handling Ltd., directed by many able men, has made a very great contribution to the industry and trade of this State in many ways. That concern, through its many ramifications in handling a commodity representing many millions of bushels per annum, has the ability, operating on a very fine fraction of a penny per bushel, to gather large resources and large sums of money with which to perform the service it renders.

However, I think this Bill, and the need for it, touches upon the greatest responsibility that this organisation has—that is to enable it to present to the trading companies or the buyers of the world a commodity of good quality, and to enable it to meet the needs of the purchasers, and to be able to be supported by a guarantee of the Commonwealth in an export sense.

If the matter were allowed to drift and weevil infestation were allowed to continue, as Mr. Jones mentioned, there would soon be a serious decline in the demand for our wheat from some overseas countries. We all know the temporary facilities which

made Co-operative Bulk Handling possible as an organisation, and an efficient institution ultimately, in this State. The bins which were erected at various railway sidings, under the authority of the original Bulk Handling Act, were not ideal in any sense. But they served the purpose of the pioneers of bulk handling in this State, and enabled them to establish a system which has proved very important in the treatment of wheat for export from Western Australia.

I think the company has, in the main, always been prepared to live up to its responsibilities. In this case it is, through its shareholders—in effect the wheat-growers of this State—prepared to impose willingly a burden upon itself to render more efficient the operations of the concern. To do this it has asked for an amendment to the Bulk Handling Act to give it the necessary authority.

Although some may say that that sort of attitude is what should be expected of those who are the beneficiaries, it is, after all, very important to the State that such is presented. One could treat either seriously or jocularly the fact that we are trading with communist countries, and are pleased to receive communist payments for wheat which, unfortunately, is to a degree subsidised by the taxpayers of Australia.

I think Mr. Jones would not go so far as to support that as a matter of policy; but the wheat industry through its growers and its exporters does support it; and it has at this stage very little option in the reaching out for and finding of markets for the excess commodity—that is over the requirements of this State and the Commonwealth.

In short, I think the move by Co-operative Bulk Handling, designed as it is to find a way of improving its financial needs—if the money market cannot readily assist the company—is one to be commended. I notice in the Bill there is no stricture to be placed on the company, and there should not be an insistence at any stage that it shall at any point borrow the money, or find it outside the scope of the Bill. I think we can leave that to the judgment of the company, and to the contributions voluntarily made by those who grow the commodity.

THE HON. L. A. LOGAN (Midland—Minister for Local Government) [3.11 p.m.]: I thank Mr. Jones and Mr. Wise for their contributions to this debate. I think most members, whether they be city or country members, are well aware of the achievements in this State of Co-operative Bulk Handling. It is quite true that because of the very simple and cheap but efficient method introduced by that company in the first place—I think it was in 1934—Western Australia had an advantage over the Eastern States in the handling of wheat.

It is to be hoped that the toll will not be necessary. I do not think the shareholders want it, and I do not think the directors of the company want it. But with the vast expansion which has taken place, and with the need to get away from our temporary bins which have now proved uneconomical, we must get down to a basis of some permanency. This being so, I think the growers have proved—and rightly so—that they must be prepared to pay more money to have these facilities provided.

I think it will be appreciated that the conditions at Fremantle were first established purely to handle a very small quantity both of wheat and oats. As a matter of fact, I would go so far as to say that a silo should have been erected at Fremantle many years ago to provide facilities for handling all the wheat shipped from that port.

The Hon. F. J. S. Wise: There was an awful argument about the site for that one.

The Hon. L. A. LOGAN: I appreciate the negotiations that took place and the frustrations that were evident over this particular building and its siting, but I think at last we have come to some final arrangement; and, as I said when introducing the Bill, the building of the silo will be started very shortly, even if plans and materials have not already been secured to get on with the job. There is no doubt that these new silos certainly provide a landmark in the country. Anyone who has seen the silos at Tammin, Three Springs, and Geraldton, will agree that they do provide a landmark.

It is necessary to provide the same facilities to export wheat from Geraldton as those provided at Fremantle, because the commodity goes to the same market. It must compete with a very highly competitive world market, and naturally we must supply the best material available. I thank members for their approach to the Bill and I hope and trust that sufficient money will be borrowed so that the extra money required will not have to be found by the growers themselves. Any added cost, of course, does not make the grower altogether happy. I am sure, however, that the directors of Co-operative Bulk Handling will ensure that no toll will be imposed unless it is absolutely necessary.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

SUPPLY BILL (No. 2), £22,000,000

Receipt and First Reading

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

RAILWAY STANDARDISATION AGREEMENT BILL

Second Reading

THE HON. A. F. GRIFFITH (Suburban—Minister for Mines) [3.19 p.m.]: I move—

That the Bill be now read a second time.

This Bill, having as its purpose the ratification of an agreement between the Commonwealth and the State in relation to standardisation of certain of our main railways, comes to this Chamber, after having been passed in another place; and in moving the second reading of the measure I am seeking the concurrence of members in its passing.

As is widely known, the Government has achieved a great deal of satisfaction in having negotiated what it considers to be a most satisfactory agreement with the Commonwealth Government in respect of this far-reaching project.

I understand that this project is the largest of its type to be undertaken by railway instrumentalities throughout the free world during the past twenty-five years.

Not only is it an important railway venture, but it represents an indispensable contribution towards the success of the integrated steel industry planned for the Kwinana industrial area. The case represented by the State to the Commonwealth Government encompassed such far-reaching and important industrial development proposals of benefit, not only to the State, but to the Commonwealth as a whole, that it could not well have been turned down.

Nevertheless, there is cause for special satisfaction here because of outstanding advantages which this State has negotiated in this standardisation agreement as compared with the terms of other such agreements negotiated by the Commonwealth with other States. The co-operation of the Commonwealth was an important factor in our reaching finality in an atmosphere of urgency and despatch for which due appreciation has been expressed.

The financial conditions which enable the State to shoulder its commitments with confidence are based on a very satisfactory formula, under which we either meet our commitments under the agreement from improved railway finance made possible by the Commonwealth assistance, or we meet our commitments from our ordinary revenue approach through the Commonwealth Grants Commission. The rail project itself will not only introduce the substantial amount of £41,000,000 of investment into our community, but will undoubtedly be the means of resolving many of the system's economic disabilities.

The overall project will ensure the broader 4 ft. 8½ in. tracks carrying much greater loads, at faster speeds, over better

grades. The system will benefit through the introduction of modern special purpose rolling-stock and new mechanical loading and unloading devices to be installed to minimise standing time and delays. A most important feature will be that locomotives and rolling-stock will be interchangeable with those on the Commonwealth standard gauge rail system, which will permit of intersystem traffic and co-ordinated rail services.

Passengers will be able to travel between Perth and Port Pirie in new modern air-conditioned trains without changing. In fact, it is likely, in the not-too-distant future, that these trains could run through to Sydney *via* Broken Hill. The agreement provides that the State, in collaboration and in agreement with the Commonwealth, will prepare a programme of works, including the proposed procedures for its performance and the plans, specifications, and estimates. Public tenders are to be called for all works, unless it is established to the satisfaction of the Commonwealth Minister for Supply and Shipping that this course is undesirable.

Close co-operation between the Commonwealth and State at all times will be a marked feature of the project. Such co-operation will be specially in evidence in respect of programmes of work and methods of performance, as also Commonwealth inspection. The provision for the review towards the end of 1966 will allow the State proper opportunity, in the interim, to draw up its case in respect of its rolling-stock and other requirements necessary when the line comes into operation. There is provision for variation of the estimates set out in the second schedule and based on the experience up to 1960. Such variation would naturally take into consideration later developments.

Neither the rail nor the B.H.P. agreement may be finalised until both the Commonwealth and State Parliaments' approval of the rail standard agreement has been obtained. It is my duty to emphasise here that the B.H.P. agreement may not become fully effective unless approval to this rail project is given before the last day of this month—the 31st October.

The objectives of the agreement are: firstly, to achieve the construction of a standard gauge railway, together with associated narrow gauge railway works; secondly, to provide the necessary locomotives, rolling-stock, and equipment for carrying 2,000,000 tons of iron ore annually from Koolyanobbing to Kwinana in addition to general traffic; and, thirdly, to have the railway completed and ready for use before the 31st December, 1968.

The estimated capital needed to implement the project is £41,210,000. As indicated previously, this is based on the 1960 level of costs, and may later be varied. The Commonwealth initially will provide seventeen-twentieths or £35,028,500

and the State, three-twentieths or £6,181,500 for the project. Expressed in another way, the Commonwealth will find almost £6 for every £1 provided by the State. Of the amount to be initially advanced by the Commonwealth, the State from its Consolidated Revenue will repay ten-seventeenths.

Three of the ten-seventeenths will be paid by fifty equal annual contributions, plus interest on the unpaid balance, and seven of the ten-seventeenths plus interest, will be paid by forty equal semi-annual payments commencing six months after the completion date and at six-monthly intervals thereafter. Seven-seventeenths is not repayable by the State, and will be borne by the Commonwealth as a straight-out contribution to standardisation. The rate of interest payable by the State is fixed under the agreement to be the amount payable on long-term Commonwealth bonds, which is currently £5 7s. 6d. per cent. per annum. This rate will vary with any variation in the bond rate.

The three-seventeenths of the Commonwealth advance will bear interest at the bond rate applicable to the last loan raised in the year in which the advances are made and will be paid from the Consolidated Revenue Fund annually until the whole of the Commonwealth advance has been repaid. The seven-seventeenths of the Commonwealth advance will bear interest at the bond rate applicable to the last Commonwealth loan raised prior to the advance being made to the State. This interest may be either paid as it becomes due each year, or capitalised by deferment, in whole or part, until the completion date, at the option of the State.

Among some of the definite advantages which the State has gained through its negotiations with the Commonwealth will be the undertaking of certain 3 ft. 6 in. gauge works with, and as part of, the construction of the undertaking. Such works include the relocation of the narrow gauge line from Midland to Northam along the easier gradings of the standard gauge route, via the Avon River valley. This will permit better operation of the existing rail system. The steep grades on that part of the route have always hampered the system in operation and cost.

The cost of the third rail through the Avon Valley is estimated at £2,553,000. That figure is included in the £41.2 million project. A beneficial result to the railways after standardisation will be the conversion of a loss of £547,171 on those sections of the line into a yearly profit of £90,696.

Under the provisions of the standard gauge agreement between the Commonwealth Government and the States of Victoria, New South Wales, and South Australia, the value of any stores, material, plant or other equipment rendered surplus by the standard gauge work is credited

against the cost of that work, so reducing the amount allocated for those projects, and consequently the Commonwealth commitment. One of the advantages of our agreement is that anything becoming surplus as a result of the standard gauge, will remain the property of the State.

The value of rails, sleepers, bridges, buildings, and other structures to be recovered for re-use elsewhere in the system, will approximate £1,931,000. Also, about £5,362,000's worth of narrow gauge rolling-stock will become available for replacement of antiquated equipment still in use in parts of the system.

These advantages represent some £7,293,000 the State would otherwise need to spend on the betterment of its existing railway system, and represent a great relief to the rehabilitation programme. The total amount saved exceeds the initial State loan fund outlay on the entire project.

In accordance with the terms of our agreement with the Commonwealth, such items as the 3 ft. 6 in. gauge line along the Avon Valley route, the spur line from Southern Cross to Koolyanobbing, iron ore cars and locomotives, and the Kewdale-Kwinana railway—about which I shall have more to say when dealing with the complementary Bill—have been absorbed into the whole scheme, and specified as part of the total cost without any allocation against the State.

As an indication of the manner in which the project will beneficially affect the railways' economy, it is pointed out that the existing line from Kalgoorlie to Fremantle carries but 1,000,000 tons of general freight each year, with revenue exceeding expenditure by about £500,000 a year. This may be compared with the far superior freight conditions envisaged with the prospect of this line carrying 3,000,000 tons of iron ore alone from Koolyanobbing.

The concentrated haulage and improved operation under standard gauge conditions will improve the financial position to such an extent that revenue will exceed expenditure, excluding interest, by £3,495,000 on the basis of 2,000,000 tons of ore being transported each year; and on this basis, railway operating results, including depreciation, will show an improvement of almost £3,000,000 per annum.

It has been calculated that the annual return on capital investment will be between 7 per cent. and 10 per cent., which substantially exceeds the current Commonwealth loan interest-rate of approximately 5 per cent.

Accordingly, the improvement that will take place in the railway finances, as the result of this project, will be more than sufficient to cover the annual repayments.

Before closing my remarks, I would remind members that the effects of standardisation will not be confined merely

to the line between Kalgoorlie and Fremantle. Associated developmental works will include modern yards and facilities in the metropolitan area and at Northam. A general revision of timetables will provide faster transits than are given now. Diesel locomotives, wagon stock, and other equipment released from the Kalgoorlie-Fremantle section will become available for use elsewhere, to the general benefit of the system as a whole. I have indeed great pleasure in commending this Bill to members.

I would like to point out to members that it is necessary, in order to complete the arrangement between the Commonwealth and the State, to have Parliament's consent to this legislation by a date which will enable us to have it proclaimed by the 31st October. I realise that an adjournment of more than one day to study a Bill of this nature would be quite normal, and today being Thursday I think that problem will, perhaps, be overcome. I would be grateful, however, if after a reasonable adjournment is granted, members will deal with the Bill as quickly as possible in order that assent can be given to it by the date I have indicated.

Debate adjourned, on motion by The Hon. H. C. Strickland (Leader of the Opposition).

RAILWAYS (STANDARD GAUGE) CONSTRUCTION BILL

Second Reading

THE HON. A. F. GRIFFITH (Suburban—Minister for Mines) [3.35 p.m.]: I move—

That the Bill be now read a second time.

In doing so I wish to state that this Bill is complementary to the Railways Standardisation Agreement Bill. The purpose of this measure is to authorise the construction of a railway from Kalgoorlie to Kwinana, Southern Cross to Koolyanobbing, Midland Junction to East Perth, Kewdale to Kwinana, and Kalgoorlie to Kamballie. These are the railway routes referred to in the agreement between the Commonwealth and the State Governments directed towards standardising the gauge from the existing width of 3 ft. 6 in. to the standard 4 ft. 8½ in. gauge.

It has been estimated that the laying of the line will provide employment for 1,800 men over a period of six years. Additional employment will be provided for those supplying the ballast, the sleepers, the locomotives, the rolling-stock, and a wide range of other requirements.

No less than 1,500,000 sleepers will be required for this project over a five-year period. Huge earthworks contracts, estimated to be worth £4,500,000, are involved. Somewhere in the vicinity of 2,000,000 cubic yards of broken stone ballast will be needed. Bridging will cost about

£2,250,000. The erection of buildings and other structures is expected to run into an expenditure of a £1,000,000. A further £2,500,000 will be spent on the installation of signalling and telephone communications. The scheme envisages an expenditure of £11,000,000 on diesel locomotives, carriages, and wagons. It has been estimated that the production of these alone will provide employment for 500 men each year.

The railway will be built, quite naturally, in accordance with the most modern railway engineering practice, and will carry wagons weighing as much as eighty tons, which may travel at speeds of up to 70 miles an hour, or more.

The major work involved in the standardisation of the railway is the removal of almost all of the existing 3 ft. 6 in. line linking Kalgoorlie and Perth, and its replacement with standard 4 ft. 8½ in.

The narrow gauge line will be retained from Kalgoorlie to Coolgardie, providing a link between the Kalgoorlie-Leonora and the Kalgoorlie-Esperance branches.

The standard gauge line from Kalgoorlie to East Northam will, for the most part, follow the narrow gauge route, with some minor deviations to achieve easier gradients. A branch standard gauge line will run off from Southern Cross to Koolyanobbing—a distance of 33 miles—to serve the iron ore deposits. The route will be direct, and will present no engineering difficulties.

From East Northam, the new line will follow a new location. Northam and Spencers Brook will be by-passed, and the line will go through Toodyay and the Avon River Valley. This change will reduce grades to 1-in-200 in place of the several 1-in-40 sections now existing between Northam and Midland Junction. Connection with existing lines will be made at Midland. The Avon Valley route to Midland Junction follows the river to where it meets the Midland Railway Company's railway at Upper Swan. The standard gauge will run alongside the Midland railway to a point three miles north of Midland, swing south-eastward to pass east of the Helena Vale racecourse, and join up with the existing railway at Bellevue. This is necessary so that the new line will connect east of the existing rail system at Midland to enable traffic to be properly worked.

A complex network of tracks for both gauge trains is planned to connect the vital rail terminals of Midland, Perth, Fremantle, Kwinana, and the proposed marshalling yard at Kewdale.

The complex involves both narrow and standard gauge lines between Midland and Fremantle on the present location *via* Guildford, the standard gauge paralleling the existing tracks. There will be mixed gauge from Fremantle to Kwinana. The term "mixed gauge" refers to the laying

of the new wider gauge tracks outside the narrow gauge tracks. There will be both standard and narrow gauge lines from Midland to the Kewdale yards. From there to Kwinana a standard gauge line will be built to complete the Midland-Fremantle-Kwinana standard gauge triangle. Connections for both gauges will also be provided from Welshpool to Perth via the Armadale line and East Perth. Other existing narrow gauge tracks in the metropolitan area will remain unaltered.

The standard gauge line passing through the metropolitan area will serve Bassendean for the transport of superphosphate and machinery; Maylands for machinery; Subiaco for steel, pipes, and general goods; Cottesloe for motor-car bodies; North Fremantle for wheat and goods for the harbour; and Fremantle for wool and other goods.

The transshipment proposals are as follows: Coolgardie for the Leonora and Esperance branches; Merredin for the Wyalkatchem, Narrogin via Corrigin, and Kondinin lines; also East Northam for traffic moving to the Eastern States from both the Albany line and the northern line to Geraldton. Those are the transshipment points envisaged.

The only narrow gauge lines without direct narrow gauge connection with Perth after the completion of standardisation will be the Leonora and Esperance branches. The volume of traffic handled on these two lines would not justify retention of the narrow gauge between Coolgardie and Northam—a distance of 290 miles.

It is estimated that transshipment costs will be around £47,000 a year with the new system, but this will be more than offset by the saving of £53,000 a year that it now costs us to tranship goods at Parkeston and transfer passengers at Kalgoorlie.

No serious operational problems are expected in operating the remaining State 3 ft. 6 in. gauge railways with the introduction of the Kalgoorlie-Fremantle-Kwinana standard gauge lines. The geographic layout of our system is such that the two gauges can function smoothly with very little overlapping.

A programme of investigation of railway crossings has been begun by the railways and Main Roads Departments co-operating. The plan is to do the following things to maintain maximum safety:—

- Close as many crossings as possible.
- Put flashing lights where necessary.
- Put automatic boom gates where necessary.
- Put overways or underways where necessary.

Railway funds for overways and underways under the agreement, are limited. Extra money would have to come from the Main Roads Department.

The technical and specialised engineering work involved in the project will be of a most extensive order. We have not the required men here, and may have to engage outside consultants to keep abreast of the time-table. This is being taken up with the Commonwealth by the Minister for Railways.

It is hoped to complete the railway before the date stipulated in the agreement, i.e. 31st December, 1968. The East Northam-Midland section will be done first, so that we may benefit from the reduced operating costs without delay. It is naturally proposed to use, to the maximum extent practicable, Western Australian labour, material, and productive capacity.

The Hon. F. J. S. Wise: Hear, hear!

The Hon. A. F. GRIFFITH: I ask the Leader of the Opposition to deal with this Bill on the basis that it is necessary for it to be assented to in conformity with the agreement made between the State and the Commonwealth; which means, as I stated when speaking on the previous measure, that it will have to be assented to by the 31st October.

Debate adjourned, on motion by The Hon. H. C. Strickland (Leader of the Opposition).

Sitting suspended from 3.45 to 4.3 p.m.

ENTERTAINMENTS TAX AND ASSESSMENT ACTS REPEAL BILL

Second Reading

Debate resumed from the 18th October.

THE HON. J. D. TEAHAN (North-East) [4.3 p.m.]: When, last year, the representatives of the picture theatre proprietors approached the Treasurer for some relief in the payment of entertainments tax, he granted that relief at the rate of £20 per week, and later increased it to £30 per week. When I first heard that news I thought the Treasurer or the Government was extremely generous, because evidently the proprietors put up a case that with the advent of TV and free hotel entertainment there had been a decline in picture theatre attendances, with a resultant decline in their incomes.

So the Government granted them the relief of £20 weekly and, as I have said, later increased the amount to £30 a week. The reason why I say the Government was generous is because that was not money paid by the picture theatre proprietors, but by those people who patronised their theatres, and their admission charges and the entertainments tax as well. So in obtaining a rebate, as it were, of £30 per week in entertainments tax, the picture theatre proprietors were not getting back

their own money, but money contributed by their patrons. Another reason why I say the Government was generous is because other sections of the community could approach the Government in the same way for a reduction in the taxes which they pay.

For example, could not there be a deputation representing the small shop proprietors, brought before the Treasurer to put up a case stating that as a result of the establishment of supermarkets and chain stores, the proprietors of small shops in the suburbs had lost their livelihood; because, in fact, that is the true position. When one travels through the various suburbs and sees the many small empty shops, they speak for themselves. What is more, the proprietors of those shops have lost not only part of their incomes but all their assets and goodwill. So they, too, would have had a good case to present to the Government in seeking relief from taxation.

In taking this line of action a little further, the ordinary working man could put up a similar request to the Treasurer for some relief. For example, take the men who had been working on the Big Bell gold mine. When that mine closed down, overnight, the men employed there, lost their jobs and their homes. They lost that which takes a man a lifetime to acquire because, very often, it takes a worker about three-quarters of his working life to acquire his own home. So they, too, would have had a good case to present to the Treasurer for a return of the income tax that they had paid themselves and not that someone else had paid.

I repeat, therefore, that the Government was generous towards the picture theatre proprietors, because they had only met with adversity which is often met with by individuals or business houses over a period of years. We know that at one time skating was popular for about 10 or 15 years, but overnight it lost its popularity and the skating rinks had to close down, with the result, of course, that the proprietors of these establishments lost not only their incomes, but also their assets. I do not recall their having been recompensed for the losses they incurred.

In the same way a similar trend is occurring in the dance halls. The people who attend dances have decreased in number because of the free entertainment that is now provided in the various hotels, and the entertainment they derive from TV. So there could be many cases submitted to the Government in the same way as that which was submitted by the picture theatre proprietors. When the entertainments tax is lifted completely this will assist the picture theatre proprietors in no small degree. They have been paying approximately £120,000 a year in entertainments tax, but when I say "they," it is not they who have paid the tax but their patrons.

To relieve the patrons from the payment of this tax is a very laudable object, and if they get the benefit from the lifting of the tax we will all be very pleased. If, after this Bill is proclaimed in January next, the picture theatre patrons pay only 4s. 6d. in admission charges instead of 5s., or thereabouts, as they are paying now, this move will have been a laudable one; but I doubt whether that will occur. Perhaps the film distributors will charge the proprietors of picture theatres a little more for their films and so the tax will be taken up in that way; or perhaps the theatre proprietors themselves will keep the amount of money which, in the past, they have contributed to the State Treasury.

There is another aspect of the matter, too, in that giving this relief by way of lifting the entertainments tax, the Government will be losing about £70,000 from January to June of next year, and approximately £130,000 for the full financial year. Those are considerable sums, and perhaps the Government could have been generous in some other direction that would have been more acceptable to the people as a whole. For instance, last year the extra charges that were imposed on those drawing water from the country water supply scheme would represent approximately the amount that the Government will lose by lifting this tax.

The Hon. A. F. Griffith: How does it compare with the cost of water on the goldfields?

The Hon. J. D. TEAHAN: I am not certain of that, but I consider that this £130,000 could have been distributed to better advantage.

The Hon. H. K. Watson: It might have been distributed among the metropolitan region taxing officers.

The Hon. J. D. TEAHAN: Having said that much, if the relief of this tax is passed on to the patrons of picture theatres, either partly or wholly, it will have been a good move. Also, if it helps to retain in employment those who have been employed in the picture theatre industry for many years it will prove to be a laudable object.

The watching of films is a form of entertainment that is very popular. I was agreeably surprised to see in Kalgoorlie and Boulder the large crowds that attend the picture theatres; it is quite good to see this trend. If these theatres have provided so much entertainment for years to young and old, then this move will be laudable. Finally, as I said to Mr. Watson a few night ago, any relief in taxation is welcome and laudable, and for that reason I support the second reading.

THE HON. H. K. WATSON (Metropolitan [4.12 p.m.]): When this entertainments tax was revived some five or seven years ago, I protested vigorously against the method used by Mr. Hawke to revive it. I recall it was imposed by reviving the

Act of 1927 which had been in suspension since 1942; and we had the spectacle of the Government, in effect, saying, "Never mind what rate the Act imposes, the rate we are going to charge you will be so much."

During the succeeding years one class of entertainment after another has been exempted from the payment of the tax, and I congratulate the Government upon bringing down this Bill to eliminate the entertainments tax altogether. I am really pleased that for once we can see taxation being reduced and Consolidated Revenue being reduced without the almost traditional grizzle of: "This is going to affect our grants from the Grants Commission." I think we should remember, on future occasions when any member may suggest a reduction in this or that taxation impost, that the consequential effect, if any, on the advances from the Grants Commission will be a secondary consideration, and that it ought not to cloud our judgment on the main issue. I support the Bill.

THE HON. H. C. STRICKLAND (North—Leader of the Opposition) [4.14 p.m.]: I have little to say on the measure, except that it is a fact that when the Commonwealth Government relinquished the entertainments tax the Hawke Government of the day, like most other, if not all, Governments throughout Australia, carried on the tax, although in a modified form. Regardless of the Government in office, the various States found it necessary to continue this tax in order to raise the finances to meet the needs of the States.

I distinctly remember that several members in this House criticised the Hawke Government severely when it requested Parliament to continue this tax after the Commonwealth Government had vacated the field. Parliament agreed to the continuance of the tax in that form, until the present time. It must not be forgotten that the Hawke Government did not control Parliament.

The Hon. H. K. Watson: Parliament threw out the Bill.

The Hon. H. C. STRICKLAND: Yes, but the tax still operated.

The Hon. H. K. Watson: Because it had been in existence since 1927.

The Hon. H. C. STRICKLAND: I think the honourable member is right. The collection of this tax reverted to the States. I am positive of this: The reduction in this tax will not be passed on to the patrons, and they will not receive any reduction in the admission charges, because there is no provision in the Bill to say that such charges shall be reduced.

I remember an occasion when the Hawke Government lifted the tax on the admission to the lower price seats of public entertainment, but generally the reduction was not passed on to the patrons, although

there were some exceptions. I hope that with the passage of this Bill the Government will ask the theatre proprietors and the proprietors of other forms of entertainment to which the entertainments tax applies to reduce the admission charges accordingly. They will have to do this to attract more patrons.

I fear that even though this tax is being lifted as a means of assisting the proprietors of entertainments, the patrons will not receive any benefit. I am saying this although I am not opposing the Bill. Occasionally I attend a newsreel show, because one hour of such entertainment is the limit I can stand. Recently I found that the admission charge had been increased by 25 per cent. I asked the ticket seller the reason for the increase and she told me that the admission had been increased because of the rise in the basic wage. An increase of the admission charge by 25 per cent. is an exorbitant increase to meet any rise in the basic wage.

Generally patrons do not receive a benefit by the removal of a tax such as this. If this tax has contributed to the steep reduction in the patronage of picture theatres, I cannot agree that its abolition will encourage more people to attend.

THE HON. F. R. H. LAVERY (West) [4.20 p.m.]: In regard to the abolition of the entertainments tax, I want to refer to the remarks which were made by Mr. Teahan in this debate. He referred to a return of the concession to patrons of public entertainment and theatres, brought about by the abolition of the tax. When a rebate of this tax was agreed to by the Hawke Government on a previous occasion, the benefit was not passed on to the patrons. I hope that in this case the benefit will be passed on to them.

The money paid as entertainments tax really belongs to the patrons in the first instance, and to the Taxation Department in the second instance. The theatre proprietors do not have any claim to such money. I have every sympathy for theatre proprietors, particularly proprietors of the theatres in the suburbs. Some of them have been forced out of business as a result of the declining patronage. It is not good for the State that such a trend should occur in a population which is increasing. Picture theatre proprietors must be pleased that the entertainments tax is to be abolished.

I wonder whether they will pass on the benefit of the abolition of the tax to the patrons after the 1st January, 1962, by reducing the admission charges accordingly. They should not sidestep this issue and claim that the charges imposed by the film distributors have been increased. I do hope that the theatres will regain some of the 2,750,000 patrons a year they have lost since the advent of television. I suppose that I attend picture shows more than the

average member of Parliament. Often I am staggered to see fine entertainment being provided in theatres which are only one-quarter filled. That is not good for business or for this State. When I see a number of theatres in the suburbs closed and converted into supermarkets and the like, I begin to have more sympathy for the remaining theatre proprietors.

In the introductory speech of the Minister, he referred on three occasions to live shows. In this State we have a fine organisation known as the State Ballet Company, which is run entirely with the aid of public support. It provides a very high standard of entertainment. I take this opportunity to ask the Government to give some assistance to this worthy cultural organisation, not only by way of finance, but in other directions which I shall mention shortly.

This organisation exists entirely on public support. In each of the last three years it has produced a very fine programme of entertainment at great cost. Following the successful production this year provided for the public in this city, the company went on tour to Darwin, Derby, and other north-west centres. The tour was so successful and the patrons were so pleased that the company received a tremendous amount of fan mail expressing appreciation of the performances.

MacRobertson Miller Airlines Ltd. assisted the organisation by granting free air fares one way. I am hoping the Government also will be able to assist the company. Even though the cost of sending the company of 13 dancers and musicians on tour was very great, the dancers were each paid only a meagre sum—approximately £20 each.

THE PRESIDENT (The Hon. L. C. Diver): I hope the honourable member will link his remarks with the provisions in the Bill.

THE HON. F. R. H. LAVERY: I thought I was being fair when I suggested that the Minister referred to live shows in three parts of his introductory speech. The organisation to which I am referring is so laudable that I thought you, Sir, might have permitted me some latitude. I will tie up my remarks with the Bill.

THE PRESIDENT (The Hon. L. C. Diver): That is all the honourable member is required to do.

THE HON. F. R. H. LAVERY: This organisation has been assisted in a small way, because at the moment no entertainments tax has to be paid by patrons viewing the performances it provides. The financial position of the organisation governs the quality of the production it places before the public of Western Australia.

In 1960 the musical cast was pruned to allow as much as possible to be spent on costumes and scenery, but the critics complained about the standard of music while

eulogising the wonderful stage display. This year the programme was produced with great emphasis on high quality orchestral music, and therefore the expenditure on costumes and scenery had to be curtailed. After the grand display provided by the organisation this year, the critics eulogised the music but rightly complained that some of the costumes and scenery were not up to standard.

The Adult Education Board sent this group of performers to Albany and other country centres. The tour cost the company £1,000 for the one week, despite all the assistance given by the board.

It has to be appreciated that a ballet company of this standard brings out the best in culture, music, scenery, painters, and writers; and if Government assistance could be given to this organisation, it would make it possible for the company to bring artists of a high standard from other States, and also choreographers, such as occurred this year when the company brought out that renowned artist, Robert Pomie and his wife, at a cost of £400, plus fares and their necessary expenses while here.

The point I wish to make is that this company wrote to the Government approximately twelve months ago seeking assistance in the form of a subsidy. The Treasurer replied to the effect that he could not assist the company at that time, but that the matter would be looked into at a later date.

I would like to close my remarks by suggesting that this ballet company could, with assistance which could cost the Government nothing, become a very high standard company. The Government could use its good offices to assist this company. For the performances this year the music cost £1,500. In Hobart—and also in another State—the Australian Broadcasting Commission placed its orchestra at the disposal of the ballet company without charge. If the Government could assist this ballet company by arranging that the A.B.C. orchestra be available for its performances, this would be just as good as putting £1,500 in the company's pockets.

The company of which I am speaking is under the direction of Madame Kira Bousloff. Because she is unable to get assistance in the form of a subsidy, the company is losing artists to the Eastern States each year. This is not a political matter. If the Government is unable to make money available to this company, perhaps it could get the A.B.C. to assist the company from the music point of view. This would allow the company to do something for the youth of this State.

I wish the theatre proprietors well. I hope they get back a good many of the 2,750,000 patrons they have lost. The money which is being paid back to the picture theatre proprietors is provided by the patrons and not by the Government. I support the Bill.

THE HON. A. R. JONES (Midland) [4.35 p.m.]: In supporting the Bill, I am surprised that it has gone as far as it has. I have for some time advocated that taxes should be lifted so that those bodies of people who organise for charitable institutions—collect funds, run picture shows and concerts—should be spared the inconvenience of having to make returns and claims, and do all sorts of things in order to avoid paying taxes. It became so difficult in country areas that it was not always possible to dodge paying tax or submit a return which would pass the stamp collections officer.

If a dance were held in a country district 150 miles from Perth, and an orchestra were brought from Perth, and supper provided, less than 60 per cent. of the takings would be profit. So far as that angle is concerned, I am pleased to see the provisions contained in this Bill. While I am not going to oppose the Bill, I would like to know what the effect will be when the Grants Commission comes here next year. I imagine that the commission will have something to say about the figure of £120,000 or £130,000 when this Bill becomes law.

When we ask for money to be used for some other purpose, the Government quickly tells us that the Grants Commission will not play ball because of one reason or another. As I see it, this Bill will affect the Grants Commission decision. However, that is the Government's prerogative. I welcome the Bill for the reasons I have mentioned. Many people, both in the country and in the city, have been put to great expense and inconvenience, when trying to raise funds, by having to submit all sorts of application forms in connection with their endeavours. They have to send away for their tax forms, and so forth, and they still endeavour to keep within the provisions of the Act in their efforts to avoid paying the tax.

THE HON. F. J. S. WISE (North) [4.37 p.m.]: I think it is necessary, in the light of what has been said in connection with the actions of a Government when the taxing rights in connection with the entertainments tax were returned to it, that the position should be quite clear in the minds of members, and that what did actually occur should be recorded.

At the time of the institution of uniform taxation, entertainments tax was one of the forms of taxation taken over by the Commonwealth. For the years 1942-1943 to 1946-1947 financial year annual payments were made to the States concerned and a proportion of their entertainments tax collected by the Commonwealth at the same time as other forms of taxation. They were paid in annual sums during those four years—sums in the vicinity of £100,000.

Following the 1946-1947 financial year, the sums due to the States were included in the taxation reimbursement as a whole and not specifically mentioned as part of the entertainments tax. That system continued until the year 1952 or 1953.

The Hon. A. F. Griffith: It was 1953.

The Hon. F. J. S. WISE: Yes, 1953; and when the taxing rights in entertainments tax were relinquished, and the whole field vacated, so far as the States were concerned, by the Commonwealth, the States had the opportunity of deciding whether they would entirely vacate the field or re-enter it under any conditions to be selected by themselves.

The Hon. A. F. Griffith: Without affecting their tax reimbursement.

The Hon. F. J. S. WISE: That is true. And I think that neither blame nor prejudice is to be laid at the door of any Government because of the limitations that are left with the States and repose in them in the fields of taxation remaining. They are very few, very minor, and very meagre. The Commonwealth, in its invasion of the income tax field, has left us in the position that should the Commonwealth at any time vacate it, it would leave to the States the shorn sheep to get the necessary wool from. That will be the position regarding income tax; there will be little else left for the States to impose a tax upon.

While one cannot object to the elimination of any tax in a general sense, the position in this regard is due to the serious plight in which certain people find themselves. That is what this tax is for.

The Hon. A. F. Griffith: That is right.

The Hon. F. J. S. WISE: And the Government is giving to them, in the interests of the industries with which they are associated, an opportunity to carry on within the margin that the tax represents in their contribution to the Crown.

The Hon. A. F. Griffith: And in the interests of the people employed in the industry, also.

The Hon. F. J. S. WISE: That is so. In a few words, that is the particular aspect of this situation. Whatever other merits there are in it, it is for those who desire them to claim them. That is the situation as I see it. If we can keep the industry going without its further deteriorating, the sacrifice—and this is a sacrifice on the part of the Government—should be all to the good. If we are to suffer a penalty in any other way, then we will have to make it good in some way. I support the Bill.

THE HON. A. F. GRIFFITH (Suburban—Minister for Mines) [4.43 p.m.]: I propose to make a few brief remarks in reply. First of all, the position related by Mr. Wise is a very true one. The Government will have to make some sacrifice in respect

of this tax. The fact that the Commonwealth Government went out of the field of entertainments tax in 1953 left it open for the States to come in and reimpose the tax; and the Commonwealth did so with the undertaking that it would not affect the States' tax reimbursement position.

It is not quite correct for Mr. Strickland to say that some of the States, if not all of them, took it up again as did Western Australia. This is not so. I understand that Queensland, South Australia, and New South Wales did not reimpose entertainments tax in 1953; and to the best of my knowledge they have not since reimposed entertainments tax.

I was one who opposed the reintroduction of the tax at the time because it was a field that was given away by the Commonwealth, and it gave our people some relief from a tax. I do not say this in any prejudicial manner, but it is very easy for a Government to reimpose a tax of this nature; particularly when it does so and it is not going to affect the position in respect of the reimbursement of the tax.

In the circumstances, I suppose one could say it was a good tax to reimpose because of that state of affairs. Nevertheless, I felt unkindly towards it at the time because it was reimposing an entertainments tax, which is a very sectional tax; and I suppose it is difficult to avoid any tax being sectional in some way. However, Mr. Jones may, I am certain, be assured that the situation will not be affected by the Grants Commission because of the state of affairs which existed. At least, I hope that is the correct situation. I feel that it is.

The reason for this Bill is to completely take away the tax, particularly from an industry which, as Mr. Wise said, has been struggling in recent years. The Government is interested not only in seeing the survival of the motion picture industry, but is interested in the effect that the survival of the industry will have upon the many people who are employed in it either directly or indirectly; and there are a good many of those people.

Replying to Mr. Strickland's comment, about whether the film industry will hand this concession on to its patrons, I cannot directly answer the question. I cannot say that the film industry will reduce the price of an admission ticket by so much, because I am not in a position to do so.

The Hon. F. R. H. Lavery: It would be in their interests if they did.

The Hon. A. F. GRIFFITH: Having had relief from entertainments tax, I think the film industry would be in a better position to manage its business; and, whether or not it passes that concession on to its patrons, at least it will be able to sustain itself. This is an industry which has been of very great benefit to the community over the many years of its existence.

To bring in a comparison with the gold-fields water rates to show that there is an anomaly is hardly to the point. As a matter of fact I think it is a long way from the point, and I am not going to make any comment on it. I think Mr. Lavery's comments in regard to the ballet company were also a long way outside the scope of the Bill; and my advice to the honourable member is to take the matter up again with the Treasurer with a view to getting a grant or assistance. It is not competent for me to deal with the matter on a debate like this.

The Hon. F. R. H. Lavery: I appreciate that. I sneaked one in.

The Hon. A. F. GRIFFITH: I am aware that the honourable member sneaked one in. I think that, too, was another example of your patience, Mr. President, in some of our debates.

The PRESIDENT (The Hon. L. C. Diver): Order! I should like to tell the Minister that I did not know whether Mr. Lavery was going to support or oppose the Bill at that stage. Had he intended to oppose the Bill it would have been quite in order.

The Hon. A. R. Jones: How much was the collection of this tax costing the Government?

The Hon. A. F. GRIFFITH: I cannot say what it was costing the Government in administration charges to collect the tax. I thank members for their support of the Bill.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

IRON ORE (SCOTT RIVER) AGREEMENT BILL

Second Reading

Debate resumed from the 18th October.

THE HON. F. J. S. WISE (North) [4.50 p.m.]: With the introduction of this Bill the Minister furnished the House with information which appeared to be less sensationally devised or constructed than the news items and statements which heralded the discovery of this body of low-grade ore. Someone seems to have got his feet on the ground in this connection since the discovery, and has more realistically analysed the situation than when the conjectures regarding the value, tonnages, development potential, and the effects of it were first sensationally reported. I am not sure that the sensational angle, if not backed wholly or very substantially by fact, is good at any time.

But in this case the whole discovery, and the plans for its use and exploitation, in the sense of production and treatment for

export, came at a most opportune time; and I think it is a most fortuitous circumstance that iron of all kinds has a strong market appeal to all nations, and to one nation in particular. If we recall, it is only about three years ago that this House was debating the question of the Commonwealth's refusal to grant iron ore export permits; it was a refusal to the State to allow it to get some compensation from its natural resources; and at that time the very cold hand of the Commonwealth was certainly impressed upon this State. I think it was inspired by the then very limited knowledge of what were thought to be the limited deposits of iron ore, particularly high-grade iron ore, in this State; and in the Commonwealth's view the limited deposits of high-grade iron ore in Australia as a whole. The Commonwealth certainly resisted every move for a permit to export iron ore for sale overseas.

The Hon. H. K. Watson: It confirmed 20 years' ignorance of its opinion.

The Hon. F. J. S. WISE: They certainly did. I think it was a case of strong and powerful vested interests being able to convince the Commonwealth Government against the best interests of the States and State Governments; and the Commonwealth would not agree to the States selling a commodity which was very much in demand.

I recall the debates in this Chamber when more than one speaker strongly affirmed that the so-called estimates of the Commonwealth were "guesstimates" only, and that the potential for iron-ore deposits had hardly been investigated systematically, or thoroughly, geologically. The well-known and well-established ones, of course, were recorded in the annals of the Mines Department; that had been done over the years. But what has happened since to bring about this changed attitude which now makes this venture possible? It is the stimulus given by the anxiety and the interests of the Japanese nation, particularly, to acquire iron ore, and high-grade iron ore principally, wherever it can acquire it. This has enabled the State Government to pursue a course of investigation, and to give encouragement to grant permits of different kinds; and in the excitement which has developed, because of the demand, the Government—and it is not to be blamed for it under any circumstances—has endeavoured to capitalise on the situation and find more and more big deposits. I think all reasonable persons will agree that big deposits of high-grade ore will be found—

The Hon. H. K. Watson: Hear, hear!

The Hon. F. J. S. WISE: —especially in the northern parts of the State which are so famous, in a world sense, for their high-quality ores.

The Hon. L. A. Logan: I do not think there is much doubt about that.

The Hon. F. J. S. WISE: This afternoon I intended to bring—and to use it as a paperweight rather than to apply myself as one to keep my papers steady—a small piece of iron ore recently obtained on Koolan Island. It is as big as a duck egg but it weighs a couple of pounds. It was iron ore taken from the surface of a road cutting on Koolan Island; and, if it were analysed and assayed, it would be comparable with the richest iron ore known in the world.

I think it is very fortunate for us as a State that the scene has changed and that now, with the stimulation and the market interest, we have the prospect of export; and in this case better still, perhaps, the prospect of local treatment to a degree—although we cannot have the manufacture—of iron ore. But how good it is to be in the happy position of having commodities, which for the time being are in unlimited demand, helping the State, and the people of the State, to exploit a situation made to order. A proposal such as this could not be contemplated if the world position and the national interest position, from the purchaser's angle, were not as they are. As I see it, the benefits from this discovery are many so far as the State is concerned. It is not merely the discovery of a large body of limonite ore; the situation will be advantageous because this body of ore and the works to be established are in a part of the State which requires such an impetus from the development of some different industry. This is a district which has the capacity for production in a different avenue; and this prospect will assist in the development of some of the land which is not the best in the State but to which people will be attracted by this very industrial development and the facilities it will afford.

As was mentioned by the Minister, I think it is striking that this deposit happens to be situated in poor country: in country classified on our plans and maps as poor, sandy country; poor forest with poor growth in the main. But this country, which has a deposit of some quality, would be passed over if it were not for the demand I have mentioned, or if it were not because of the advantageous situation affecting its position and its location, and its chance of creating a port, or of getting its char or coal from Collie, or of getting its electricity, or of having its roads and its factory systems arranged, as they have been arranged.

In addition to all that, the agreement provides that 160 homes will be one of the responsibilities of the State; the company will have the responsibility of housing its executives, its single men and men of the type of caretakers. The company will also have assured to it at least 35,000,000 tons according to the exploratory work to which the Minister made reference, on which the company has spent at least £55,000 on ore assaying 35 per cent.

The Hon. A. F. Griffith: Thirty-five to forty per cent.

The Hon. F. J. S. WISE: That would be acid soluble iron. Of all the desirable features of this matter, the greatest perhaps would be that in the site for the development of this industry we will have established side by side further rural development in that district. It is a case of its being a very shallow deposit; it is not one which will be deeply mined; which will leave ugly scars on the landscape. Although we cannot wholly treat the ore in this State I feel sure that the ability to sell it, and this is great, is something which we should try to take advantage of.

I have said I believe high grade ore will be found in considerable deposits in the northern part of this State, and perhaps not as far distant from ports or as difficult to obtain as one or two of those in respect of which the Government is endeavouring to negotiate. Japan, to which nation I have referred, has become one of the heavy industrial nations of the world; it is recognised as the shipbuilders for very many nations, including the United States of America. This is a most amazing transformation. From references I have seen recently this nation has instituted a 10 to 15 year development plan to dispose of any manufacture, almost on competitive figures, with limitless tonnages of high-grade iron ore processed for manufacture within that country.

The portents are such, I feel, that although there are date limits in this Bill and in this agreement which appear to be somewhat elastic, the elasticity is warranted. I think the inexactness of some of the provisions of the agreement are quite understandable, because until such an agreement as this is ratified by Parliament, neither the tenure nor the security of the deposits becomes an asset for capital raising for the local company.

The Hon. A. F. Griffith: That is quite right.

The Hon. F. J. S. WISE: So, if an agreement such as this, with all its unfilled frame, as it were, were not negotiated, perhaps the local company could not make very much progress at all. That is my reading of it anyway. But I would think that although there are generous and elastic limits in the Bill, the company of necessity will hurry along towards its production point—towards its treatment dates—and will take advantage of the longest term possible within its lease periods to have the market available to it when it has so conditioned or built up its value by treatment.

The company will have a large area held, but it will not hold up land suited for much other development for the time being. So I think that giving the company the right within the agreement to have this financing company endorse the agreement, together with the Government, will provide the backing so requisite in a venture of this kind.

I would refer for a moment or two to Plan "A" which was mentioned by the Minister in the course of his speech. Members may recall that I asked by interjection whether he would table the plan, but the Minister misunderstood my interjection.

The Hon. A. F. Griffith: I am sorry; I did.

The Hon. F. J. S. WISE: I am not cavilling at the situation or being unpleasant in any way about it; but I sought the plans from another place today and took the opportunity to study them in the Legislative Assembly. I regret they were not tabled, although I do not say it was the fault of the Minister either; because in these sort of things he cannot expect to have everything, no matter how helpful or necessary it may be to members.

The Hon. A. F. Griffith: It taught me a lesson; I got the others for the railway agreement.

The Hon. F. J. S. WISE: I do not wish to be ungenerous in that connection at all. The plan clearly shows the land which is to be affected for the works site and for other industries which are dealt with in clause 10 of the Bill on page 14.

It is to that clause to which I wish to speak for quite a time. It will be found that there is a provision that as soon as possible after the notice date, the State shall make available to the company on a freehold basis, free of cost, certain lands. There are 867 acres in unused Crown land, being certain locations within the Sussex land area; 195 acres from the National Park, being portion of Class "A" Reserve 25373; and 50 acres in Augusta.

It will be found in clause 4 of the Bill, on page 2, which is related to the paragraph of the Bill I have quoted, that the State may acquire any land which is reasonably required by the State or the company for any purpose contemplated by the agreement. This includes the Class "A" area referred to in the agreement. In clause 4 reference is made to applying the provisions of the Public Works Act, 1902, where necessary; and the agreement, on page 15, refers to the Industrial Development (Resumption of Land) Act, 1945, being brought into force and applied in connection with all the resumptions, acquisitions and grants to the company referred to in subclause (1) of clause 10.

The point I raise is this: No reference was made in the Minister's speech to the particular need, which this Bill, I suggest, cannot meet, for making available 195 acres from the National Park, which is a Class "A" reserve. Nor can I accept the proposition that the clauses and the paragraphs in the agreement make land available to the company through this Act. I raise it as a matter for the Government quickly to safeguard and remedy; because no Class "A" reserve may be dealt with in this manner and a freehold

issued, as the Land Act itself, and the Land Act alone controls the disposition of Class "A" reserves. I would draw the Minister's attention to section 31 of the Land Act which says in effect that wherever land is classified as a Class "A" reserve such land shall forever remain dedicated to the purpose declared in such proclamation, until by an Act of Parliament in which such lands are specified it is otherwise enacted.

The Hon. A. F. Griffith: What about a roads and reserves Bill?

The Hon. F. J. S. WISE: Exactly; it will need a Bill at the end of the session. It may be that such a provision is to be made, but I felt it my duty to draw attention to this fact because it is not provided for in this Bill. It could be that the law is to be amended to provide for this, but the Land Act is most definite that Class "A" reserves cannot be taken up. And I say that particularly when we read the provisions of this agreement, which are so definite that the freehold areas will be available free of cost to the company as soon as possible after the notice date. So there is a little urgency in the matter. It could be that a separate Bill dealing with the Class "A" reserve aspect might be warranted.

I have mentioned the provisions for the obtaining of char or coal from Collie, and of housing; and I pass on to the provision in the agreement dealing with assignment privileges, to be found on page 20 of the Bill where it is clearly stated that provided the development ensues and the obligations are met, these provisions are implied if not specific. There can be no objection to the benefits and interests of this legislation being assigned or transferred to any other body.

I am not sure of the pronunciation of the name H-e-i-n-e, but I do know of the international relationships of these people in dealing with minerals. They are well-known people, who, with the other signatory to the agreement—to express myself clearly—are not of gentile origin. I take it that the sponsor of the Mineral Mining and Exports Company would be Mr. Norman Fernie, a man well known in this State.

The Hon. A. F. Griffith: He is one of the directors.

The Hon. F. J. S. WISE: I think this man—because of this discovery, and because of the securing of it to the Mineral Mining and Export Company—as a local person, and those associated with him, will be able to hold their own in the dominating of the operations to enable the local people to reap the just reward of this venture. I hope that what I am trying to express is clear. The humble people who made this discovery transferred the rights to those who could perhaps promote it and develop it in company form—quite

properly—and those people in their investigations found a large sum was necessary. To enable this project to develop, they had expanded their interests and taken in those most suitable to assist in the development and the disposal of the product. I repeat: I hope the local interests are not to be entirely subjugated in any way, either in the profit sharing or in the continuation of interest in this venture.

The only other paragraph in the agreement I wish to refer to is paragraph 20 which deals with the principle that the company, and the company alone, shall have the right to fix prices of all kinds. In short, it means that this part of the agreement being introduced into an Act of Parliament appears to nullify any effort of price control operations of the future. That is what it is there for; but I would point out that in my view that principle would be a redundancy if it were challenged. It has appeared already in a Bill passed by this House. That is true; but I repeat that I think if challenged it would be absolutely redundant.

The Attorney-General in this State, when asked whether a law or part of a law passed by this legislature would absolutely bind future Parliaments, replied as follows:—

The rule is that Parliament may pass a law which purports to bind future Parliaments; but, subject to section 5 of the Colonial Laws Validity Act, 1865 (Imperial), that law may be repealed by any subsequent Parliament.

In Volume 5—Crown Practice to Easements—of the Complete Statutes of England, which is in our library, will be found the Colonial Laws Validity Act of 1865, and clause 5 makes it clear that the provision which purports to fix, for all time, the rights of others to say that no Parliament can interfere with prices arranged by the companies concerned will, in my view, if challenged, have little force or effect.

With these observations I support the Bill. We on this side feel that it is a duty, even at short notice, to try to analyse those things which we are expected to review. Although it is not long since this Bill was introduced—yesterday—I have endeavoured to present to this House my reactions to some of its provisions. Perhaps the most important point of all in my observations, apart from commending the enterprise, is the one which I think it is necessary to have clarification upon: where it is intended, by this measure, to deal with Class "A" reserve land in the manner prescribed.

THE HON. F. D. WILLMOTT (South-West) [5.23 p.m.]: I, in common with the other two members for the South-West Province, Mr. Murray and Mr. MacKinnon, have been greatly interested in the area of Scott River where it is proposed or hoped to set up this industry. At the

start our interest had nothing to do with iron ore. We, as members representing that area, have been pressing for several years for some of the land to be thrown open for agricultural development; and, since the present Minister took office, he has had considerable survey work done in the area with the intention of throwing it open for selection for agricultural purposes.

However, with the advent of this proposal, it was only natural that any throwing open for selection of land in that country should be deferred until such time as the area over which it is proposed to mine iron ore is clearly defined, and the works site and so forth is clearly defined. It would be senseless to throw any of this country open for agricultural development until these aspects have been completely dealt with. I know that some of the people in the area are of the opinion that it is going to slow up the throwing open of land for agricultural purposes, but personally I do not altogether agree with that view.

The Hon. F. J. S. Wise: It might easily stimulate it.

The Hon. F. D. WILLMOTT: I agree with Mr. Wise that it will stimulate it. If the proposal is carried to fruition, the increase in population and so forth will certainly hasten agricultural development. If this proposal never reaches fruition, I still think it will hasten development there because of the very considerable public interest that will be created in that area. Prior to this, interest was confined to people in a very small part of the State—mainly persons in the Nannup area where it is difficult to get additional land; and nearly all of that country is tied up in State forests. Those people were looking to the Scott River area for future development.

I think the view has been expressed by Mr. Wise, and also by the Lands Department, that this country does not lend itself very readily to agricultural development. I am not altogether in agreement with that view, because I have watched what has been going on there for several years and I think it is country which could be more readily developed than was previously anticipated. However, I do think this country, in the main, would have to be developed in conjunction with drier country. In other words, it would be used mainly as summer country. Many of the people who had hoped to get land there quickly in order to develop it will have to wait.

Only today I had a letter from a landholder in Nannup urging me to try to get some land thrown open immediately. I think he and others will have to wait until this project is dealt with. I have had fears expressed to me in that area that perhaps the industry may cause considerable nuisance to the town of Augusta, but I am

pleased to see by the agreement that that is very unlikely, because the works site is to be established some five or six miles from the town.

Those who know the area will realise that it depends somewhat on whether there is an inner harbour or an outer harbour; but there will be little interference, if any, with the town in the transport of the ore to the wharf. If there is an inner harbour, the iron ore will not even cross the Blackwood; but if it is an outer harbour, the Blackwood will have to be bridged; and if that is so, I believe the bridge will be near the mouth of the Blackwood and below the town of Augusta. So, I think no transportation need go near the town of Augusta at all, which is a very good thing.

The Hon. L. A. Logan: It cuts through the corner of your holiday resort.

The Hon. F. D. WILLMOTT: It might down at Flinders. But do not forget that until recently—and I am one who pressed for the release of some of that land—it was a railway reserve and people took up leases and they built cottages. They put on pressure to be granted the freehold, and it is not long since that was done.

The Hon. F. J. S. Wise: That was not the original idea, was it?

The Hon. F. D. WILLMOTT: No doubt as a result of this project, some of these people will be interfered with.

The Hon. L. A. Logan: That is progress.

The Hon. F. D. WILLMOTT: Yes; I do not think we can interfere with progress to that extent, and some of these places may have to be interfered with it. I think the persons concerned will just have to bear with it. These people who, in the first place, built on a railway reserve may have to leave their homes. If that does happen, I do not think they will have much to complain about when they realise what the country and district will acquire if this proposal becomes a fact.

The Minister when introducing this Bill mentioned that it has not yet been decided whether char from Collie will be used or charcoal procured from timber adjacent to the works. I have heard people express the fear that valuable State forests will be interfered with; but, again, anyone who knows the area will realise that that is extremely unlikely. As a matter of fact I, with Mr. Murray, was asked to try to prevent the Forests Department from allowing the little useful timber remaining in the near vicinity of the proposed works site to be cut out, because it was the opinion of the local people that when the country was thrown open there would not be sufficient timber for fence posts. Nevertheless, the timber was cut out; and in the near vicinity of the works site I doubt whether there would be much timber of any value other than to this industry.

Admittedly within the 50-mile radius mentioned in the agreement, there is some very good forest timber, but there would be vast quantities of timber that could be used for this industry which would be of no other commercial value, so I do not believe there will be any worry about the timber.

The Hon. J. Murray: They will be able to use the waste timber from the mills.

The Hon. F. D. WILLMOTT: Yes, undoubtedly. As is known, there are some very substantial mills within that 50-mile radius.

The Hon. L. A. Logan: What about the sawdust; can they use that?

The Hon. F. D. WILLMOTT: They cannot make charcoal out of sawdust, but some other industry might make use of it. Another fear expressed is that the Government might be committing itself to all sorts of expenditure which might go down the drain. That thinking was largely engendered by some of the what I might refer to as glamour reports to which Mr. Wise referred. These reports were rampant in the early stages of this proposal. So I am very glad to see that under the agreement the Government is committed to no expenditure until what is referred to as the notice date, by which time all the exploratory work and so forth will have been completed to the satisfaction of the State.

It is then that the company will be prepared to enter on the second phase of its proposal. It is not till that time that the Government is committed to any expenditure at all. Therefore that fact should allay any fears held in that direction.

With regard to the Class "A" reserve to which Mr. Wise made reference, I naturally assume that this reserve will be included in the annual Reserves Bill which is introduced in this House. As Mr. Wise well knows, it is usual to have only one Bill dealing with all these reserves. As the time is now drawing near when this Bill will be introduced—it is generally fairly early in November—this reserve will soon be dealt with. In fact, I agree with the observation of Mr. Wise that this agreement would not be valid unless that reserve were included in the Reserves Bill.

I believe that some divine power was certainly very kind to that corner of the State when it put the low-grade deposit of ore where it did and accompanied it, in close proximity, with water, timber, and harbour facilities within a very small area. All these factors have made the development of this deposit possible.

The Hon. A. F. Griffith: Plus a wonderful climate.

The Hon. F. D. WILLMOTT: It is a very great benefit that all these things should be so handy to these deposits.

The Hon. F. J. S. Wise: Some of the members, too, might be heaven-sent!

The Hon. F. D. WILLMOTT: Undoubtedly! Of course, this is not the only deposit which is in an ideal position. The same thing occurs at Cockatoo Island and Yampi, where the ore is pulled out of the ground and practically dropped into the ships which are able to come right alongside. It is a marvellous set-up and we are extremely lucky in this State not only in having the large deposits but in having them in such positions that they can be economically handled.

Having made those observations, I conclude by congratulating the Government on the way in which it not infrequently successfully goes out after industry for the State. I hope that it will continue to go after industry and will be successful. I certainly look forward with great anticipation to the day when this particular project will reach fruition. It is not certain yet, admittedly; but, still, my hopes are high.

THE HON. G. C. MacKINNON (South-West) [5.37 p.m.]: This particular agreement has, of course, both national and parochial aspects, and I think the national aspects were very capably and adequately covered by Mr. Wise. There are some parochial aspects which are going to accomplish certain things for a very pleasant district, and for which many people have been battling for a number of years.

Some members might recall that in 1959 when speaking to the Supply Bill, I think it was, at page 863 of *Hansard*, I spoke of the Scott River. At that time, as Mr. Willmott said, we were doing some work in the district. I spoke of the possibility of a road linking up certain existing roads and creating, ultimately, a coastal trip as far as Walpole. I suggested that a road into that area would accomplish two purposes: it would make a very fine tourist trip, and it would also open up some very good grazing country.

As was said by interjection a moment ago, this industry may accomplish just that. If members have a look at Plan "A," they will notice that there are really no roads into that area. I did mention in the speech to which I have just referred that if anyone wanted to have a look at the country he should do so in the summer because to gain access to the area in the winter he would need an Army duck. Access is gained by way of Alexandra Bridge, because although improvements have been made by the local authority the country is certainly not good. It is low lying and very damp.

It has, I believe, much better prospects from an agricultural point of view than the Department of Agriculture has up to date been prepared to concede. I think most members here will be familiar with the name of Mr. Alf Dunkley who has for the

past two years won the Governor's cup at the Show. He has had outstanding success with land taken up in the Scott River area over the last two or three years.

Another matter to which I referred was the bridge over the Hardy Inlet. Here again I can explain: The Blackwood River runs into the Hardy Inlet, and that particular inlet is sometimes referred to as the mouth of the Blackwood and sometimes as the Hardy Inlet. In strict fact it is the mouth of the Hardy Inlet. But I rather suppose there is a bit of a mix-up there because locally when a person refers to the mouth of the Blackwood it is taken to mean the top end of the Hardy Inlet. However, the actual place where the local people have, for a long time, advocated a bridge is at the mouth of the Hardy, right down the coast.

A resident who has been in the district for very many years is Bill Ellis. For years he has fought for a bridge over the Hardy for the purpose of opening up the Scott River area. He has been an advocate for very many years of that district as good grazing land.

The Hon. N. E. Baxter: Is the Scott River a tributary of the Blackwood?

The Hon. G. C. MacKINNON: No. The Scott River is a river of its own. If the honourable member looked at the map he would find that, while it is clearly defined for a comparatively short distance out of Augusta, it then more or less disappears, and is represented by swamps and then a thin line of river, followed by more swamps. It runs quite a long way along the coast, rising up in the Warren area, and running through this very flat country which sometimes spreads out, then comes in again to a clearly defined river. It has this advantage, which I mentioned in the speech to which I have referred, that it does carry good potable water. I was there in March, and it was very hot and I was thirsty; and I drank from the river. It was beautiful water. Therefore, the company should have no difficulty with regard to potable water.

The timber situation, as Mr. Willmott has mentioned to the House, should present no problems in the event of the company using charcoal instead of coal char. I would at this particular point like to suggest to the Minister that the company be requested, when taking this timber, to bulldoze it out rather than saw it down. I have no doubt that if they take a lot of the scrub and jarrah, ultimately the land will be taken up for agricultural pursuits.

The Hon. A. R. Jones: That is very necessary, too.

The Hon. G. C. MacKINNON: It would be helpful if the company were asked to bulldoze the trees over so as not to leave the stumps because the clearing would then be practically done; whereas the removal of stumps presents, as we all know, a difficult situation.

The Hon. N. E. Baxter: It is just as easy to saw the timber up after bulldozing as it is if it is sawn down; as a matter of fact, it is easier.

The Hon. G. C. MacKINNON: Yes. I notice in the Bill that considerable latitude is given as to the method of treatment; that is indicative of the very rapid progress being made today in the upgrading of low-grade ores of all types. Indeed, I was reading only the other day an account dealing with the midwestern universities in America which members might think have nothing to do with this matter. One of these universities was credited with being responsible for the development of a method of upgrading this ore to what is called sponge iron.

I notice that in the Bill a lot of latitude is given in regard to the different methods of handling the ore. A small example of differences in techniques can be seen if one visits the two ilmenite works at Capel. Both works use a magnetic process for the separation of the original ilmenite ore, but the processes are different. I take it that a magnetic process could be used with this limonitic ore as it is also magnetic.

The Hon. A. F. Griffith: It is not necessarily magnetic, because it is limonitic; so I am told.

The Hon. G. C. MacKINNON: I understand that much of the ore is magnetic. At Capel the ore is crushed. Then it is separated in very strong centrifuges, referred to as hurricanes, next treated in roasters, and then carried on a belt. In one place this belt moves over revolving magnets which pick up the ore, and the centrifugal action of revolving plates throws the ore out and drops it over the edge of the belt. Half a mile away ilmenite is treated on the same principle, but by a different method. The ore is carried along on one belt, and another belt travels across it, picking up the ilmenite and dropping it off when it gets outside.

The Hon. A. F. Griffith: As it leaves the magnetic pull.

The Hon. G. C. MacKINNON: Yes. I assume that method could be used with much of the ore at Scott River. It may be that a great deal of heat will be needed to separate some of the ore. I have no doubt that in the period it will take to prove these deposits, a different treatment altogether could be developed. So it is as well that the latitude contained in the Bill has been given.

If this venture is successful—and we should always remember to use the word "if"—Augusta will have a much firmer basis for its development, because it will have a degree of diversity of occupations which it has never had before. Of course, Augusta is very fortunate in its climate—a Mediterranean climate which is very pleasing. I have no doubt that the company or the people at Augusta will be able

to grow a lot of the vegetables and so on that will be required. I do not anticipate that an organisation of this nature starting in Augusta will have any great labour problems, because it is hard to visualise a place more pleasant to live in. Augusta has a lovely climate, pleasant swimming, and wonderful fishing. It is what we all know to be a tourist paradise, and I think it would be the ambition of most men interested in working in this industry—

The Hon. L. A. Logan: The people at Augusta even have their own town planning scheme.

The Hon. G. C. MacKINNON: Yes; they even have a town planning scheme which they are paying for themselves. But that is something that one does not mention if one visits Augusta, because one can get oneself into an argument on that score at very short notice.

The Hon. F. R. H. Lavery: Make them build a road around the big trees, and not knock them down.

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

The Hon. G. C. MacKINNON: It is to be hoped that this project will bring great benefits to Augusta. I must say that the Government, in all its statements since the inception of the discovery of the ore, has been very cautious; it has gone out of its way to ask the people in Augusta not to stampede over the matter. In addition, the Government has been most careful to safeguard the position in respect of property values so as to prevent property price booms. But it has been difficult to do that because the people at Augusta are enthusiastic; they are wrapped up in their district, and they are a good group of people. They run things in a community spirit; and, of course, they have been most excited over this matter.

Anyone who knows anything of the district will freely admit that the Government was most cautious and begged the people not to get carried away too much; and I think the words of warning have had an effect.

The agreement is designed primarily to protect the company and the investment it is making to prove the deposits; and we hope that it will prove them and that we will see at Augusta a fine port and a thriving community, but that it will still be a pleasant place in which to spend a delightful holiday; and that, as an adjunct to the steel industry, there will be a greatly augmented agricultural industry throughout the Scott River country.

THE HON. N. E. BAXTER (Central) [5.51 p.m.]: I wish to speak on one small matter that was mentioned by Mr. MacKinnon: the use of locally-produced charcoal in the processing of the iron ore. What I have to say is dependent on the quantity of charcoal that would be produced. In

this regard there is a pitfall which, I believe, is not provided for in the Bill, inasmuch as when charcoal is produced it leaves a residue containing tars and other substances that can pollute streams and land. The residue is a rather strong effluent that can even eat its way through underneath the land and find a course of its own; and it can destroy pasture land; and it is a nasty effluent when it gets into streams.

I mention this matter so that the Minister can make a note of it, and so that some safeguard in respect of the disposal of such effluent can be included in the agreement, or discussed with the company, in the event of a large quantity of charcoal being produced in the area.

THE HON. A. F. GRIFFITH (Suburban—Minister for Mines) [5.52 p.m.]: Naturally I thank those members who have spoken on the Bill for the manner in which they received it. Mr. MacKinnon struck the right note when he said that the Government had always endeavoured, so far as advertising was concerned, to keep the possibilities of this project at a minimum until such time as there was a reasonable chance of success.

Mr. Wise told us that the necessity to bring this agreement to Parliament for ratification is occasioned by the fact that the company requires a basis on which it can negotiate if it goes to some foreign land to reach an agreement for supply. A potential customer would want to know the basis of security that the company has; and if the company is able to produce its agreement, together with its mineral leases, it is able to introduce an important phase into its negotiations.

Talking about advertisements, or, to be more accurate, the newspaper reports, in the early stages of this project, I would say this: The world needs enthusiasts, and it is enthusiasts like Mr. Fernie who bring us a great deal of success. He was, I think, a little extravagant in his original assessment of the potential of the iron ore deposits; but after all, one who becomes enthusiastic about a matter of this nature has a tendency, perhaps, to become overjoyed or buoyed up too much with the whole prospect. However, since the early days of the possibility of this matter being brought to a successful conclusion, the company has done a great deal of work and has pursued its project very firmly.

I point this out in connection with the release of iron ore: I think it is a very good thing that the Commonwealth has removed the embargo on the export of iron ore. The State most likely to receive the greatest benefit from this release is Western Australia; and when Western Australia was making its demands, as it was a few years ago, for the removal of the export embargo on iron ore, it was with the knowledge that there was a certain degree of self-satisfaction, or lack of mineral deposits, in the case of some other States.

I mean, that South Australia could feel satisfied because it was negotiating agreements with B.H.P. Victoria did not have much reason to worry, because it did not have much in the way of iron ore deposits. Queensland was situated somewhat the same as we are, but to a lesser extent. At that time it had deposits of known limited extent. Tasmania knew it had potentially large deposits of low-grade ore, but not much in the way of high-grade export ore. New South Wales, to the best of my knowledge, was in much the same position as Tasmania and, perhaps, Queensland. But Western Australia had the deposits; and there is no doubt the years that lie ahead will prove that we have enormous deposits not only of iron ore but of other minerals that will be discovered in the search for iron ore.

But the point I would like to make is this: This agreement was not based, for its successful conclusion, on the removal of the embargo on the export of iron ore. There was no reason why anybody should not have negotiated with the Government of any State for the treatment in the State of a low-grade or a high-grade ore. To the best of my knowledge the embargo had no effect upon this situation. What brought this particular matter to the point where investigation was worth while was simply the world market, and the world trends and demands for different types of iron ore.

I walked over this deposit and travelled over it in a tractor; and members would be surprised to see that somebody has done quite a lot of fencing in the area and he obviously had to put the postholes down with some sort of hard rock drill. I do not know what sort of drill he used, but it must have been something other than the ordinary posthole auger that operates from the back of a truck. It was quite humorous to see the fence posts standing in a line across a large area of what was obviously some sort of country that did not, to say the least, look particularly suitable for agricultural development; because there was little or no soil in the places there. But the demand for this mineral made it obvious that something should be done in that area; and that is where Norman Fernie should get some credit. He and his company had the initiative to look at this area and investigate its possibilities; and in that regard, as I have said, he and his company are deserving of credit.

We can freely make this agreement and ratify it because it is outside the scope of the embargo that existed on iron ore, as the embargo was on high-grade hematite iron ore. It is fortunate, as Mr. Wise said, that the situation has changed.

The particular demand for iron ore in the world is coming from Japan, but samples of this material, as I have said, have been sent to other countries for experimental purposes.

In answer to Mr. MacKinnon I would point out that for quite a long while the actual process that will be used for the treatment of the material may not be known, because the company will pursue all avenues to ascertain what, ultimately, will be the most successful form of treatment.

As members know, I visited Japan for the purpose of talking to the representatives of its steel interests and to see for myself, on the spot, what was the actual position, instead of listening to rumours of what were our possibilities of trading with that country. Although I spent only 10 days in Japan—the flying visit there and back being far too rapid—they were enough to convince me that the Japanese had a keen desire to trade with Australia. One of the factors that attracted Japan to trade with Australia was the political stability of the country as a whole. By that I mean the whole political stability of Australian politics; not just the stability of the politics within any one State.

Japan was desirous of trading with us because of that fact; because she knows the limitations that are imposed with political instability in some parts of the world. We all hope the company will proceed as quickly as possible with its plan to get on with the job; and so far as the Government is concerned it will give it the utmost co-operation to achieve its objective.

The point raised by Mr. Wise on the question of land I feel quite certain will be dealt with—as I indicated in my interjection whilst he was speaking—in the roads and reserves legislation; but I thank him for drawing my attention to the matter because it will enable me to make sure that what he has suggested will be done and that we will not make any mistakes in that respect.

On the question of whether the project will materially affect agricultural growth within the area, I agree with Mr. Willmott that this project will stimulate agricultural growth. I cannot see that it will have any adverse effect on the extent of the land available because not much land is involved in this project in comparison with the huge areas that still remain undeveloped. Mineral Mining and Exports (W.A.) Pty. Ltd. is a locally-formed company. As Mr. Wise has pointed out, there is provision, in clause 21 of the agreement, for the company to have the right to assign its interests, but I would draw the honourable member's attention to the fact that it can only do so with the consent of the State, and I am sure the State will exercise every care before consenting to such an assignment.

The Hon. F. J. S. Wise: I am not objecting to it.

The Hon. A. F. GRIFFITH: No, I realise that; I appreciate the honourable member's drawing my attention to it.

The Hon. F. J. S. Wise: I am only hoping that the originators will not lose by it, that is all.

The Hon. A. F. GRIFFITH: I get the honourable member's message, and I point out to him that the company has to give to the State a satisfactory deed of covenant that the new people receiving the benefit of any assignment will fully observe the obligations set out in the agreement.

In respect of clause 2, concerning prices, as mentioned by Mr. Wise, it is quite true that a similar type of clause was written into another agreement contained in a Bill already passed by this House. It was inserted to protect the company from any hostile Government. This iron ore field, in a short space of time, is going to be the centre of a very competitive business, and there may be necessity for the Government and others interested in Western Australian iron ore to watch that situation closely.

As Mr. Willmott said, the Government is not committed to expenditure that might go down the drain, because the Government is protected to the point that it has no commitments until the notice date is given; and that date will not come until the company is sure it is in a position to go ahead with a reasonable chance of success for the whole project. I will draw the attention of the appropriate department to the suggestion made by Mr. MacKinnon about bulldozing the trees instead of cutting them off at ground level or some other inappropriate height. Also, I will have a look at the question raised by Mr. Baxter in regard to charcoal.

The only other point I would like to raise in concluding this debate is that the passing of this Bill will be particularly pleasing to me because it is another agreement which Parliament is being asked to ratify, and it is one that had its genesis in the Mines Department. It is an extremely exciting and pleasing experience to be part of the development that is going on with mineral production in this State at present. I only hope that whatever happens I will be spared for a few years—I admit I am not a very old man now—to witness the change that will undoubtedly take place in Western Australia within, perhaps, the limited period of the next decade.

At the moment I cannot share many confidences I have with the members of this House, but I can say that as a result of the interviews and talks I have had with various people in the mining industry, their hopes, anticipations, and expectations on certain mineral developments that are proceeding in Western Australia at the moment forecast a bright future for this State. I hope the time will not be far distant when we will be able to bring before Parliament Bills of a similar nature,

for ratification, which will assist in bringing to Western Australia the prosperity we deserve. I thank members for their support of the Bill.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

House adjourned at 6.11 p.m.

Legislative Assembly

Thursday, the 19th October, 1961

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