

politan Water Supply Department and be entitled to rate separately each flat although not supplied by a separate service, and then be in a position to recover rates from the occupier should it be so desired instead of from the owner. This course is sometimes desirable where the owners are absentees, and also with a view to the department assisting the owners who, under the Goldfields Water Supply Act, are finally liable for the payment of rates and water charges.

The second proposal is to give the board or Minister power to amend the rate book by inserting any property which may have become rateable after the rate book has been made up. Many applications are received annually by the department for the extension of water mains, generally for supplies to new houses. Upon these extensions being laid, properties facing the mains become rateable. At present there is no power provided in the Water Supply Act to insert these properties in the rate book. The Bill makes provision for this and, if agreed to, will bring the Goldfields Water Supply Act into line with the Metropolitan Water Supply, Sewerage and Drainage Act, and the Water Boards Act.

Another amendment deals with the sale of land for unpaid water rates. The Goldfields Water Supply Act was passed in 1902 and the provisions of the section dealing with the sale of land for arrears of rates are somewhat out of date. The Bill proposes to repeal the whole of Section 83 and to insert a new section in its place, this being necessary on account of the number of amendments involved. It provides that if moneys due for rates or for water supplied remain unpaid for a term of three years or longer after they are due and payable, action may be taken for the sale of the land. A further amendment relates to the substitution of the "local court" and the "magistrate" for the "Supreme Court" and a "judge" thereof, as the authority to make the order for the sale of land. At present a petition must be lodged at the Supreme Court, which is an expensive proceeding and subject to delays.

The Bill also provides that a purchaser may take land free of encumbrances other than a mortgage to the Agricultural Bank. The proposed new section is substantially the same as Section 282 of the Road Districts Act, and the provision in the Vermin Act of 1925, while it is also similar to the amend-

ment in the Water Boards Act Amendment Bill recently passed by this House. I feel sure that the Bill will receive the support of members, particularly those representing the goldfields districts. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

In Committee.

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

House adjourned at 3.56 p.m.

Legislative Assembly.

Tuesday, 27th October, 1942.

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The SPEAKER took the Chair at 2.15 p.m., and read prayers.

BILL—MORTGAGEES' RIGHTS RESTRICTION ACT AMENDMENT.

Introduced by Mr. Boyle and read a first time.

BILL—MOTOR SPIRIT AND SUBSTITUTE LIQUID FUELS.

In Committee.

Mr. Marshall in the Chair; the Minister for Industrial Development in charge of the Bill.

Clauses 1 and 2—agreed to.

Clause 3—Interpretation:

The MINISTER FOR INDUSTRIAL DEVELOPMENT: The Leader of the Opposition has some amendments in connection with this clause.

The CHAIRMAN: There is a prior amendment on the notice paper.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I want to move an amendment at the beginning of Clause 3. It has a relationship to what will be moved later by the Leader of the Opposition. I move an amendment—

That in line 1 of the definition of "benzole" after the word "in" the word "Western" be inserted.

Amendment put and passed.

Mr. BOYLE: I move an amendment—

That in line 1 of the definition of "power alcohol" the word "anhydrous" be struck out. The reason for this amendment is that in Western Australia there is one plant to be established by the Commonwealth Government in the South-West at a cost of £500,000. It will turn out what is known as anhydrous alcohol, or that from which water or moisture has been removed. If this definition remains unaltered it means that no further enterprise in regard to the extraction of power-alcohol from any substance whatever will come within the provisions of this legislation, unless it is of an anhydrous nature, or has been so treated. I have repeatedly said from my place in this Chamber that at a capital cost of £500,000 this is not an economical proposition, but it is a war-time proposition and one that will absorb about 1,250,000 bushels of wheat annually. There are other cheaper propositions. The plant used for the extraction of power-alcohol in South Australia would not cost anything like £100,000, or one-fifth of the proposed cost of the installation in the South-West of this State. The report of the Power-Alcohol Committee of Inquiry of the 17th May last in paragraph 59 states—

In addition to the above power-alcohol distillery capacity, there are a few other distilleries in active production of ordinary methylated spirits, and several normally occupied in the potable spirits and wine industries; these, in an emergency, could either have extra stills added to produce anhydrous alcohol suitable for use as a blend with petrol, or could produce 95 per cent. spirit which, as pointed out in paragraph 315, may be capable of being used. Omitting unsuitable distilleries in this category, it is estimated that a further capacity for 95 per cent. alcohol of approximately 5,000,000 gallons per annum is in existence. To bring these distilleries up to capacity would necessitate supplying them with a suitable raw material and overcoming other difficulties.

That suitable raw material is here in abundance in the form of wheat. Yet if we were to introduce distilleries to produce simply power-alcohol under the Act they would have

no opportunity to come under the provisions to preserve them after the war. Paragraph 315 of the same report states—

It would be advantageous if 95 per cent. alcohol could be safely used in petrol blends under all conditions. Alcohol from a number of existing distilleries could be used locally, thus saving transport costs on the alcohol and on the petrol it would replace; cost would be reduced, as dehydration of the alcohol would be omitted; storage and transport would be simplified, as the necessity would not arise for the complete exclusion of traces of water.

The committee sets out that it would be advantageous if 95 per cent. of power-alcohol could be safely used in petrol blends under all conditions. It could be so used if a mixing valve device were employed. The provision omits everything but anhydrous power-alcohol. The inclusion of the word would shut out practically as much power-alcohol of an anhydrous character as is being manufactured today.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I oppose the amendment. The retention of the word would not rule out the possibility of using grapes as a source of power-alcohol. It would merely ensure that the power-alcohol produced from grapes reached a certain standard before it was supplied under the provisions of this measure. The standard it would have to reach to become anhydrous alcohol would be the safe standard, one that would enable the power-alcohol to be safely mixed in any quantity with ordinary motor spirit. If the power-alcohol produced from grapes was of a lower standard than required, it could not safely be mixed with ordinary motor spirit, and users of motor vehicles, not knowing the scientific implications, might purchase the lower grade of power-alcohol, mix it with ordinary motor spirit and develop a nasty crop of troubles. We had better act as safely as possible in this respect; otherwise we might find that power-alcohol produced from grapes was not of an anhydrous quality. If we had sufficient surplus grapes to warrant their being converted into power-alcohol, that action could be taken under the definition, and the only difficulty would be that the grapes would have to be put through the additional process necessary to bring the spirit up to an anhydrous alcohol standard. We should be careful in the matter of quality in standard.

Mr. BOYLE: I think the Minister has missed the point. Anhydrous power-alcohol may be mixed immediately with petrol provided the mixture contains not more than 15 or 20 per cent. In Adelaide a company is manufacturing power-alcohol and selling it freely to the extent of 75,000 gallons a month. That is being mixed with petrol, so the managing director says, to the extent of up to 50 per cent., by a mixing device. I was not referring to grapes, though there is no reason why power-alcohol should not be produced from that source. It can be produced from wheat. We could have power-alcohol plants attached to flour mills throughout the wheat belt and use the by-products for stock in those districts. Under this measure such power-alcohol would have to be subjected to further treatment by installing an expensive machine. The Minister is acting against the recommendation of the Power-Alcohol Committee. This Bill, I take it, has been introduced at the request of the Commonwealth Government, and that Government has been advised by the Power-Alcohol Committee. The committee is very definite in paragraph 315 that it would be advantageous if 95 per cent. of power-alcohol could be safely used in petrol blends. The Bill would shut out any opportunity to use these substitutes after the war because they would not be anhydrous.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: We have no reliable proof of the type of power-alcohol being produced from grapes in South Australia.

Mr. Boyle: It might be produced from sugar.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Yes, but it would come under the heading of anhydrous alcohol in regard to quality, and could safely be mixed with ordinary motor spirit. That is the vital consideration. We have to be particularly careful that any power-alcohol manufactured is of such a quality that it would be quite safe for users of motor vehicles to mix it with ordinary spirit. If we do not insist upon that safeguard power-alcohol of a lower quality would be put on the market and motorists might unsuspectingly mix it with ordinary motor spirit. Probably it would not mix properly, the motorist would experience all sorts of trouble, and Parliament might be condemned for not taking action to prevent a lower type of power-alcohol from

being marketed. There will be much more ordinary spirit than substitute liquid fuel on the market.

Mr. Patrick: Will not all of it be blended?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: No, the substitute liquid fuel to be marketed would be of such a quality that anyone could purchase it.

Mr. Boyle: That is, already mixed?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: No, anyone could purchase it and safely mix it with ordinary motor spirit.

Mr. Patrick: Is it not sold in Queensland ready mixed?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I cannot say. The substitute marketed will be of a sufficiently high quality to permit of its being safely mixed with ordinary motor spirit.

Mr. Boyle: Is that the advice you have?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Yes. We must be especially careful that we do not allow to be manufactured and put upon the market a substitute liquid fuel of a quality that would not ensure, beyond every possibility of doubt, the mixing of that substitute liquid fuel with ordinary motor spirit. If the amendment is passed, I assure members that we shall create an exceedingly serious situation and cause no end of trouble to the motorists who will be called upon to purchase substitute liquid fuels.

Amendment put and negatived.

Mr. WATTS: I move an amendment—

That in line 2 of the definition of "power alcohol" after the word "in" the word "Western" be inserted.

In view of the Minister's early amendment, he will no doubt accept this amendment. I gave reasons for it on the second reading.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I support the amendment.

Amendment put and passed.

Mr. WATTS: I move an amendment—

That in line 1 of the definition of "Substitute liquid fuel" after the word "benzole" the words "and power alcohol" be inserted.

Although benzole may be produced in Western Australia, the definition does not state that "substitute liquid fuel" includes "power-alcohol," which it is obviously intended to do. Although the Government could include those words, I think it more reasonable to insert them in the definition itself.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I support the amendment.

Amendment put and passed.

Mr. WATTS: I move an amendment—

That in the definition of "substitute liquid fuel" after the word "benzole" the word "and" be struck out and the word "or" inserted in lieu.

The definition would then include benzole and power-alcohol produced in Western Australia by any person undertaking the production of benzole and power-alcohol. The amendment will ensure that if a person produces one or the other, his product will be regarded as a substitute liquid fuel.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I agree to the amendment.

Amendment put and passed.

Mr. WATTS: I move an amendment—

That in line 2 of paragraph (b) of Subclause (2) after the word "in" the word "Western" be inserted.

Amendment put and passed; the clause, as amended, agreed to.

Clause 4—Person selling motor spirit to be holder of license:

Mr. WATTS: I move an amendment—

That in line 4 of Subclause (1) after the word "sell" the words "otherwise than by retail" be inserted.

This clause provides for the issue of licenses to persons engaged in the disposal of liquid fuels to the public; and, as I said on the second reading, it seems to me not reasonable that the retailer who merely supplies the public should be compelled to take out a license. Many of these retailers will simply sell the fuels made available to them by the wholesalers, or by the manufacturers, if that term can be used in regard to mixed fuel. I do not see any occasion for licensing the retailers. The words proposed to be inserted seem to me to meet the circumstances of the case.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I strongly oppose the amendment. It is far more necessary to license the retailer than it is to license any other person or firm trading in substitute liquid fuels and motor spirit. Members who have studied the Bill will know that the quantity of substitute liquid fuel to be sold by each trader will be prescribed by regulation. It will, therefore, be necessary to prescribe the quantity of liquid fuel to be sold by each retailer and, if he is not licensed,

he will be subject to little or no control. He will be in a position to do what I suggested in moving the second reading—sell only the ordinary motor spirit. Thus the quantity of substitute liquid fuel available for sale would not be sold, and consequently he would have a distinct and undue advantage over other retailers.

Mr. WATTS: I am at a loss to understand why the Minister insists upon the licensing of retailers. It does not seem to me possible that these retailers will handle fuel otherwise than by supplying the public from bowsers or some such form of supply. In view of the other provisions of this measure, by what means are they to obtain these supplies of substitute liquid fuel, except through the proper, recognised and licensed sources? If they cannot obtain them through other than those sources, by what means are they going to sell to the public a mixture which is different from that with which they have been supplied? All this proposal does is to put unnecessary expense on people who are unable, through the surrounding circumstances, to commit the enormities the Minister suggests they might commit.

Mr. McDONALD: In order to understand the first part of this clause, to which the Leader of the Opposition has moved an amendment, I would like the Minister to give the Committee some explanation of the proviso to subclause (1). It seems to be intended to provide that if one seller—for example, a wholesaler—secures a license, then a retailer who buys from the wholesaler need not also secure a license, provided he satisfies himself that the wholesaler has a license. If that reading of the proviso is correct, would it not mean that the retailer need not license himself?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: The main principle in this matter is that every retailer shall be compelled to sell a prescribed quantity of substitute liquid fuel. If he purchases from a licensed dealer, then the necessity upon him to be licensed no longer exists. But if he does not purchase a prescribed quantity of substitute liquid fuel from a licensed authority, the necessity is still upon him to purchase such substitute liquid fuel, and he will then have to be licensed and will have to take that quantity from whatever source from which it is made available to him. If we did not tie up the position in the man-

ner suggested, we would leave the way open for a number of retailers to dodge their fair obligation in respect of purchasing and selling a quantity of substitute liquid fuel. The licensing provision will not be irksome or expensive. If all retailers are prepared to do a fair thing and purchase the prescribed quantity from a licensed authority, there will not be an obligation on individual retailers to license at all, but the power to license will exist if any retailer tries to dodge his obligations. I imagine there will be some who, because of price and other factors, will prefer not to buy substitute fuel. Even though the quantity be comparatively small, they will prefer not to be bothered with it, but to go on with their ordinary methods of selling petrol at the price established by the petrol companies, giving them their ordinary margin of profit, and thus build up a group of consumers, as they did before petrol rationing was introduced. This licensing power will be used only against recalcitrant retailers who may be trying to avoid their fair obligation to buy and sell the prescribed quantity of substitute liquid fuels.

Amendment put and negatived.

Clause put and passed.

Clauses 5 to 7—agreed to.

Clause 8—Holder of license to purchase substitute liquid fuel in prescribed quantities:

Mr. WATTS: I move an amendment—

That in line 1 of paragraph (a) of Subclause (6), after the word "he," the words "had good grounds for believing that he" be inserted.

This clause makes it an offence to commit a breach of any of the earlier requirements in regard to the sale of substitute liquid fuels, and provides that it is a defence if a man can prove that he was unable to obtain substitute liquid fuel. Circumstances might arise in which an individual might genuinely believe it was impracticable to obtain the substitute liquid fuel, whereas proof might be forthcoming in court that if he had gone somewhere else he would have been able to obtain it. I consider he should be exonerated if he had good grounds for believing the substitute liquid fuel could not be obtained.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I do not propose to accept the amendment. The distribution of substitute liquid fuels will be well organised.

Everybody will know where they can be obtained for resale, and it will not be difficult for a trader to ascertain where such fuels are available. Merely to call upon the holder of the license to show that he had good grounds for believing that he could not obtain liquid fuel would provide him with a defence that could never be broken down. I find it difficult to see how it would be possible for the prosecution to succeed if the proposed words were inserted.

Amendment put and negatived.

Clause put and passed.

Clauses 9 to 21, Schedule, Title—agreed to,

Bill reported with amendments.

BILLS (3)—RETURNED.

1, Public Authorities (Postponement of Elections).

With amendments.

2, Jury (Emergency Provisions).

3, Collie Recreation and Park Lands Act Amendment.

Without amendment.

BILL—COMPANIES.

In Committee.

Resumed from the 2nd December, 1941. Mr. Marshall in the Chair; the Minister for Justice in charge of the Bill.

Clause 142—Appointment and remuneration of auditors:

The CHAIRMAN: When the Bill, which has now been restored to the notice paper, was previously considered in Committee, the member for Nedlands had moved to amend the clause by striking out Subclause (7).

Hon. N. KEENAN: Unfortunately my marked copy of the Bill which I left in the Chamber has been inadvertently removed. I took considerable trouble in marking my copy with what I suggested should be deleted by way of amendments, and in the circumstances I shall have to rely upon the Minister informing me from time to time as to the position.

The CHAIRMAN: The hon. member's amendments appear on the notice paper.

Hon. N. KEENAN: The clause deals with the appointment and remuneration of auditors and Subclause (7) reads —

Notwithstanding anything to the contrary contained in this section, it shall not be necessary for a proprietary company to appoint an auditor, if and when the majority in number of the members of the company and irrespec-

tive of their shareholding voting in person or by proxy at the statutory meeting or at an annual general meeting of the company carry a resolution directing that the company shall not appoint an auditor or auditors; and when such a resolution is carried and whilst such resolution remains unrescinded by a subsequent resolution similarly carried the provisions of this section shall not apply.

The object of the clause as a whole is to achieve greater security respecting company affairs, and one of the strongest safeguards is the appointment of auditors. Should there be anything wrong, it is the function of the auditors to reveal the fact and to cure that wrong in the interests of the shareholders of the company. That is quite proper. I would like some reason advanced why proprietary companies should be favoured, particularly with regard to the appointment of auditors. Such a step is what ordinary prudence should dictate. Auditors should be appointed in connection with such companies and I ask the Committee to strike out the subclause that will provide exemption on behalf of proprietary companies.

The MINISTER FOR JUSTICE: I cannot accept the amendment, although I realise there is something in what the member for Nedlands has contended. Generally speaking, proprietary companies are small concerns and mostly at isolated centres. In such circumstances it would be a matter of great inconvenience if auditors had to be appointed to investigate the financial transactions of those companies. If the subclause is agreed to as printed it will enable any proprietary company, that finds it impracticable to have auditors, to bring the matter before the shareholders for determination. While this provision will apply mostly to small businesses, it should also be allowed in the interests of big firms trading in far distant centres in the back country.

Mr. Hughes: Do you consider Boans Ltd. a small concern?

The MINISTER FOR JUSTICE: No, but it is not likely that a big concern like Boans Ltd. would continue without the employment of auditors to keep check on the financial side of its operations. The Taxation Department alone would see to that. In connection with big proprietary businesses in the back country, very little money in the shape of public subscriptions is involved. In any case, I think the creditors can look after their own interests. As a business man, I have had to do so myself.

Hon. N. Keenan: As a creditor or as a debtor?

The MINISTER FOR JUSTICE: Perhaps as both, but I finished up as a creditor. I believe the consideration suggested should be extended to proprietary companies. The member for East Perth mentioned Boans Ltd., but I remind him that we have limited proprietary companies to those comprised of 21 members.

Mr. Hughes: But Boans would still be in as a proprietary company.

The MINISTER FOR JUSTICE: No proprietary company can have more than 21 members unless they are employees. I ask members to give consideration to the recommendations of the Royal Commission that examined the Bill. Two members representing another place thought it only reasonable to extend this consideration to proprietary companies because they are mostly family affairs, and in the circumstances should not be forced to go to the expense of taking their books to Perth for audit purposes or of bringing the auditors to back country centres to investigate their affairs. It seems to me that some members desire to centralise everything in Perth thereby penalising those who are doing the real work of the country in the outer areas.

Mr. Seward: But there are plenty of auditors in the country districts.

The MINISTER FOR JUSTICE: There are in some parts of the rural areas, but not, for instance, in the North-West. Moreover, we should not compel the small no-liability companies operating on the goldfields to comply with this provision regarding auditors. Here again, generally speaking, little money is involved from the standpoint of public subscription. I ask the Committee to give due weight to the Royal Commission's recommendations and to accept the subclause.

Mr. HUGHES: I cannot understand the Minister saying that proprietary companies are only small affairs, seeing that some of the biggest concerns in Australia are in that category. In the North-West there are station properties conducted as proprietary companies with a capital of over £250,000. Surely the Minister does not regard such concerns as small affairs! If I had my way, I would not have proprietary companies at all, nor would I give such companies any concession. Why should we permit one man, simply because he is rich, to convert his

business into a proprietary company and so take advantage of the benefits of the Companies Act, whereas we require those in a small way to go to the expense of appointing auditors, publishing balance sheets and so forth? The Bill proposes to license auditors and to compel companies to conduct official audits. That will bring more taxation to the Government's coffers. A licensed auditor will not sign a balance sheet or issue a profit and loss account unless the financial statements disclose the true profits. If a company is not forced to employ an auditor it will facilitate the cooking of accounts in such a way as to indicate diminished profits. There will be no check upon such financial statements and that will affect taxation receipts. That sort of thing has been done for years. Some companies have evaded taxation by the simple expedient of refraining from drawing salaries and directors' fees, but in lieu borrowing from the companies and treating the borrowings as loans without even adequate security being required. An official auditor would not allow a firm to get away with any such procedure.

The Minister for Justice: Companies would not do that if they had an auditor.

Mr. HUGHES: But some companies have their own auditors who are members of their own staffs. Those auditors are not such as are contemplated under the clause. The auditor contemplated by the Bill will be a more efficient tax-gatherer than even the officials of the Taxation Department. He will have more inside information, and will be obliged, when certifying the profit and loss account, to certify it in such a way that there will be no danger of any come-back on him. At present, all the auditor has to do is to insert in his report a statement that the directors have valued certain things, and he will be exonerated; but under the Bill the auditor will be a licensed auditor and liquidators will be licensed liquidators. The measure will establish a monopoly for licensed auditors and licensed liquidators. Thus there is a fortune in the Bill for some people. The question whether a company shall have a licensed auditor or not should be one of principle.

It is difficult to see why discrimination is made in favour of big men who form dummy companies—proprietary companies. Boan's is an instance. If that company went into liquidation, the creditors would have no redress. By turning himself into a company,

the proprietor evades his liabilities. Even if the company failed to the tune of a million pounds, and although he had in his own name a million pounds' worth of assets which he had drawn from the company, he would be beyond the reach of the company's creditors. In Western Australia, where is there a small trader operating as a company? Had the Western Australian farmers been as acute as the pastoralists, they would not have suffered as they have during the depression, because they would have formed companies and invested in city property and thus defeated their creditors. The pastoralists saw further ahead than the farmers. There are station owners who have £20,000 or £30,000 or £50,000 in city property.

Mr. McDonald: How many of them? The money was put back into the stations.

Mr. HUGHES: No. If Western Australian station properties were put under the hammer today, they would barely clear their first mortgages. The interest of one partner in a station which I shall not name was sold for £16,000, and a second mortgage was taken, involving the station in a debt owing to a city financial institution with headquarters in New Zealand. That institution today holds a mortgage for £35,000 against the station. The widow of the man who blazed the track in making the station has a mortgage of £16,000 against the property, making a total indebtedness of £51,000. Undoubtedly the station at one time was worth that amount. But today there are only 4,000 sheep on the place.

The CHAIRMAN: The hon. member is drifting slightly from the question before the Chair.

Mr. HUGHES: I am trying to show the difference between the private company and the individual. On that station there are only 4,000 sheep but there is plenty of feed for stock. The chief mortgagee, however, will not take the chance of re-stocking the station, thus allowing the widow to receive a part of her mortgage debt of £16,000. The chief mortgagee will foreclose his mortgage, put the station up to auction, and write off £25,000. Then the widow of the man who built the station will get the old-age pension. These facts show that the money was not put back into the station. What about the owners of Mia Mia station and all the money they put into Sydney and Melbourne property?

The Minister for Lands: There are some sad cases where the money was put back into the station.

The Minister for Justice: The remarks of the member for East Perth would apply to any company, whether registered or proprietary.

Mr. HUGHES: To the ordinary person the word "company" represents a substantial affair. There is no obligation on anyone to form himself into a company with three or four of his relatives. He should be obliged to assume the obligations as well as the advantages.

The MINISTER FOR JUSTICE: The Commission's view was that the scene of operations of a small company would be a station or a mine. We are spending too much time over this clause. I do not object to its being agreed to or otherwise. The Commission included two legal men as well as business men, and in justice to them I have been obliged to put the clause up. The Commissioners argued that consideration should be given to small isolated companies in this huge State, situated where qualified men's services are not available.

Mr. TONKIN: I regret the Minister's attitude, and hope he will not accept the amendment. As for proprietary companies being small companies, the Broken Hill Company is not a small affair. If the Minister has in mind small outback companies, let him restrict proprietary companies to the outback. An auditor is more than a policeman. He is also a physician. He can indicate to the principals of a company where the business is financially sick, and in so doing he is rendering service to the shareholders as well as to the creditors and to members of the general public. As a public man I am concerned whether a company, or say a number of persons, is likely to fail. It is not a good thing for the State that a business should fail, because it affects adversely the livelihood of possibly numerous persons. Whatever steps are possible should be taken to prevent the failure of companies once they are established. The auditor is a safeguard in that direction. He is generally an experienced man.

Mr. Sampson: There is nothing in the Bill to indicate that. He might be a butcher.

Mr. TONKIN: He would be an experienced man. Some companies have failed through the dishonesty of their principals. Why should any company be allowed to

carry on without having its accounts properly audited? The Minister says that the obligation to appoint an auditor would be too great a burden for small outback companies to carry. There are not many such companies. If a company wants to have the benefit of limited liability it should be prepared to fall in with those things that the ordinary public company has to provide for. Everything possible should be done to guard against fraud and loose trading by companies.

Hon. N. KEENAN: I should be glad if the Minister would soft pedal in the matter of his references to the Royal Commission. We have had his remarks on that subject so often that they stand out clearly in the minds of members. I know the Royal Commission did a great deal of work in connection with the Bill, but that does not deprive the Committee of the right to amend the measure.

The Minister for Justice: We will still abide by the rule of the majority.

The Minister for Labour: The Commission has sat on the Bill; but this House should not sit on the Commission.

Hon. N. KEENAN: Later on I am going to move to strike out certain other proposals contained in the Bill. I point out to the Minister that no proprietary company exists in Western Australia today, because it cannot exist under the law. It is impossible, therefore, that any outback companies can be affected by this proposal. Pastoralists already have their accounts audited by city firms, and there is no need to provide for them in that respect.

Mr. SAMPSON: There is no definition of auditor in the Bill. Will he be a qualified or certificated man?

The Minister for Justice: I refer the hon. member to Clause 498.

Mr. SAMPSON: That says, "So long as the registrar is satisfied."

Mr. Tonkin: Would he be satisfied with a butcher?

Mr. SAMPSON: We ought not to be led astray by the remarks of the member for North-East Fremantle. A man who had not the special qualifications, but might have made some appeal to the Registrar, would not necessarily be able to police the accounts of these companies.

Mr. Fox: A man would not be appointed to the position unless he was qualified.

Mr. SAMPSON: According to a Bill put through not long ago it was competent for people to elect any person to be an auditor under the Road Districts Act.

The CHAIRMAN: The Road Districts Act is not before the Chair.

Mr. SAMPSON: I conclude by saying I was rather astonished at the remarks of the member for North-East Fremantle.

Amendment put.

The CHAIRMAN: I declare that the noes have it.

Mr. Hughes: I called "Aye," Mr. Chairman.

The CHAIRMAN: I heard no "Ayes" at all.

Mrs. Cardell-Oliver: I, too, called "Aye."

The CHAIRMAN: If members of the Committee will not be alert enough to conduct their own business that is not my responsibility. There were no voices in favour of the amendment.

Mrs. Cardell-Oliver: I called out, Mr. Chairman.

The CHAIRMAN: I did not hear the hon. member. If there was one voice raised there was not more than one, and I did not hear it.

Mrs. Cardell-Oliver: That is not true. There were three voices.

The CHAIRMAN: Will the member for Subiaco resume her seat? I did not hear any "Ayes," and I therefore rule that a division cannot be called for. The amendment passes in the negative.

Dissent from Chairman's Ruling.

Mr. Hughes: This is too important a matter to be allowed to go by like this. I move—

That the Committee dissent from the Chairman's ruling.

[The Speaker resumed the Chair.]

The Chairman having stated his dissent,

Mr. Hughes: The question before the Chamber was that Sub-clause (7) be struck out and I called "aye." The Chairman who, I admit, is very efficient when presiding, with his usual despatch promptly put the question. I called "aye" from my seat before he declared the amendment negatived. I think I heard the member for Nedlands call "aye," but am not sure. However, I can speak for myself, and I did call "aye." The Chairman of Committees said he did not hear anybody call "aye." Well, all I can do is to assure the House that I called "aye" before he declared the question lost.

I regret having to move to disagree with his ruling, but to those of us who are experienced in the administration of company law, from the legal and accountancy angle, this is an important matter, and I am not prepared to let it go without a division, if it can be avoided.

Mr. Marshall: I do not challenge the hon. member's statement that he said "aye," but it must have been under his breath. Nor did I hear any other voices until after I had given a decision, and then I heard plenty, but it was too late. Members are well aware of the Standing Order which governs the ruling I gave. It is Standing Order 194, and states—

A division cannot be called for, unless more than one voice has been given on each side for the Ayes and Noes.

I heard, Mr. Speaker, no voice in the affirmative when I put the question, and only one "no," and that was the Minister's vote. I gave my decision accordingly. If members will be honest, they will agree that they heard no voice for the ayes; if they heard any at all, it was but one. I could give no other ruling. I might have repeated the question, but on this occasion I did not. I gave the ruling according to Standing Orders.

Hon. N. Keenan: It is regrettable that this incident should have occurred, but the Standing Order is not quite as the member for Murchison has put it before the House. The Standing Order is not that more than one voice is "heard" by the Chairman or by the Speaker, but that more than one voice is "given." I have no doubt that the Chairman did not hear the "ayes."

Mr. Thorn: He does not give you time.

Hon. N. Keenan: I am equally certain that there was more than one "aye."

The Minister for Labour: I thought I heard you call "no."

Hon. N. Keenan: If I suffered from the same mentality as the Minister for Labour, I would do that; I would speak in one direction and vote in another. As it was my amendment, I can be assumed to have voted "aye." Is the Standing Order to be construed as if the word "heard" by the Chairman or Speaker is to be read into it, or simply the word "given"? Undoubtedly the voices were given, but also, undoubtedly, they were not sufficiently strong to have been heard by the Chairman, whose word I accept absolutely.

Mrs. Cardell-Oliver: Mine was the third voice, although simultaneous with the others. It might have been quite possible that the Chairman did not hear, because he has such a wonderfully loud and penetrating voice that frequently his last sentence reverberates around the Chamber and it may rebound on his own ears before he can hear what others say. I did say "aye," and I heard the member for Nedlands call "aye," and also the member for East Perth. I was not really concerned with other members.

Mr. J. Hegney: From my place I only heard one voice. It would, therefore, be unlikely that the Chairman in his position would hear any others. It is difficult for the Chairman to determine when the members vote, how many are voting "aye" and how many "no." The member for East Perth did make a physical effort to express himself; he was halfway out of his seat. The member for Subiaco must have spoken very quietly, because none of us here heard her. I am not concerned about the merits of the question, but about the interpretation of the Standing Orders. I have to interpret the Standing Orders correctly on the voices.

Mr. Hughes: You are not being class-conscious now?

Mr. J. Hegney: No, not at all! Members should be fair to the Chairman of Committees, no matter who he may be. If he does not hear the ayes or noes expressed, he must interpret the vote in accordance with Standing Orders.

Mr. Tonkin: This is, as the member for Nedlands said, most regrettable. We are all, to a certain extent, to blame for what has arisen. I experienced some hesitancy as to how I should vote to achieve my purpose, and did not have sufficient time to make up my mind before the decision was declared. I think numbers of other members were in the same position. I did not hear any voices at all, either "aye" or "no." I expected the question to be put again, instead of which a decision was given. It is obvious that there is a division of opinion. I do not think we are anxious to take advantage of a technical point. I vote to uphold the ruling of the Chairman because he ruled as he thought he should, but I do hope an opportunity will be given to members to vote on the clause.

Mr. Doney: The common idea seems to be that the Chairman of Committees was at fault.

The Premier: No.

Mr. Doney: I am not giving the Premier's views, but my own.

The Premier: You said it was the common idea.

Mr. Doney: Contrary to the views members apparently hold they intend to vote to uphold the Chairman's ruling. There seems, according to the Chairman, to have been one vote on either side. That is an unsatisfactory expression of opinion, and we certainly could have expected a re-submittal of the question. It amazes me that the Chairman did not do that, and I hold that because he did not do so he was certainly to blame for the trouble that ensued.

Mr. Speaker: It seems to me that the Speaker is not in a position to do other than uphold the ruling of the Chairman. In this case it amounts to whether the Chairman heard or did not hear the voices. As the Speaker was not in the Chamber to say whether certain members voted or not at the time all he can do is to abide by the ruling of the Chairman. Unless the Chairman is prepared to reverse his decision I have no option but to uphold his ruling.

Mr. Doney: The Standing Orders should be reviewed.

Committee Resumed.

The CHAIRMAN: In view of the circumstances surrounding my decision, although it is a precedent I have not previously experienced, in fairness to the Committee I am prepared—

Point of Order

The Premier: On a point of order. The Speaker having ruled that the Chairman was in order and the House having upheld his ruling by not challenging it, the Chairman's decision must stand.

Mr. Hughes: The Speaker suggested that the Chairman might be prepared to reconsider his decision.

The Premier: The proper time to have taken action was when the Speaker gave his ruling. No one wants to take points in regard to this matter. There is a proper way to deal with it, and the Government will offer no opposition to its being dealt with correctly. When the Committee stage

of this Bill has been completed this clause can be recommitted and a decision reached. That is the proper way to do it, and I would be sorry to see any other procedure followed at this stage. I suggest that the Committee take that course.

The Chairman: The Premier is absolutely correct. I want to be fair to members. If an assurance is given that the clause will be recommitted, members should be satisfied.

Mr. Hughes: Might I point out that this Bill, further on, is permeated with the question of proprietary companies, and it may not be satisfactory to deal with other aspects and then return to this clause. The only satisfactory way is to recommit it now.

The Premier: That cannot be done.

Mr. Hughes: We will otherwise go through this Bill, which establishes an important principle, and probably finish up in chaos.

The Chairman: If there are any consequential amendments they will follow on this amendment at the time of recommitment.

Mr. Hughes: They are not consequential.

Committee Resumed.

Clause put and passed.

Clause 143—Disqualification for appointment as auditor:

Hon. N. KEENAN: Before moving an amendment I call the Minister's attention to paragraph (b). The clause deals with the disqualification for the appointment as auditor, and sets out a number of persons who should not be eligible to be so appointed. The words used in paragraph (b) are—

A person who is a partner of or in the employment of an officer or director or employee of the company.

It is obvious that what is meant is—

A person who is a partner or in the employment of an officer or director, or who is an employee of the company.

Among the parties disqualified from being appointed to act as auditor is a body corporate. Obviously auditors could become a body corporate.

The Minister for Justice: I agree to the deletion of those words.

Hon. N. KEENAN: I move an amendment—

That paragraph (c) of Subclause (1) be struck out.

Mr. HUGHES: I hope the Minister will not agree to the amendment. The very essence of being an auditor entails ability to make a personal examination of the accounts and accept personal responsibility. The only way to get an effective audit is to have it done by a man who is licensed and who accepts personal responsibility. If we delete the paragraph, somebody will form an auditing company. I have not heard of such a company.

The Minister for Justice: What about the National Service Co. Ltd.?

Mr. HUGHES: That company should be wiped out. I believe it is not a limited company. It employs cheap labour and purports to make out balance sheets and profit and loss accounts, which are rubber stamped "compiled from information supplied" and certified. That is not an audit; it is a fraud.

Mr. Withers: Quite a lot of auditors do the same thing.

Mr. HUGHES: Not at all. An auditor who prepares a balance sheet and profit and loss account from information supplied is not supplying it at all.

Mr. Sampson: He must depend upon the vouchers produced.

Mr. Withers: He can only certify to the best of his belief.

Mr. HUGHES: If he gives an audit certificate, he has to take responsibility for it.

Mr. Withers: Not too many auditors do that.

Mr. HUGHES: All reputable auditors do. The certificate is so worded that the auditor accepts responsibility.

The Premier: No; he certifies that the audit is correct in accordance with the accounts presented to him.

Mr. HUGHES: The primary duty of an auditor is to see that proper books are kept for the business, and that the books and accounts give a reasonable indication of the business. If a ledger was presented to an auditor he would ask for the journal, cash book, and subsidiary books from which the ledger was compiled. If he was told there was no cash book or journal, he would not give a certificate. He would say he was unable to make an audit because of the lack of necessary books. The law does not make an auditor an insurer against fraud. Without that protection, he could not undertake the work. If an auditor does everything that can reasonably be expected in order

to verify the accuracy of books, accounts, stock sheets, etc., the law says that he has discharged his duty. Suppose it was subsequently found that somebody had conspired with a printer to print duplicate receipt books and that an employee had used them, the auditor could not possibly know of them, unless he went to the printer and ascertained that more than a certain number of receipt forms had been printed. But in case of a fraud such as I have described, the law will say that the auditor is not an insurer. On the other hand, if the auditor did not trouble to ascertain that all receipts up to, say, 10,000 were accounted for, he would be told that he had been negligent. I have seen dozens of cheap, rubber-stamp audits, no books having been kept and therefore no real audit being possible. An auditor could form a proprietary company consisting of himself and four or five members of his family, he himself holding all the shares except four or five; then, if he is discovered to be responsible for negligence, the company can confess judgment and go into liquidation, and the auditor can form another, similar, company.

In the case of a partnership the auditor would be liable to the full extent of his assets. Each partner is liable for the whole of the partnership debts. If one partner has nothing, the other or others must pay his share of the liabilities. I trust that the Registrar would not license a body corporate as an auditor. One of the evils from which we suffer is the body corporate. Under this Bill, as I have already said, auditing would be a monopoly. Are we going to allow the W.A. Trustee Company and the Perpetual Trustee Company to do what a licensed auditor would not be entitled to do—go on the wireless every day urging people to make the company their trustees and executors, whereupon the work would be done by youths and girls at 30s. per week? I am surprised that any legal practitioner should follow the Minister on this question. A trustee company makes wills more from the standpoint of the company than from that of the beneficiaries. Why does the Minister want to drag everything to the big corporations? When excluding the body corporate from this Bill the Commissioners, I thought, were sticking up for the private individual. I hope the Minister will not agree to the amendment.

Mrs. CARDELL-OLIVER: I am not particularly concerned with the technicalities of this clause. I simply want to refute the statements made by the member for East Perth with regard to the National Service Co. I do object to the making of specific statements about firms that have no chance of refuting them. I know that company particularly well. It is not a fraud and does not employ cheap labour.

Mr. Cross: It charges pretty high prices.

Mrs. CARDELL-OLIVER: It might, but it does not employ cheap labour. Nearly all its employees are qualified and they receive a higher remuneration from the company than they received when employed by lawyers or accountants. The employees certainly earn much more money than they did when they were on their own account. I want it to be recorded that I refute the statements.

Mr. HUGHES: I do not suppose the member for Subiaco has seen three documents issued by that company. If she has, she probably did not understand two of them. It is childish—

The CHAIRMAN: I hope the hon. member will not reflect on another member.

Mr. HUGHES: I withdraw for both parties. I have seen hundreds of those documents and I have seen the rubber stamp put on them.

Mrs. Cardell-Oliver: So have I.

Mr. HUGHES: I have tried to compile accounts from books supplied by that company. As for the statement that its employees are qualified, that is not so. At one stage it employed one qualified man, who had 20 or 30 clerks under his direction. Let the hon. member go to qualified accountants in Perth. I say advisedly that it is quite wrong for an auditor to sign a profit and loss account and balance sheet, put a certificate at the bottom, and then place a rubber stamp on the top of the document that nullifies the effect of the certificate at the bottom. That rubber stamp takes the responsibility away from the signatory, and throws it back upon those who supplied the information. That is not a proper profit and loss account or balance sheet. No firm of accountants would adopt that method, because accountants have a great sense of responsibility and great respect for their profession. I know a hundred times as much about the activities of that company as does the member for Subiaco. If she will come to my office I

shall produce to her a set of books from which I challenge her to produce a balance sheet, even with all her knowledge.

Hon. N. KEENAN: We have digressed to a discussion on the merits and demerits of various firms of accountants.

Mr. Hughes: Only one.

Hon. N. KEENAN: I support what the Premier said, that every firm of accountants does state that it compiles accounts from information received.

The Premier: From information available.

Mr. Hughes: From books and records.

Hon. N. KEENAN: There is no guarantee about the information supplied to the auditors. I do not know that trustee companies deserve to be placed in a category by themselves as robbers and thieves stealing legal and accountancy business and other kinds of business. I do not imagine for a moment that they get more than value for the work they do. That is all the Minister wants. There is no reflection on or glorification of anybody.

Amendment put and passed.

Hon. N. KEENAN: I move an amendment—

That in lines 2 and 3 of paragraph (d) of Subclause (1) the words "in an amount exceeding two hundred and fifty pounds" be struck out.

As the paragraph now stands, the amount intended might be £249 19s. 11d., in which case a person would still be qualified for appointment as an auditor of a company. That is absurd.

Amendment put and passed; the clause, as amended, agreed to.

Progress reported.

BILL—BUSH FIRES ACT AMENDMENT.

Second Reading.

THE MINISTER FOR LANDS [4.38] in moving the second reading said: This Bill is submitted for the consideration of members. Its object is to amend sections of the Bush Fires Act, 1937, which has passed through a period of trial during the past five years and has certainly been the means of assisting to cope with an exceedingly difficult situation. Prior to 1937, two Acts were in force which contained provisions dealing with bush fires. Fresh points were advanced for the better control of bush fires, with the result that an excellent consolidation of those Acts was made. During the past four

or five years, owing to experience gained of that Act, it has been possible to meet varying conditions in different parts of the State. The State was subdivided into zones in accordance with the provisions of the Act. Certain prescribed requirements were given effect to by farmers, by Government services—Railway or Forests Departments—and the greatest assistance has been rendered to the administration by road districts generally.

As a matter of fact, had it not been for the close co-operation of road board secretaries and members generally, I am sure there would have been some serious happenings a year or two ago. In different parts of the State, road boards have wholeheartedly co-operated in giving effect to the requirements of the Bush Fires Act. From time to time a committee meets in Perth representing the Forests Department, the Department of Agriculture, the Road Board Association, and different parts of the State to consider the effect of various sections of the Act, to examine the prospects of suitable alterations, and to make recommendations accordingly. Some little time ago the Bush Fires Prevention Advisory Committee met and from that meeting many suggestions emanated, some of which have been incorporated in the Bill. It will be noticed that an amendment is suggested to Section 9 of the Act. It deals with an extension of time during the prohibited period when the Railway Department may burn its embankments or reserves to prevent bush fires from spreading from such reserves. Because of the varying opening dates in different parts of the State it is thought necessary and advisable that the period should be extended from six to eight weeks. The Railway Department is anxious that an addition of two weeks should be granted to enable the situation to be met.

An additional amendment proposed to Section 9 is the outcome of a conference held between road district representatives, officers of the Forests Department and officers of the Lands Department, at which the Leader of the Opposition was present. Although dates have been proclaimed under Section 9 of the Act, because of seasonal circumstances, it is sometimes necessary to vary such dates, to defer or to bring forward the closing date of a given season to enable preparatory burning prior to the prohibited period being reached, during which

precautions may be taken to meet the situation arising from impending fires. The amendment gives the Minister authority to vary the date, if it is considered warranted because of seasonal circumstances. A further amendment is to Section 10 of the principal Act, which gives power to local authorities to burn the bush on any road reserve between the road formation and an established fire-break, for the purpose of protecting pastures or any crop from damage. At present this burning can take place only between 8 o'clock in the evening and midnight. For several reasons it is necessary to provide for this burning to take place between sunrise and midnight of the same day, so that it will coincide with such things as the operations of the Railway Department in burning its reserves or with military requirements in certain circumstances. So it is intended to amend that section to meet the requirements of the Army, and also to make the best use of railway burnings adjoining roads and reserves, which otherwise would be burned at a later date.

A further amendment deals with Section 16 of the principal Act. It will be recalled that Clause 16 of the Bush Fires Bill, which eventually became an Act, dealt particularly with charcoal burning. One of its provisions was that an area of 20 feet should be cleared around every kiln, pit or retort to prevent any inflammable material from firing the bush adjoining it when charcoal fires were lighted, and that any directions and requirements given or specified by a bush fire control officer or forest officer as being in his opinion necessary for the purpose of preventing the fire from spreading or escaping should be duly complied with. When the Bill reached the Legislative Council the word "and" was deleted and the word "or" substituted. Members who have any knowledge of charcoal burning are aware that flames sometimes extend 40 feet from the kiln, if the wind is at all strong, and there is thus a prospect of additional requirements being very necessary in order to safeguard the position in such circumstances. After four or five years' experience of charcoal burning it is considered not unreasonable to ask that, in addition to the 20 feet clearing, any additional precautions should be undertaken if the bush fire control officer considers the situation demands such precautions being taken.

Since the introduction of the original Bill we have had considerable experience in connection with the burning of charcoal. Tremendous quantities have been burnt on State forest reserves, and in every instance where permission is given to burn charcoal on those reserves it is incumbent on the person having the privilege, in addition to clearing 20 feet, to take any other precaution considered necessary by the forest officer. There has been no difficulty in regard to the matter. It is considered an essential safeguard to have the word "or" removed and the word "and" substituted, making it incumbent upon any person to carry out the requirements of the forest officer if, in his opinion, the position warrants action. Another amendment suggested is in connection with Section 17 of the parent Act. In this section reference is made to the burning of refuse from crops such as tomato plants, which are specifically mentioned in the parent Act. It is provided that these should be burnt between the hours of 8 o'clock and midnight, but because of the situation of Geraldton and other districts, where it is necessary to burn these plants in order to prevent the spread of disease and because of likely military requirements, it is considered that instead of having precise times mentioned the burning should be done at a time prescribed by proclamation. An additional amendment is being made to Section 17 to enable refuse of plants other than tomato plants to be dealt with. It is intended to provide mainly for the destruction of potato plants by the same means by which tomato plants are treated. But to make it wider, in case it is necessary to bring in other plants subject to disease, and which may be infested, so that it can be dealt with without any further amendments of the Act, an addition to Section 17, to be known as 17A, has been included in the Bill. It will be found to be self-explanatory.

A further amendment in this measure gives local authorities the right to make available to farmers and landholders fire-fighting apparatus at a price which, in their opinion, is reasonable. Many of the appliances supplied to country road boards have been used, not merely by the boards, but by the farmers in the district, and in one or two cases plant was made available to farmers. It was purchased by the local authority and sold to the farmers at reduced

rates, and when the Public Works' audit was carried out it was found that such action was not permissible under the Act; that they could not sell something which they had purchased at amounts below cost price, as they were doing when making this apparatus available to the farmer. It is intended to encourage rather than discourage such actions on the part of road districts where, in their view, it is essential, for the better protection of the district, to provide fire-fighting apparatus at the lowest possible rate. For them to purchase it and then make it available to settlers at as reasonable a rate as is within their province is provided for in one of the amendments contained in this Bill.

There is only one other amendment and it deals with the taking of action against people who are not carrying out, or are avoiding, or deliberately offending against, the Act. We find, in some circumstances, that the persons at present prescribed to take action are not wholly suitable and it may be necessary, therefore, for someone authorised by the Minister—it may be a Forests Department officer, or such a man as Mr. Giblet—to take action against the offending persons. It can be well imagined that a situation might arise in which it would be difficult for a person to take action against the offender if the person so authorised was the servant of the man against whom he was to take action. This provision makes it possible for an officer to be prescribed and authorised by the Minister to take action if it is considered necessary. The Bill is so drafted as to be readily followed, and if it is considered in conjunction with the parent Act there will be no difficulty in finding that the amendments are clear and explicit. The Bill, therefore, becomes simple to follow. All the amendments suggested are reasonable and are for the better protection of our forests and our farm lands and our country generally, which is so essential at this time. I move—

That the Bill be now read a second time.

On motion by Mr. Mann, debate adjourned.

ANNUAL ESTIMATES, 1942-43.

In Committee of Supply.

Debate resumed from the 22nd October; Mr. Withers in the Chair.

Vote—Forests, £54,090 (partly considered):

MR. BERRY (Irwin-Moore) [4.45]: The Minister for Forests made some interesting observations in regard to the shortage of firewood in the metropolitan area. All these problems in connection with firewood, primary production and other civil necessities are governed entirely by the question of manpower. The Government has discovered that whatever it attempts to do is controlled by that factor. I know that from the few committees on which I serve in this city. It struck me that perhaps the time had come when we should give serious consideration to the question of how far we can employ aliens. If we took people from internment camps and properly controlled them—in the military sense if that is considered necessary—and treated them fairly they would form a reservoir of labour which would be well worth our while to tap. I know the Government is fully alive to that fact, but I know it can be done and should have been done long ago. These people are very versatile, in the matter of firewood supplies particularly.

Another matter of interest in the Minister's speech from my point of view, was his eulogistic statement concerning the Conservator of Forests, Mr. Kessell. I want to associate myself with those remarks. I know Mr. Kessell personally and I feel that the honour paid to him by his being transferred from Western Australia to wider fields, in a Commonwealth sense, and in connection with the war effort, is something of which we in Western Australia might well be proud. There is no question as to his efficiency. I remember when he made a trip to the Far East and went through Hong Kong and, I think, Japan. He then came down to Malaya where he actually stayed with me and, amazing as it may sound, he gave us advice with regard to the cultivation of rubber, which is a form of reforestation. We not only accepted that advice but put it into practice for our own benefit. I always feel happy when I hear such allusions to that gentleman as were made by the Minister for Forests.

The next point I wish to mention in connection with forests deals with red-gum timber. We hear very little about this timber, but apparently it has latent potentialities. From the information given to me it seems to be a fairly good substitute for hickory. Everyone knows that at this moment it is difficult to obtain hickory axe handles, and

I understand that certain of these red-gum trees would make an effective economic substitute for hickory. These particular trees are peculiar in that the quality of their timber is characterised by the environment in which they grow. For instance, red-gums growing near swamp land, I am given to understand, are of the type of wood that would be particularly suitable for the making of axe handles, and the making of handles for any tools—shovels, spades and such things—which, at this juncture we are finding difficulty in obtaining. If the Minister has not already given any mature thought along those lines, I suggest that he do so now.

The axe handle problem is becoming serious. A handle made, I am told, of spotted-gum can be obtained, but it breaks into pieces after about three strokes. If the latent quality of the red-gum is such as has been represented to me, the question of labour would again enter the problem. In everything we essay to do, we are up against the labour question, but the difficulty could perhaps be minimised by supplying cutters with a portable saw with which they could cut fitches of suitable lengths in the bush itself. These fitches could be sent to Perth and then the difficulty of obtaining suitable axehandles would disappear. I cannot help thinking that when war was declared by Japan, we might have been a little precipitate. On that occasion we indulged in panic recruiting, and I think the time has come when we must awaken to the fact that certain civil responsibilities ought to be considered. I trust that the department concerned will look carefully into the matter of retaining the requisite civil population to deal with such problems as supplying firewood and cutting red-gum for the purposes I have mentioned. I am satisfied that the Minister and the officers of his department will be fully alive to the need for action, and I trust they will make investigations with a view to overcoming the existing difficulties. Maybe we shall need a hard-bitten bushman to indicate which trees are suitable. I understand that red-gum trees growing on ironstone country are of no use, but that the best quality of timber, as I have already stated, is from trees growing near the creeks.

MR. DONEY (Williams-Narrogin): I regret that the Minister for Forests is not in his seat, but I hope that one of the other Ministers is taking a vicarious interest in his Estimates. Despite manpower difficulties, a thoroughly good job has been and is still being done at the various forestry stands in the Narrogin area. The work is now under the direction of Mr. Milesi and a very capable staff. I was hopeful that the Minister, in replying to the discussion, might be able to tell the Committee exactly when the Narrogin mallet plantations are likely to come into profit. We are rather proud of the work done there, and are anxious to have details regarding the commercial aspect of the work. I realise that the foresters there are thinning out all the time, which means that some of the bark must be going on the market. The bigger trees, I understand, had better wait for another four or five years to encourage greater growth in the mallet, which, as a result of investigations by the C.S.I.R. and the Forests Department, has been found to possess possibilities in quite a number of directions, but particularly for making axe-handles, other handles, shafts and so forth.

I do not wish to bring myself into competition with the member for Irwin-Moore; I did not expect that competition would come from red-gum. I hope there is something in what the hon. member has said, but I suggest that the appearance of red-gum and its history in the realm of marketable timber does not make the outlook for it particularly promising. We certainly need a timber that in appearance has some of the attributes of ash or hickory, and personally I cannot believe that mallet is not better than red-gum or marri. If the hon. member knows that certain investigations have been made with results better than we have anticipated, I shall be very pleased. Regarding mallet, members will realise that to strip the bark when the trees are in an immature stage would be to lessen substantially the value of both the bark and the timber. If the Minister can give us any information at all about the marketing prospects of mallet and marri, we will feel obliged.

I come now to a matter in which I know the Minister takes a very keen interest—so I imagine will every member when informed upon the subject—and that is the tremendous fire hazard which is recognised

by many people as existing in the mulga zone. Unless action is taken without delay to stave off the threat to grass and stock and, it is no exaggeration to say, to human life also, there are probabilities of serious major disasters occurring during the summer months. No form of miracle that I can conceive of is likely to set aside that danger. So I say this matter must be regarded as of the utmost seriousness. Members will appreciate that owing to the very heavy rains throughout Western Australia during the winter just past, grass in the mulga belt has shot up as never before. For quite a time that seemed to be a blessing to pastoralists and to the State generally, but it has now developed to the pitch of requiring urgent attention and action by the Government and all authorities in any way interested, as well as by the people generally, if a catastrophe is to be averted.

Members should take this matter very seriously. This is no scare motion that has suddenly struck me. The Minister and members of his Cabinet regard it just as seriously as I do, and possibly even more seriously. To show how exceptional are the conditions in the mulga, I point out that this is only the second time in the history of the State, as known to the Forests Department, when there has been a fire risk in that zone. The first fire hazard—that is the term generally used by the department—was away back in 1915. In that year grass grew to the hitherto unprecedented height of 15 or 18 inches of feed. In this year, unfortunately, the growth right through that huge tract of country is knee-deep; today there is mile after mile, for countless miles, of grass rising to a height of three feet—frequently more and frequently less, though three feet, I am given to understand, is the average. It will not be long before that grass becomes as dry and brittle and inflammable as tinder, and thus it is easy to visualise a sea of flame spreading through that country, with consequences so obvious that I need not particularise them.

It is just as well to understand something of the dimensions of the area covered by this particular belt. Roughly, with the exception of the north coastal and Kimberley strip, the mulga belt includes almost the whole of Western Australia's pastoral country. This means—and members who

know the North-West can check up on it—that the whole of the mulga zone stretches from the Bight to the east and west of Esperance, with a belt running north-west, thence for hundreds of miles to the north-west of Western Australia—not including what we commonly know as our North-West, but up to and including all the Gascoyne and Ashburton country that culminates in the North-West Cape. It would embody, also, what is known as the goldfields eucalypt zone, and for that matter includes all the country known as the Nullarbor Plains, which runs deeply on both sides of the trancontinental railway and into South Australia. Forests Department records—and the position has been very fully reported upon—show the country all through Nullarbor Plains and the Madura Pass to be two or three feet deep in grass and in new bush. Members will find that what I say is supported by the departmental reports, and that there can be no doubt whatever of the tremendous danger the country is facing.

If we cut out from a map of Western Australia the settled south-west corner and the north coastal and tableland sheep country, and of course the Kimberleys and all that real never-never country to the south of the tablelands and the Kimberleys, the balance of the map would be the country I have referred to as being affected. We see, therefore, how vast is the area concerned and how vast the problem facing us and especially facing the officials of the Forests Department, who, I may add, are deeply concerned about the big task that awaits them. I had a discussion with the Premier at his request here last week, and as a result, and again at the Premier's request, I called upon Mr. Stoate, the Deputy Conservator, and we talked the matter over for a couple of hours or more. The officers of the Forests Department were, as I have intimated, only too well aware of the magnitude of the threat.

I pass on to the Committee the information given me by Mr. Stoate. It is necessary that members should recognise the highly urgent need for publicity through the Press. Very especially there should be co-operation between the Forests Department, which will take the lead in whatever preventive measures may be adopted, and the Rural Fires Prevention Advisory Committee, the Railway Department, the timber companies, the Civil Defence Council, the

various road boards and municipalities and the Army, all of which could be of material aid in numerous directions. There should be a conference between the heads of the various bodies I have mentioned. It will be plain to all of us that the Forests Department is facing a huge job, and is bent on tackling it. I should mention here also, in deference to the Forests Department, that my allusions to certain other departments and the need for a conference between them, express the Forests Department's views, and not my own, although I entirely agree in their sense. It naturally follows that since there has been no fire hazard in the mulga since 1915, there are no fire-fighting appliances anywhere in those areas.

There is this, too—and it is a greater misfortune still, in a way—that the material which goes to the make-up of those appliances can now be purchased or otherwise secured only with extreme difficulty. I believe the Forests Department intends to plough along the north and south of the railway line, possibly going out as far as three or four chains, and later burning out the intervening spaces. But that job, on account of the sap still in the grasses, probably cannot be undertaken for another fortnight or three weeks. The Railway Department will no doubt make certain that all the engines traversing that line, as well as the spur lines attached, are fitted—as most engines are in the south-west part of the State—with the usual spark arrester. Unfortunately, it is not possible to borrow fire-fighting appliances from the Forests Department, because the climatic conditions that have made the position so dangerous to the east, north and north-west of this part of the State, apply in the south-west, and make it very necessary indeed to keep such appliances there. I may mention, as my final word on this matter, that this would imply great danger to those parts of the State from which the mines have drawn their supplies of timber. I could touch upon a number of other points perhaps with benefit to the Committee, but if I have succeeded in any way in arousing the interest of members in this matter, then I have been wise in bringing it to their notice.

MR. SAMPSON (Swan): Not so many years ago, afforestation was looked upon with grave misgivings because people did

not understand much about it and regarded expenditure upon it as wasteful. But a complete change has been brought about, and today there are great respect and great regard for the work that the Forests Department is doing. I desire to make a short reference to the red-gum, or marri tree. This tree generally is regarded as being not of much value but, from the point of view of the apiarist, it is valuable indeed. It is claimed that one red-gum tree produces as much nectar as do several acres of full-grown fruit trees. To both the red-gum or marri and the karri the apiarist owes a great deal, because the honey made from the nectar obtained from them is of a very high grade. In passing, I pay a tribute to the work of the department, and particularly to the work done by Messrs. Giblet and Lewis. These two officers have done a tremendous lot of work in instructing those interested in the control and prevention of fires. There is much to be said in favour of that work.

Perhaps the Minister will enlighten us as to whether the arrangement whereby an amount was allocated for the reforestation of sandalwood is being carried out. I know that this is a subject in which the Premier is concerned, and I would appreciate a word from the Minister in regard to it. Also, I would appreciate it if consideration were given to the provision of a reserve for fruit-case timber. The difficulty in obtaining such timber is becoming more pronounced, because, owing to the importance of preserving our timber areas, it is not always possible to secure timber for fruit cases unless the department agrees. I therefore would ask the Minister to give consideration to the setting apart of reserves in various parts of the State where fruit is grown and where this timber is required. The staff of the department has, as I have said, done its work very well indeed. I know some of the officers and there is no doubt they are very much concerned about the work they have in hand. The assistance extended by the officers is worthy of every commendation. I desire to acknowledge the courtesy and help that I have received from them from time to time.

MR. CROSS (Canning): I notice the Minister for Forests had something to say on the firewood question. I sincerely hope the Forests Department will ensure that I

do not receive the number of complaints and abuse that I received last winter.

Mr. Sampson: You deserve all you get.

Mr. CROSS: Private dealers cannot supply firewood in sufficient quantities even now, and it is summer-time. When next winter comes stocks in the metropolitan area will be depleted, so the time is now opportune to commence organising the supply in the metropolitan area for next winter.

Mr. Sampson: Buy an axe and get to it.

Mr. CROSS: During the ten years I have been in Parliament I have never received so many complaints as last year about the firewood supplies in the metropolitan area. I do not know how other metropolitan members fare, but I have had a particularly bad spin. I have received numerous letters, many of which are not anonymous. I could not tell the people where to get supplies, and of course the wood yard proprietors were doing the best they could.

Mr. Sampson: Read the letters and you might get our sympathy.

Mr. CROSS: I ask the Premier to arrange with the Forests Department to proceed with the cutting of firewood during summer, so that there may be supplies available next winter. In my district there are many women working in munition factories and on other war work. They have to go home at night and cook the evening meal, and it will be rotten for them if they cannot have a fire.

The Minister for Labour: They can chop the wood before they go to work.

Mr. CROSS: They cannot chop wood if they have no wood to chop. The situation was serious in my district last year. More than one woodyard has closed down. We were told that men would be released, but I know one woodyard which was operated by four or five brothers but which had to close down. Other woodyards closed down and those remaining would not supply new customers because they were unable to supply those they already had. I am not talking about this in a facetious manner. If the member for Swan had been in my electorate and received the complaints I received last year he would have gone mad. This is an opportune time to raise a complaint, and I hope there will be no more humbug about the matter. The morale of our people will not be maintained if they have no firewood and other basic requirements.

I agree with the member for Williams-Narrogin for once, inasmuch as I consider that adequate steps should be taken by the Forests Department in regard to fire precautions. My observations have convinced me that even within a mile or two of the city there is more grass than has been in evidence for years. If we experience any enemy raids about February or March, the position will be very bad. In spite of manpower difficulties, the Forests Department should take extra precautions this year to ensure that the State's reserves are protected against fire. If the enemy gets over here with a few phosphorus leaves half the State will be set alight. It is necessary to take greater precautions than ever before. Both the items I have touched upon are of vital importance to the interests of this State.

THE MINISTER FOR LANDS: I do not wish to be presumptuous in making some comment on this vote. The Premier, as Minister for Forests, has a very keen appreciation of the points raised by members. Recently he has arranged to transfer his department to the Minister for the North-West. I repeat that in making these few remarks I do not wish to presume on any Forestry questions, but the points raised came before me when I was acting for the Premier.

I wish first to refer to the question of fires, which has been raised by several speakers. The Government has had a very keen appreciation of the extreme danger to this State of fires during the coming summer. So far as the records indicate, there has never been such a widespread growth of grasses and herbage over the whole State as has been experienced during the past winter.

Mr. Doney: East, west, south and north.

The MINISTER FOR LANDS: Yes. If members used to visualising the State from the point of view of the South-West, the Great Southern or any other part, will look at the map and trace the area extending from the South Australian border, where grass is heavily in evidence, right through to the Port Hedland district, they will observe a range of country extending for a couple of thousand miles which will be a potential menace during this year. I recently went through part of the Gascoyne and Murchison areas. Those parts were subject to severe drought extending from seven

years ago until recently. In that country are wandoos and shrubs of that nature, very fine in the stem, and so dense that it is impossible to muster sheep in normal times, when the gathering of sheep is possible only by trapping them on the waters prior to shearing. Over millions of acres there has been this year a growth of herbage right through that country which is a potential menace of terrific magnitude. So far as we know there is very little that could be done to extinguish a fire in that country once it began.

Turning to the east, I suppose there has never been the prospect of a grass fire on the Nullarbor Plain equal to that existing at present. There is a potential menace also in the case of the areas mentioned by the member for Williams-Narrogin, those grass areas adjoining the State forests. The situation is giving forestry officers considerable concern. I think the member for Canning must realise that for many years the technique of fire control has been one of the matters worrying Forest Department officers. Everyone who has visited forest areas in the South-West of this State knows the tremendous amount of work that has been done, the large sums of money that have been spent in erecting fire towers, and the extensive system that has been inaugurated from Augusta to Kirup to cope with a serious fire situation, should one develop. All those areas are linked together and, during the hazardous period, observers watch for the slightest sign of an outbreak of fire in an endeavour to meet the situation as it arises.

Reference was made to the responsibility of the military authorities. I have recently been in communication with General Gordon Bennett on this subject and can assure the Committee that he is fully seized of the menace facing us, and the dangers that can arise because of lack of understanding on the part of those from the city who are camped in country districts and who have no appreciation of the possible results of their carelessness respecting fires. These points were mentioned to General Bennett. His reply has been received, and it is obvious that instructions have gone out to all camps on the matter and that he is fully aware of the existing menace.

In connection with the point raised by the member for Irwin-Moore concerning the virtues of red-gum, I point out that all our

timbers have been tested in past years in a variety of ways with a view to ascertaining their usefulness for a variety of purposes. Regarding the use of our woods as a substitute for hickory in tool handles, there is more than a prospect, there is an opportunity for their utilisation in this regard, particularly in the district of the member for Williams-Narrogin. Mallet forests have been planted to meet more than Western Australian needs in the future. Any member who visits the forestry reserves artificially planted with mallet will there see something for which there is probably no parallel in Australia. This free-seeding tree, after a year or two of rambling on the ground, makes its selection of a stem to proceed heavenwards. The forests in the vicinity of Narrogin are a credit to the enterprise of the Forests Department, and an object lesson in regard to what can be done in the way of making provision for the future. The member for Williams-Narrogin asked when this timber would be serviceable from a tanning point of view. If things were normal, even today with the thinnings taking place, there would be a great commercial value in the bark that is removed from the saplings which are two and three inches in diameter. As the years proceed and peace again comes to us there will be an immediate use for the big areas of the originally-planted forest reserves of mallet bark in the Narrogin district. The strength of that timber is at least equal to that of hickory. As a matter of fact, mallet saplings of two inches in diameter, planted in the Narrogin district five years ago, can be bent into almost a complete circle. It is very long in the grain and has the strength and fibre which compare favourably with hickory, and that is saying a lot for the tensile strength of any timber.

I assure the member for Irwin-Moore that there are some interesting records in both the University and the Forests Department of tests made recently and many years ago as to the durability and strength, and the many uses that could be anticipated at that time, of our standard timbers. On the point on which I interjected, perhaps rudely, I think it would be unwise if anything were to go out on the air during this season as to the potential menace which much of our country offers in regard to bushfires. We have a tremendous area which could be seriously affected by fire.

We could have a forest fire raging on a thousand-mile front, and that is in country which was probably drought-stricken and bare a year or two ago! Although it is almost impossible to anticipate what could be done if it got started it seems that, where there has been no anticipation of such a flush season, there is very little preparation to combat bushfires. The best method of control is for every citizen to realise that preparation must be made and every care taken.

Mr. North: Does the Minister's speech close the debate on the Estimates?

The CHAIRMAN: No.

MR. NORTH (Claremont): I wish to raise one or two points. Members may have seen, a few days ago, that the dust-bowl in America has been cured of soil erosion. For years I have been interested, as a city member, in the difficulties experienced in this State in connection with soil erosion and have often read the Minister's remarks as to the danger of it. I was wondering if the authorities in America had learned something about soil erosion which we could adopt.

Mr. Boyle: The American method has to do with trenching.

Mr. NORTH: I believe that in parts of this State a real menace exists, and I was interested to know what could be done. The other point I wish to raise is also from a city point of view. I do not desire to intrude on country members, but this is a simple suggestion. I lived in France for some time, and the roads in that country were all lined with beautiful trees. It is impossible to imagine any local authority in Western Australia doing that work, but I have often wondered whether the Forests Department could not adopt a policy of lining our main highways with magnificent trees, because they would get the same experience that they now get by planting nurseries.

We have in King's Park a very fine example of what can be done. If the department lined our main highways with beautiful European, or even Australian trees, they would effect a big improvement. The road to Bunbury could be treated in this manner and also the one to Northam, as well as our other main highways. Even the first approach to this State is bare of

trees. Many thousands of people have come to Western Australia and, when being driven to the city, have been amazed at the bare stretch of road. How beautiful that drive would be if the road were flanked with trees—even Norfolk Island Pines would do. For some reason it is beyond the power of the local authorities to carry out this work. I therefore make the suggestion to the Government that the Forests Department take action along these lines.

MR. HILL (Albany): First of all I would like to say how pleased I am to hear the Minister's remarks about the potential bush-fire danger next year. I know, like the Minister, what it is to go through the country after the worst fire on record. I was at Walpole only nine days ago, and I have never seen the undergrowth as bad as it is today. Very often a wet winter is followed by a dry summer, and if such is the case on this occasion it will be one of the greatest dangers Western Australia could possibly have. It behoves everybody to take every precaution possible and be guided by the Forests Department. I have discussed fire-fighting methods with the officers of that department and they know their job. I have complete confidence that they will do their best. It is up to all sections of the population, both military and civil, to give wholehearted support.

At the present time large areas of forests are held in reserve in the southern part of the State. While it may be sound forestry policy to hold them in reserve I consider, from an economic standpoint, that some of those areas should be developed or utilised, because they are now lying idle and not bringing in any cash to the southern portion of the State. If they were made available for timber purposes it would help to distribute our population more than is being done today. Another matter which has great possibilities is the burning of charcoal. It is quite possible that a lot of our useless forests may be useful for charcoal, for charcoal-iron. I make these suggestions to the Minister and trust they will be considered.

Vote put and passed.

Vote—Public Works and Buildings,
£122,720:

THE MINISTER FOR WORKS [5.37]: It is usual when introducing the Public Works Estimates to present a brief resume

of the activities of the department during the preceding year. The expenditure last year was—

	£
From Revenue—Ordinary public works and buildings	98,602
From Revenue Votes (for maintenance and other charges, including interest and sinking fund)	
Goldfields Water Supply	145,022
Other Hydraulic Undertakings	91,093
	206,115
From loan funds	375,086
From suspense accounts	
funds appropriated from General Loan Fund years 1830-40 and 1940-41	20,004
Total	£700,468

Hon. N. Keenan: Where do those figures appear?

The MINISTER FOR WORKS: I am giving an account now of the money expended in the previous year. When the Estimates were introduced last year they were simply Estimates, and I am now stating how the money was actually expended. In addition, an amount of £431,044 was expended by the department in connection with works not provided for on the Estimates under my control, as follows:—

	£
Commonwealth and other defence works, etc.	240,225
New Perth Hospital erection ..	122,350
Hospital Fund buildings, and other departments generally ..	65,182
Harbour works generally, dredging, etc.	13,287
	£431,044

A comparison between the total expenditure for the year 1941-42 of £1,131,512 and the total expenditure for the previous year of £1,343,459, shows a decrease last year of £211,947. The dissection of the total expenditure, £1,131,512, plus expenditure on town planning, £1,788, is as follows:—

	£
Salaries and incidentals	97,571
Harbours and Rivers (excluding defence works)	120,235
Water supplies, drainage and irrigation	392,476
Development of agriculture, North-West	2,476
Public buildings, including abattoirs	247,061
Commonwealth and other defence works, etc.	182,470
A.R.P. works	57,755
Miscellaneous	33,256
Total	£1,133,300

The principal loan works undertaken by the department last year were—

	£
Fremantle Harbour Works, new slipway	53,430
Fremantle Harbour Works, North Quay reconstruction	34,617
Water supplies for towns:	
Albany	10,522
Katanning	4,507
Geraldton	3,643
Goldfields Water Supply:	
Further progress in renewing main conduit, and steel and wood pipes	56,844
No. 6 and 7 pumping stations, by-passes	3,969
Purchase of meters	3,402

Arrangements were made so that if any pumping station was destroyed through war causes, it would be possible to by-pass the water on to the next station.

Hon. N. Keenan: How far?

The MINISTER FOR WORKS: There are several pumping stations, and if one was put out of order the water could be by-passed to the next station. If No. 7 station was put out of action we would pump from No. 6 to No. 8 station.

Hon. N. Keenan: Is No. 6 pump strong enough to do that?

The MINISTER FOR WORKS: Yes. The water moves very slowly; it takes a fortnight to reach Kalgoorlie from Mundaring. The following figures relate to water supplies in agricultural areas, drainage and irrigation:—

(a) Irrigation and drainage:	£
Collie district	3,103
Harvey district (including Stirling Reservoir, £80,645)	103,722
Herdsman's Lake tunnel	4,165
Waroon (including Samson's Brook Reservoir, £2,706)	3,057
(b) Country tanks, etc.:	
Improvements generally	5,340
Barbalin No. 1 district, lifting corroded main	1,078

For development of agriculture in the North-West, Ord River irrigation, a sum of £2,476 has been spent on experimental plots—for the installation of pumping machinery, and the clearing and treatment of ground for the experiments. The Director of Works, Mr. Dumas, recently visited the district, and the experiments so far have been very satisfactory. The necessary survey has not been carried out for a dam site on the Ord River; nor has a contour survey been made to discover how the large area of 100,000

acres can be irrigated, but he is satisfied that it can be. It is the business of the Department of Agriculture to decide what fodder grasses shall be grown, but it is the business of the hydraulic engineer to discover first of all whether the water can be impounded in a reservoir and in the second place how it can be economically distributed over the area. A very interesting experiment was made by the manager of the experimental plots. A patch of native grass was burnt off and then flooded, and in three weeks the native grass was up 18 inches high.

So it appears that irrigation may be undertaken in the North on a large scale, and we are hopeful that it can be done by gravitation. In the Kimberley district the supply of water is assured whereas in the districts intervening between Geraldton and the Kimberleys the rainfall does fail. Each year we can depend upon a rainfall of 24 or 26 inches or more in the Kimberleys, which means that that country may be utilised in the manner described. This district is about 50 miles from Wyndham and, if pastures can be grown extensively under irrigation, the stock that is travelled in some cases over hundreds of miles and now arrives in a better condition for coursing than for beef could be topped up and we could produce beef equal to that of the Argentine, which has a similar system of topping up beef near the market.

Mr. McLarty: What area is estimated to be irrigated?

The MINISTER FOR WORKS: The engineer, from the quantity of water that he estimated and examined, proposes for a start to irrigate 30,000 acres. I asked how the water could be put on economically upon such a large scale, and received the reply that if we got only 70 per cent. of the area irrigated, the results would be satisfactory. Mr. Farrell, the manager of the Wyndham Meatworks, who has had much experience in regard to beef cattle, informed me that the difference between our North-West and other cattle-raising districts of Australia consists in the fact that although our North-West grows ample feed, yet during the dry periods the stock goes back, which means that the condition of a three-year-old north-western bullock is not as good as that of a bullock of the same age in other Australian stock-raising parts. In

any case, we have adopted this experiment; and it means that we shall have to get assistance from the C.S.I.R. for a further extended survey to determine upon a dam site, and also to ascertain whether irrigation can be spread economically over a large area. We hope to obtain financial aid. This would be one work to be put up to the Commonwealth Government as meriting a supply of loan money. Since the North-West will have to be developed and populated—as is now apparent to everybody—and since the north of Queensland has been developed by a policy which has involved certain sacrifices from the whole of Australia in maintaining Queensland's sugar industry, at least we are entitled to a certain amount of assistance in developing our North-West, which is entirely unprotected. The irrigation work is in the experimental stage, and so far the experiment has proved satisfactory.

I now turn to Public Buildings, which included—

	£
New schools and quarters ..	18,944
Hospitals and institutions (excluding Perth Hospital additions, £112,350) ..	3,395
Police stations, gaols, court houses, quarters, etc. ..	1,200
Other Government buildings ..	4,320
Perth new chemical laboratory ..	20,665

Particulars of revenue collections for the year 1941-42 are—

The estimated amount of revenue from all sources for the year 1941-42 was £451,050. The actual revenue received amounted to £410,459, showing a deficiency of £40,591 on the estimate for the year.

Details of this revenue are shown hereunder—

The estimated revenue for the year 1942-43 and the actual collections for the year 1941-42 are as follows:—

	Estimated 1942-43 £	Actual 1941-42 £
Public Works ..	48,500	31,746
Town Planning ..	30	32
Goldfields Water Supply ..	250,000	300,198
Other Hydraulic Undertakings ..	75,000	78,483
	<u>£373,530</u>	<u>£410,459</u>

This shows a decrease for the year 1942-43 of £36,929 on the actual amount received last year.

Information has been sought regarding enlistments from the Public Works and

Country Water Supply Departments. The following table gives particulars:—

Division.	Pre-war.	At 30th June, 1942.	Decrease.
Professional—			
Permanent	92	71	
Temporary	12	13	
Females (permanent and temporary) ...	9	10	
	<u>113</u>	<u>94</u>	<u>19</u>
Clerical—			
Permanent	115	57	
Temporary	21	33	
Messengers	20	12	
Females (permanent and temporary) ...	29	59	
	<u>185</u>	<u>161</u>	<u>24</u>
General—			
Permanent	17	18	
Temporary	11	8	
Female	1	1	
	<u>29</u>	<u>27</u>	<u>2</u>
Total: Pre-war ...	327	Total Decrease 45	
At 30th June, 1942 ...	282		

As regards the professional division, I may mention that early in the war our engineers were enlisting, but that we had so much urgent and necessary work, military jobs, in hand for the Army as to compel us to retain a certain number of the engineering and professional staffs. Some of them have been manpowered, but there has been very little of that in respect of the department as a whole. We are asked to undertake works amounting to between £400,000 and £500,000 in one job, and in Kalgoorlie we have a job of £80,000. The Main Roads Board is entirely occupied with Commonwealth work in the form of landing grounds and so forth. We have transferred from hospitals and other works staff required by the Commonwealth.

Mr. Doney: Are you undertaking any water supplies at the moment?

The MINISTER FOR WORKS: Not many. Such works were stopped, as also was the Stirling Dam, for the reason that the staff was needed elsewhere. Our other water supply jobs are up-to-date. The only ones now in hand are urgent and necessary country works, chiefly maintenance. We have not in hand many big works for the State.

Mr. Doney: Would it be possible to obtain any bitumen if you had the men to lay it down?

The MINISTER FOR WORKS: There is a stock of bitumen, but it is frozen. The Main Roads Department is chiefly responsible for seeing that the Commonwealth portion is carried out. The bitumen is being reserved for strips on landing grounds. Although there is a supply of bitumen, that supply has not been available except for Commonwealth work up to now. It is not even available for repairing our own main roads, some of which are consequently falling into disrepair.

Hon. W. D. Johnson: Is the Federal Aid Roads scheme still in operation?

The MINISTER FOR WORKS: The petrol tax of Australia is not now yielding the amount it did formerly.

Mr. J. Hegney: You are not actually spending Main Roads money now?

The MINISTER FOR WORKS: Very little! Renovations and repairs to roads, including main roads, are necessary. The staff of the Main Roads Department is now working on landing grounds. We have a good record of enlistments of permanent male officers. Of these there are 224, and 104—approximately 50 per cent.—have enlisted. The total of 224 includes some officers above the military age.

Hon. N. Keenan: I suppose they are doing suitable work.

The MINISTER FOR WORKS: Yes.

Hon. N. Keenan: Are they in the fighting ranks?

The MINISTER FOR WORKS: Yes. There is an engineers' corps officered by men previously engaged in the Public Works Department. They have carried out some excellent works. They have an organisation for the building of temporary bridges, which they erect very quickly.

Mr. Boyle: They have done good work.

The MINISTER FOR WORKS: Yes. Difficulty is being experienced by the department in carrying on its work with a reduced staff. For instance, the Kalgoorlie branch of the Goldfields Water Supply Department usually has a staff of 12 classified officers. That number has been reduced to two. The work is now being done by a temporary staff and we have had to recall a managing clerk over 65 years of age. Everybody is disposed to help. Members know that the work must go on. It was fortunate that we could thus secure an offi-

cer capable of controlling the temporary staff of the Kalgoorlie branch of the Goldfields Water Supply Department.

With regard to the Employment Department, an alteration has taken place. Not so long ago we were looking for jobs for men; now we are looking for men for jobs. The work of the Employment Department has now been transferred to the Commonwealth. Early in January, the Marquis-street organisation was disbanded, the remaining relief and general work being transferred to the Assistant Minister's office at James-street with a small staff; the accounts work has been transferred to the Child Welfare Department. Some of the staff of the Employment Department had already joined the various military services, while others had been absorbed by other departments. The few remaining officers were transferred to other State departments and to the Commonwealth National Service Department, in accordance with the Government's promise to render all possible assistance to the Manpower and Service Departments.

Salaries for the current year are estimated at £3,100, a reduction of £5,000 on the previous year's Estimate and a reduction of £2,555 on the actual expenditure for last year. The salaries Estimate for the current year includes six permanent and three temporary officers employed in the National Service Department, and negotiations are now proceeding with a view to the salaries of these officials being paid by the Commonwealth Government as from the 1st July last. The salaries of four of the Employment Department's officials who were officially seconded to the Commonwealth have been paid by the Commonwealth Government from the dates of transfer. The clerk in charge of records, Mr. Mather, whose salary, £442, is included in the Estimates, is on loan as Secretary of the Soldiers' Dependants Council, but his salary is still being paid from the Employment Department's vote.

The main duties of the Public Works Department, as I have stated, now relate to Commonwealth work. The work of the Water Supply Department—usually a live branch—has also been practically suspended, except for that which it is doing for the Commonwealth. It attends to water supplies and sewerage equipment for the military camps and landing grounds. I have already said that the activities of the

Main Roads Department have been transferred to the Commonwealth. The Commonwealth, as regards the large works we are undertaking for it, has the advantage of a first-class efficient staff, including hydraulic engineers. In fact, the department almost has a monopoly of the hydraulic engineers in the State. The Commonwealth is fortunate in having the full benefit of established State organisations, such as the Public Works Department, the Main Roads Department and its equipment, and the Water Supply, Sewerage and Drainage Department. The Commonwealth work required of the staffs of those departments has been carried out expeditiously, and the officers and organisation have been made readily available.

An impression is abroad that very little work is being done by the departments I have mentioned, including the Architectural Division of the Public Works Department, but they were never busier. The difficulty is to obtain tradesmen. There is a big demand for carpenters. The State received an instruction to send carpenters to an adjoining State, but we did not have enough to undertake our own work and the work we are doing here for the Commonwealth.

Mr. Doney: Did you send any over?

The MINISTER FOR WORKS: No. We could not spare any. In many cases State works are being neglected, and we shall have to make up leeway as regards renovations and repairs. That cannot be helped, as the Commonwealth has the first call. It has practically commandeered our men and material and, therefore, State work has been largely suspended. We are carrying on the same activities, but the work is for the Commonwealth Government.

Hon. N. Keenan: Is the State Government paid by the Commonwealth for that work?

The MINISTER FOR WORKS: Yes. We get a very small percentage.

Hon. N. Keenan: Is your staff paid for?

The MINISTER FOR WORKS: We undertake work for the Commonwealth.

Mr. Doney: The State is a contractor for Commonwealth jobs.

The MINISTER FOR WORKS: Actually, we are doing the work at cost; the Commonwealth sees to that. It closely examines all our accounts. Members can rest assured that this work is being done well by the State, our staffs being made available at cost price.

Hon. N. Keenan: No plus?

The MINISTER FOR WORKS: There is no plus in our case.
Progress reported.

House adjourned at 6.10 p.m.

Legislative Council.

Wednesday, 28th October, 1942.

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The PRESIDENT took the Chair at 2.15 p.m., and read prayers.

BILL—MAIN ROADS ACT (FUNDS APPROPRIATION).

Read a third time and *passed*.

BILL—ADMINISTRATION ACT AMENDMENT.

Report of Committee adopted.

BILL—INDUSTRIAL ARBITRATION ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

HON. E. M. HEENAN. (North-East)
[2.23]: This is the shortest Bill that has been before the House this year and has been described as a very important measure. It simply proposes to amend Section 124A of the Industrial Arbitration Act by replacing the word "may," in a very material part of the Act, by the word "shall." The effect is to remove the discretion now given to the Arbitration Court and to make it mandatory on the court to alter the basic wage in accordance with the Government Statistician's quarterly cost of living figures. Members were given by the Chief Secretary a very full outline of the history of the Act, and I do not propose to recapitulate anything he said in that regard.

The immediate events that led up to the introduction of this measure are well within the memory of members. In February last the President of the Arbitration Court, for

the first time, exercised his discretion by refusing to increase the basic wage in accordance with the figures supplied by the Government Statistician. That brought about conditions that had tremendous consequences and I think the House will agree with me that they were so serious that members themselves were deeply interested in the position. The Government felt that something had to be done, and it was eventually done. The unions representing the workers affected by the President's decision first of all questioned it by appealing to a higher tribunal. They should be commended for adopting that course. They were unsuccessful in their application and eventually the promulgation of a National Security Regulation solved the problem by vesting power in the Premier to effect the desired alteration himself.

Hon. J. Cornell: Why not leave it at that?

Hon. E. M. HEENAN: I will deal with that phase as I go along. The situation was most serious and it is no exaggeration to say that an industrial upheaval of the first magnitude was imminent. We can all be grateful that it was avoided. Members may criticise the Government regarding the means it employed to avert the industrial trouble, but all will agree, I think, that the means almost justified the end. The situation apparently was that over a period of about 11 years all parties concerned had been lulled into the belief, or perhaps had held that belief from the beginning, that the rise or fall in the basic wage was automatic. At any rate, that is how it worked out over the period I have mentioned.

When the quarterly cost of living figures were presented by the Government Statistician and they showed a decline, the court considered the position and reduced the basic wage. That was done on a number of occasions. Then over a sequence of years when the Statistician's figures showed an increase the court granted additions to the basic wage. Thus it was generally understood, and believed, that the increase or decrease in the basic wage was automatic. I think most members will agree that that was how it should have been, and if the Bill be agreed to that will be the position.

Hon. J. Cornell: That was not the argument in 1930.

Hon. E. M. HEENAN: Mr. Cornell has cast his mind back to 1930 and tells mem-