

# Legislative Council.

Tuesday, 17th November, 1942.

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

## BILLS (3)—THIRD READING.

1, Municipal Corporations Act Amendment.

Returned to the Assembly with an amendment.

2, Bush Fires Act Amendment.

3, Congregational Church (Lands) Amendment.

*Passed.*

## BILL—MOTOR SPIRIT AND SUBSTITUTE LIQUID FUELS.

### *Second Reading.*

Debate resumed from the 12th November.

**HON. J. A. DIMMITT** (Metropolitan-Suburban) [2.22]: I have looked through the provisions of the Bill and find the measure quite beyond my comprehension and knowledge of the situation. It seems to me that the passing of such legislation is perhaps a little premature. The speech of the Chief Secretary did not really contain any indication that extreme urgency attaches to the passing of the Bill, and personally I think most members are desirous of glean- ing a little more information before dealing with it. I have received communications from people interested in the re-sale of motor spirit, and find that the portion of the Bill that affects them apparently meets with their approbation, and they are anxious that that part of the Bill, at any rate, shall be passed. Those people are not interested in other aspects of the measure, such as the technical side of it, but purely in the re-sale provisions.

I feel that considerations are involved in the legislation in respect of which I would like other members of the House to be better informed. I suggest the desired information

could best be obtained if the Bill were referred to a Select Committee of members of both Houses of Parliament so that an investigation could be carried out to ascertain whether we would be wise in passing today legislation that will not be proclaimed until after the cessation of hostilities. We might by so doing create a position that will be undesirable. I do not know about that, but I should like to know. There may be very good reasons for it. Some protection may be necessary regarding funds involved in the industry. I feel that it would be in the best interests, not only of the spirit user and the spirit producer but of the public generally that a closer examination should be made before this legislation is enacted. I will, if I am permitted at this stage, move that the Bill be referred to a select committee of members of both Houses.

The PRESIDENT: That motion cannot be moved until after the second reading has been carried.

Hon. J. A. DIMMITT: I shall move it then, Sir.

## THE CHIEF SECRETARY (in reply):

Mr. Dimmitt, like two or three other members of the Chamber, suggests that the introduction of a Bill of this nature at this time is premature.

Hon. J. A. Dimmitt: I said its introduction might be premature.

The CHIEF SECRETARY: Very well, I stand corrected. Therefore the hon. member would like a little more information than has yet been conveyed to him or to the House. I do not know that there is very much I can add to what I have already stated. The Bill is the outcome of a conference which was held in the Eastern States, at which all the States and the Commonwealth were represented. The conference dealt with the pressing necessity for doing something towards providing substitute fuel, arising out of the highly serious war situation, in which the question of petrol supplies is of the utmost importance. Members are aware that as the result of that conference the Commonwealth Government initiated a policy having for its object the provision of substitute liquid fuels with the least possible delay, and more particularly the provision of substitute liquid fuels from wheat, which commodity, as members are aware, was being held in Australia in particularly large quantities. That fact caused the Commonwealth Government to ask for the introduction of this Bill in the

various States of the Commonwealth, including Western Australia.

Hon. A. Thomson: Has any other Australian State passed similar legislation?

The CHIEF SECRETARY: Yes. As a result, now being erected in this State is a distillery which would deal with large quantities of our stocks of wheat for the production of power alcohol. The Commonwealth Government is spending quite a large sum of money on the project, and I understand that the success of the venture has to an extent been assured as a result of experiments which have already been made. If the Commonwealth Government is going to spend large sums of money in the erection of distilleries for this purpose, it is, of course, essential that some safeguard be created assuring, from the Commonwealth point of view, the continuity of the industry. For that reason, seeing that the Commonwealth Government is operating at the present time under National Security Regulations and that those regulations will go out of existence at a given time after the war is finished, it is essential, if we agree with the policy, that the various States of the Commonwealth pass legislation ensuring the continuity of that industry.

The question was raised by Sir Hal Colebatch whether it would not be more economical to scrap the industry when the war is over and rely on obtaining supplies of liquid fuel in the future as we have done in the past. In fact, Sir Hal Colebatch suggested that we should rely upon supplies of petrol such as we received prior to the war from various countries. But it does seem to me that the right course to adopt, more especially since a fully representative conference has come to this conclusion, is to pass the necessary legislation so that when the war is over and National Security Regulations are not operating, the safeguard I have referred to will be in existence. I cannot say whether the project will prove economical or not; I do not know sufficient about it to express an opinion.

Hon. G. W. Miles: You know it is impossible.

Hon. Sir Hal Colebatch: Do you think it should be continued if it is not an economical proposition?

The CHIEF SECRETARY: I think it should be continued if that is in the interests of this country. Indeed, one of the reasons

why we are in trouble today is that while other countries have spent huge sums of money in being prepared for all manner of contingencies, and more especially as regards the provision of liquid fuels to take the place of petrol which may not be available, and have had great success in that direction, we have been perfectly content to sit back doing nothing until action was absolutely forced on us by the war situation as we know it today. We have to recognise, so far as this country is concerned, that if the supply of petrol becomes very much worse and we are not in a position to provide a substitute for petrol, then our war effort will be most seriously affected.

Hon. Sir Hal Colebatch: No one is combating the proposal on that ground.

The CHIEF SECRETARY: I did not suggest that the hon. member was. The argument, as I understand it, is that this may not be, and probably will not be, an economical process.

Hon. A. Thomson: No. The argument is that the proposal is so far-reaching that we should like further time to examine it and to obtain additional information.

The CHIEF SECRETARY: So far as I understand members opposing the Bill, they feel that as it cannot be considered an economic industry, we should seriously consider whether we ought to pass the Bill, simply because the Bill aims at the continuance of the industry in peace-time. I would remind some members that on more than one occasion they have referred to the disability arising from not utilising our surplus wheat. I recall more than one member criticising the State Government because it had taken no action to exploit the possibility of converting surplus wheat into liquid fuel. The criticism passed on the State Government was that it had done nothing to further that idea, thereby incidentally not assisting the farmers.

Hon. L. B. Bolton: Would you give the farmers a payable price?

Hon. G. W. Miles: Would you ask the farmers to pay £7 a week and keep for their labour?

Hon. Sir Hal Colebatch: Who is interested in this proposal besides the Commonwealth Government?

The CHIEF SECRETARY: The whole of the States are interested. This State is interested.

Hon. Sir Hal Colebatch: But I mean, financially. Who is putting money into it besides the Commonwealth Government?

The CHIEF SECRETARY: As I understand the position, the Colonial Sugar Refining Company is doing so.

Hon. G. W. Miles: Another boost for that company!

The CHIEF SECRETARY: I do wish the hon. member would not interject in that way. I do not mind interjections of any kind, although I know that all interjections are out of order. However, if the hon. member has anything to say in that regard, he should say it in debate and not by way of interjection. It does seem to me that we should in the immediate present be prepared to say that we, in common with other States, are prepared to do whatever we can to safeguard the future of this country in regard to liquid fuels. Hundreds of thousands of pounds have been spent in this country with a view to discovering further supplies of petroleum and so forth. Those efforts were not successful. We have to rely at present on transport from far distant countries. All members of this House know just what that means. They know the disabilities under which we have been suffering for many months past and which may become worse. I do not see that there is any danger in passing the Bill. I do not raise any objection to the desire of members to have more information. I am not at this stage suggesting I will oppose the appointment of a Select Committee, but I do suggest to Mr. Dimmitt that, in making a proposal that it should be a Select Committee of both Houses, he should remember that another place has already agreed to the Bill.

Hon. A. Thomson: It should be a Select Committee of this House.

The CHIEF SECRETARY: The proposal is that it should be a Select Committee of both Houses. I would have no objection to that myself but I think—and I know the Government thinks too—that in order to observe the arrangement or the understanding arrived at during the conference held in regard to this subject, we must carry out our part of the bargain.

Hon. A. Thomson: The war is not likely to be over in twelve months and referring the Bill to a Select Committee will not hold up the matter.

The CHIEF SECRETARY: I am not suggesting it is necessary that this Bill

be passed this week. I am not even suggesting it is absolutely essential it should be passed this session, but the Government is endeavouring to carry out an undertaking it gave at the conference and it is satisfied that it is necessary we should have legislation of this description. This legislation is based upon that already passed elsewhere. While I can well understand the desire of some members to have a little further knowledge—and I never object to members having the opportunity of obtaining such knowledge—I must point out that the Bill has been introduced by the Government and carried in another place, and it is submitted here for our concurrence. If members are not prepared to pass it before they have additional knowledge, I cannot help that. I suggest that the Bill be agreed to at the second reading stage and then if any member cares to move for the appointment of a Select Committee we can consider that later. I hope there will be no undue delay in regard to the measure. While it is highly technical in some respects, I think members will be satisfied that it is a measure that is in the best interests of this country.

Question put and passed.

Bill read a second time.

#### *To Refer to Select Committee.*

HON. J. A. DIMMITT (Metropolitan-Suburban): I do not desire to hold up the legislation and I am quite prepared to accept all the statements the Chief Secretary has made. In spite of that, I feel that members of this House would like an opportunity of going further into the measure, and with that in mind I move—

That the Bill be referred to a Select Committee.

On motion by the Chief Secretary, debate adjourned.

### **BILL—LOCAL AUTHORITIES (RESERVE FUNDS).**

#### *Second Reading.*

THE HONORARY MINISTER [2.40] in moving the second reading said: The Bill proposes to give local authorities the power to create reserve funds from general revenue so that they may be able to apply the proceeds of such funds to essential works when labour and materials are available.

Hon. C. B. Williams: Is it permissible, Mr. President, for members to smoke in the Chamber?

The PRESIDENT: Certainly not! I am astonished to hear that any member should infringe the rules.

The HONORARY MINISTER: The Municipal Corporations Act and the Road Districts Act provide that when local authorities are striking the rates, credit balances remaining in hand at the end of the financial year shall be taken into account, and that the rate for the ensuing year shall be sufficient only to make up the discrepancy between revenue in hand and the estimated requirements. Arising out of existing circumstances, under which most local authorities are unable to keep roads and other works in a satisfactory condition by reason of the shortage of materials and manpower, unusually large credit balances will be held by various municipalities and road boards at the end of the year which, if taken into account as provided for under the present law, will result in the striking of a very low general rate for the coming year.

Such a position is obviously undesirable. I think it is recognised by all local authorities that once rates are lowered it is difficult to increase them without considerable trouble. It will be realised that the restoration of works must be undertaken at the earliest favourable opportunity, and unless the local authorities are enabled to build up reasonable reserves from general revenue, very large sums will later have to be raised by way of loans, with subsequent delay and substantial commitments for interest. Some municipal authorities already have large credit balances. For instance, Claremont anticipates a credit balance of £4,500 as at the 31st October, 1942; Subiaco anticipates £4,000; East Fremantle, £3,000; Cottesloe, £3,000, and Fremantle, £2,000. Amongst the road boards, South Perth had a credit balance of £6,401 as at the 30th June, 1942; Swan, £4,526; Melville, £4,377; Bruce Rock, £2,010; Fremantle, £1,905; Northam, £1,853, and Bassendean, £1,704. Some loan funds are included in some of the road board balances I have mentioned, but the greater part consists of general revenue. Local authorities will not be compelled to take advantage of the provisions of the Bill.

In preparing the annual schedules of projected works and estimates of expenditure for the forthcoming year to comply with the

Act as it stands at present, councils and road boards can either take into account items which would be attended to if materials and labour were available, or reduce the items to the minimum representing those few works which they might be able to perform in the absence of adequate material and labour. The amount of the reserve will, in each case, be determined by the Minister after an inquiry into the position of each local authority making an application under the provisions of this Bill, and approval will be given only in those cases where to do so is desirable and expedient in the interests of the local authority and the ratepayers of the locality. Where a reserve fund has been established, the Governor may at any time during the present war, on the recommendation of the Minister, by notice in writing direct the local authority to close and wind up the reserve fund within a time to be specified.

It is also provided that the Minister may direct a local authority not to pay any further surplus revenue into a reserve fund where such a fund has been established. For some time after the cessation of hostilities there will no doubt be a shortage of imported and other road-making material and, in order that all local authorities having reserve funds on hand shall be ensured of a proper priority, the lists of works which may be undertaken from such reserve funds will be subject to the approval of the Minister, who will naturally seek the advice of the Commissioner of Main Roads and other controlling authorities.

Power is given in the Bill for the reserve funds to be invested in any securities authorised by law for trust funds, provided that the investments can be readily converted into money at any time. Upon the Bill becoming law, it will not be lawful for any local authority maintaining a reserve fund to raise any loans in respect of works or undertakings, except insofar as the moneys in the reserve account are insufficient to meet the whole of the proposed expenditure. There is no proposal in the Bill which will in any way interfere with the existing powers of local authorities to redeem loans from general revenue.

In the relevant sections of the Municipal Corporations Act and the Road Districts Act it is provided that the local authorities may purchase any debentures under the provisions of the Acts mentioned, and that the

ordinary revenue of the authorities shall be applicable to such purpose. This provision can only be availed of before due dates with the consent of the lender. The Commonwealth Bank, so I am informed, has advised its willingness to accept repayment of any local authority loans irrespective of the date on which they would ordinarily be repayable.

The provisions of the Bill are intended to operate only during the present war and for twelve months thereafter, and for such further period as may be necessary for the local authorities to close and wind up their reserve fund accounts and to realise on investments. The measure has been introduced at the request of the Local Government Association, and I trust there will be no objection to its proposals. I move—

That the Bill be now read a second time.

On motion by Hon. A. Thomson, debate adjourned.

### MOTION—COMMONWEALTH AND STATE RELATIONSHIPS.

#### *As to Referendum Proposals.*

Debate resumed from the 21st October, on the following motion by Hon. A. Thomson:—

1, That this House strenuously opposes the alteration of the Federal Constitution as proposed by the Commonwealth Government, on the following grounds:—

- (a) That the suggested amendments are apparently not genuinely aimed at necessary alterations to the Federal Constitution but will undoubtedly have the effect of ultimately destroying the Federal system of the voluntary union of six self-governing and sovereign States.
- (b) That such proposals are designed to bring about unification, camouflaged as a war necessity. They would result in a distinct breach of faith with the States, which entered into a Federal union, and would not only be destructive of the best interests of Western Australia, but of every other State of the Commonwealth.
- (c) That it is impossible to govern Australia wisely and justly by a huge bureaucracy controlled from Canberra, and that the passage of such proposals would only cloud the future of Australia by bitter home rule agitations from its distant parts.
- (d) That while this country is fighting for its very existence and people's minds are distracted by the war, it is in the highest degree improper to divide the nation by highly controversial questions. With the people again leading normal lives free from the stress of

war emotions in a period of calm reasoning, and clear thinking, a genuine verdict might be obtained.

- (c) That the Commonwealth Government at present possesses ample powers to deal with all matters arising out of the war, and these powers could by arrangements with the State (if necessary) be extended for a period after the war.

2, That Western Australian members of both State and Federal Houses, and all Western Australian citizens, be urged to defeat the Federal proposals.

3, That the Premier be requested to forward this resolution to the Prime Minister and the Premiers of the other States.

#### *As to Proposed Amendment.*

**THE CHIEF SECRETARY** [2.50]: By way of personal explanation, and not with any desire to prevent discussion on the motion today, I desire to notify the House that it is my intention to move an amendment on lines similar to those agreed to in another place on the motion of the Minister for Works. Unfortunately, that amendment has not been placed on the notice paper. I intend, however, to place it there, and I am having circulated copies of it for the information of members. I feel I should make this explanation as I do not desire this afternoon to speak on the amendment.

On motion by Hon. E. H. H. Hall, debate adjourned.

*House adjourned at 2.51 p.m.*

## Legislative Assembly.

*Tuesday, 17th November, 1942.*

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

### QUESTIONS (2).

#### RAILWAY FREIGHTS AND FARES.

Mr. WATTS asked the Minister for Railways: 1, If, as he stated last week, the Gov-