could not possibly do so except by air. He is doing wonderful work. I have much pleasure in supporting the motion.

On motion by the Chief Secretary, debate adjourned.

House adjourned at 4.41 p.m.

Legislative Assembly.

Tuesday, 25th August, 1942.

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

QUESTIONS (2).

HEALTH, VENEREAL DISEASE.

Mr. F. C. L. SMITH asked the Minister for Health: 1, Does the Commissioner for Public Health agree that 60 per cent. of the males in the community are suffering from venereal disease? 2, Will he take steps to refute the allegation, if not true, so that eligible females will not be fearful of entering the bonds of matrimony to the detriment of the birthrate?

The MINISTER replied: 1, No. 2, This has already been done in the Press and a copy handed to the Minister for Health.

MINING, GOLD AND BASE METALS.

Mr. KELLY asked the Minister for Mines: 1, What amount of capital has been made available to Western Australia by the Deputy Controller of Minerals for the development of minerals in Western Australia which may be of strategic value to the war effort? 2, Will the amount granted for this purpose be separate from the £100,000 Federal grant for the maintenance of the goldmining industry? 3, Does the Government consider that £100,000 will be sufficient to maintain and preserve the goldmining industry in such a state of repair that operations on a pre-war basis would be possible at short notice and without additional huge outlay? 4, Has indemnity already been paid to any mines which have gone out of production through manpower restrictions, or from other war causes?

The MINISTER replied: 1, The Under Secretary for Mines has been appointed by the Commonwealth Controller of Minerals to be his deputy for this State. He has authority to operate upon an advance of £5,000, with a maximum of £1,000 for any one proposition. Where greater assistance is considered necessary, he recommends to the Controller. 2, The minerals expenditure is quite distinct from the Federal grant for the maintenance of the goldmining industry. 3, It is impossible to estimate the total maintenance moneys which will be required to preserve mines during the war period, the duration of which is unknown. 4, Applications are now being received and examined, but no maintenance expenditure has yet been incurred.

ADDRESS-IN-REPLY.

Tenth Day.

Debate resumed from the 20th August.

MR. DONEY (Williams-Narrogin) [2.21]: My principal purpose this afternoon is to show that next to the successful prosecution of the war, the most urgent problem seeking solution in Western Australia is that provided by the wasteage in our greatest asset, namely the industries connected with the land. The commercial outlook for the people of the countryside is dismal in the extreme. On the other hand, as regards the post-war outlook, there I consider the prospects to be rather rosy, especially if we are able, between now and the post-war period, to get all parties in the House to agree in putting those industries upon a far more favourable basis than the present. Today the common attitude seems to be that because there is a war on no civil pursuit amounts to anything whatever. I acknowledge that that appears to be so in regard to many occupations; but I maintain that the war has greatly increased the importance of farming in many directions. Farming is indeed an important part of the war effort, for it means the food and the clothing of the people. The final result of the great struggle now in progress may easily go to the side that commands the most ample supplies of food and clothing. Farming and all its many allied industries, including the processing industries that farming creates, are likely to be, and in my opinion will be, the basis of this State's economic post-war structure. It will be

realised that if the land industries go, everything goes, and that the land industries are beyond doubt Western Australia's lifeblood.

It is futile to rely to any degree whatever upon factories in Western Australia. Our factories will, of course, slowly increase; I have no doubt on that point. Nevertheless, the time is many generations off when factories will usurp the position now held by our primary industries. Lovers of Australia and believers in Australia and its future, when speaking of their own land, and especially when they are oversea, visualise not the few factories of this State or in general the factories of Australia, and the stunted and anaemic young folk that factories, for some reason, inevitably seem to create, but the broad acres, the growing corn, the cattle, sheep and horses, the orchards; sound healthy young women and those lusty men of six feet of the type that landed at Anzac.

The Minister for Mines: Those men were all from the goldfields, from the Golden Mile.

Mr. DONEY: The best and biggest of the Anzacs came from the broad acres, I think. The Minister for Mines will know that in that remark I am conceding the point that the goldfields deserve their share of praise. In any case, the broad acres of this and the other Australian States are really the chief factor of Australia's success in war; that is to say the men of the cattle country and the corn country, the fishermen, the orchardists, the kangarooers—and, as a concession to the Minister, the dryblowers. The future of the State lies there, despite the tragedy threatening at the moment. It ought to be apparent to every member, but unfortunately is not, that our land industry, particularly in the country east of the Darling Range, is in a state of constant shrinkage and is shrinking quicker today than ever before. What are the reasons for that? We started in on this big wheatgrowing venture at a time when developmental costs were very high. That is one reason. Another is the national containment policy in Europe and the consequent slump in wheat lands. Then there is the hardness that unfortunately six, seven, eight or nine years ago crept into the attitude of the Agricultural Bank. Other reasons are rabbits, locusts and Mr. Scully and, too, some independence of agriculture on the part of the Government, because gold for the time being was booming.

The acreage restrictions, imposed by Mr. Scully, which allow the other States the right to crop 50 per cent. more of acreage than may be cropped in this State, has probably contributed more to the shrinkage than has any other single factor. Members will appreciate that horses, tractors, manpower, machinery, finance and control generally had to be reduced—to use a term that will now be understood—to the two-thirds basis. Farmers will know that once a man seriously reduces production, even to a period of only one year (as in the case current now), it is not often that a full recovery can be made.

The Minister for Labour: Would not the enlistment of farmers and farmers' sons also be a contributing factor?

Mr. DONEY: There are many more factors. The Minister is quite correct. I recall the answer given by the Minister for Lands to a question as to the numbers that have gone off the land in the Denmark district. He referred to the calls of the Army upon young men and middle-aged men in that district as one of the reasons for the decline. I have no doubt that is a contributory reason for abandonments throughout the State. From my reference to the 50 per cent additional acreages that may be cropped in the Eastern States it can be seen that the farmers there are vastly better off than are the farmers of Western Australia. Men on the land in the Eastern States are far more solidly established in their industry. Their period of big disbursements has passed by and—perhaps best of all from their point of view—they live quite close to the doorstep of the appropriate Federal Minister. If the primary industries of Australia were called upon for some big spurt, some supreme effort in production, the Eastern States could very well respond but we in Western Australia could not do so. That is plain to every farmer and I hope it is evident to every member here. That, too, is the position in which we shall find ourselves by and by when the war ends. We shall discover that when we should be on our toes ready to jump in and take advantage of the new markets that will then present themselves, we shall not be able to do anything like justice to ourselves.

Mr. Scully's discrimination looks like doing this State a great deal of harm for many years to come. I know the Minister for Lands shares my Party's outlook on this

question. The Minister has expressed himself along those lines either in the House or through the Press. Had he been in his seat I should have liked to inquire of him whether he has taken any action to offset this destructive move by Mr. Scully. I should say that he has done so but would like him to tell the House exactly what form his objections have taken. This is a point of which I am particularly anxious the House should take notice. I plead with members as strongly as I can for an all-in effort on the part of this Chamber and also on the part of members in another place to re-establish agriculture on a sound basis. I want not only the Country Party but also the Labour Party and the National Party, and my friends on the cross-benches who belong to no Party but are independent; not only the country folk but city people and people everywhere so long as they are within the boundaries of Western Australia, to get together and ask for the rehabilitation of primary industries for reasons which a little later on I shall attempt to outline.

I point out that we are all in this thing together, for in a sense every grown person in this State who works is a servant of one or other of the primary industries, whether he be engaged in supply, in transport, in accountancy, in farming or mining practice, or in any of the factories that process our primary products, such as the milk, cheese, butter and other factories or in fisheries. We in this State are a very small body of people—there are only a half a million of us—and co-operation amongst us is essential.

Mr. Sampson: Fishing is becoming a lost industry.

Mr. DONEY: I like fish very much, and for my own sake I hope that fishing will come into its own again. I do not know whether we are wholly dependent upon Italians or Greeks for our fish. I can fish a little and so can the hon. member, and if the worst comes to the worst and we must have fish I suppose we can catch our own. Because Western Australians are but a very small body of people, essentially they should co-operate. Had our numbers been greater it would have been quite appropriate for us to split our forces but, in the circumstances, we are all in the one boat and, in a sense, are pulling for the same shore. To throw the primary industries to the dogs, as many people in this State would do if they had their way, or to treat them as of little consequence—as on occasion an odd member in this House will do—or to belittle them in any way, is to be blind to our own true interests—blind, and stupid as well.

I would refresh the memories of members concerning the disastrous wheat slump, and the bad times generally experienced from 1930 to 1933. That taught us something! We had Perth and Fremantle absolutely sagging at the knees. In a sense, I was not at all sorry that it happened because we gained something, inasmuch as it gave the metropolitan area and the goldfields some realisation of what the primary industries meant to them. It was not until their comfort was disturbed that they sat up and took notice. We are all in this thing together and co-operation is essential. That is why I appeal to all sections of the people in this State to come to the aid of the primary industries at what I regard as their hour of greatest need.

Mr. Sampson: There must be organised marketing in support of that effort.

Mr. DONEY: That is a topic the hon. member himself may discuss when the Estimates are before us. The worst feature of the problem is that all this means we are laying a crazy foundation for the post-war period. We are faced today with this question: Upon what is Western Australia to rely for its livelihood when peace is once more established?

Mr. Triat: Gold!

Mr. DONEY: There is that very sedulously cultivated idea put forward by the Minister for Labour and others that secondary industries are moving ahead by leaps and bounds, and that when the boys return from the war those undertakings will be in a position to absorb large numbers of them and of the rising generation. With all due deference to the views held by the Minister and others, I suggest that while the promotion of secondary industries is very desirable, I cannot regard the suggestion as any more than mere fiction at the moment. We shall without doubt make considerable progress with the establishment of secondary industries, but I am afraid I cannot anticipate anything miraculous along those lines. No doubt we shall make some advance. Today we are forced to secure many of our manufactured goods from the Eastern States. Much of those supplies we should make here.

I anticipate, however, a considerable time will elapse before our industries so expand as to enable us to export. While the Minister knows the position far better than I do, I do not think Australia's export record allows us to hope for very much in the future. For another thing, the returned soldiers will not be factory-minded. That must be plain to all. Travel, freedom and fighting will hardly incline them that way. Nevertheless, there is a big body of public opinion in the Eastern States holding the view that many of our difficulties will be overcome by that means.

We know that in Melbourne and Sydney there are certain very strongly-entrenched commercial interests that see in the immediate post-war period new economical alignments and trade agreements, embodying a hugely intensified protectionism. I think they are wrong. They misread entirely the temper of the world if they think along those lines. In about September, 1938, there returned from a trade conference held in London two Federal Ministers, who started to preach the doctrine that Australian primary industries had shown a diminished capacity for expansion and, in a sense, had fallen down on their job. They further preached that Australia in its own defence needed to become substantial exporters of its own manufactured goods. Their view was that Australia was to become a source of supply for all countries east of Suez and, because primary industries were declining, it was their view that, as those industries were hard put to it to keep going, they should be relinquished altogether, or retained only to the extent that their output would be sufficient to meet the needs of Australia itself. I take it those rabid protectionists are still playing that hand.

If their idea is to prevail there will be little hope in the future for our primary industries. I do not think such opinions will prevail, principally for the reason that such interests are opposed to the principles underlying what is known as the Atlantic Charter. I cannot help reflecting that the Atlantic Charter as far as it has gone—it is not yet in operation, but I hope it will be—sounds the death knell of protectionism. There was plainly an understanding between Churchill and Roosevelt on the historic occasion to which I refer, that to shut out virile nations from essential supplies would do more than anything else actually to force those nations into fighting for those supplies. Great Britain's free trade policy, no doubt, is reflected upon its history, which shows that in its free-trade years Britain itself was engaged in no major war. We can recall, however, that as soon as that country adjusted its tariffs, it was straightway embroiled in many bitter international quarrels. So it is that free-trade supplies in its essence the very spirit of the new-world trade policy-to-be. If this great Atlantic Charter is to be effectuated—I pray God it will be—it cannot fail to bring about better conditions for the oversea supply nations, such as Australia, the United States of America, Canada, Africa, Argentine and a few other countries similarly situated.

Every member of this Chamber can appreciate that the bonusing of wheat (often to the extent of 10s. or 12s. per bushel) by the big self-contained nations of Europe simply cannot continue when peace returns. Those nations will be so impoverished by the charges involved in the indebtedness due to war operations that they will have no funds left to fritter away by buying wheat at the price named, when it will be possible for them to purchase supplies from elsewhere at one-half that cost. Then will our primary industries certainly come into their own again. There will always, of course, be threats of surpluses, but they are altogether unlikely to materialise for the reason that that position will be governed by the new international body that was on the verge of establishment when the present war broke out. During last year there was held in Washington another international conference (which actually was a continuation of the one I refer to) sitting when hostilities commenced. It was then agreed that the regulation of the world's wheatgrowing, marketing, pricing and so forth must essentially be a part of the great post-war trade disposition.

With respect to that, an address was given recently to the Rotary Club in Perth by Mr. John Teasdale, and members know Mr. Teasdale's reputation in the wheat trade. He was dealing with the need for making the regulation of the wheat industry a part of post-war organisation, and then he thought fit to say—

> America has been most pressing for this to be done and for preparations to be made as soon as possible so that it may come into effect immediately hostilities cease. Two of

the most important provisions agreed upon were first, that sufficient wheat shall be stored in each exporting country to take care of seasonal fluctuation, thereby ensuring the food supplies of the people; the other that carry-over stocks in each country must not exceed a previously agreed figure. The Americans call this the Ever-Normal Granary. The granary must always have a certain quantity of wheat inside but never so much that it bursts the roof and flows out into an already fully supplied market.

By and large it seems to me, therefore, that Western Australia's future lies in "sowing things and growing things." The member for Swan voiced that idea in that elocutionary item of his entitled "Wheat." Sowing things and growing things must continue to be the prime occupation of the people of this State, and of course thereafter processing the several primary goods we produce; this is to say, in turning hides into boots and shoes, fruit into jam, wheat and oats into breakfast foods and so on. As to what the future may hold in the matter of manufacturing as distinct from what we now know as processing, this does not promise overmuch. The expectation that we shall become the secondary warehouse of the world seems to be more or less of a dream. A few generations of Australians must come and go, our population must hugely increase and our industrial views must change radically before we can hope to compete with the mass production of Japan and the United States of America, and with the huge overflow in this direction from the factories of Europe. Further, we must take into account awakened China and India. What Japan has done they, too, can do; that is their view. They have some 800,000,000 people as against the 80,000,000 in Japan, and they are as keen as mustard to show that they can outdo Japan in quantity and quality. In the past the people of India and China provided markets for any old junk that Germany and Japan cared to send them, but those days are gone for good and all.

Mr. North: Do you expect migration to this State after the war?

Mr. DONEY: That is an entirely different question. Immigration to this State will not be along very substantial lines unless we have suitable occupations awaiting the migrants, and unless we proceed along lines of sensible rehabilitation for the primary industries. It is difficult to see much factory success for a nation of only seven millions, and particularly of people accustomed to lean very heavily indeed upon protective tariffs and in a new world where Mr. Churchill appears to say there will be no tariffs. It might easily be that Australian manufacturers will discover an avenue that is not apparent at present. I hope they will, but it strikes me that they will be treading a very hard road, for it is difficult at the moment to see how they can turn a free-trade future to much advantage for themselves.

I desire to offer a few remarks on the abandonment of farms. In Western Australia the number of abandonments in any one year generally indicates the measure of farming prosperity in that year and the degree of hope in the then immediate future. I am afraid that if this test were applied to the last 12 years, the abandonment figures would tell a very doleful tale. The Minister for Lands, in answer to a question last week, said that in the Agricultural Bank area of Denmark there were no fewer than 120 abandoned farms—a huge number for so small an area. In the Denmark Road Board area the figures are far higher extending, I understand, to 183. I have not any recent figures regarding other parts of the State, so I shall confine myself to expressing the hope that they are nothing like as bad as they are at Denmark.

Recently I was one of a deputation that waited on the Minister for Lands with the object of stopping these abandonments. I think the Minister shared most of the views expressed by the deputation; I shall not enumerate them, but they dealt largely with the reduction, cancellation and suspension of interest. I do not expect any permanent improvement to follow from interest adjustment. Permanent improvement can come only from putting the industry, in the matter of pricing, marketing, etc., into such a condition that interest can be paid by the farmers with relative ease. At the same time one can say that that particular desideratum has always been thought incapable of achievement. Yet I think that may not be so. The position certainly merits investigation, and if such an investigation failed of its principal objective, I still think it would disclose information of real value, sufficient anyhow to justify making it. After examining closely the personal, price, climatic and other factors that affect Aus-

tralia's primary production, it might be possible to reach a formula that would be capable of a degree of automatic action and would rule out entirely dependence upon State or Federal aid.

If a committee of, say, three men set themselves the task of finding such a formula, they would have a chance at the end of one, two or three months—we cannot specify a definite period—of seeing the foundations of such a formula taking shape. We should realise that to do this would not be easy. No trouble that has resisted correction for as long as 2,000 years can possibly be other than difficult. In support of this view I wish to quote from a book entitled, "The Law of Civilisation and Decay."

Mr. J. Hegney: From which chapter?

Mr. DONEY: From Chapter 1, page 20. I will read this with the object of demonstrating how little change has taken place during the past 2,200 years in regard to certain farming practices. The chapter was written with respect to the period 200 years B.C.—

> Thus by economic necessity great estates were formed in the hands of the economically strong. As the value of cereals fell, arable land passed into vineyards or pasture, and, the provinces being unable to sustain their old population, eviction went on with gigantic strides. Had the Romans possessed the versatility to enable them to turn to industry, factories might have afforded a temporary shelter to this surplus labour, but manufactures were monopolised by the East; therefore the beggared peasantry were either enslaved for debt, or wandered as penniless paupers to the cities, where gradually their numbers so increased as to enable them to extort a gratuitous dole.

On page 21 the following appears:—

> The soil was always, in this Roman society, the principal source and, above all, the only measure of wealth. A law of Tiberius obliged capitalists to invest two-thirds of their property in land.

That is the part that appeals to me—

> Trajan not only exacted of aspirants to office that they should be rich, but that they should place at least one-third of their fortune in Italian real estate.

Had the Minister for Lands been present, I would have suggested that he spend a little time in looking up this law of Tiberius with the object possibly of giving it some local application.

Mr. J. Hegney: Mark the book and hand it to him later.

Mr. DONEY: I will do so. A further reading is—

> The poor farmer depended on his rich neighbour even for his tools. He bought dearer and sold cheaper, his margin of profit steadily shrunk; at last he was reduced to a bare subsistence in good years, and the first bad harvest left him bankrupt.

Members listening to that will say that if we strike out the word "Roman" and insert instead "Western Australian," these might be quite appropriate pieces of information. Members will no doubt agree that there is something startlingly similar between the happenings of those faraway, babarous days and the happenings in Western Australia today. History is repeating itself here with a vengeance. One thing we might note, and note with some amazement, is how extremely small have been the changes that have taken place in the financial machinery as it affects the farmer. Over 2,000 years, and no changes of any practical consequence!

Mr. North: What about the banks?

Mr. DONEY: I should say that the machinery throughout all those years has been entirely satisfactory from the point of view of the lenders, and that therefore there is no desire on their part to change it.

In this Chamber I have made reference to the Great Southern water supplies on a score of occasions, but I make no apology for mentioning them again. I may inform the Minister that the position is now on a new footing; we have to cater not only for the requirements of 3,500 townsfolk, but also for a fluctuating number of soldiers, usually about 2,000. Anyone at all interested in the matter will at once realise that the extra consumption suggested by a rise in population from 3,500 to 5,000 is no small thing. Narrogin, on account of its geographical position, and because of its road and rail accessibility, has been strongly favoured by the Military authorities for camps for various uses. We have had there artillery and infantry camps. We now have another camp for training officers and N.C.O.'s, while on the outskirts of the town there is a convalescent camp capable of accommodating 1,000 sick men. All these camps depend for their water entirely on the Narrogin supply, except perhaps for a small quantity used for slushing purposes and obtained underground. Lack of water is, of course, a troublesome feature and has to be put right before the Military authori-

ties will make any effort to avail themselves of further sites for camps. I mention now, for the benefit of the Minister, that I think the Army is prepared to spend money in that direction.

In the past, as members will recall, there have been arguments and counter-arguments about water supplies in the Great Southern. We have had expressions of opinion by visiting members and by representatives of local governing bodies. I shall not repeat those arguments, but will remind the House that the Government considers the metropolitan water supply would be endangered if any further inroads were made upon it by the Great Southern district. I do not share that view. I consider any such proposal would involve the taking away of only 1 per cent. of the quantity of water stored for the metropolitan area and the goldfields. An agreement was arrived at for the laying down of 30 additional acres of bitumen at Narrogin. I have no doubt that that work would have been carried out by now had not the war intervened. I think the Army authorities are definitely interested in this question, and I therefore suggest that the Minister should, if he has not already done so, get in touch with the appropriate department to ascertain whether the time is not yet ripe for joint action between his own department and the Department of Supply of the Army. He would at least kill two birds with one stone. He would be serving the nation and at the same time solving the problem of the Great Southern water supply. Although the immediate need is restricted to Narrogin I take it that, if anything did ensue from the Army's interest in this matter, the work would be carried out in such a manner as to cater in due course for the other interested towns, such as Pingelly. To date the supply at Narrogin is 41,000,000 gallons. I hope the Minister will take some action in this regard and let the House know the result as early as possible.

The most disturbing speech made thus far upon the Address-in-reply debate was that of the member for Guildford-Midland.

The Minister for Mines: He has not yet spoken to the Address-in reply.

Mr. DONEY: I am telling the Minister that the member for Guildford-Midland has spoken; I did not say on the Address-in-reply.

The Minister for Mines: Yes, you did!

Mr. DONEY: That is so; I apologise. He was speaking to the Supply Bill and dealt with the manufacture of munitions at Midland Junction and Welshpool. If one-half of his disclosures is true, there should be an immediate start on mopping up operations at these two factories; if untrue, the hon. member stands convicted of being an alarmist, and he should not be here. The point, however, is that we are not accustomed here to regard him as an alarmist. Besides, he lives close to one of the factories and from inside sources he receives, so he says, periodical bulletins as to what is taking place there. His information is likely to be authentic, more so than is the information of any other member on the subject. He goes inside the factory and makes observations. Unlike most of us, he is quite prepared to spill the beans in any quantity. Other members—the Leader of the Opposition and the member for Victoria Park in particular—the latter at a previous sitting—were plainly perturbed at what was taking place at those factories. Like the member for Guildford-Midland, they appeared to think that what had been done was of so small account as to amount to practically nothing at all. The only member who I can recall was rash enough to take up the cudgels on behalf of the two factories concerned was the member for Canning.

Mr. Warner: He has gone across to investigate.

Mr. DONEY: I do not know. I take it the hon. member would ascribe his speech to loyalty to his electors, Welshpool being in the Canning electorate. I point out, however, that loyalty of that type is of no use whatever to the nation in times like these. If I remember rightly, the member for Guildford-Midland said he had brought the matter to the notice of his Party at a party meeting and had been told to say nothing about it. Members know to what extent we can give credence to that statement. It seems to me that all this stupid and clumsy nonsense about Western Australia's great war work must not continue. There is a great pretence of hustle and bustle, and proud claims are made by visiting Federal Ministers. We should not delude ourselves in this way. Not only are we doing no good, we are actually doing harm. That is the way it appeals to me. We have been told also in plain language that when visits

are to be paid to the factories, preparations are made beforehand for the purpose of concealing the actual position. It is not pleasant for any member of this House to reflect on such things. It is certainly wholly discreditable, in my opinion, to those who are responsible for contributing to a continuance of such conditions. I would like to know whether it is possible to ascertain who gave the order that led to all this chaos.

The Minister for Mines: Do not look at me!

Mr. DONEY: I am not suggesting the Minister for Mines is responsible. This happens to be one of the unfortunate affairs for which he is not responsible.

The Minister for Works: You must remember that no one is allowed to report on war work that has been accomplished.

Mr. DONEY: That is so, but there is nothing to stop us from kicking up a row privately and having the whole position investigated. Normally we require of ourselves that we be tolerant. In times like these, however, it is plainly our duty to be intolerant. It is our duty to drag everything into the light of day. The Minister for Works would not deny that. It is done in the United Kingdom, the United States and other democratic countries involved in a major way in the war. It is imperative that we take some cleansing action, so that affairs like those at the Midland Junction Workshops and Welshpool may not develop into a breeding-ground for black markets and the like. Whether the assertions made by the hon. member are right or wrong, they must be replied to. The Government surely will make an unvarnished statement on that matter.

The Minister for Mines: About Welshpool?

Mr. DONEY: I am referring to the two factories.

The Minister for Labour: The Director-General of Munitions, Mr. Essington Lewis, is directly responsible for Welshpool.

Mr. DONEY: I think we share that responsibility with him. I hope the Government will not rely upon the plea that the Commonwealth Government is responsible, as the Minister for Labour would seem to suggest. No doubt the Commonwealth Government is responsible, but so is our Government, if only to the extent that it acquiesced in all this insane make-believe.

The Minister for Labour: We have not acquiesced in that at all.

Mr. DONEY: Very well! I believe, in the absence of evidence to the contrary, that the Government has done so and that through its acquiescence this criminal wastage—I think it can be termed that—of time, money, manpower and opportunity has been allowed to occur. After all, those are probably the four principal factors necessary to the successful prosecution of the war. I claim that we are wasting them. If the Government is not assisting in the wastage, at least it should tell the House why it is so reticent in the matter.

The Minister for Mines: You will have to take that as read.

Mr. DONEY: The Government has to show that all this temporising, all this camouflage and distortion of truth, in some strange way contribute to Western Australia's share of the war effort. The task will not be an easy one. Certainly it is Commonwealth work, as one of the Ministers alleges; and we are part of the Commonwealth. Whilst that is so and the Government denies general responsibility it should be a sort of watch-dog, as it were, and do a little bit of public barking, and on occasions biting as well. To me it does not seem that it is doing either. It is probably taking action in a number of directions not apparent to most people.

I recall the speech of the member for Guildford-Midland, in reply to which the then Acting Premier said that the Government had no thought but to be wholly frank in regard to this matter. I ask him to tell the House exactly what form that frankness is likely to take. The member for Guildford-Midland, when speaking of the responsibility, said on that occasion that a major share of the £55,000 spent on the annexe at Midland Junction had come from our State Treasury. That would suggest a substantial interest on the part of this Government in what is going on there. Even if it is not legally required to interfere, surely our sense of duty to the national cause would prompt us to take some action. The position appears to be extraordinary no matter from what angle it is viewed. There is the question of factory supplies. Judging from what we read in the Press, and from what speakers here have said about essential machinery parts and munitions material, much of these come from the Eastern States.

That, perhaps, is unavoidable, and of course many partly completed articles also come from the Eastern States and they all suffer interminable delays before and whilst being railed here. Some additional work on these articles is presumably carried out in this State, following which the same articles are again railed back to the East for the final touches. That is a stupid business. It may be justifiable but I cannot see it, unless there is a proper explanation.

We all know how congested is the Transcontinental railway with the transport to and fro, and all these delays are in the circumstances inescapable. They make confusion more confused, and therefore I ask: Why is not all the work on these articles done in the Eastern States? They do the bulk of the work over there and then waste precious time, precious money, and precious freight space by railing and re-railing between the Eastern States and here. Because this is a long route which might at any moment be clogged it seems to me that there is a touch of lunacy in the make-up of whoever is responsible for this strange way of doing things. The Minister for Industrial Development can perhaps tell us whether this is being done for the purpose of administering to the industrial pride of this State. I regard that view as excusable to a certain extent. Or is it done to save someone's face? I do not say that it is. I ask for information. Is it that the factories in the East are not able to do the complete job, but that the only factories capable of effecting the little touches so necessary to the job are Welshpool and Midland? I wonder if anyone is prepared to claim that, because that is the only justification for bringing these articles to this State for treatment?

The Minister for Labour: Will you mention one or two specific articles?

Mr. DONEY: They were mentioned by the member for Victoria Park.

The Minister for Labour: What are they?

Mr. DONEY: I cannot say except that they are some part of shells. But the Minister will find, if he is that much interested, a very full reference to them in the speech of the member for Victoria Park.

The Minister for Labour: We cannot check up if you speak only in general terms.

Mr. DONEY: I am referring to the specific articles mentioned by the member for Victoria Park.

The Minister for Labour: What were they?

Mr. DONEY: I am saying where they can be found. I will look them up and let the Minister know. It is desirable that this State should do everything possible in the way of munitions manufacture and other war work, provided always that such work is consistent with sense and economy. There are sound post-war reasons for that. I would like it judged on the basis of sense and economy. Are we doing this work as quickly, as well, and as economically as it could be done in the East? That is the question I would like answered.

The Minister for Labour: If the Commonwealth authorities send us work to do, are we to refuse to do it?

Mr. DONEY: If they send work which, in the opinion of the Minister, could be done more quickly, as well and as economically in the East—but particularly more quickly—I think the Minister should do that one job and thereafter tell them that he thinks it is uneconomical to send such work over here. There is the question of what is to be done in this matter. We should ascertain exactly what essential war work can be carried out in this State independent of assistance from the other side; or for that matter the essential war work which can be done better, quicker and more cheaply here for some reason than in the Eastern States. I ask the Minister whether there is such work. I do not know. If not, we should close down the two factories under review pending the advent of such work. The buildings and equipment (which have entailed heavy expenditure) will be here when next required.

The Government should also tell us, while it is making inquiries or stating what it knows, just what its hopes are, if any, as to quicker supplies, and when we will be completely equipped with machinery, etc. We are not yet sure about that. It should also inform us whether it will go straight ahead with supplies when they are made more quickly available, or whether we are still wholly dependent on the Trans-continental railway system for transport, as members appear to believe; also whether the alleged overtime and Sunday work are justified and if so how they are justified, and whether transport is not likely to increase so as to make the position of supplies prospectively worse in the future than today

It is plain to me that the sentiment uppermost in the mind of members is one of bitter disappointment that so little has been done after so much was promised. We expected a lot and it seems that we will receive less than nothing. There are other unfavourable aspects of this munitions question. Had the Minister for Railways been here I would have liked him to take some interest. At any rate the House will know that many of our best fitters and boilermakers previously engaged upon repair work of engines and other rolling stock have been taken from that necessary work and put into centres such as the Midland Junction annexe and Welshpool, where their attendance on a full-time basis is plainly not justified.

Members are well aware of the state of our engines and rolling stock generally. They know that the strain was never greater than now and that constant break-downs occur. Members from the Great Southern, Goldfields and South-West areas, who travel a lot by rail, could tell tales of such happenings. Today the railways cater for longer journeys and heavier loads and the tendency is to have still longer journeys and still heavier loads. I put it to members, and in particular to the Minister for Railways, that a sudden call from the Army for an accelerated railway service would find the Railway Department wholly unable to respond. That would be a pity. To go into details would, perhaps, be unwise, but it must be plain that events might easily take such a turn that everything—and I stress that word "everything" —will depend on the railways doing a job of vastly greater magnitude than ever before. As the Minister for Railways is not here I shall endeavour to speak privately to him on the point.

Member: It will not have any effect.

Mr. DONEY: I am inclined to think it might.

The Minister for Labour: Hear, hear!

Mr. DONEY: Two months ago I asked the Minister for Railways this question—

Having regard to the fact that there is generally insufficient work at the Midland Junction annexe to keep the men there fully employed, will he investigate the desirability of the return to the W.A.G.R. of those boilermakers and others who were previously in the employ of that department, so that the highly necessary repairs to engines and rolling stock generally may be attended to without further delay?

The Minister's reply was not over-satisfactory. He said—

It is the practice during slackness in the annexe, whilst awaiting supplies of materials, for surplus employees to be utilised elsewhere in the workshops.

The speech made by the member for Guildford-Midland implies that the spare time goes on pretty well all the while, but in any case these experts on fittings and so forth are required not only at Midland, but of course at a number of country railway centres such as Albany, Bunbury, Narrogin, Geraldton, Northam, Kalgoorlie, Merredin and so forth.

Mr. J. Hegney: Would not those people be at those places? Their manpower has not been withdrawn.

Mr. DONEY: I do not know that, but if the men are more fully occupied in one part than in another, what does it matter if they are manpowered? I believe the Army authorities are amenable to reasonable persuasion.

Mr. J. Hegney: You are talking about transfers now.

Mr. DONEY: The Minister in his reply said that transfers back to the Midland shops were being effected. That does away at once with the hon. member's question. Had the Minister been present I would have suggested to him the need for further investigation so that more men might be sent out to those centres in the country where this work is carried on. Whilst it may not have been the experience of other members, it has been mine, that during the last two months the running of trains has been more in keeping with the time-table than has been the case for the past two years. Having been, perhaps, a trifle hard on the Minister for Railways, I thought I might say something satisfactory in respect of him at the close of my remarks.

MR. MARSHALL (Murchison): It is with some hesitation that I make one or two observations upon certain particular matters. I fear that my remarks will not meet the approval of many members, because of a very great tendency during war-time to adopt what may be termed a policy of hush-hush. People say, "You must not criticise your Government nor any of its actions or activities lest you give information to the enemy." In this country, strange to relate, such a policy is more strictly adhered to than it is in those countries which are in

closer proximity to our formidable opponents. In those countries, more particularly in the respective Houses of Parliament, comment is very liberal. Governments are castigated from the seats of members. The movement of troops, ships, and all that which goes to afford information to the enemy, are discussed and the matter published openly. We adopt a different policy; I do not propose to subscribe to it. I intend to confine my observations to two questions, namely, the war effort, and gold and the measure of its value or lack of value other than its value as an international monetary unit.

When speaking last week the member for Murray-Wellington said that so far as he could see there was little animation or enthusiasm in the war effort. The hon. member was right. He read public thought correctly. That is obvious to every member who is interested in the war effort. There is not the zeal nor the open desire to continue giving, with full capacity for giving, to the nation's war effort. That, in my judgment, is due to the absolute contradiction between the promises and the eloquent hypocrisies that emanate mainly from alleged statesmen and leaders. Those people seem to think that the community at large represents nothing more than a herd of oxen who will follow their directions. They seemingly have not the patience to wait until it responds to their directions, when they begin to coerce and preach freely on liberty and democracy in order to cover up their actions. If we are prepared to give a few moments' consideration to what is happening daily we will find that whilst people are constantly being called upon to make sacrifices and to do all those things that are necessary for a total war effort, in actual practice they are being prevented from giving effect to the very desires which these alleged statesmen pretend to wish to bring about.

Almost every day regulations are gazetted, coercing, indexing, regimenting, and denying the last vestiges of freedom, and all this is done in the name of democracy. Very much do I doubt their sincerity. I would rather say that instead of encouraging people to develop 100 per cent. war effort, those leaders are frustrating and preventing them from doing so by regulation and taxation. In my judgment the main object of statesmen today seems to be to fashion the minds of the people in all the standards of our social make up to a recognition of a poverty world or state. What seems to be their principal desire is that we shall become accustomed to a very much lower standard. That can be accomplished during a war period with greater speed and efficiency than it can be in peace-time. Under the cloak of patriotism and loyalty they demand the surrender of our standards. To that one could not really object in the case of a total war effort if it were backed by sincerity on the part of our statesmen. When the time comes we must make sacrifices. The point is, has that time come?

The next point is that unless the people can be given some information, some guarantee that the coercion to which they are being subjected is the basis for something better to follow, there is not likely to be very much animation or enthusiasm, and as we go on the soul of the nation will be more damned than uplifted. It is not sufficient for Curtin or Churchill to tell us that we are struggling on this occasion for the British way of life. Who amongst us does not know what lies behind the British way of life? Socially, physically and economically it has been positively rotten—unemployment, poverty, mal-nutrition, slums, degradation, immorality and everything else that goes to damn a nation. That has been the position for the last 20 years. Who will deny it? We want something better and more inspiring than the British way of life. If I was allowed to judge I would condemn many, notwithstanding the cynical grin of a member sitting behind me. I do not voice that condemnation without having the actual facts at my disposal. What difference is there in the present weak promises made by those who have disappointed us in the past, and the weak promises that have been made for a new order? What difference is there between the promises made today and those made during the last war?

Member: It is the same old cry.

Mr. MARSHALL: Yes. It is made in the same old key. We have not even had a change in personnel. How can we retain confidence in men who have so disappointed us in the past? If we look at the Atlantic Charter, that academic performance that took place somewhere on the Atlantic Ocean, we will find that the parties to it were the great Statesmen, the President of

the United States of America and the Prime Minister of England. Both men have been closely allied to and associated with the political life of their respective nations throughout this war, and were so associated with it during the last war. Why did these men leave it until another war broke out to promise a new world order? Why cannot we get a guarantee or a promise that there shall be a better way of life if we give wholehearted support to the war effort? What did either of these gentlemen do during the long peace of 20 odd years, a much longer term than we shall have again unless the economic system is altered? Both men have been closely associated not only with elected Governments but also with unseen Governments, and all the time have known what was going on. Did they endeavour to educate the public, or to inform the people, or to cause a crisis on the people's behalf in view of the promise which had been given? Not a word and not an action! And now we are told that it is the people who will not produce the 100 per cent. effort in this war. Here is the kind of hypocrisy which has to be lived down now in order to obtain a 100 per cent. effort in the present war.

I say right now that if we lose this war we shall lose all that is of value to humanity; we shall lose the British institutions and all they stand for. What I want to try, in my humble way, to rectify is what prevents the public from becoming confident again; from becoming inspired, so to speak. To that end I want a guarantee that after the blood and tears and misery and anguish and sacrifice of this war are over, we shall at least have a better world than that which was experienced after the last war. It is doubtful whether the public will repose confidence in men who betrayed them and let the Empire down. One of the finest pieces of writing ever committed to paper was composed by an English Prime Minister of the last war, Mr. Lloyd George. It is so glorious an article that it is worth recording here and now. After hearing it, members will be able to appreciate the confounded hypocrisy that has been imposed on the people. There is very little difference between Mr. Lloyd George's article and the Atlantic Charter. Each contains, in substance, the essence of the other. To inspire the people now to save the British institutions for our children, something more than a mere promise is needed. Writing in London in September of 1919 Mr. Lloyd George expressed himself as follows:—

Government Statement of National Needs and National Policy.

Millions of gallant young men have fought for the New World. Hundreds of thousands died to establish it. If we fail to honour the promise given to them we dishonour ourselves.

What does a new world mean? What was the old world like? It was a world where toil for myriads of honest workers, men and women, purchased nothing better than squalor, penury, anxiety and wretchedness—a world scarred by slums and disgraced by sweating, where unemployment through the vicissitudes of industry brought despair to multitudes of humble homes; a world where, side by side with want, there was a waste of the inexhaustible riches of the earth, partly through ignorance and want of forethought, partly through entrenched selfishness.

If we renew the lease of that world we shall betray the heroic dead. We shall be guilty of the basest perfidy that ever blackened a people's fame. Nay, we should store up retribution for ourselves and for our children. The old world must and will come to an end. No effort can shore it up much longer.

If there be any who feel inclined to maintain it, let them beware lest it fall upon them and overwhelm them and their households in ruin.

It should be the sublime duty of all, without thought of partisanship, to help in building up the new world, where labour shall have its just reward and indolence alone shall suffer want.

That promise was never honoured. No attempt was made to honour it. Had it been fulfilled, what a glorious inspiration it would be for the people today! Apart from unfulfilled promises of the past, what are we now getting through the Press and over the air and at the cinema? We are getting only a multiplicity of contradictions in the form of promises of a new world order. When Mr. Curtin was asked to give some attention to post-war reconstruction he replied, "I am too busy." Mr. Churchill, similarly appealed to, replied, "I have not got the time; I can't be bothered."

Mr. Thorn: He did not say that.

Mr. MARSHALL: He made a remark to the effect that he had not time.

Hon. N. Keenan: I think he said, "We must win the war first."

Mr. MARSHALL: There may be now an effort on the part of statesmen to be more truthful and honest than statesmen were during the last war. But what can be expected from a community that has suffered as depicted by Mr. Lloyd George, and has

been denied fulfilment of all the promises made to it? Can it be expected that they will have souls like those of the crusaders for a world order similar to that which obtained during the last 20 years of peace? Of course not! The people want something better, and every day brings indications of their getting something worse. There have been contradictions and hypocrisies from those responsible for making not only pronouncements but implementing legislative action, action that would mean in substance the uplifting of the people after the sacrifice has been made. There is one man I am able to congratulate. He, at least, will not find himself in the situation of being accused of hypocrisy. His frankness has brought him into disrepute with those who rule Australia. Perhaps he disillusioned the people while the unseen rulers wished the people to remain in the dark. I cannot say. But at least he can be given this credit, that he has told us the truth about what will occur in Australia after the war, without any sham or hypocrisy about it. He made a plain, open, frank statement.

Mr. Thorn: Who is the man?

Mr. MARSHALL: Mr. Menzies! On his return from England Mr. Menzies, then Prime Minister of the Commonwealth, spoke in New Zealand, and again on his arrival in Australia, the following words:—

> I encountered no thinking human being in Britain who did not realise that if the price of victory is poverty, and I think it is—and what is wrong with poverty, provided it is the poverty of freedom?—then the business of statesmanship after the war is to see that poverty is honourably shared.

Mr. Menzies did not hesitate to speak straight out. He said that he thought there would be poverty after the war. If the people are foolish enough to tolerate that result, it will come about; and the poverty will be many times more dreadful than Australia's last experience of a depression. The depression that is foretold, if it comes, will be a bigger and better depression than ever we knew before! It appears to me that the whole system of regimenting the people of this sunny land has been undertaken to create a state of affairs in which Australians will have got used to depression, to standardised materials, to limited luxuries, to reduced personal expenditure. In those circumstances the minds and physical fitness of the Australian people will be reduced to a low standard indeed. It may be that this move will succeed, but I doubt it. I do not think the people of Australia will put up with it any more. But there can be no doubt that is the great objective. A gentleman who, I should assume, has never known the pangs of hunger, and in all probability never knew the time when he was without a dinner-suit, a dress-suit, and probably many other suits; a gentleman who is well housed and well fed, did not hesitate, when making a broadcast, to give the people very full information as to what will happen when this war is over. I am speaking of Sir Claude Reading. If my memory serves me well, that gentleman took an active part in tightening the belts of the people of Australia during the last depression. He made a broadcast advocating contributions to war loans, during which he said—

> 1. Investment in Government war loans would assist subscribers to meet any post-war depression.

Is there any doubt in his mind as to what is going to happen?

> 2. It is surely only prudent to give some thought to possible "rainy" days.
> 3. The post-war period must be a very difficult time for everybody. The holders of war bonds would have the savings represented by these bonds available to tide them over that period.

Those men are not the only ones. Certain statesmen and leaders squeal about the new world after this war, but catch them unawares when they are not prepared, and one will ascertain what is really in their minds.

Speaking in the House of Representatives a week or two ago, Mr. Dedman said that severe taxation was necessary to avoid competition by the people for consumable goods and labour required by the Government for the war effort. That is one statement about taxation. Mr. Chifley said severe taxation was necessary to "take up the slack" in order to prevent inflation. That is another statement about taxation. Mr. Curtin said he wanted to tax the people in order to win the war. That is a third statement about taxation. Strange to relate, however, not one told the truth, namely, that taxation is necessary to enable us to foot our interest bill, which is approximately £65,000,000, or probably by this time in the vicinity of £70,000,000.

God help this country if it is going to depend on war loans, war savings certificates and bonds to develop a 100 per cent. war effort. But I believe that is what is really happening. The Government should be using the Commonwealth Bank to make the flow of money continue without cessation so that every man and machine possible could produce something every 24 hours of every day in the week. Such production is not possible, because the Government is dependent on paltry contributions from individual citizens instead of developing and utilising the Commonwealth Bank. There is no limit to the credit the bank could make available, outside of the men and materials. Let me give members some idea of what is going on all the time. There is a tendency on the part of these people to blame the industrialists, just as is happening in England; to accuse them of not doing their best, when really no orders are forthcoming. Approximately six weeks ago I read in an Eastern States paper a letter written by Mr. Makin in reply to one of the engineering firms of New South Wales, which complained very bitterly that there was much machinery available that was not being used in the war effort. Mr. Makin wrote a letter—and it is there for everybody to see—telling the secretary of this firm that it was well known that only 40 per cent. of the capacity of Australia to produce war goods was being used, after three years of war. The excuse given was that there were no orders from the various arms of our Defence Forces. Could anything be more disgusting? He stated that no orders were forthcoming from the authorities controlling our Army, Navy and Air Force!

Mr. North: There are not enough war loans, eh?

Mr. MARSHALL: If Mr. Makin's statement be true, it is time the men in charge of the various branches of our Defence Forces were immediately put in prison, because they have endangered the life of this nation by not sending in orders! But I have my own opinion! Even if the orders were coming in, there is no money! If we could have a real, truthful statement of the position, I think we should find that to be the drawback.

Consider Mr. Chifley's statement that taxation is necessary to prevent inflation! He asserts that the purchasing power of the people has increased in proportion to the consumable goods, produced, and that the prices of those consumable goods must therefore inevitably rise and bring about inflation. I put it to Mr. Chifley or to anybody else that he cannot have it two ways. It may be true that the purchasing power of the people has increased, and it may also be true that the consumable goods did not increase sufficiently to equate the increase in the purchasing power. But where are the Price Fixing Commissioner and the coupon system and the rationalisation of men and materials? He cannot have it both ways. One of the cruellest things I know is the effect of taxation. Strange to relate, it matters not what particular cloak a politician wears. He may belong to any party. None seems to be mindful of the fact that hundreds of thousands of people in the Commonwealth have never enjoyed sufficient income to clothe and feed themselves properly. Hundreds of thousands have purchased the wherewithal to meet their daily needs on the lay-by system, the time-payment system or some other system of debt. Now they find themselves with a little increase in income which would enable them to meet their liabilities, but, before they can do that, in comes the tax-gatherer and out goes the money and they remain in debt, still impoverished. And we expect people in those circumstances to be happy and enthusiastic! The total indebtedness of this nation is between £3,000,000,000 and £4,000,000,000. Yet the Federal Treasurer in effect says that the people have far too much money in their pockets!

Let us consider Mr. Dedman's argument which, like Mr. Chifley's, is unsound. If Mr. Dedman is fearful of competition between civil demands and Government demands, what has become of the rationalisation, the regimentation of factories and men? What has become of the coupon system and of price-fixing? Of course that is not the correct reason. Never was one word said by any of these men, when advocating contributions to war loans, about interest. Mr. Curtin's first loan was for £100,000,000. Of that, £70,000,000 represented conversions and £30,000,000 new money. The second loan was for £35,000,000 new money, and the third for a similar amount. Leaving the last loan out altogether and considering the other two, every penny of new money subscribed had to go in interest payments. That is how we are

winning the war! I wish at this stage to quote from Mr. J. M. Keynes of the Bank of England, who is a well-known writer and economist. I have scores of authorities whom I could quote on this glorious factor in our midst, called gold. Mr. Keynes is an orthodox man and not a socialist or communist. Broadcasting on the 23rd March he said—

> Nowadays money does not matter and if we have the men, machines and money we can do anything we choose within the limits of physical capacity.

When examined by a committee dealing with monetary reform in Canada, Graham Towers, in his capacity as Governor of the Bank of Canada, had the same question put to him. He was asked if what was physically possible was financially possible and he replied, "Undoubtedly, yes. The only limit to the capacity to make more money available is men and material." The same position applies to the Commonwealth Bank of Australia. Sir Denison Miller made a similar statement in England in 1922 or 1923 just prior to his death. When delivering a lecture before bankers—they desired to get him in with them, but they missed—he told his audience that the Commonwealth Bank was commenced without any money and, in fact, no money had been necessary. He pointed out that the Commonwealth Bank was the wealthiest of all such institutions because it had the whole of the resources and assets of Australia behind it. That is really the position.

Our total nation-wide indebtedness represents about £4,000,000,000, and our total assets, roughly, £7,000,000,000, which means that we have £3,000,000,000 to play with. Yet the Commonwealth Bank stands idly by while the Government, gradually but surely by virtue of the severity of taxation, dampens the ardour and frustrates the desires of the people generally who wish to win the war. Could there be anything more glaring than that which is happening in Perth every Friday? We see women at street corners with collection boxes, begging for money to provide comforts for dependants of soldiers. They beg for money for the Red Cross—that noble organisation that does so much to alleviate the sufferings of the unfortunate victims of war. We are called upon to cadge money to assist in this or that direction, despite the fact that the whole of the resources of the nation are at the disposal of the Commonwealth Government through its own banking institution, so that those resources could be utilised for a one hundred per cent. war effort.

We could provide for all these various efforts if the Commonwealth Government utilised its own powers. We could do it, and we shall never be more fitted to adopt that course than when the war ceases. We shall have the necessary machinery, unequalled at any previous period since the inauguration of the Commonwealth. Our capacity to produce consumable goods will be increased to a tremendous degree with the termination of the war. We shall be able to multiply our manufactories 100 per cent., and produce such increased commodities as will be necessary to make the standard of comfort for the people appreciably higher. We shall be well organised for the task, and we shall be definitely well equipped for it. What will happen? Unless the people of Australia wake up, they will find themselves in practically the same position as they were in when the 1914-18 war terminated, but to a more marked extent.

At the conclusion of the earlier war, England was capable of producing more than ever before in the course of her history, yet at one fell swoop financial interests, through the banks, closed down on the United Kingdom, and the standard of comfort for the people was set by the unseen rulers of finance. I have an idea that Australians, notwithstanding the effort that has been made to cultivate a taste for poverty that will be hard to justify, will not tolerate such a position. It will be bad enough to appreciate the fact that we shall have to pay in perpetuity for the cost of the war. We have paid dearly in blood, sorrow and misery, and have sacrificed our all; yet we shall be called upon to pay interest on the debt incurred during the course of that sacrifice.

Thus we shall be required to make two sacrifices, unless the people awaken and resent the deception practised by men who are in receipt of high salaries for the ostensible purpose of giving guidance, and yet have played the game deceitfully and let the nation down. I propose to make some references to those individuals who, I understand, are living in the lap of luxury and are still allowed at large. These men were guilty of selling the British Empire to our Satanic enemy—Hitler—and that was done with the full knowledge of the British Gov-

ernment of the day! Those people sat in conference and decided that Hitler's reign over Germany was not a nightmare but the commencement of a very bright future. Although Hitler was not allowed to re-arm under the provisions of the Versailles Treaty, those people did it for him. That fact is enlightening, and the people ought to be aware of the position, because those men still have control. They remain at liberty and are still able to carry on their deception and sell the British Empire once more. The following extract is from an article that appeared in "Ken," which is published in Chicago, U.S.A., on the 3rd November, 1938:—

> In the spring of 1934, a select group of city financiers gathered around Montagu Norman in the windowless building of the Bank of England in Threadneedle-street. Among those present were Sir Alan Anderson, partner in Anderson, Green & Co., Lord (then Sir Josiah) Stamp, chairman of the L.M.S. railway system; Edward Shaw, chairman of the P. & O. Steamship lines; Sir Robert Kindersley, a partner in Lazard Bros.; Charles Hambro, partner in Hambros Bros.; and C. Tiarks, head of J. Schroder & Co.

They were some of the men who sat in conference and decided upon the action to which I allude. They issued credits and built aeroplanes and tanks, which were sent to Hitler. To such an extent was this done that the directors of Vickers and Imperial Chemical Industries held a meeting, at which a statement was made by General Sir Herbert Lawrence, chairman of directors of Vickers. He was asked to give an assurance that arms and munitions supplied by Vickers were not being used for secret re-arming in Germany, and he replied, "I cannot give you an assurance in definite terms, but I can tell you that nothing is done without the complete sanction and approval of our Government." I do not know that the present Prime Minister, Mr. Churchill, was not associated with that Government; I am not sure on the point, but I know he was a member of the House of Commons.

I point out to the House that if from a public platform I make one disloyal remark, I can be placed in gaol. On the other hand, here are people who have bartered the interests of the nation and sold it to the enemy—and yet are still at large. It would be a splendid lesson if those people were roped in now, detained in the Tower of London, and tried for high treason. That would provide an inspiration to the public and would serve to indicate that the war is being waged by men who are sincere. If this scandalous power remains vested in people who are answerable to no Government and to no people, there is a constant danger confronting the nation. That will remain while such men are allowed to walk the streets, untrammelled by the application of the laws of the land. That is allowed to continue while those who may murmur something that would not be of the least importance to the enemy find themselves in prison.

I hold that if we desire to inspire the people we must alter our tactics. We must furnish them with hope for a better future. We must display some semblance of sincerity in the administration of the affairs of the nation, and it is of little avail merely to tell the people that this or that course of action is necessary because the war is in progress. We are disheartening the people, destroying their souls by all these restrictions and regimentation that are suddenly imposed upon them. Here we have the spectacle of a Government hard-pressed for money, yet at the same time we have the chairman of a board, established for the purpose of rationing tea, who is paid 30s. a day, or £1,500 a year, plus 30s. a day for expenses, despite which tea was rationed long before his appointment was ever thought of. Matches, too, are rationed now. For my part, I could not get more than half a pound of tea, and was told by my grocer that the prospects were there would be a further reduction. I told him I did not expect more for myself than other members of the community were able to obtain. When various commodities are taken over and rationing is instituted, the supplies available to retailers will diminish, and then no doubt additional rationing will be imposed. If we rationalise industry it is all the Commonwealth Government need do because, once commodities become unobtainable, no one will complain.

At the present juncture we have six Agents General in England and a High Commissioner. We have sent to England a number of emissaries, and there have been two visits by Dr. Evatt and Mr. R. G. Casey respectively—a wanton waste of money. Who would say that the Agent-General for Western Australia could not very ably represent Australia? Members know him well. They are aware of his ability and capacity, and his knowledge of Australia. But that

is not enough! The High Commissioner for Australia, Mr. S. M. Bruce, presumably is not good enough either. Probably Dr. Earle Page was favoured because of his attitude to those valuable assets of this nation—the Commonwealth Bank, woollen mills and shipping service, as well as for the services he rendered to finance. It may be that his services in those directions are thus being paid for now. There is far too much hypocrisy about the whole matter and I do not propose to remain silent about it, cost me what it will, even my seat in the House. I am sick and tired of this sort of thing, more particularly as I know there is no occasion for it.

I say frankly that gold retains value for international trade only because of the fact that all nations, by virtue of legislation, accept it as such, not because it is indispensable. According to the records, the discovery of gold in California, later in Australia, and later again in Africa, saved the gold standard from being entirely abandoned years ago. The discoveries of gold in those countries meant prolific production, and for a time the automatic gold standard worked remarkably well. Certain individuals, however, soon conceived that if by legislation gold was made the sole basis of currency issue, all that any individual would have to do would be to corner gold. If he cornered gold, currency would be cornered. If currency was cornered, the price levels of the country would be cornered, and anyone having control of the price levels would control the destiny of the nation. That is the purpose for which gold has been mainly used within nations for many years. It has been the plaything of bankers for years. Yet we hear views expressed extolling the various qualities of gold—its acceptability, its convertibility, its portability and its fineness.

Let us analyse those claims. What does fineness of gold actually mean? I venture to say that not half a dozen members know or care. Fineness implies only quality and, when we have said that, we have said all that can be said about fineness. Consider the portability of gold! I suggest it is no more portable than any other metal; its portability depends entirely upon quantity. It is not nearly as portable for personal use as is the currency. An ounce of gold in the pocket would soon become a burden, but its equivalent value in notes would be only a fraction of the weight. Where then does the portability of gold come in? Would a ton of gold be any more portable than a ton of steel or of iron? Of course not! True, sovereigns are packed in secure little boxes, but they are equally formidable in weight as is gold itself. If I wanted to carry a sovereign with me it would be quite an easy matter, and, if I wanted to carry an equivalent weight of tin, iron or any other metal, it would be no more burdensome than gold. So where are all the wonderful advantages of gold?

Consider its acceptability! How does this come about? There was a time when currency—in the Empire—existed for hundreds of years without gold, but the acceptability of gold is due to legislation. Gold has been given legal status. In 1844, when gold was adopted as the sole basis for currency issue and silver was abandoned—members will understand that silver preceded gold as the basis for currency—India and other countries on a silver basis were practically ruined because nobody wanted silver. If the respective nations reverted to silver and abandoned gold, the reverse would occur. Gold would drop to a mere nothing and silver would rise in value, not because of any peculiar feature inherent in either, but because the law made the one acceptable. The fact of its being the basis for monetary units enables it to be converted.

Mention has been made of the divisibility of gold, but gold cannot be any more divisible than any other metal. I know of many articles more easily divisible than gold. In fact, gold is no more and no less divisible than any other metal. Gold gets its acceptability because nations have adopted it as a basis for currency. Strange to say, on every occasion when a crisis has arisen, the gold standard has had to be deserted. Gold has never yet stood up to a crisis, and it has been responsible for more crime, degradation, poverty and misery than anything known to humanity. It was the gold standard that, after the 1914-18 war, caused 3,000,000 people in the United Kingdom and 30,000,000 in the United States of America to be forced into a state of semi-starvation. Many people really believe that gold is a measure of value, but it is not. Gold is a substance, a commodity, and as such, is a victim of the law of supply and demand. As a substance it fluctuates in price.

So how can it measure the value of anything else? What would members say if today they found that the yard measure, 3 ft., or 36 inches, tomorrow measured 37 inches and the following day 35 inches? Would they accept that measure as reliable? Of course not; but because of misunderstandings people will argue that gold measures value. How did the people of England get on 300 or 400 years before gold came into use? If gold is a measure of value and is indispensable, it is remarkable how people——

Mr. Tonkin: Values are relative. You must have a standard.

Mr. MARSHALL: That is true, but gold has never been the standard. It fluctuates in value. The only standard value that gold has is the value fixed by law, and I shall explain that in a moment. I shall now quote from a book entitled "The Pound Sterling," by Feavearyear. An accountant was giving evidence before a committee inquiring into the resumption of cash payments in England, and these questions were put to him. The passage will be found on page 1, and is as follows:—

> He was required to define what he meant by the pound. His answer was, "I find it difficult to explain it, but every gentleman in England knows it." The Committee repeated the question and Mr. Smith answered: "It is something that has existed without variation in this country for 800 years—three hundred years before the introduction of gold."

I wonder where the people got their standard of values then? They could not have had a standard then. The witness quoted said, "without variation." But what of the price level since we adopted the gold standard? We have had ups and downs, depressions, booms, trade cycles and so on. A great change of front has taken place in recent years. It is true, in reply to the interjection by the member for North-East Fremantle, that people believe gold measures values because the value is fixed by law. Take that away and of course gold is finished.

Mr. F. C. L. Smith: The value is not fixed by law.

Mr. MARSHALL: It was!

Mr. F. C. L. Smith: Prices are fixed by law.

Mr. MARSHALL: No. The value of gold is the price of gold.

Mr. F. C. L. Smith: You said just now that the value meant the relationship.

Mr. MARSHALL: Yes. I shall explain that in a moment. I have authority to back me up and I hope the hon. member will be convinced. I am not giving my personal opinions, but the opinions of authorities. The hon. member believes, as do certain other people, that because the law fixes the value or the price of gold, gold therefore becomes the measure of value of other commodities. Let us see how sound that argument is. Take the dollar! One can always get a given number of dollars for an ounce of gold. People then assume that gold always has the same value, but the value depends on what the dollars will buy. That is the relationship of gold to the commodity. We shall go one step further.

There was a time when the gold standard was more or less automatic, but that is no longer true. The automatic gold standard has not been in existence for many years past. The price level today is not measured by the quantity of gold, but by the amount of credit issued or contracted. That is what governs the price. If one finds banks creating credit liberally the price of goods goes up, while the price of gold declines in relation to goods. I shall make one or two quotations. If the movement of gold automatically interfered with the price level of a nation, then gold would measure the value of commodities when compared with it. That has all gone and bank-created credit alters prices. It has made gold almost obsolete and valueless. I suppose the member for Brown Hill-Ivanhoe will give Professor Cassel the right to speak on this matter.

Mr. F. C. L. Smith: He is the only one who has the right.

Mr. MARSHALL: I think the hon. member will agree that some of the other writers I shall quote have the same right. On page 20 of this book, "The Truth About The Slump," A. N. Field quotes Professor Cassel regarding post-war monetary stabilisation. He was speaking about what is called the post-war return to the gold standard and said:—

> Theoretically this was not necessary. The world had a system of paper standards——

I want the member for Brown Hill-Ivanhoe to note this because he has confidence in Professor Cassel.

> ——and if each of these paper standards had been simply stabilised at a certain purchasing power against commodities, the world would have had a satisfactory monetary system.

Stabilisation did not in itself require that the separate currencies should be bound up with gold.

Mr. F. C. L. Smith: Gold is one of those commodities.

Mr. MARSHALL: The hon. member's own favourite tells him distinctly that gold is not necessary. This extract continues—

The gold standard is, however, by no means an ideal standard. The value of gold is subject to variations which cause serious difficulties to every country the economic system of which is built up on the basis of a gold standard.

Professor Cassel is not the only one who says that. Here we have another! George H. Shilbey, Director of the American Bureau of Political Research, in giving evidence before a Congressional Committee in regard to the attitude of bankers and Governments, who agree to make gold the sole basis of currency issued, said—I am quoting from page 23 of "The Truth about the Slump"—

Thus was accomplished the first step in one of the most horrible conspiracies against mankind the world has ever witnessed. The subsequent history of periods of falling prices for commodities bears out my assertion.

On page 28 of the same book Professor Cassel is again quoted as follows:—

The whole lesson of the world's sad experience of monetary mismanagement can only be drawn if we realise that the gold standard is nothing else than a paper standard, the value of which is entirely dependent upon the way in which the supply of means of payment is regulated. The characteristic feature of the gold standard is only that this supply is regulated with the object of keeping the currency on a certain par with the value of gold.

Speaking of what happened to gold when the war came Professor Cassel stated—

It was not enough that the gold standard was abandoned and that paper standards were adopted, but even the value of gold itself was affected in such a way that it was completely discredited as a measure of other values.

I want the member for Brown Hill-Ivanhoe to take this in because these are the remarks of his own pet. The Professor continued—

When gold coins were drawn out of circulation and when European gold flowed in large quantities to America, a superfluity of gold arose in this country (the United States), pressing down the purchasing power of gold to about 40 per cent. of what it had been at the beginning of the war. This lowest value was reached in the spring of 1920, from which date, by means of a gradual process of deflation, the value of gold was brought up again in a few months' time to about two-thirds of its pre-war value.

Mr. Tonkin: What standard would the hon. member substitute?

Mr. MARSHALL: The index standard of commodities. On page 30 the position is fully explained and the member for Brown Hill-Ivanhoe will not deny this authority the same right to speak on this subject. The authority to whom I refer is Reginald McKenna, who says—

Today, as before the war, the price of gold in America is fixed, and we are apt to assume that the value of gold continues to govern the value of the dollar. But such an assumption is no longer correct. While an ounce of gold can always be exchanged for a definite number of dollars the value of the ounce will depend on what those dollars will buy, and this, in turn, will depend upon the American price level. If the price level in America fluctuated according to the movements of gold, the purchasing power of gold would still depend, as it did formerly, upon the value of gold. But we know that this is not so. As I have just shown, the American price level is not affected by gold movements, but is controlled by the policy of the Reserve Banks in expanding or contracting credit. It follows therefore that it is not the value of gold in America which determines the value of the dollar, but the value of the dollar which determines the value of gold.

I do not think a man requires anything more explicit than that.

Mr. McDonald: Does not the Central Bank really fix the price of gold?

Mr. MARSHALL: It fixes the actual price. That is called the premium or exchange value but the standard price of gold is fixed by law. Lord d'Abernon, speaking to a big producing concern in England upon the gold standard, said—

The gold standard had become unstable. It was not that this or that commodity had fallen in price, but that gold, or the unit of currency based on it, had risen. If the world had chosen wheat or copper or cotton (he was speaking to Liverpool) as the standard of value instead of gold, we might now be commenting on the stability of prices of the main articles of consumption. Compared with one another the wholesale prices of individual commodities had altered very little; what had altered was the purchasing power of gold measured in commodities.

The pamphlet from which I have quoted was written by a New South Wales author and lecturer named Russell and the words appear on page 16. This man also quotes a very great authority named Josiah Stamp. Stamp was one of the unfortunate men who, with others, decided to re-arm Germany. Later, with his wife and child, he met his death from a bomb dropped by

Germans. He was a competent banker and this is what he had to say when speaking to a farmers' club in London. I quote from page 38 of this pamphlet:—

> Business men often think of changes in the price level in a wrong way; they do not instinctively stop to consider, when prices are moving, generally, upwards or downwards, as the case may be, whether it is not the measure of value, gold itself, and the notes depending on it, which is changing. Not understanding this point they attack or complain of all causes other than the true one, or enjoy the result and thank goodness.
>
> The average business man has not been trained to think in this way. He does not appreciate that, while a yard is an ideal measure, always of the same length, whatever substance it be used to measure, and at whatever time, a sovereign or dollar is not of the same kind, but is itself a substance and subject to the influence of supply and demand, and so is the paper which represents it. Yet the units of currency are required to act as measures of value which should be constant.

Then we have Keynes again on page 45. These men are authorities on the gold standard and know as much about it as does the member for Brown Hill-Ivanhoe.

Mr. F. C. L. Smith: What did Churchill say about it?

Mr. MARSHALL: What did he have to say about the victory in the last war, and how much reliance can be placed on what he said about the new world order at that time? I am relying on the people who are authorities on the subject. These are orthodox men and are compelled by circumstances to give the public the actual truth.

Mr. F. C. L. Smith: They are only kidding you.

Mr. MARSHALL: The hon. member would know.

Mr. F. C. L. Smith: They are all arguing amongst themselves.

Mr. MARSHALL: There are no arguments in these books. The hon. member would be well advised to get a digest of them.

Mr. SPEAKER: Order!

Mr. MARSHALL: This book at page 45 states as follows:—

> Mr. Keynes, it may be noted, did not make the occasion one for advocacy of mere devaluation. He wrote, September 27, 1931: "There are few Englishmen who do not rejoice at the breaking of our gold fetters. We feel that we have at last a free hand to do what is sensible."

That is what he thought of the gold basis! I have several authorities, and last but not least, is Professor Soddy, who would not, of course, know as much about the subject as would the member for Brown Hill-Ivanhoe.

Mr. F. C. L. Smith: Is he a professor of engineering?

Mr. MARSHALL: He happens to be an economist at the moment. At page 181 of his book he states—

> The increasing use of bank credit and paper robs gold of one of its main uses and, after the oscillations of the past century, we may look forward to a continuously rising gold price level. So that credit money, having largely rendered gold obsolete, the device of making it convertible into coin on demand has ceased to be effective against its continuous depreciation, and has already come to be deceitful.
>
> Hence arises an increasing necessity for stabilising the currency entirely without reference to gold, and reducing the matter to the level of a commodity, possibly honouring it meantime as international money at its market value, in redressing international indebtedness, under some equitable convention agreed upon by the League of Nations.

If I wished to be hypocritical I would not adopt the attitude I have in regard to gold. I represent goldmining constituents, but the people should know the truth. I will frankly confess to the member for Brown Hill-Ivanhoe that while we have this system in existence gold will go on. It will be used more particularly as an international unit of account. But does not the member for Brown Hill-Ivanhoe appreciate the full tragedy of reverting to the gold standard after the last war? Has he forgotten that? Would any Labour man in 1930 or 1931 have advocated the gold standard when currency was being shrunk? What a confounded basis it is when it can only produce misery and degradation! It can never supply the demand because the increase in production of gold is, I am given to understand by the authorities, about one per cent. per annum compound interest. The population and the commerce of a country increase at the rate of about three per cent. per annum compound interest.

Mr. F. C. L. Smith: Nearly every country has been off the gold standard for about 11 years.

Mr. MARSHALL: And God forbid that they will ever return to it!

Mr. F. C. L. Smith: Tell us about the last 11 years.

Mr. MARSHALL: I have tried to tell the hon. member time after time that instead of controlling gold as they did yesterday,

thus ruining the destinies of the nation, they now control the expansion and contraction of the nation's credit. That is easily answered. I could be hypocritical and advocate this dreadful basis of currency, but I have come to the conclusion that the only way to stabilise our currency is to stabilise it to an index figure, giving a purchasing power against that figure based upon the value of the commodities. That is the true basis. There is no limit to it. The only limit is the capacity of the people to produce goods and services.

In conclusion, I hope my remarks have not been in any way offensive. I might be more enthusiastic about this matter than are some members, and I am therefore led away by that enthusiasm and say things which they probably would not say. I apologise to anybody whose feelings I may have hurt. I have endeavoured to be truthful, and used facts to substantiate my arguments. There is nothing more tragic to me than the fact that there is not a 100 per cent. war effort today; that every individual in this community is not like a crusader animated and inspired by an ideal worth fighting for and making sacrifices for. Lack of statesmanship prevents a complete 100 per cent. war effort. I hope some changes will be made in our present democratic system before some of our precious and cherished institutions are lost, and that we shall have a guarantee that after this war there will be a real and a true new order.

On motion by Mr. Hill, debate adjourned.

House adjourned at 5.8 p.m.

Legislative Council.

Wednesday, 26th August, 1942.

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

ADDRESS-IN-REPLY.

Ninth Day.

Debate resumed from the previous day.

HON. E. M. HEENAN (North-East) [2.22]: In supporting the motion, I desire at the outset to associate myself with the remarks of other members concerning the late Hon. J. M. Macfarlane. Our former colleague has left behind him a splendid record of public service that should be an inspiration to us all. I sympathise with the various members who have been so seriously ill during recent months and hope that Mr. Thomson, who I understand has had to enter hospital again owing to the unsatisfactory state of his health, will make a speedy and complete recovery so that he may soon be back amongst us. I also associate myself with the congratulations bestowed upon Mr. Cornish and Mr. Gibson and I trust that they will each render a long term of honourable service in this House.

The few brief remarks I propose to make will chiefly concern matters that are vital to the interests of the province I represent. The first I will mention relates to lighting restrictions on the goldfields. A prominent official, whose name I had perhaps better not mention, informed me yesterday that he regarded the existing position on the fields as a farce. About the only part of the black-out regulations applying on the goldfields is that dealing with motor cars. Up to a few weeks ago, about 50 per cent. of motor cars on the goldfields had their headlights dimmed; the drivers of the other 50 per cent. had not bothered about this, and apparently no action was taken against them, with the result that many people are removing the masks and reverting to the use of full lights. The position is indeed bad, because we have bitumened roads in and around Kalgoorlie, and during recent months there has been a good deal of rain. Although there have not been many accidents, in my opinion that fact is due to good fortune more than to anything else. On the Eastern Goldfields the street lights are on, and the mines are all brightly lit; and I have been informed by a member of the Air Force who flies to Kalgoorlie that the lights are plainly visible from a distance of more than 50 miles. Numbers of prospectors and others come into Kalgoorlie for the week-end, travelling from places like Bardoc and Ora Banda; and it is essential for them to come in. If they are to comply with the law, they should have their lights dimmed; but it is highly dangerous to drive along some of the roads under ordinary conditions, there being always cattle and sheep about, so that one has to be most careful.