

Thus the Katanning Road Board, in effect, will pay the whole cost of the building and yet will not own it. Introducing its report of a speech made by the Chairman of the Lotteries Commission, "The West Australian" of the 17th June last says—

At the head of a list of contributions made by the Commission to hospitals and charities he placed the Perth Hospital, which had already received £201,139, and to which the Commission was committed to the extent of £1,300,000.

That the Lotteries Commission has done excellent work I freely acknowledge, and I take no exception to its assisting the Perth Hospital as it has done. Certainly the Commission has been as liberal as usual in aid given to country hospitals. I will go so far as to say that the Lotteries Commission has proved a great boon. But we find that the Perth people pay nothing. As a ratepayer of Katanning, I pay on my own home an annual hospital rate of 20s., over and above which I have to pay hospital tax, which I shall for the present ignore. Katanning has approximately 800 houses, and every householder in Katanning pays 10s. 6d. hospital rate.

In the metropolitan area there are 39,000 dwellings, and in metropolitan road boards 19,000. On the Katanning basis of 10s. 6d. per householder, metropolitan municipalities would pay annually £20,450, and road boards in the metropolitan area would pay £9,975; or an annual total of £30,425. I quote those figures merely to show the unfair incidence of the Government's policy. It is time that justice was done, either by making city and suburban householders pay their quota of the cost of maintaining country hospitals, or else by placing country districts in the same position as the metropolitan area. It is true that the Lotteries Commission pays one-third of the cost of the Katanning hospital, and local authorities one-third, and the Health Department the remaining third.

I am sorry that time does not permit of my dealing with many other things I desire to touch upon. Let me say only that I do hope we shall have displayed a genuine spirit of co-operation, and that this State's Government will in future do what it has failed to do in the past—co-operate with members of this Chamber in a common endeavour to improve the position which we all face. I support the motion for the adoption of the Address-in-reply.

On motion by Hon. J. A. Dimmitt, debate adjourned.

*House adjourned at 6.12 p.m.*

## Legislative Assembly.

*Tuesday, 22nd August, 1944.*

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The SPEAKER took the Chair at 4.30 p.m., and read prayers.

### ELECTORAL—SWEARING-IN OF MEMBER.

Mr. SPEAKER: I am prepared to swear in the member for Kimberley, who was returned at the last general election.

Hon. A. A. M. Coverley took and subscribed the oath and signed the roll.

### QUESTION—SOUTH FREMANTLE POWER STATION.

*As to Vulnerability of Site.*

Mr. DONEY asked the Premier:

(1) Did he notice in "The West Australian" of the 9th inst., a statement by the Australian Prime Minister, reading:—"Tonight as Minister for Defence, I tell the people of South Australia, for instance, that their electricity supplies should not be produced in their present vulnerable locality. That is what happens when these things are left entirely to private enterprise or public instrumentalities"?

(2) If so, does this statement influence the State Government's decision to instal an electric power scheme in an obviously vulnerable position in the Prime Minister's own electorate at Fremantle?

(3) If it does not, will he state why?

The MINISTER FOR WORKS replied:

(1) Yes.

(2) No.

(3) Vulnerability and all other factors were fully considered before the Government came to a decision, and the Army authorities were consulted.

**ADDRESS-IN-REPLY.***Eighth Day.*

Debate resumed from 10th August.

**MR. CROSS** (Canning) [4.36]: At the outset I desire, Mr. Speaker, to congratulate you on your re-election to your high office. Further I desire to congratulate you on the manner in which you have carried out the duties of the position in the past, and to express the confident belief that you will continue to do so in the future. May I express my regret at the passing of my friend, Mr. R. S. Sampson. While the late gentleman and I were always sitting in opposition to each other and, as members know, frequently interjected on each other, yet we were fairly close personal friends. I deeply regret Mr. Sampson's passing. At the present time our people are still in the midst of the war, and we have not carried the Referendum. Thus we have not solved the great problem facing Australia; if anything, the defeat of the Referendum has complicated the position even more.

Mr. Thorn: You do not believe that, you know!

**MR. CROSS**: I believe that extremely drastic changes will be necessary in the national economy of Australia, and that at the present time it is quite outside the power of this State at least to do all those things which it should do. That lack of power is due especially to the limited income of the State, but there are other problems as well. One problem to which I propose to address myself today is of worldwide importance, particularly to the British Empire and Australia. I refer now to the growth of public debts. Those debts will probably be the greatest problem facing the British Empire and Australia immediately upon the cessation of hostilities. For the information of members I have gathered a few figures relating to the public debt of Britain. In 1898, just before the second Boer War, Britain's debt amounted to £698,000,000; and to service that debt and carry on all the ramifications of government, including the upkeep of an army and a navy, required rather less than £200,000,000 of taxation. The amount covered costs of government, interest charges, and everything else of that nature.

In 1913 the revenue of Great Britain amounted to £199,000,000—a record at that time. In 1914 the revenue collected totalled

£214,000,000. In 1903, at the conclusion of the second Boer War, and owing largely to the consequent expenditure, the public debt of Britain had increased to £770,000,000. In 1921, however, after the conclusion of the 1914-18 war, Britain's debt had risen to £7,821,000,000. That debt is a problem for Great Britain. It will be obvious to members that with so huge a public debt, and consequently a tremendous interest bill, it was impossible for the British people to revert to pre-war rates of pay and yet be able to live and pay their way after servicing the public debt.

Bad as is the position in Great Britain, it is equally alarming and equally calls for attention in Australia. In 1913 the Commonwealth Government had only a comparatively small public debt. Even though at the time public men were calling attention to the enormous debt, it amounted to only £7,430,949 and the rate of interest paid on the average to service the debt at that time was £3 14s. 10d. In 1921, the debt amounted to £401,720,024. Between 1921 and 1939 there was no war as far as the Commonwealth was concerned, and an amount of about £4,000,000 was paid off, leaving the debt on the 30th June, 1939, at £397,250,000 odd. According to the latest figures issued there has been a very sharp increase. The Commonwealth debt alone amounts to £1,405,812,000. Something else has happened in regard to revenue. In 1913 the Commonwealth revenue was £21,907,000. In 1921 it had grown to £65,517,000, but in 1939 the revenue collected was £95,164,000. Under the strain of war, Commonwealth revenue has again increased and for the year ended the 30th June last, the revenue was far greater than that of Great Britain in 1913 and 1914. It amounted to £294,459,000.

I want members to notice that the Commonwealth collected fourteen times as much revenue in 1943 as was collected in 1913. In addition to that, the States have huge debts. At the 30th June, 1913, the combined debts of the States amounted to many times more than the Commonwealth debt. The States owed £294,472,000. In 1921 that had increased to £474,847,000. In the 18 years that elapsed between then and the outbreak of this war, another £400,000,000 had been added to the debt which then stood at £897,772,000. On the latest figures available—and if anybody thinks this is anything to

laugh about, I have something to learn—the total gross debt of the Commonwealth and State Governments was £2,299,000,000. The servicing of this huge public debt creates one of the greatest problems ever faced in the British Empire.

Our Empire and Australia will be severely handicapped in the post-war race for overseas trade by the tremendous interest bill which we will inevitably be called upon to pay. Judging by the experiences of the British Empire after the last war it is evident that the bondholders will take steps to establish their pre-war status, if possible, and will try to rehabilitate the purchasing value of money which, as I shall directly show, is dropping fairly rapidly. The only way they can do that is by the method adopted in 1930, under the financial emergency plea, of increasing working hours and reducing wages. That policy of deflation, wherever it has been tried, has left a trail of chaos, distress and bankruptcy, and any attempt to enrich the bondholders in that way can result only in disaster for the business people and the workers of any country in which it is attempted. In my opinion this problem must be faced in all its ramifications, and they are pretty wide.

It is true that without the aid of any Government and without the aid of any financial wire-pullers, there has been taking place for hundreds of years what I would term a natural process, and there is no Government in the world that could stop it, though the Commonwealth Government tried to stop it by pegging wages and salaries. While it is said wages and salaries are pegged, that is not so at all. This natural process enables the present financial structure to carry on, but it does affect Governments very acutely. While this natural process cannot be stopped, it should be controlled. The natural process to which I refer is the depreciation in the purchasing power of money. I want members to realise that every war of note in history has given that natural process a greater impetus and accelerated its speed. The one factor that determines the amount of depreciation in the purchasing value of money is the amount of money that is borrowed for the purposes of war.

A debt contracted in connection with war serves only one purpose, which is to create an army of drones in the country where that money is borrowed. That is so

because there are people who invest the whole of their savings in that direction with the idea of living on the interest accruing to them, without their performing any useful service to the community. That is about the only useful purpose that huge war debts have. I have shown that it is impossible for people in any country or State to revert to pre-war rates of income and be able to carry on. Any attempt to do so will result in failure. To demonstrate that fact I shall give the House a simple illustration. For the sake of argument we will assume that the average pre-war worker received £3 a week and his income was split into three equal parts. The worker took two parts for his own purposes, or £2, and the Government received the remaining £1 to enable it to carry on the work of the country and to service the national debt.

During wartime there is inevitably an increase in the country's indebtedness, in consequence of which taxation must be increased. Wages must be lifted and the worker may receive £6 a week, which again has to be divided into three equal parts, the Government receiving one-third and the man retaining two-thirds upon which to live. The worker, therefore, gets £4 to make up for the advance in the cost of living and, as this is in proportion to the increase in wages, he would, in such circumstances, be just as well off. On the other hand, it would be twice as easy for the Government to finance its indebtedness because instead of receiving £1 of the worker's wage, it obtains £2. Suddenly the practice is reversed and the man has to revert to pre-war rates of pay. To bring down the cost of living in proportion, it would mean that the Government, with greatly increased indebtedness to finance and with heavier commitments all round, would be compelled to take a greater proportion of the two-thirds of that man's wages in order to pay for its debt servicing. I think that example proves that it would be disastrous for the businessman and the worker alike if such a process were to be applied.

The value of money is a matter of vital interest to each of the States, the Commonwealth as a whole, the British Empire and, incidentally, to every other country. The fact is that both Great Britain and Australia must accept inevitable depreciation in the purchasing power of money as

the natural corollary to the present war. Having accepted that position, they must make preparations for their financial arrangements accordingly, and that applies equally to Western Australia. The public debt of this State has been growing from the day it commenced, and it now demands a very large percentage of our revenue to pay the interest bill. This simply means that we borrow money and have at times actually borrowed simply for the purpose of paying interest, the effect being the provision of a greater interest bill to be dealt with in the succeeding Budget.

By the time the State has serviced its public debt and financed its non-paying social services, the unsatisfactory position becomes more apparent, and the time will arrive, unless definite action is taken to deal with it, when the whole of the State's revenue will be required for financing the non-paying social services and the interest bill. That would place the State in a position similar to that in which, unfortunately, many of the farmers in Western Australia find themselves today. The greatest burden upon the agriculturist here is heavy capitalism and interest. Many of the farmers find that after they have paid their interest bill nothing is left with which to effect improvements. That is actually the position of this State. By the time Western Australia has paid its current bills, no money is left for expenditure upon the development of new industries or the opening up of new avenues of revenue. Consequently I say this question is of paramount importance and should be given consideration forthwith.

Mr. Marshall: Is the Commonwealth Government able to handle the situation?

Mr. CROSS: It has part-powers only for that purpose.

Mr. Seward: What part-powers?

Mr. CROSS: The depreciation in the purchasing power of money does not affect Australia, Great Britain or the Empire alone. It affects America and every other country according to the dimensions of their respective public indebtedness. Before overseas trade can become normal, a common basis of money values must be established and accepted by the countries concerned. Those nations that discharge their internal liabilities with the greatest rapidity will be in the most favourable

position for entering into commercial competition with the rest of the world immediately large-scale overseas trade is possible. There is another angle to the problem, and I think the State Government should do something about it before the process develops further. The longer the war lasts and the more public money is borrowed, even though much of it is borrowed from ourselves, the greater will be the problem. A great many people receive incomes that I would describe as "fixed." Many incomes today are the same in amount as they were in 1939 although values have changed. Consider the position of a man who was retired on a fixed pension or on superannuation. He may have received £3 in 1939 and he knows that today his £3 is worth only £2.

Mr. Thorn: More like 30s.

Mr. CROSS: That is the position, and I believe it represents a problem to which attention must be directed throughout the Empire. There are some people on fixed salary amounts and they are in a similar position. Members know that a man who was on a fixed salary before the war—we are on a salary fixed in 1925 when the basic wage was 31s. less than it is today—has great difficulty to carry on and therefore should show some sympathy for the workers. There is another class of men who have been slipping. A large number of skilled workers receive, in addition to the basic wage, a margin for skill. Say a tradesman receives a margin of 30s. for skill. He got that from the Arbitration Court in 1939, but today he is receiving only the same margin, notwithstanding that it is worth in purchasing power only £1.

Mr. Watts: Fifteen shillings!

Mr. CROSS: Some consideration must be given to the margins for skill.

Mr. Thorn: I take it you are not inferring that we should have a margin for skill?

Mr. CROSS: This is a matter that must be faced by the State and Commonwealth Governments as well as by the wage tribunals and workers in all countries. If we want industrial peace, injustices of this sort must not be permitted to continue. We have to make sure that other countries do not get out of debt sooner than we do. Should they do so, they will be in a vastly better position to grab the trade of the world. I read an interesting paragraph in "The West Australian" of the 21st March showing the

trend of wages and the increase that has taken place. The paragraph reads—

#### Wartime Wages.

Hourly wage rates of adult male workers in Australian industries excepting land pursuits show, on the latest official figures, an average increase of 28.15 per cent. compared with the average for the last pre-war financial year, 1938-39. In the pastoral and agricultural industries the weekly wage for males has advanced by 42.53 per cent.

Among weighted average hourly rates of pay in a table compiled by the Commonwealth Bank, based on information supplied by the Commonwealth Statistician, the railway and tramway services group is outstanding with an advance of 32.67 per cent. It is closely followed by a miscellaneous group with 31.18 per cent.

In the manufacturing section, the group comprising clothing hats, boots, etc., show a rise of 30 per cent. Next comes food, drink, tobacco, etc., 27.06 per cent., then engineering, metal works, etc., 25.47 per cent., wood furniture, etc., 24.02 per cent., and books, printing, etc., 21.77 per cent.

A rise of 26.86 per cent. is noted in mining, quarrying, etc., and in the building group the increase is shown at 23.53 per cent.

Those figures show that, in spite of wage-pegging, wages have not really been pegged at all. There are numerous groups of workers who, in spite of pegging but because of so-called anomalies, have received increases. I consider that the policy of attempting to peg wages in the first place was wrong. If members study the position they will find that the gain in the wage rate closely follows the increase in interest charges and the extra taxation levied by the Government in order to service the public debt. I believe that any attempt to go back to pre-war rates will not only be disastrous but might also, in the case of Australia, even with its staid population, bring about a revolution.

We have to consider what remedies can be applied. I am satisfied that this problem cannot be solved by Western Australia or even by Australia. I believe it is one to be solved by all the Allies in the interests of peace. I have no intention of suggesting the remedy Germany adopted after the war of 1914-18. On the 1st January, 1915, Germany made a start with the dishonest practice of inflating its currency. Laws had been passed prohibiting the export of gold from Germany, and any transaction outside the country had to be referred to the Reich Bank. Hundreds of millions of pounds worth of securities were purchased in

America and paid for with notes. I have a couple of mark notes issued at the time when Germany sent men to America to buy securities. The note itself gives the date of issue and it was to be redeemable in gold three months later. The Germans tricked the Americans by unloading hundreds of millions of their debt and by purchasing securities such as factories, land and buildings with paper money. As a result of the policy of inflation, quite a number of people in Germany were ruined. The notes that I hold in my hand came into my possession from a widow occupying the home in which I once lived. Such inflation was dishonest. Germany unloaded a lot of its debts on to foreign people and the paper money issued was not honest. The process of financing, however, did not destroy the fertility of the soil or the capabilities of the manpower and machines of the country.

In 1920 Germany paid reparations to the extent of 153,000,000 marks in gold but, after unloading public debts and after repudiating, it took the same note and put a new name on it, calling it a rintermark or gold mark. Then the Germans started afresh with another internal debt. The only way in which the Germans could continue to pay reparations was by sending manufactured goods to Britain, but when they arrived, British factories had to close down and so the working men of Britain do not want any more manufactured goods from Germany. I do not think that the question of reparations will enter into the peace negotiations on this occasion for that very reason. Germany will be able to pay only by supplying manufactured goods, and if such goods are sent to Australia from Germany or Japan, it will have the effect of closing down our factories, and we do not want that to happen. I consider that this is the greatest problem that will have to be faced by Britain after the war, and I repeat that a common agreement must be reached by the nations as to the purchasing value of money.

Being honest, we have to pay our war debt, and the only way to do that will be by following the example of Britain in 1903. In that year Britain founded the whole of its national debt at a very low rate of interest—slightly under two per cent.; all the debt before that extending back to 1605 was brought in under that huge transaction. We shall have to do something similar. We

must finance our debt at an extremely low rate of interest. I suggest that one per cent. would be high enough; otherwise the interest burden which is strangling Western Australia will strangle the Commonwealth and the Empire. Australia is in a happier position than is Great Britain. We have a huge continent. We in Western Australia have much territory and many resources. Some people believe that the end of the present war is in sight, but I think we have a long way to go before we reach the end. It should also be borne in mind that when peace is declared, preparations will be put in hand for the next war. There might even be two or three small wars before we get a settlement of the present one. After the 1914-18 war, we had outbreaks in the Balkans and in other parts of Europe. Human selfishness must be controlled; and only by being reasonably fair all round can we secure peace.

If we want to hold Australia we must have more population, and I am of opinion that before the man in the street would agree to any large scale scheme of migration to Australia, he would first want to be guaranteed a job. We have the resources and this much could be done for the workers. In my opinion Great Britain will want the services of the best of its skilled men for some years after the cessation of hostilities. This means that we should have to look elsewhere for migrants, for we must have more people to open up our latent resources. I do not intend to say much more today; I propose to give another instalment on some future occasion. There is an important factor, the money question. It is the biggest question that will have to be dealt with and it must be dealt with first. There are, however, things which this State can do independently of the Referendum and this Government can do them. If it does not, later on it will have to make way for somebody else because the people will demand that these things be done. We must have new industries and increased population if we are to hold this country. There is one great lesson which we should have learnt from this war; we were nearly caught once and that must not happen again, but it will unless every Australian does his duty.

**MR. McLARTY** (Murray-Wellington): Mr. Speaker, I join in the good wishes that have been expressed to yourself. We know

from previous experience that you are well fitted to occupy the high position you now hold. I also join in the welcome to the new members; but I cannot help regretting that some members from this side of the House fell by the wayside in the last election. However, no battles can be fought without casualties. I would also like to express the sincere hope, which I know is shared by every member of this Chamber irrespective of party, that the member for Greenough, who has not yet taken his seat, will be able to do so very shortly.

Members: Hear, hear!

**MR. McLARTY:** I know that all members share the wish that the worst that has happened to him is that he is a prisoner-of-war, that he will soon be released and that we shall be able to join in extending a warm welcome to him. I am glad to note that the member for North-East Fremantle has been advanced to Cabinet rank as Minister for Education. He now occupies a seat on the front Ministerial bench, and I feel sure he will live up to the expectations of his colleagues and will also earn the respect of members sitting on the Opposition benches. I miss the face of the member for Mt. Hawthorn from the front Ministerial bench.

Mr. Doney: Hear, hear!

**MR. McLARTY:** He has served the State very well for a long period. I found him to be a most painstaking and courteous Minister, and I hope that now he has laid down the burdens of office he will be spared for many years to enjoy good health and a happy time in his relaxation. I would also like to express some further appreciation. I have met many of our servicemen who have returned from the war and who have told me of the good work done for them by our Agent-General, Mr. Troy, and his wife in London. They seem to regard the members of our Forces with a fatherly and a motherly eye. All of us, particularly those with sons overseas, deeply appreciate the excellent work that Mr. and Mrs. Troy are doing in this respect.

The tumult and the shouting associated with the Referendum have died and an emphatic "No" is the result. I am glad to note that the prospects of a "No" vote in Western Australia are becoming brighter.

Mr. W. Hegney: It will not be as bad as in 1933.

**MR. McLARTY:** I note that three out of five divisions so far have recorded a negative

tive vote, and I should say there is a distinct probability that Western Australia will join the majority States in a "No" vote. As a result of the vote the prestige of this Parliament has been greatly enhanced; I feel that had we had an affirmative vote our prestige would have diminished considerably. As I look across at the Treasury bench I cannot help but think that our Ministers are very much more important today than they were before the Referendum was held on Saturday last. The vote on it is a clear indication that the people of Australia do not favour centralisation, that they have faith in their State Parliaments and that they look to them to do something for the people. The result is the more remarkable when one considers that never in the history of Australia have so many lavish promises been made. We heard about work for all.

Mr. W. Hegney: And about industrial conscription, but not about trusts, combines and monopolies.

Mr. McLARTY: If the hon. member will permit me to proceed, I will tell him what we did hear about. We heard about work for all, no more depression, no more depressed prices for farmers—in fact, there was to be a new world, we had reached the promised land. I suppose other members received just before the Referendum a letter from the Federal Treasurer and Dr. Evatt. By the way, we all helped to pay for it; I am told that 600,000 copies were printed and distributed in Australia. The letter is a short one and no doubt the sponsors thought it would have the desired effect upon the great majority of the voters. I do not intend to read it all.

Mr. Withers interjected.

Mr. SPEAKER: Order!

Mr. McLARTY: I know the hon. member may not like me to read the letter, but nevertheless, I shall read the last paragraph to him, no matter what he says. It reads—

A "No" vote is a vote for unemployment and depression, and a "Yes" vote will be a positive contribution to full employment and prosperity. A "Yes" vote is for Australia.

Mr. W. Hegney: So it is.

Mr. McLARTY: I suggest that the two Ministers subscribing to that letter should now resign if they honestly believed what they said.

Mr. Watts: Hear, hear!

Mr. McLARTY: That would be the proper course for them to pursue, as they claimed

that a "No" vote would be a vote for unemployment and depression. They have no other alternative in view of the result of the poll. Surely the honest thing for those two Ministers to do is to tender their resignations; particularly will I say so in regard to Dr. Evatt. It is quite evident that the people did not swallow all that was put before them. They did not believe that the powers would be for a period of five years only. I also noted that in a previous circular which Dr. Evatt sent out he said that in order to create full employment it would be necessary to keep the wheels of industry moving. He, or his Government, has not been able to do that in the time of the country's greatest need. We all know what is happening on the coalfields.

The Minister for Mines: What coalfields?

Mr. McLARTY: Not those in Western Australia. I am glad the Minister has corrected me, although all members well know what I mean. Even today the coalminers are on strike, transport is being restricted and factory output is limited. If Dr. Evatt cannot keep the wheels of industry moving in times of such great urgency no wonder the people of Australia came to the conclusion that he would be unable to do so in the post-war period. We are told that the Commonwealth Government has spent £1,000,000 on the Referendum, and very soon all of us will be asked to contribute to a new war loan of £160,000,000. In view of the circular distributed throughout Australia, I am forced to the conclusion that there is no shortage of paper in this country.

I said previously that the Referendum vote was an indication to State Parliaments that the people expected something of them. I suggest we should show the people that we are prepared to do something for them. There is not the slightest doubt that we can if we put our shoulder to the wheel. I suggest that the Government should make greater use of the services of members generally. For instance, why cannot the various Ministers get to work immediately and form committees? The Minister for Lands and Agriculture could obtain valuable advice from agricultural members in regard to the future of soldier land settlement. Those members would be prepared to render him every assistance; they could give him practical advice as to the land available in various districts. I have no doubt that those members could do a very useful work. I

suggest to the Minister for Mines and Health that he make greater use of the services of such members as the member for Hannans and the member for Mt. Magnet.

The Minister for Mines: Can they procure the men? That is all we want.

Mr. McLARTY: No. I would remind the Minister that I am talking of the post-war period. Undoubtedly the goldmining industry will create much employment after the war. The member for Yilgarn-Coolgardie recently asked the Minister for Mines a question relating to the price paid for our gold. Not long ago I received a circular letter, which I suppose was sent to every member of this House, in which we were informed that countries like India and Egypt were paying £20 an oz. for gold.

The Minister for Mines: That is a black market.

Mr. McLARTY: I do not know whether it is or not.

The Minister for Mines: I am telling you that it is.

Mr. McLARTY: Nevertheless, it shows what some countries are prepared to pay for gold. I would like to ask the Minister for Mines what price the Commonwealth Bank is getting for the gold it is selling to countries outside Australia. I remember that during the last war we got a pretty raw deal with regard to our gold production.

Mr. Marshall: We were robbed of £3,000,000.

Mr. McLARTY: It will be interesting to know at what price the Commonwealth Bank is selling our gold now. Getting back to the committees to which I referred, we could have a committee to assist the Minister for Forests. The member for Nelson and the member for Forrest would probably be helpful in that direction. I also feel sure that a committee could render valuable service to the Minister for Works.

Mr. Rodoreda: You would not suggest that these be honorary committees?

Mr. McLARTY: Why not? Some advice to the Minister for Railways in regard to our railways would not be amiss. I do not know whether the Minister does much train travelling.

The Minister for Justice: I do.

Mr. McLARTY: If not, I would invite him to take a trip or two. I would now like to say a word or two about the manpower position. The Minister for Mines just hinted at it. I am not satisfied that all that should

be done is being done in this connection. We all know what the position is in regard to the shortage of labour on farms. I noticed in the paper the other day that several hospitals were in danger of closing owing to the shortage of manpower, or womanpower. Quite recently an interview took place with Major Brearley who had just come out of the Air Force. He is a very practical man, and he told us about the wasted manpower that was evident in the Air Force. I have spoken to other people in the Air Force and they agreed with Major Brearley, but we still see huge advertisements urging young people to join the ground staff of that force.

Mr. J. Hegney: We hear the same thing about the Army.

Mr. McLARTY: Yes. I think there is a lot of waste manpower in the Army too. Some soldiers would be better employed and doing much more to help their country if they came out and got occupations where labour is urgently required.

The Minister for Works: It is not very easy to get them out.

Mr. McLARTY: I agree that it is not easy to get them out, but surely there is a limit to which the defence forces can call upon civilian manpower. I believe that something could be done to decide when that limit is reached. A special effort should be made to keep our hospitals staffed. I know the Minister for Health agrees with that and a greater effort should be made to man our farming properties.

The Minister for Mines: What do you suggest?

Mr. McLARTY: The Minister is putting it right on me now! I suggest that the Parliament should make representations to the Commonwealth Government and point out the seriousness of the position.

Mr. Marshall: Who supplied the labour for the officers at the Savoy Hotel?

Mr. McLARTY: The hon. member is making a suggestion by which a saving of manpower and womanpower could be achieved. The member for Nelson, in a thoughtful speech, referred to the housing difficulties throughout the State, and particularly to rural housing. We all know that we have a long way to go to catch up with the housing shortage. When we reach the post-war period I hope that local materials will be used. Some people are suggesting prefabricated houses imported from overseas.



They say they will be cheaper and easier to erect.

The Minister for Works: Who suggested that?

Mr. McLARTY: I have heard the suggestion, but it was not made in this Chamber. I do not for a moment think that we would erect houses other than of local material. Apart from the shortage of building materials, which is very acute—in moving around the country I do not see any stocks of building materials—we will be faced with a shortage of skilled labour—another problem. The demand for skilled labour in the more populated States is bound to be very great. I suggest that the Government should take steps to retain that skilled labour in this State. No doubt it will go to where the greatest attractions are offering. Many men are coming out of the Army at present; they are coming out all the time, and probably amongst them are some of these skilled workers. Efforts should be made to locate them and find out what they are doing.

Mr. J. Hegney: At Fremantle 150 carpenters, not shipwrights, are working on shipbuilding.

The Minister for Works: The trouble is that they are not working.

Mr. SPEAKER: Order!

Mr. McLARTY: The member for Nelson also referred to rural housing and expressed the hope that better houses should be provided for the farmers. I join with him in that wish. In the past very little, if any, consideration has been given to the class of house in which the farmers live.

Mr. Seward: You can include the present too.

Mr. McLARTY: Yes. No one seemed to be concerned, no matter whether it was only a hut, or a shelter of any sort. In this new order, about which we hear so much, it is to be hoped that the housing of those who are engaged in rural industries will be greatly improved.

The Minister for Justice: And the amenities too.

Mr. McLARTY: Yes. I think at this stage we could commend the Rural Reconstruction Commission, of which the Minister for Lands is chairman, for the excellent report it has made on the rural industries throughout the Commonwealth.

The Minister for Works: How did the financial institutions regard the question of housing on farms before the war?

Mr. McLARTY: I shall endeavour to answer that question as briefly as possible. They did not regard it at all; they were not concerned with the type of house in which the farmer lived, and that is what I want to guard against in the future.

Mr. Marshall: As a director you should have taken action.

Mr. McLARTY: I am not a director of anything. When the Minister refers to financial institutions he must include among them the Agricultural Bank, which is under the control of the Government, and has not shown any interest in regard to the housing of its clients.

The Minister for Works: It has not shown nearly enough interest.

Mr. McLARTY: In regard to this housing I suggest that local committees be set up in very much the same way as the District War Agricultural Committees are functioning to-day. In the different districts they could examine the applications being made from those who are wanting help, and could then make a report to the Workers' Homes Board. This would facilitate matters considerably and would be a great help to the board. We have a committee investigating the possibilities of electric power for the South-West. In any housing scheme electric power must play a most important part. I notice that the committee, in cross-examining witnesses, asked them what financial loss they considered would be incurred over a certain period. It is, of course, impossible for any witness to estimate what financial loss would occur over a given period.

The Minister for Works: Have not these witnesses rather been asked what they think the State would be justified in incurring over a period of years to establish such a scheme?

Mr. McLARTY: That is so. Is not that very much the same thing?

The Minister for Works: No.

Hon. W. D. Johnson: That is a practical question.

Mr. McLARTY: I do not know that it is a practical question. Once again I cannot see how any witness could make a guess at it because he has not got at his command the facts and figures to do so.

Hon. W. D. Johnson: He knows his State's position, does he not?

Mr. McLARTY: No, he does not. He has an idea, but that is a question which

would be beyond the capacity of any private individual to answer. I would say this, however, that if power is provided for the South-West, then the South-West members will agree that there is sure to be very greatly increased activity throughout that district, or that Province. Even if a loss is made for the first few years, I have no doubt at all that the scheme will, because of the increased activity in every direction, amply justify itself.

Hon. W. D. Johnson: We justified our trams.

Mr. McLARTY: We did, and we justified our railways, our State shipping and, I think, all the other public utilities that we have established.

The Minister for Works: Irrigation!

Mr. McLARTY: Yes. We could go on with a long list of them. There is no doubt that the provision of cheap power is justified. Decentralisation, with all the talk about it, will not eventuate unless we get this cheap power, because it is certain that manufacturers and others will go to those centres where they can obtain cheap power. Again, we will not have the amenities which are talked about and which it is suggested by all should be provided for the country districts, unless this power is available.

Hon. W. D. Johnson: Cheap power is associated with the State's capacity to carry it, and that is why that question was asked.

Mr. McLARTY: It appears to me, from what I can gather, that there is a greater chance of power being provided in the South-West in the post-war period than previously.

The Minister for Justice: Where would you suggest the power station should be established?

Mr. McLARTY: I shall leave that to the experts. I think it requires expert knowledge, and I do not wish to offer an opinion in regard to it. I notice that the Police Force has affiliated with the A.L.P.

Mr. Cross: Hear, hear!

Mr. Marshall: A belated observation!

Mr. SPEAKER: Order!

Mr. McLARTY: I have not had the chance to mention it in Parliament until today.

Mr. J. Hegney: It is a sign of the times.

Mr. McLARTY: I have no objection to a policeman having his own political opi-

nions, but I think it is wrong for the Police Force to be allied with any political body. I would say that it is absolutely wrong for any branch of the Defence Forces to be allied with a political body, and I think it is equally wrong for the Police Force to ally itself with the A.L.P.

Hon. W. D. Johnson: Has it allied itself for industrial or for political purposes?

Mr. McLARTY: It has allied itself, and that alliance may be used for political purposes.

Hon. W. D. Johnson: It may be used for

Mr. SPEAKER: Order!

Mr. McLARTY: I have considerable sympathy with the police.

Mr. Marshall: When you are in trouble in particular!

Mr. SPEAKER: Order!

Mr. McLARTY: As a body of men, I admire them.

Mr. Cross: Then do not cast aspersions on them.

Mr. McLARTY: Keep quiet. I think they have done good work. I think they are underpaid for the responsible positions they hold.

The Minister for Works: Aren't we all?

Hon. W. D. Johnson: That is why they have joined the A.L.P.

Mr. McLARTY: They should never have been forced into that position. Justice should be done to them without their having to take this step.

Mr. Cross: Tell us what your Government did for them.

Mr. McLARTY: Will the hon. member keep quiet?

Mr. SPEAKER: Order! I ask the member for Canning to keep order.

Mr. McLARTY: I think that the Police Force is such a body that its members are entitled to good salaries. I believe that today they are underpaid.

The Minister for Mines: They are registered under the Industrial Arbitration Act.

Mr. McLARTY: A first-class sergeant will receive 24s., a second-class sergeant 23s., and a third-class sergeant 22s., but before reaching that stage they have to serve for about 25 years in the force. Such a salary does not provide much inducement to men to join the Police Force. We should look to men of undoubted integrity—as they are—to men of education and to men who are able to fill responsible positions.

The Minister for Works: Who do you suggest should decide their salaries?

Mr. McLARTY: I would suggest that the Government should decide that point.

Mr. Cross: I thought you stood for arbitration.

Mr. McLARTY: So I do. The members of the Police Force are in a different category from most employees, inasmuch as we depend upon them for the maintenance of law and order and to see that the laws of the country are carried out.

Mr. Watts: You might just as well submit the members of the Air Force to arbitration.

Mr. McLARTY: The member for Canning knows that. We might as well submit members of the Armed Forces to arbitration. The principle is wrong, and I hope it will not be a condition of employment in the Police Force that members have first to join the Australian Labour Party.

Hon. W. D. Johnson: They are under the Industrial Arbitration Act today.

Mr. McLARTY: When speaking on the Address-in-reply the member for East Perth advocated that marriage loans should be provided for young married couples. His suggestion was featured in "The West Australian." I think the idea is a good one. We want population in this country, and the best population we can have is that represented by the natural increase. I remind the House that this is part of the platform of the party to which I belong, and that the first person I ever heard advocate it was my Leader, the member for West Perth.

The Minister for Works: Do you think marriage loans would effect an increase in population?

Mr. McLARTY: If marriage loans would encourage young people to marry earlier, that would certainly have the effect of increasing the population.

Mr. Seward: You would get smaller families with better conditions.

Mr. McLARTY: If marriage loans encouraged young people to marry, I think there would be a greater increase in the birth rate than is likely to be brought about by the payment of child endowment.

Mr. Seward: There is more behind it than that.

Mr. McLARTY: I hope we shall soon reach the post-war period and the prospects tend all in that direction. The only other

matter that is causing us grave concern today is the season. We are having a particularly dry time. Already some of the country areas are getting into difficulties owing to water shortages. That is an indication that in future we should be prepared to spend considerable sums of money on water conservation. I cannot think of any way in which the Government could more profitably spend loan moneys, when they are available, than in providing water not only for those districts where the rainfall is heavy but for those which do not enjoy assured rainfall but could be converted into good farming areas if they were provided with an assured water supply.

On motion by Mr. Shearn, debate adjourned.

*House adjourned at 5.50 p.m.*

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The PRESIDENT took the Chair at 4.30 p.m., and read prayers.

### ADDRESS-IN-REPLY.

*Seventh Day.*

Debate resumed from the previous day.

HON. J. A. DIMMITT (Metropolitan-Suburban) [4.36]: I am sure that we are all extremely thankful to the Fighting Services of our Allies and of the Empire for the improved position that we see on all war fronts today. I consider I would not be over-optimistic in suggesting that before the session ends we may have the pleasure of witnessing the cessation of hostilities, at least in the European theatre. I desire to add my congratulations to those already extended to the ten members of this House who have faced their electors and been returned and to those who were returned unopposed. I feel sure they will continue faithfully to represent the provinces which they have represented for the past six or more years.