

The Minister for Mines: Every candidate is entitled to that.

Mr. WATTS: Exactly, and in this instance we have two candidates, one being the Commonwealth and the other the State. One says, "I am the candidate for more power." The other says, "I am the candidate for what I have got." It is left to the people as to which will gain the day. It is therefore absolutely essential, in my opinion, that the Governor should be in a position in respect of this referendum, which is by far the most important referendum that has been held in the last 20 years, to appoint scrutineers in accordance with Subsection (2) of Section 18.

The Premier: What would you expect scrutineers to do?

Mr. WATTS: To scrutinise the counting.

The Premier: You do not imply a lack of confidence in the returning officers?

Mr. WATTS: I do not imply any lack of confidence in the returning officers, but I know that mistakes have taken place in the counting of votes. It seems to me, therefore, desirable that the appointments I suggest should be made for the purpose of seeing that there is a check.

The Premier: There are two or three present—the returning officer, the presiding officer and the poll clerk.

Mr. WATTS: Yes, at the various places where the votes are counted. If that was the only thing, I cannot understand why the Premier did not make provision for what I suggested. I was hoping that the Premier would change his mind and be prepared at least to review the position. If the Premier were prepared to do that, I would not ask the House to consider an amendment to the Address-in-reply, which I have in view. If the Premier says that his answer to the question is his last word, I am forced to ask the House to consider the position and the only way I can do that is to move an amendment to the Address-in-reply so as to bring the matter up.

The Premier: Has the Commonwealth taken action to protect its interests?

Mr. WATTS: That I do not know; but I should have thought that would be in the Premier's mind when I asked my question. I move an amendment—

That the following words be added to the Address-in-reply:—"But this House regrets that His Excellency has not been advised to exercise the power conferred on him by Section

18 (2) of the Referendum (Constitution Alteration) Act, 1906-28, for the appointment of scrutineers at places where referendum votes are being scrutinised, as this House is of opinion that such procedure is highly desirable in the interests of ensuring a proper count of the votes taken.

On motion by Mr. McDonald, debate adjourned.

House adjourned at 6.16 p.m.

Legislative Council,

Wednesday, 2nd August, 1944.

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

BILL—SUPPLY (No. 1), £2,700,000.

Standing Orders Suspension.

On motion by the Chief Secretary, resolved—

That so much of the Standing Orders be suspended as is necessary to enable the Supply Bill to pass through its remaining stages at the one sitting.

MOTION—COMMITTEES FOR THE SESSION.

THE CHIEF SECRETARY [4.37]: I move—

That, in accordance with Standing Order No. 34, the following members be appointed to serve on the Standing Committees during the present session, namely:—

Standing Orders.—The Chief Secretary, Hon.

C. F. Baxter, and Hon. H. S. W. Parker.

Library.—Hon. C. F. Baxter and Hon. E. M. Heenan.

Printing.—Hon. E. H. Gray and Hon. W. J. Mann.

Joint House.—Hon. J. Cornell, Hon. V. Hamersley, Hon. G. W. Miles and Hon. W. R. Hall.

HON. H. SEDDON (North-East): I move an amendment—

That all the words after the words "Standing Order No. 34" be struck out and the words "the members to be appointed to serve on the Standing Committees during the present session be appointed by ballot" inserted in lieu.

I desire to make my position clear. I am aware that the method proposed by the Chief Secretary is the one that has been adopted for many years during the existence of the Council. In moving the amendment I am not acting with the idea of objecting to any of the members who have been proposed by the Chief Secretary to serve on the several committees. I am moving the amendment in order, to use the words of the Chief Secretary on the opening day, to assert the rights and privileges of this House to appoint its own members to serve on those bodies. The committees have to do with the business of carrying on Parliament, and I think the House should assist in the direction of nominating the members to serve on the committees. It may be that the House will decide to adopt the personnel which has been suggested by the Chief Secretary, or it may desire to substitute names of other members for election to one or more of the committees; but I think that in accordance with democratic principles the House should at all events have the opportunity to decide by ballot who shall be appointed to the committees. I understand the principle adopted by the Chief Secretary has been to have regard to the various parties to which the members belong with a view to securing adequate representation of each party on the committees.

Hon. C. B. Williams: We have a non-party member on one of the committees—Mr. Miles.

HON. H. SEDDON: That is a sound principle. I merely move the amendment in order to give the House an opportunity to determine whether it will adopt the idea of balloting for members of these committees or whether it will adopt the procedure which has been followed in the past.

HON. C. B. WILLIAMS (South—on amendment): I second the amendment. It is quite useless discussing it. A division was taken last year on a similar point and then all the members of the committees thought so highly of themselves that they voted themselves in. I hope that this year we shall be allowed to ballot.

THE CHIEF SECRETARY (on amendment): I have no particular feeling in this matter at all. One would assume from Mr. Seddon's remarks that the membership of these committees was determined by myself.

As a matter of fact, I have only carried out the procedure followed in this Chamber since long before I became a member of it. It has been the custom, I believe, almost since this House was first established for these committees to be appointed in the way in which I propose on this occasion.

Hon. A. Thomson: You are merely following ordinary procedure.

THE CHIEF SECRETARY: That is so. This House is very jealous of establishing any new precedent and, as members are aware, we have Standing Orders dealing with this and similar matters. Standing Order 34 simply provides that these committees shall be appointed and that they shall consist of a number of members; the Standing Order is silent as to the procedure to be adopted. As I have said on many occasions in this Chamber, this House is master of its own procedure and it is quite competent for any member to endeavour to persuade the House to alter the procedure which may have been adopted in the past. Therefore one can take no exception to Mr. Seddon and Mr. Williams desiring to alter the procedure which, as I said, has been carried out for so many years past. Nevertheless, I feel there is a proper way to go about this objective. I do not want to suggest that Mr. Seddon has gone about it in an improper way, but it does seem to me that the correct procedure would have been to move a motion at the appropriate time to bring about an amendment to our Standing Orders, so that it would be indicated very clearly in the Standing Orders themselves that the procedure to be adopted should be by ballot or should be that which has prevailed for so many years.

No member will object to the procedure of electing members to any committee by ballot, except, as I say, on the ground that a procedure which has been followed for so many years and which members have found to be so satisfactory in the past, should surely be continued until such time as the House indicated it desired some other method. Therefore, if the House desires that the members of these committees should be appointed by ballot I raise no objection. I have only tried to carry out what has been the procedure long before I occupied the position of Leader of this House. Last session, when this matter was ventilated, I think the vote indicated that a substantial number of members were quite satisfied with

the procedure which had been adopted up to that time. I can but leave the matter in the hands of members. If they desire a change, I have no objection whatever, but I sincerely hope members will not have the impression that the procedure followed in the past is some method which I have imposed on the House.

HON. E. H. H. HALL (Central—on amendment): I am very pleased indeed that Mr. Seddon has set about righting something which many of us felt required attention. Already we have learned, speaking for myself, from the Chief Secretary the proper way to go about effecting what some of us desire. I am quite prepared to accept the Chief Secretary's opinion, but those who know Mr. Seddon, as we all do, would not for one moment attribute to him a desire wilfully or knowingly to do something which he knew was improper. I am quite prepared to accept the explanation given by the Chief Secretary that there is a proper way to effect a change; but Mr. Seddon is an older member than I am and I take it he did not know the proper way to go about this matter. He desired to effect a change and he has done what has seemed to him best. At the commencement of last session we had what I felt was a rather unpleasant discussion on this point and it seems to me that we should have been given a lead then as to the proper way to effect a change, if members wanted it. I am entirely in accord with giving members who so desire an opportunity to serve on these committees, because I feel that has an educational value. I am prepared to vote for all committees to be changed and I feel that any member who is displaced will not regard my action as in any way personal. As a matter of fact, every member of this Chamber should have an opportunity of serving on these committees. I wish to make it quite clear that there is nothing personal from my point of view.

HON. G. W. MILES (North—on amendment): I support the amendment. I have been a member of one of these committees and have been re-nominated; but I think it would probably be better for the House to have the privilege of deciding the matter by ballot.

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

The **PRESIDENT**: We shall now proceed to the ballot.

Hon. J. Cornell: I presume a series of ballots will be taken.

The **PRESIDENT**: The officers of the House have anticipated this motion and have prepared a table which will very much simplify the balloting. Some members have already seen the table. Every member will be supplied with a copy and it will simplify and considerably shorten the procedure if the ballot papers are distributed, so that members can vote for each of the committees at the one time. The ballot papers will now be distributed.

Hon. J. Cornell: I assume that scrutineers will be appointed.

The **PRESIDENT**: I would like members to bear in mind two points in particular. One is that the President is ex officio a member of all the committees, and the Chairman of Committees (**Hon. J. Cornell**) is ex officio a member of the Standing Orders Committee. The other is that there are two members named Hall, and if any hon. member votes for either or both of them he should put in the initials. I suggest that the mover of the motion (the Chief Secretary) and the mover of the amendment (**Hon. H. Seddon**) act as scrutineers.

Ballot.

Ballot taken.

The **PRESIDENT**: The results of the ballot are as follows:—

Standing Orders.—The Chief Secretary, **Hon. C. F. Baxter** and **Hon. H. S. W. Parker**.

Library.—**Hon. E. M. Heenan** and **Hon. C. F. Baxter**.

Joint House.—**Hon. J. Cornell**, **Hon. W. R. Hall**, **Hon. V. Hamersley** and **Hon. G. W. Miles**.

Printing.—**Hon. W. J. Mann** and **Hon. E. H. Gray**.

I declare the hon. members named duly elected to the respective committees.

BILL—SUPPLY (No. 1), £2,700,000.

Second Reading.

THE CHIEF SECRETARY [5.23] in moving the second reading said: By this Bill supply is sought to carry on the services of the State until the Estimates are passed. The Estimates are being prepared,

and will be submitted to Parliament as early as practicable. An amount of £2,700,000 is asked for by the Bill, made up as follows:—

Consolidated Revenue Fund ..	£2,200,000
General Loan Fund	200,000
Advance to Treasurer	300,000
	<hr/>
	£2,700,000
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Last year's Supply Bill (No. 1) provided for an amount of £2,500,000. These figures disclose, therefore, that the needs for this year's Bill have increased by £200,000, all of which is to be met from the Consolidated Revenue Fund. Increased expenditure is still being met in regard to concession fares to soldiers, superannuation and leave payments on behalf of employees in the Fighting Services, increased cost of transport, etc. As war conditions still prevail, it is impracticable to embark upon developmental works, and only essential needs can be met from Loan Funds.

The expenditure for the first three months of last year out of Consolidated Revenue Fund, excluding special Acts, amounted to £2,166,164. Interest and sinking fund payments are included in payments under Special Acts. Advance to Treasurer is to meet special payments that cannot, for the time being, be charged to Votes and Accounts. Last year it was estimated that there would be a small surplus of £1,505, but the actual result produced a surplus of £38,021. The actual revenue received last year amounted to £13,589,175, while the estimated revenue was £13,136,558, disclosing an increase of £452,617. That increase was made possible from the following sources:—

	£
Taxation	115,027
Territorial	31,860
Disabilities Grant from the Commonwealth	50,000
Business undertakings	192,809
Other sources	62,921
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	452,617

	£
Actual expenditure last year ..	13,551,154
Estimated expenditure	13,135,053
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Actual increase	416,101

The increase is accounted for as follows.—

	Increase £	Decrease £
Interest	—	30,102
Sinking fund	—	27,690
Exchange	—	2,781
Social expenditure	31,696	—
Pensions	—	13,685
Other public works	37,398	—
Business undertakings	277,794	—
Other	143,471	—
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	490,359	74,258
Less decreases	74,258	—
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Net increase	416,101	—

It is pointed out that wartime conditions have resulted in increased revenue and expenditure brought about by the State's increased requirements, mainly in regard to business undertakings. The financial position in every respect receives the close attention of the Government, expenditure being confined to essential needs, as has been the case for some considerable time past. I move—

That the Bill be now read a second time.

HON. H. SEDDON (North-East): The figures given to us by the Chief Secretary indicate the progress which has taken place in regard to the State's finances. We are all pleased that the Government has finished up the financial year with a surplus. Although it is not a big surplus, yet it represents a move in the right direction. Further, it is interesting to note the effect of the war years on revenue and expenditure. Taking the years 1939-1944, we find that there has been a steady increase each year in revenue and also in expenditure. Moreover it is interesting to note that during 1942-43 there was a very large increase in the revenue, an increase of £1,200,000 odd, and that this was accompanied by an increase amounting to £1,188,000 in expenditure. So that apparently even though we have had a bonanza year, so far as increased revenue is concerned, that has been compensated by increased expenditure. The year with the greatest increase—that is, the year ended 1943—showed a surplus of only £24,436. One would have thought that the difference between the revenue and expenditure would have been better than that seeing that the amount was so great compared with the other years because in the other years the largest increase was in the vicinity of £500,000.

The war years are characterised, too, by deferred maintenance expenditure, by greatly reduced loan expenditure, as the Chief Secretary has pointed out, and hence reduced loan wages expenditure with regard to State employees would be paid by the Commonwealth Government. In view of the fact that our manpower has been considerably reduced one would expect to find a considerable reduction both in the departmental salaries and in wages expenditure. It is for that reason one views with considerable concern the fact that even in the war years our expenditure is steadily increasing. While our revenue has increased, the margin is still small. This fact is rather disconcerting because we have to realise there is a large amount of money coming into the State revenue from the Commonwealth, both directly and indirectly, and one can readily understand the very disturbing effect that will take place when we return to normal times and that revenue is no longer available. It is from that angle that one looks with a considerable amount of uneasiness upon the way in which the annual figures of revenue and expenditure are trending. There is no doubt that so far as railways are concerned, apart from the amounts that must have been received through defence traffic, petrol rationing should have affected receipts considerably. Consequently one expects to see far better returns in that department than have been presented to us.

On the other hand, there is the very adverse effect of the Commonwealth blitz on goldmining. The attacks made on this industry by the Commonwealth Government must have very materially affected the volume of the traffic carried. Incidentally, referring to goldmining, one is inclined to wonder just exactly how much the Commonwealth Government has received from the gold that was produced last year. We saw references in the paper to the fact that the price of gold in more than one country has reached a very high figure. The Commonwealth Government having control of the amount of gold produced, one would expect it to have seen that this country participated in the higher price. If the Commonwealth Government did participate in that higher price, one would expect the goldmining industry to have received the benefit. Otherwise we can only conclude that the Commonwealth Government hung

on to the difference, assuming that it did realise the higher price. If the higher price was not obtained, the Government missed a valuable opportunity to add to the revenue. It is a pertinent question for the State Government to take up. It should find out what is the position in regard to gold and what is going to be done in regard to giving equitable treatment to the gold-mining industry of Western Australia in respect of the proceeds from gold, the greater part of which, after all, was produced from Western Australian mines. I hope the Chief Secretary will make a note of that, because it is a point that demands an explanation from the Commonwealth Government. Returning once more to the State finances, one wonders whether, in arriving at the figures with regard to the small surplus indicated, the Government has wisely set aside a considerable sum to meet deferred maintenance expenditure which must be faced later on.

Hon. G. W. Miles: Has anything been set aside?

HON. H. SEDDON: If that has been done, it would be an explanation of the fact that the surplus is so small. That would be a wise precaution. If the Government has made such provision it is to be commended because the step is one which was demonstrated to be essential as a result of our experience after the last war.

Hon. A. Thomson: Are you referring to the railways or to general maintenance?

HON. H. SEDDON: I am referring to general maintenance, with particular reference to the railways. I have some vivid recollections of what occurred after the last war. Maintenance was deferred and restrictions were so severe that a number of derailments took place which could only be ascribed to the fact that the permanent way had not been kept up to the proper standard.

Hon. A. Thomson: The same applies to many buildings as well.

HON. H. SEDDON: Undoubtedly. That is a point that might be made more clear. The Press reports tell us that the surplus is being applied to reduce our indebtedness, which is quite a sound procedure. The Government has taken a wise step in doing that, but I would like more information as to the way it is being applied.

Hon. A. Thomson: New South Wales and Queensland are in a very happy position.

Hon. H. SEDDON: Exactly. I was wondering whether the way in which the money has been applied has taken the form of an addition to the sinking fund over and above what is contributed under the Financial Agreement or whether it has taken the form of reducing the short-term debt? The effect on the future finances of the State varies according to which method is adopted. If the surplus is being devoted to the reduction of the short-term debt, it is simply used to redeem a debt which is carrying a low rate of interest. If it is being devoted as an extra contribution to the sinking fund, that means we have reduced the funded debt and by doing so we may add to our annual charges by having to pay the rate fixed for redeemed securities. I think that the rate fixed under the Financial Agreement was $4\frac{1}{2}$ per cent.

Hon. L. Craig: That was never carried out, was it?

Hon. H. SEDDON: I think it has been to a certain extent. I think that securities that are redeemed carry a payment of interest at a fixed rate, which is used to "snowball" the sinking fund contributions and redemptions. Unfortunately we are still showing the same or very nearly the same amount of loss on our loan works as in previous years. Last year the figure was £1,900,000 in round figures. It is very depressing to think that the whole amount we received in the form of taxation was taken up in losses on our loan works. If only we could show some better results from that angle, the State would be in a much happier position. I think the explanation of that is to be found in a policy which has inspired Governments in the past with regard to loan works. Unfortunately, instead of being approached from the angle that those works could be justified as, at any rate, meeting interest and sinking fund payments, very frequently they were put in hand far ahead of their time, more as a means of providing Government employment than from the angle of meeting the matured needs of the district to which they applied.

A great deal has been said about the cause of the 1930 crisis, but I think that insufficient stress has been laid on that very important factor. If members will cast their minds back they will recall that in 1928 overseas loan money was no longer available. Large numbers of men were employed on these governmental construc-

tion works. The total was over 3,000, and the result of the cessation of loan moneys was that all those men were thrown on the labour market and the Government found itself confronted with a crisis in employment which was one of the most severe the State or Australia has passed through. I am raising that point now because unfortunately in the programme of post-war reconstruction this same type of work—but now called national works—is put forward as a very large part of that programme. In other words, we have learnt nothing. We have forgotten everything. It looks as though the Commonwealth will be the culprit this time; that the Commonwealth will embark on the so-called national works from the angle primarily of providing employment rather than undertaking works which can be justified from the standpoint of ability to meet the capital charges which should be met by any national works. In answer to that proposal I would again stress what was pointed out at the time of the crisis of 1930. If the attitude of Governments had been in the direction of the establishment of new industries in the country the impact of the depression would not have been anything like so severe. From this angle we would have been more self-contained; the surplus goods that we sent overseas returned a very low figure. The effect would not have been so severe if we had had a large consuming population established in the Commonwealth to absorb a certain quantity of those products.

Had the money been spent in the establishment of industries that was spent in the provision of national works the amount expended per man to establish those new industries would have been less than the amount expended per man in employing people to carry out national works and those industries would have been producing right through the years and would not have been a burden, as the national works have proved to be. I am raising that point because it looks to me as if insufficient emphasis is being placed by those considering post-war reconstruction upon the necessity of establishing new industries. Unfortunately there has been a suggestion from at least one Commonwealth Minister indicating that the Commonwealth proposes to utilise the war factories for the purpose of undertaking civil supply work. If the competition with private enterprise were on

fair lines one would, although the whole idea is not sound, be inclined to view the situation from the standpoint that the public had to learn its lesson and that if there were competition between Government factories and private manufacturers, each having to bear the same charges, it could be left to the public to see the result. Our experience with regard to State Trading Concerns has been that where losses have been incurred, the deficits have had to be made up by the general taxpayer. At the same time private manufacturers have had to compete with the trading concerns under markedly unfavourable conditions.

Hon. A. Thomson: The trading concerns paid no land tax, no income tax and so forth.

Hon. H. SEDDON: Exactly. If Australia is to recover and we are to establish a sound economy, my contention is that far more opportunity will have to be given for the establishment of enterprises.

Hon. G. W. Miles: You mean private enterprises.

Hon. H. SEDDON: Yes. Much more encouragement must be given to people to accept the necessary risks involved in the establishment of new industries. It must not be overlooked that, especially in modern industries, such undertakings involve huge capital expenditures and people are not going to find the money for investment in such propositions unless they are assured of a sympathetic Government policy. In those circumstances I would like to hear from those who are speaking about post-war reconstruction, a little more emphasis on the necessity of encouraging private enterprise and private investments, particularly in the direction of establishing new industries.

The Chief Secretary: What would you consider to be encouragement?

Hon. H. SEDDON: I refer to encouragement, first of all, with regard to the charges levied in the form of taxation. Under the existing system I cannot see anyone providing the money requisite to start a new industry when the return to be secured, after taxation had been deducted, would be so small.

Hon. L. B. Bolton: The best way to encourage would be for Governments to keep out of the field.

Hon. H. SEDDON: The best way to encourage the establishment of new industries would be to give special terms in order to provide the incentive of a prospect of great reward and thereby encourage people to undertake the establishment of enterprises and accept the risks involved. There is another aspect. There are many industries the possibilities of which are supposed to have been explored, but I have not noticed anything with reference to modern industries being sought for Western Australia. For example we have not heard anything about investigations with regard to powdered metallurgy. I may explain to the House that in powdered metallurgy we have the production of special steel tool tips which have enabled manufacturers to turn out work far more quickly with much less wear and tear on the tools than could possibly be expected under former working conditions. That is a branch of investigation that could have been taken up and encouraged in Australia.

It is depressing to realise that the Japanese entered the war at the end of 1941 at which stage the people of Australia knew it meant that our supplies of rubber were definitely cut off. Anyone who has watched the progress of the Japanese must be convinced that we cannot get any such supplies for many years. Yet it is only the other day that we read in the Press of a special delegation being sent to the United States of America to study the manufacture of synthetic rubber. During that period a considerable volume of investigation could have been undertaken with respect to rubber plants, quite apart from the establishment of the trees. In my opinion that investigation should have been given research priority. It is only now that we are starting to consider the manufacture of synthetic rubber whereas America has been turning out the commodity for over 18 months. It appears to me that the outlook of the authorities with regard to scientific development is certainly not as wide awake as we would like it to be. If Australia is to progress and take its stand among the nations as a self-respecting and self-supporting unit, greater attention will have to be given to scientific progress than has been indicated in the past.

While referring to the proposals regarding Government enterprises, I must mention those in connection with the Commonwealth Housing Scheme. The Commonwealth Gov-

ernment has made no secret of its intention to embark upon the scheme but when we examine it from the standpoint of its being self-supporting and paying its own way, what do we find? The programme provides for the erection of 50,000 houses, 30,000 of which are to be constructed by the Government and the remaining 20,000 by institutions which assist people to build their own homes. I assume that that refers mainly to building societies and other institutions having a similar objective. The principle that has been laid down is quite different from that which governs the institutions I refer to. Building societies require a man to pay what is perhaps a little more than the rent should be and also to pay a certain amount of interest, the idea being that while the individual is paying a rental that is rather more than applies generally, he is wiping off the indebtedness and securing a home for himself. Under the Commonwealth scheme the idea is that if the individual desires a house to be built for him, the rental to be paid will be determined by the capacity of the individual to pay, the difference between that and what is required to cover the full cost being borne by the Commonwealth Government. In effect the Government will subsidise people who are unable to pay the full rental value of their homes. That is quite all right for the man who has the home, but what about the rest of the community who have to pay the cost?

I am asking the people of Australia how many of those 20,000 houses will be built through aid received from building societies if individuals realise they can get their homes more cheaply if they are constructed by the Government, with the taxpayer bearing the annual loss. That aspect seems to have been lost sight of by the Government. Moreover, as the Commonwealth Government will retain priority over the building materials available so that it can proceed with its portion of the programme, it will be seen that there will be very little left for the homes to be constructed through building societies. If I am not mistaken, one of the greatest factors affecting the housing problem is the question of wages. Surely the Government does not contemplate that a large section of the community will be paid less than the basic wage under this wonderful new order about which we have heard so much. I am convinced that the Common-

wealth's proposals are unsound and positively demoralising. The Government must give greater attention to the provision of a scheme that will not impose a burden on the ordinary taxpayer. I supported the Commonwealth Housing Scheme at the outset and indeed gave evidence before the Royal Commission. My evidence was to the effect that I thought the Commonwealth should assist a man to get his own home and that that should be the primary objective. My idea was that the Commonwealth would provide the money at a very low rate of interest and that by assisting in the building of homes it would create a great deal more of useful work than would be experienced if we embarked upon a scheme such as that now proposed by the Commonwealth.

That principle was adopted successfully in Great Britain where building societies were subsidised by the Government. They were advanced up to 60 per cent of the capital cost of the home. The Government then participated and subsidised the individual by advancing another 30 per cent. of the cost. The result was that the individual himself was able to secure his home by paying a deposit of only 10 per cent. of the total cost. In those circumstances people were able to acquire their own homes whereas under ordinary circumstances they could not possibly have done so. I notice in connection with the Commonwealth Government's proposal that the idea is that the administration of the scheme will be delegated by the Commonwealth to the State Government and then the State Government is expected to act through the local authorities. In those circumstances, we may expect to find the local authorities indulging in some grandiloquent schemes for themselves. I have now dealt with the question of rental rebates but regarding the housing problem I can still lay the charge against Governments, both State and Federal, that was laid against them in the past. The charge is that before embarking upon any such scheme those Governments should put their own houses in order and take adequate steps to see that their own employees are housed more in accordance with modern ideas. Let any member who is interested in the housing shortage question look at the conditions under which the fettlers are expected to exist along our railways.

Hon. A. Thomson: The position is a disgrace.

Hon. H. SEDDON: That will enable any member to appreciate how far from the mark the State Government is in housing its own employees. The same charge applies to the Commonwealth Government. The next phase in connection with the housing scheme has reference to the locations in determining sites suitable for the homes. I am not quarrelling with that except to stress the important fact that by the time the Commonwealth scheme is adequately provided for from the standpoint of building materials, over which the Commonwealth will maintain a priority, very little will be left for the remaining 20,000 homes. It is from this angle that I view the scheme with a considerable amount of concern. There is another question to be considered and that is allocation, which presents one of the most perplexing aspects of the whole scheme. Without doubt, there is a considerable congestion of population in certain centres of Australia, brought about by the fact that the war has led to these concentrations in the vicinity of war factories. After the war the transfer of labour from one place to another is naturally going to affect the distribution of population. It may be that under a scheme devised for certain areas homes will not be available for the people wishing to live there, and the congestion may become as acute as it is in other centres, if not more so.

One would have expected that a housing scheme would have taken this factor into account and for the time being would have considered the question whether provision could not be made in the shape of a class of house that could be readily transported where required rather than in erecting permanent buildings. The great centres in every country are those where the factories have been established, and these are generally found to be in close proximity to fuel supplies in one form or another. Many of the war factories have been placed in locations where fuel and material costs, through transportation charges both on raw materials and on the finished product, are high. Will they be expected to continue to operate under peace-time conditions? If so, the Government will have further subsidies to pay.

The question arises: How are these plans to be financed? This question is often dismissed with the airy reply that if money can be found for war, it can be found for peace. How is money being found now? I have a series of figures, which I do not

intend to quote in detail, showing how tremendously the present Commonwealth Government has made use of the printing press since it took office. Not only has it made great use of the printing press, but it has also taken over considerable deposits from the trading banks. Naturally, the finding of finance will be a big problem. People have been induced to subscribe to Government loans on the score of the country's war needs. It is safe to say that the people's peace attitude will be very different from their war attitude. How is the Government going to meet these war-time deposits now taken from the trading banks to enable them to be used by the commercial community for trading purposes? One realises now the reason why price-fixing in Australia has had to be carried so far; we have only to remember the way in which the printing machine has been working turning out paper money. I believe that the restrictions imposed by the Government will be strongly resented when the time arrives for the declaration of peace. There seems to be a general impression that peace will come suddenly, almost as a thief in the night, but there is every indication that the declaration of peace will not take place until many years after the cessation of hostilities.

Hon. C. F. Baxter: Very many years.

Hon. H. SEDDON: It will be during the period between the cessation of hostilities and the declaration of peace that one will expect to see the successful application of planning by the Government. From the evidence we have of the operation of planning up to the present time, it seems to me that planned economy up to now has shown very poor promise. We know how the stoppages caused by the completion of war orders have affected certain factories. Government factories have been continued in operation with staffs on full wages though they have had nothing to do because of the cessation of war orders, and we have at least one instance of a private employer having been compelled to retain a large number of employees on full wages for a considerable number of weeks although he had no work for them to do. One would have thought that a planned economy would have had its machinery ready to put into operation, and would have been prepared to demonstrate its efficiency to fill such gaps by manufac-

turing goods needed by the civilian population instead of allowing the machines to stand idle. It looks as if our planners are still trying to learn their job, but unfortunately they are learning it at the expense of the general public, and after all the talk and after all the expenditure incurred on research and planning, it causes me considerable concern to find such gaps exhibited in putting into operation a scheme which we were led to believe would bring happiness and prosperity to everybody after the war.

Hon. C. F. Baxter: It seems to be a case of enduring the war and suffering the peace.

Hon. H. SEDDON: Planning has been shown in practice to be dreaming. The people are being bounced and harassed into granting greater and greater powers to the Federal authorities. The authorities, before receiving those powers, should have demonstrated their capability of exercising them for the benefit of the people, but what demonstration they have given us has been rather the reverse, and we can only hope that the people of this country will act very cautiously and study the record of the Government before investing it with powers that it will be impossible for them ever to get back again. I support the second reading, but I hope there will be greater evidence than we have at present of the preparation for peace production of the things people need and are unable to get.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Bill read a third time and *passed*.

House adjourned at 6.10 p.m.

Legislative Assembly.

Wednesday, 2nd August, 1944.

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

AUDITOR GENERAL'S REPORT.

Section "B," 1943.

Mr. SPEAKER: I have received from the Auditor General a copy of section "B" of his report on the Treasurer's statement of the Public Accounts for the financial year ended the 30th June, 1943. This will be laid on the Table of the House.

CHAIRMEN (TEMPORARY) OF COMMITTEES.

Mr. SPEAKER: I desire to announce that I have appointed Mr. Mann, Mr. W. Hegney and Mr. Fox to be temporary Chairmen of Committees for the session.

QUESTIONS (6).

KATANNING SCHOOL RENOVATIONS.

Mr. WATTS asked the Minister for Education:

(1) Will he give details of the works and renovations authorised at Katanning Government School for which a contract has been let?

(2) What is the contract price?

THE MINISTER replied:

(1) Two contracts have been let for work at the Katanning school.

One is for repairs and renovations. This includes: new fireplace in the science room; overhaul and repair of the main school, pavilion, classrooms, manual training room, shelter sheds and quarters; repair of gravelled areas; the painting of all buildings externally; the painting of the school pavilion, classrooms and domestic science centre internally, and one bedroom in the quarters.