

1931-32 was some £8,000,000, and our interest bill for the same year some £3,500,000. This means that for every £16 of revenue received the State paid out £7 in interest. In those circumstances we are compelled to admit that the State's business, which bears a close resemblance to any other business, is very near the danger line. It is not too much to say that a survey of the position, and where we are getting to, becomes more and more necessary, because if we borrow £3,000,000 or £6,000,000 year by year, then, if we keep on long enough, it would eventually take the whole of the revenue of the State, on present figures, to pay the interest on our loans. Of course we would never get to that stage. Another question requiring examination, and concerning which the public would probably welcome a specific statement, is the expenditure of loan moneys. I am mainly in agreement with the member for Northam in his advocating that loan moneys should be expended not so much on extension of farming but on those farms which are now in existence—to bring them to a state of greater productivity. It appears to me that an avenue for the expenditure of loan money could well be our existing industries, primary and secondary. Recently I read a survey made by a number of Sydney business men, who voluntarily set themselves to consider the question of the employment of young people. The conclusion they arrived at was that a huge sphere of employment lay on the north coast of New South Wales, not in new farms but in farms already existing, and in industries already there—in bringing those farms and those industries to a higher state of productivity. We read in the Press from time to time of companies which have reconstructed, or reduced their capital, or made other internal changes of that nature; and as business men we recognise this to be merely an indication that the companies were feeling the times and were taking stock of their position and determining what means they must adopt to keep their expenditure within their income—taking the steps necessary for the maintenance of solvency and continuity. I am optimistic about this State, especially at the present time. I think that with the rising prices of some of our chief commodities we have more reason to be optimistic to-day than we have had for a considerable time. In suggesting that we might spend time in making a survey of our position and inquiring as to the best means of meeting our diffi-

culties, I am speaking not from a feeling of pessimism but because I think such a course will accelerate our recovery and afford us still greater security. Even if the full objectives of a scheme or policy were not achieved, it would at all events show us where we propose to go. It would raise the issues which are before this State, and would focus upon those issues the guidance of public opinion, which would be for the information and benefit of this Chamber. I do not suggest restrictive legislation, because I am one of those who hold that the sooner we can relax the restrictions on trade and contract, the sooner shall we get back to more prosperous conditions. In my opinion the people of our State, in common with the people of the other Australian States, have met past difficult times with great courage; but I hold also that to-day they look for leadership, for guidance, and for a more explicit statement of what this Parliament intends to do for the direction of their future destinies. For that reason I am respectfully suggesting to members of the Ministry and members of this Chamber that something more needs to be done in the way of expression of policy than is to be found in the Lieut.-Governor's Speech. I suggest that a more detailed statement of policy, an indication of a planned government extending perhaps over a year or two or three years, upon which the public could offer their criticism, would inspire greater confidence, and would give the people the fortitude to meet burdens placed upon them, from the knowledge that they had been given some indication of the direction in which it was proposed they should go and the means proposed to be adopted to restore them to some measure of prosperity.

**MR. CROSS** (Canning) [8.56]: I desire to add my congratulations to those already tendered to you, Sir, upon your elevation to the high office of Speaker. I have every confidence that you will ably discharge the duties of the position in your accustomed fair and fearless manner. I desire also to congratulate the member for West Perth (Mr. McDonald) on his most interesting contribution to the debate. I have listened carefully to the various speeches delivered, especially to those of Opposition members making post-mortem examinations of their party's defeat at the general election. Generally as regards the Opposition's



contributions to the debate, it might be said, as was said on one occasion a long time ago, "They have saved the good wine until the last." The Opposition's unenviable position and greatly reduced numbers can, in my opinion, be described as due mainly to the late incompetent Administration and to the unfair and inequitable legislation introduced during their term of office. To realise this one has only to examine the operation of the Financial Emergency Act, or analyse the incidence of financial emergency taxation. I believe that those two measures will go down in history as samples of the most inequitable and iniquitous legislation ever placed on the statute-book of Western Australia. The provisions of the Financial Emergency Act override some contracts and make others impossible of fulfilment, interfere with the relationship of buyer and seller, intensify stagnation in business, particularly in the building trade, and leave in their train a trail of poverty, distress, and even ruin in a large number of Western Australian homes. The previous Government did not hesitate to override sacred contracts or to repudiate awards of the Industrial Arbitration Court and industrial agreements. Nevertheless, no attention was given to the plight of persons adversely affected through long-term contracts. As a result, large numbers of thrifty people who had entered into contracts to purchase homes on the time-payment system were most injuriously affected. Incidentally, the same Act applied to the large army of Western Australian producers who are also subject to long-term contracts. Wages and salaries were mandatorily reduced by from 18 to 20 per cent., but no attempt was made to reduce the figures under long-term contracts by any such percentage, or even to reduce them at all. This naturally had the effect of enriching the sellers at the expense of the unfortunate buyers. I believe that unwarranted interference of any sort with contracts can end only in disaster in most instances, for the simple reason that it is an attempt to alter the certain effect of a given cause. During every war of note throughout history, large sums of money have been borrowed and spent, and inflation has taken place as an inevitable result. In almost every post-war era, attempts have been made by financial interests to get back the lost purchasing power of money by means of deflation

or by appreciating the currency. History repeats itself after every war of note, but on the latest occasion far greater expense was involved, and deflation has been attempted on a scale larger than ever before. Success for such a process can result only in making the rich richer and the poor poorer. It is interesting to note in passing that in almost every instance these attempts at deflation have failed. The result has been enormously increased interest and sinking fund charges that the people could not carry and at the same time pay their debts at the old rate of income. For example, Australia in pre-war days owed, comparatively speaking, a mere bagatelle, but the interest bill has now reached the staggering total of nearly £60,000,000 per annum, of which £35,000,000 is represented by overseas indebtedness. The member for Swan (Mr. Sampson) said a few minutes ago that unless we imported from outside countries, we could not export our commodities. The fact remains that before we can import anything at all, we must have at least £35,000,000 worth of goods with which to pay our interest bill overseas. The Leader of the Opposition bemoaned the sad plight of our producers and the low prices prevailing at present. He informed the House that the cost of production must still further be reduced. Then the member for Nedlands (Hon. N. Keenan) spoke in the same strain, but, in reply to an interjection, he agreed that the present standard of living should be maintained. I listened most carefully, but I failed to ascertain the method by which those hon. members intended to proceed in order further to reduce the cost of production and at the same time maintain the present standard of living. How can the consumers be expected to pay higher prices with lower incomes? In my opinion, it was disastrous for the Mitchell Government to attempt to reduce the purchasing power of the people by passing the legislation they did. I believe that the present depression is a passing phase, engineered by international financial interests for the sole purpose of deflation, and represents an attempt to get the pre-war purchasing value restored to money. Conditions will not improve until either wages all over the world are restored to the 1928 level and increased purchasing power thus given to the people, or the interest rates on our enormous public debt are considerably reduced. There-



fore I was gratified to notice the following reference in the Lieut.-Governor's Speech—

It is the considered view of my Ministers that further conversion of overseas loans to a lower rate of interest is essential in the immediate future if Australia is to continue to meet her obligations.

That is indeed true. Prior to 1913, the average rate of interest paid on all Government debts in Australia was slightly over 3 per cent. Interest rates rose considerably from the commencement of the recent war. Present-day finance is little more than an intricate system of bookkeeping, and financiers are to-day exacting from the people more than a fair return for the services they have rendered to the community in making available soluble credit. Interest rates are far too high, and must revert to pre-war levels. If the high interest charges were lowered, not only would it make the position easier for Government finance, but it would be easier for the producers of the State to carry their burdens. If Western Australia's interest bill—naturally, I include municipal and private interest charges as well—were suddenly reduced to the rates that operated in 1913, I believe that would prove a considerable factor in driving away depression. To-day, 27 foreign countries have already given serious consideration to the burden of public debts, and those countries have definitely repudiated their indebtedness. Loans made by Great Britain to those countries and affected by their decision, total more than £1,200,000,000. Our Government will never agree to repudiate, but we do consider that reasonable interest rates are essential, not only to enable the present Government but any other Government successfully to function. I am pleased that the recent loan conversion was satisfactory, and believe that an early attempt should be made to convert all our overseas loans to a lower rate of interest, aiming at not more than 3 per cent. Even that rate is 1 per cent. higher than that at which the British debt was financed prior to 1913. The State's biggest problem to-day is that of unemployment, and the task must be tackled. A lowering of interest charges would considerably assist in the solution of the problem. It should be obvious to members, particularly those representing country constituencies, that if a definite attempt were made to have the whole of our public debt converted at a

very low rate of interest, special consideration could be given to the man on the land. Like the member for Northam (Mr. Hawke), I am not surprised that little has come from the World Economic Conference. I believe more would have been accomplished had Britain and the Dominions conferred to find some way of funding the whole of the public debt of the Empire at a rate of interest as low as 2 per cent., if possible. If they succeeded in doing that and the interest bill were cut down by one-half, not only Western Australia but the whole of the British Empire would be in a much better position to compete with those countries that have scarcely any debt at all. It is essential that work be found for the large army of unemployed, even though we may be compelled to exceed the amount of the deficit so graciously laid down for us by the Loan Council. Over a long period, our people have suffered, and the satisfaction of their reasonable requirements will bring content, whereas hunger, poverty and unsatisfied wants will produce mutiny. I am pleased to know that the Government have displayed considerable initiative in formulating the new prospectors' scheme, which contains great possibilities. Every assistance should be given to the mining industry at present when gold is at a higher price than ever before, and every advantage must be taken of present-day opportunities. I congratulate the Minister for Mines on his boldness in introducing the scheme, and hope that it will prove successful. There are many useful works that should be put into operation to create employment. Cheap homes are essential to solve the rent problem, particularly for the unemployed. Land can be found equally accessible as is St. James's Park, and this at less than one-tenth the price. I hope at a later date to induce the Government to re-open the provisions of the Workers' Homes Act, with a view to constructing a limited number of cheap homes near the city. I believe it is possible to build a fairly suitable home at a complete cost of £150, and in a few days I shall be able to show any member interested a couple of samples of the class of home I refer to. These will be homes on a somewhat better scale than those constructed under the McNess scheme. The erection of those houses would provide a certain amount of work, and as a result



cheap homes would be available to those who to-day are unable to pay the high rents demanded in the metropolitan area. The Canning electorate requires considerable attention at the hands of the Government. Many works are needed, some of an extremely urgent nature. Even the Leader of the Opposition will agree that the Canning Bridge is overdue for an overhaul. It is totally inadequate for the traffic it has to carry, and it is imperative that at no distant date a new bridge should be built at that point, for the present one has entirely outlived its usefulness. Also in my electorate there is the Riverton bridge, constructed many years ago by the Government and the local road board, with financial assistance from certain private individuals. This bridge has been condemned as unsafe for traffic, and it bears a couple of large notices warning the public that they cross it at their own risk. I am hopeful at a later date to persuade the Government and the local road board to co-operate in seeing if some improvement cannot be made, and the structure at least rendered safe for traffic. Again, immediate attention should be given to the provision of preventive measures against the erosion on the foreshore along Melville-terrace in South Perth. In order successfully to cope with that position, it will eventually be imperative that a retaining wall be constructed for about 70 chains, terminating at Mill Point. Considerable damage has been done along the river front in that locality during the last few years. Where, 20 years ago, there was a fair stretch of dry land carrying trees, it has now all gone, and unless immediate action be taken a tremendous amount of damage will be done to property in that locality. While I know that three or four thousand pounds may be involved in this work, I am hopeful that no opposition will be offered from any part of the House to the carrying out of that work, because some £50,000 worth of property is at stake. The loss of £50,000 worth of property, even private property, would be an indirect loss to the State, and so I urge the Minister to take the matter in hand. There are in my electorate many other requirements such, for instance, as the provision of a secondary school south of the river, and I am hopeful that during the life of this Administration I will have opportunity

pointedly to draw attention to that. I might add that during the next three years the electors of Canning are not likely to regret having changed their representative.

**MR. LAMBERT** (Yilgarn-Coolgardie) [9.21]: I move—

That the debate be adjourned.

Motion put and negatived.

**MR. F. C. L. SMITH** (Brown Hill-Ivanhoe) [9.22]: The difficulties confronting us as an integral part of a nation, and arising out of the world-wide depression from the evil effects of which we are suffering, are not necessarily minimised or modified by a change of Government. We know that much of the evil effects of the depression are of a world-wide character, and that they have their root causes in the very low price levels obtaining to-day for our primary commodities. In other words, I submit that a change of Government does not necessarily mean a change in the economic conditions of the country, however much that change of Government is desired by the people and justified by the record of the previous Government. Any consideration of the record of the previous Government will show that the change was amply justified, that they did not do the best that could have been done in the circumstances in which they found themselves and in which the country was situated. I believe that in a change of Government it is possible that we might get a Government that will have a better conception of the necessities of the situation, a Government that will apply more effective remedies to the problems with which they are confronted, a Government that will have greater sympathy with and therefore greater consideration for those who are suffering real hardships as a result of the depression, a Government that will preserve a better balance between the interests of the haves and those of the have-nots in the community, and a Government that will apply themselves with greater industry to the solution of the problems for which they must find a remedy if possible. I believe that in the present Government we have a Government that will live up to the standards I have indicated. They have already shown a better conception of the interests of the situation by appointing a full-time Minister to deal with unemployment, and also in the formation of the