

give effect to the people's decision on the question of secession. Apart from the relief from the tremendous burden of the tariff, secession would effect a transformation in Western Australia. I have no doubt that secession can be achieved. Apart from the legal and constitutional questions involved, I believe the will of the overwhelming majority to secede will be approved by the Imperial authorities. Numerous illustrations are provided of the agreeableness of the Imperial authorities to make such concessions. There were the division of Ireland, the grant of virtual independence to Egypt, and the willingness to grant home rule to India when that country is ripe for it. Under the altered conditions which would be brought about by secession, Commonwealth taxation would be eliminated, and the taxation which would be payable locally would probably not exceed one half of the total now paid. Again, there would be the huge sum of indirect taxation which is at present paid on the inflated price of Australian manufactured goods.

Mr. Lambert: Are you assuming that we would become a free-trade country?

Mr. SAMPSON: No; we would require a revenue tariff, but we would not seek to manufacture harvesters or other farm machinery and compel the farmer to pay 100 per cent. advance because it was manufactured here. As a matter of fact, that money does not go into the coffers of the Federal Government; it is a bonus to the millionaire manufacturers of the Eastern States.

Mr. Lambert: It is a bonus to the money-mongers who have lent us money to the tune of £1,200,000,000.

Mr. SAMPSON: I shall be glad when secession is finalised. The people are grateful that the Government are taking up the matter so wholeheartedly. I earnestly hope that it will be brought to a successful issue. It is certain that the State will be millions better off per year than it is at present.

Mr. Raphael: Are you speaking with your tongue in your cheek?

Mr. SAMPSON: I feel that secession and employment are bound up together. The securing of secession would bring about such a change that unemployment would be reduced to a minimum.

Mr. Tonkin: Is New Zealand any better off?

Mr. SAMPSON: One matter regarding local governing bodies I must briefly refer to. During the regime of the previous Government much consideration was given to the question of establishing a Public Works Board. I am firmly convinced that the establishment of a Public Works Board for the metropolitan area would be in the best interests of all concerned. It would bring relief to the Government, and the board would be able to borrow money. It is impossible for the Government to borrow money except with the permission of the Loan Council. When, as is the case in this country, the needs of our public works call for loan money, it means that the whole of the metropolitan districts suffer. I am inclined to think that consideration should be given to the question of generating all electric current at the pit's mouth, namely, at Collie. If that were done, it would overcome the difficulty of generating current at East Perth. I understand the difficulty there is insuperable; it is impossible to do much more on that site. Consequently the matter of generating current at Collie should receive consideration. I hope to hear a few words from the member for Collie (Mr. Wilson) on the question. I trust that the economic conditions, which appear to be improving, will continue to improve, that the Government will have a successful three years of office, that the progress of the country will be maintained, and that unemployment will, as a result of the efforts that are being put forth, be minimised.

MR. McDONALD (West Perth) [8.30]: I should like to associate myself, Sir, with those members who have extended to you their congratulations upon your elevation to the high office of Speaker. I do not intend to spend any time in discussing at length questions which have been raised by various speakers who preceded me. The question of the stabilisation of currency, and various other matters of currency control, have been the subject of experiment in many countries. We know the experiments which have taken place in Germany, France and Russia, and we know, according to a recent report of the Birmingham University Institute of Research, that flour to-day in some parts of Russia costs

a hundred times more than in pre-war days. I assure the member for Northam (Mr. Hawke) that on this side of the House, as well as on his side, any proposal regarding currency control of a feasible nature will be received with an open mind. I feel, and I think many other members will feel, that if other countries are prepared to experiment on this dangerous subject we should consider ourselves happy to be able to sit back and learn the result of their experiments. I think the whole world to-day is watching with great interest and sympathy, as well as with an open mind, the radical proposals brought forward by the President of the United States. It appears to-day he is meeting with grave problems in implementing the proposals he has advanced. While the world devoutly hopes that the American experiments will be a great success, and will relieve the whole world, I still venture to think that we are to some extent fortunate that this experiment is being tried in some other country than Australia, and that possibly we can benefit by the results of that experiment and the experience it teaches. About the beginning of 1930 conditions in this State could have been described as normal, or comparatively normal. The whole world was in the same position. In those days Government represented no extraordinary difficulty, and proceeded along traditional lines. The expenditure for the year could be estimated with comparative certainty, and the raising of the taxation could be assured also with comparative certainty. After three years of a world crisis we are faced with new and unprecedented difficulties. We realise that the hopes we entertained of speedy results from the efforts we made to get out of our difficulties have passed, and we are compelled to face the prospect of a slow, painful, and difficult return to more prosperous times. In the circumstances I was somewhat disappointed that there was no indication of the policy of the Government in the Speech of the Lieut.-Governor. I fully appreciate that in the past it has not been usual to convey the policy of the Government in any detail through that means. I realise it is not the most convenient way in which the full policy of a Government can be advanced. Conditions are different to-day, and it is

our duty now to examine the traditional functions of Government and ascertain if they meet the times. I intend to confine my remarks this evening to suggesting to the Government that in times like these the Speech of His Excellency might well be implemented by an explicit statement of their views upon the economic situation of the State. It appears to me, and I am not alone in that view, as it is the view of business men, that, faced with great difficulties and anxious times as regards finance, the Government might well make a survey of the chief problems now affecting this State. They might study the various proposals that have been brought forward by different people and different bodies to meet these problems, and might indicate their views as to what steps they propose to ask this House to take to meet the issues with which the State is confronted. I am aware that such a scheme presents difficulties. It is in one sense a national or State stocktaking. I am also well aware that we have no control over external conditions, and that there are many factors in the Federal sphere over which the Government have no command. I think the House will agree, however, that there are a number of domestic problems, for which there are a number of domestic remedies, and we can attempt to apply those remedies to alleviate the difficulties with which the State is faced. I do not suggest that this could have been done before, because the preparation of a plan is a matter demanding considerable thought. At the start of a new Parliament and at the commencement of the career of a new Government, however, it appears to me that the Administration might well consider the advisability of making a categorical statement concerning the chief problems confronting us, with the idea of providing a solution for us. It has been suggested that secession provides a way out of our difficulties. I was one of those who opposed secession when the referendum was submitted to the people, but in view of the mandate which has been given by the people to Parliament, I will unequivocally support every proper Government method that may be adopted to bring about secession which has been demanded by so overwhelming a majority of voters. Secession is not a matter of a week, a month or a year, and in the meantime we have to keep the machinery of the State going in the best way we can. We

are not altogether inexperienced in plans. Australia has had the Premiers' Plan. This Plan may not have met with the approval of everyone, but I think it did meet with the approval of the vast majority of the people of Australia. The Premiers' Plan, in a time of grave national crisis, set out clearly two objectives; one being the way in which we could meet our commitments overseas, and the other being the balancing of budgets inside three years. It then proceeded to set out also very shortly the means by which these objectives could be attained, namely, by the restriction of imports, by reducing the interest payable on Government loans, and by reducing Governmental expenditure on salaries and wages and expenditure generally. Whether that Plan was perfect or not does not matter very much from the present point of view, but it had an extraordinary psychological effect. It told the people of Australia at a time of great doubt what the Governments of Australia had in view, and it told them how they proposed to set about gaining these objectives. Not merely had it a great effect upon the people of Australia but it had repercussions throughout the world, and in particular throughout the British Empire. I think I am justified in saying that the Premiers' Plan has played a great part in the stability of Australia, in the fortitude of Australians, and in their confidence in their ability to emerge from their difficulties. Partly this is so because it lays down what is perhaps the only sensible thing to do, and partly because it tells the people definitely what their rulers propose to do and how they propose to go about doing those things. The Premiers' Plan is not by any means singular. I read only this afternoon that the Japanese Government have formulated a plan covering a period of five years for increasing the wheat yield by 15,000,000 bushels. That is organised long distance or long range governmental planning regarding one industry alone. Germany, since the Weimar convention of 1919, has paid considerable attention to what is called long range planning. An economic council was set up, and if their deliberations and activities had not been interrupted by the disturbed political state of the country during the last few years possibly there would have emerged some plan of great value to the world as to how a State can be systematically ordered

on economic lines. France and Germany have both set up economic councils with the object, I take it, of enabling the Government of the day to obtain advice as to the future regulation of the economic affairs of those countries. Any plan of a categorical nature would deal with our chief primary and secondary industries, the problem of unemployment, our indebtedness, the expenditure of loan moneys, and many other things that will readily occur to members. Take our primary industries. I want to supplement the chart of the Leader of the Opposition, and draw a parallel between the year 1911 and February, 1933. Wheat, for which the farmer obtained £1 in 1911, he received only 15s. 6d. for last February, a fall of 23 per cent. in the price of that commodity. On the other hand, commodities for which he paid £1 in 1911 he paid 35s. for in February last. When, therefore, he sold he received 15s. 6d. for his pound, and when he bought non-rural commodities he paid 35s. for what usually cost him £1. If the relationship of costs was fair and equitable in 1911 it must follow that there is or was in February of this year, a serious dis-equilibrium between what the farmer gets and what the farmer has to pay. I am not suggesting that this problem does not represent an extremely difficult one to solve, but I am suggesting that something has to be done in order that these primary industries, which supply two-thirds of our national wealth and which represent 97 per cent. of the goods we send oversea, may be preserved to the State; otherwise we are going to abandon our present outlook and revert to a highly different basis, in which our primary industries will be no outstanding feature of our national life. Any inquiry should set out the various means proposed to remedy these difficulties, or at all events alleviate them; and if one particular means will not solve the difficulty—and it is not likely to do so—then this State can adopt two or three, or more, means to enable the industries to survive until world conditions enable better prices to be received and the industries to stand on their own feet without any particular help. There is also the problem of our State indebtedness. In the course of a highly instructive speech to which I listened with pleasure, the member for Northam (Mr. Hawke) asked, "Why not borrow six millions instead of three millions?" Our State revenue for

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