

HOUSE OF ASSEMBLY.

Wednesday, July 25, 1951.

The SPEAKER (Hon. Sir Robert Nicholls) took the Chair at 2 p.m. and read prayers.

PRICE CONTROL.

Mr. O'HALLORAN—This morning's *Advertiser* contains a report that the New South Wales Government has imposed a sweeping price freeze under which the prices of nearly all commodities and services have been frozen. Can the Premier say whether his Government has considered this question and, if so, is it contemplating similar action? Alternatively, will it seek concerted action by all States on the lines taken in New South Wales?

The Hon. T. PLAYFORD—I believe it is not good policy for one State to take its own individual action in these matters. The first problem immediately arising is that, if a State, on its own, pegs a commodity severely or other States offer a slightly higher price, commodities in scarce supply will gravitate to those States where controls do not operate. Therefore, the Prices Ministers' Conference has always felt that uniform action is necessary in a case where the economies of the States are closely intertwined. I believe the proper action to take with regard to any recontrol measures should be through the Prices Ministers' Conference. That matter will be listed for consideration at the next conference which, I believe, will be held on Friday next. Although it has been called to deal mainly with dairy products, the opportunity will be taken to discuss this matter. My own feeling is that the matter should be dealt with directly rather than by an overall freezing. There are many imported commodities on which such an order would have no effect at all, either as regards price or the supply of labour or material available here, because they are imported goods, many of which are luxury lines. Experience has also shown that with regard to some types of commodities, it is impossible to secure any results from price control because it is so easy, with the connivance of the purchaser, to evade the law, for instance in the sale of land or motor cars, where the fixed price might have been the ultimate price paid, but frequently was not.

LAND FOR RETURNED SERVICEMEN.

The Hon. S. W. JEFFRIES—For some time I have been concerned as to whether all returned servicemen who are applicants for

land will be able to get land in the near future. Can the Minister of Lands make some general statement regarding this matter?

The Hon. C. S. HINCKS—Yesterday I gave certain information on the matter to the Returned Servicemen's League Conference. As I desire to get further information, I will be prepared to make a statement to the House tomorrow.

WAR SERVICE HOMES, PORT PIRIE.

Mr. DAVIS—I have been informed by the Returned Servicemen's League that there is no supply of bricks in Port Pirie for the building of War Service homes, and that the only bricks used in Housing Trust contracts today are those manufactured by the contractor himself. Can the Premier say why no supply of bricks is forthcoming with regard to the contract for the building of War Service homes?

The Hon. T. PLAYFORD—No, but I am calling for a report and, as soon as it is to hand, I will see that the honourable member receives a copy.

LIGHTING ON ANZAC HIGHWAY.

Mr. PATTINSON—I refer the Minister of Local Government to the inadequate lighting on Anzac Highway which, in my opinion, is either a direct or a contributing cause of many collisions, particularly during winter nights, as there are so many intersections and numerous cross-overs between the two sections of the road. I understand that for a considerable time the Highways and Local Government Department has had in mind the provision of an up-to-date and adequate system of lighting. Can the Minister state the present position as to the provision of that system, and if not, can he obtain some information on the matter?

The Hon. M. McINTOSH—Members will remember that provision was made for amounts from the Highways Fund to be used for the better lighting of the Port Road and Anzac Highway. In the absence of sufficient materials to do both works simultaneously, work has been proceeding on the Port Road which, in the main, carries the bigger volume of traffic. The Electricity Trust has informed me that, immediately that work is completed, it will proceed with the Anzac Highway lighting, assuming materials are available. As to the exact nature of the lighting I have no information, but will get some and give it to the honourable member.

HOUSING TRUST HOMES: SURPLUS MATERIAL.

Mr. MACGILLIVRAY—At present there is a rumour, which seems to have a fair degree of support, that contractors working on the building of Housing Trust homes for soldiers in the South-East may claim any surplus materials as their own right. I do not know whether they pay for them or whether they get the materials and use them on any other work in hand. This matter should be clarified. Has the Premier any information to give on it?

The Hon. T. PLAYFORD—The honourable member advised me that he wanted information on this matter, so I asked for a report from the chairman of the Housing Trust. The report is as follows:—

The South Australian Housing Trust is building, as part of the War Service Land Development Scheme, a large number of farm houses in various parts of the State. In many instances, these farm houses are in isolated and rather inaccessible places, particularly in the South-East and on Kangaroo Island. Many of the houses are being built by contractors in a small way of business who are prepared, with a limited team of men, to go to these sites. In such cases, the trust supplies the materials for the houses, and the builder supplies the labour. The materials for each house are delivered to the site by the trust, each house requiring two lorry loads, the materials being sent from a factory in Adelaide where such members as wall sections are partly pre-fabricated. The total quantity per house is approximately 17 tons. With jobs such as this, it inevitably occurs that there are some breakages and therefore the practice of the trust is to send to each job a very small excess of timber and asbestos. These jobs are in places where access is difficult and, obviously, if a sheet of asbestos is fractured it is uneconomical to have to send a lorry in with a further supply and probably to delay the completion of the house. Thus, each builder is given a small reserve of asbestos and timber but the amount so supplied is very small.

If breakages do not occur, it follows that on the completion of a job the builder has a very small surplus of materials. The galvanized iron supplied for each job is a constant but some builders have more skill than others and can cut the sheets so economically as to produce a small surplus, whilst another builder finds the same quantity hardly sufficient. Thus, on some jobs a small quantity of galvanized iron may be surplus. It would be uneconomical to send transport in to recover any of these materials and the trust considers it good business to agree that any such surplus is to be the property of the builder who, I may mention, is prepared to undertake a contract under rough conditions at prices the trust considers extremely reasonable. The builder can then dispose of the surplus materials in any manner he thinks fit. I would emphasize that the quantities involved are very small and that as regards the general components in the house the materials supplied con-

form to the exact requirements in the houses. The arrangements mentioned only apply where the trust supplies the components of the houses. In some cases, the builder's contract requires him to supply all materials himself and in such instances the trust have nothing at all to do with the materials used under the contract.

Mr. MACGILLIVRAY—I thank the Premier for his comprehensive report. However, can he say whether the surplus materials he mentioned belong to the contractor as a right, or does he repay the Housing Trust for the value of any material he may have on hand after the completion of a house?

The Hon. T. PLAYFORD—Where the contractor is working under this arrangement the small amount of material he may have over is his by right, as provided for by the arrangement entered into with the Housing Trust.

RAILWAY SERVICES.

Mr. DUNNAGE—Yesterday, in seconding the motion for the adoption of the Address in Reply to His Excellency's Speech in opening Parliament, I criticized the Minister of Railways about the conduct of his department and by interjection he intimated that the department was doing certain things to overcome its problems, such as bringing out more workers and providing more equipment. I understand that the Minister has a good reply to my criticism. If so, is he in a position to reply now?

The Hon. M. McINTOSH—I thank the honourable member for the question because it enables me to clear up some points about the report of my interjections—a report that could do much harm if it were misinterpreted. According to the report I said that the absence of good railway services was due to the concentration of freight and the shortage of manpower. I also said that the men are already working longer hours, but the report said shorter hours. The fact is that the men are working longer hours. Since 1941 railway freight tonnages have increased from 2,700,000 tons to 3,700,000; the ton mileage increased by 38 per cent, whilst the daily paid staff has increased by only 5½ per cent. That is a great tribute to the men. We realize that the men have been working very long hours. There was a suggestion in the honourable member's remarks that the department was not doing anything to overcome the shortage of manpower. He also asked whether the Premier had conferred with the Prime Minister about it. The answer is "Definitely, yes." Apart from that, some months ago the Premier arranged a conference

with Senator McLeay, the Railways Commissioner, and myself, and as a result Mr. Fidock went overseas. The Premier, as Minister of Immigration, has approved of the importation of 1,342 workers from Europe. Nine hundred of them will come out under a recouping arrangement, the expenses being paid by the State and recouped out of their wages. The balance of 400 will come out under the ordinary immigration arrangements of the Commonwealth, but will be available for employment by the State. Some 120 of these workers will be brought out by air in an effort to rectify the shortage of manpower to some extent quickly. Everything possible is being done to overcome this problem. Towards the further improvement of the railways, since the end of the war we have spent nearly £5,000,000 on capital expenditure and a Royal Commission paid a tribute to the Railways Department for keeping the equipment up-to-date. The shortage of manpower is one of our greatest problems, but I hope it will be largely overcome by the importation of these workers from overseas, thereby giving relief to those who are now working such long hours in coping with the traffic.

MILANG IRRIGATION PROJECT.

Mr. FRANK WALSH—According to press reports, the Land Settlement Committee has been inquiring into the acquisition of land in the Milang area. The reports indicate that the residents there contend that the development should be for food production, such as beef, mutton and dairy products. Can the Premier indicate whether the reference to the committee is wide enough to allow it to examine and report upon the type of development as well as the possibility of growing grapes for wine in the district?

The Hon. T. PLAYFORD—A letter has been received from the chairman of the Land Settlement Committee requesting that information to be supplied to it. The matter is being examined and an early reply will be given and a copy made available to members of this House.

PRICE OF WHEAT.

Mr. GOLDNEY—I understand that recently a conference was held between the Commonwealth Minister for Commerce and Agriculture and State Agriculture Ministers, at which a possible increase in the price of wheat used for stock feed and for all other purposes,

except for human consumption, in Australia was discussed. Can the Minister of Agriculture give any information on this matter?

The Hon. Sir GEORGE JENKINS—The matters of wheat for stock feed and the home consumption price were discussed at the meeting of the Agricultural Council, but these questions were adjourned to allow further discussions between the Minister for Commerce and Agriculture and the wheatgrowers' representatives. A few days ago a question on the matter was asked of the Minister in the House of Representatives. He replied:—

I have no doubt that this matter has been canvassed and that there is anxiety amongst poultry farmers lest the price of feed wheat may be raised. The suggested increase arrives from a request by Australian wheatgrowers that they may be given a greater return for wheat sold in Australia for purposes other than human consumption. That is provided for in the legislation which covers the wheat stabilization plan. The fixation of the price of wheat that is used in Australia for purposes other than human consumption is covered by composite Commonwealth and State legislation in which the Commonwealth Government has undertaken to guarantee the wheatgrowers the cost of production up to 100,000,000 bushels of wheat exported, and the State Governments have provided in six State Acts of Parliament for the fixing of the price for consumption in Australia which is the same as a guaranteed price. Recently, the six State Ministers of Agriculture recommended that there should be an alteration of the plan to ensure the lifting up of the price for stock feed within Australia. That could be done only by an alteration of the seven relevant Acts of Parliament, and in the absence of an alteration of those Acts the present legislation will stand for a further two years. That position is the outcome of a plan that was devised by the former Government in consultation with representatives of the wheat industry and the six State Governments and which was submitted to the wheatgrowers and voted for by them. The proposal is under consideration at the present time.

COUNTRY AMBULANCE SERVICES.

Mr. RICHES—Concern is being expressed at Whyalla and, I believe, in other centres far removed from the metropolitan area at the cost of ambulance services when patients have to be brought to Adelaide for specialized treatment. One suggestion in Whyalla is that a committee should be formed to inaugurate a fund, to which the community can contribute, to assist families to meet this heavy expenditure at a time when other expenditure is heavy. I have been asked to inquire whether, in the event of such a fund being established, the Government will grant a subsidy for the purpose?

The Hon. T. PLAYFORD—The Minister of Health is working out proposals connected with ambulance expenditure and is consulting with the Advisory Council of Health on the matter. I think that the proposals are in an advanced stage and it may be possible for me to give the honourable member a complete answer to his question tomorrow.

SOUTH-EAST RAIL GAUGE BROADENING.

Mr. McLACHLAN—Is the Government satisfied with the progress being made with the completion of broadening of the railway gauge in the South-East? Is it the Government's intention to use portion of the line between Naracoorte and Mount Gambier before the work is completed?

The Hon. M. McINTOSH—It is only partly correct to say that we are satisfied; we are satisfied having regard to the existing condition of affairs, namely, the shortage of manpower and materials. Since the opening of the track as far as Naracoorte for passenger service, the yard at Naracoorte has been practically completed. We have been pushing ahead with earth works, particularly beyond Naracoorte. Additional earth-moving equipment has been purchased which, with a limited number of men, enabled the railways to take advantage of the dry season and complete the earthworks (widening of banks and cuttings) to broad gauge standard, through the swamp areas between Penola and Wandilo before the wet season commenced. The machines have linked up the earthworks previously completed south from Naracoorte and are now working on the last six miles into Mount Gambier. Two gangs are at present relaying the main line south from Naracoorte, and at Glenroy as fast as rails and sleepers are received at Port Adelaide and can be forwarded to them.

It is intended shortly to start another gang relaying the section between Kalangadoo and Penola in anticipation of increased supplies of rails and sleepers coming forward. The gang now located at Penola on preparatory work for the new station yard will also start main line relaying as soon as they can be supplied with rails and sleepers. The Government is negotiating with the Federal Ministers for more regular shipments of sleepers from Western Australia and additional manpower from abroad. At present, a ship is loading 1,000 sleepers at Trinidad, expected at Port Adelaide in August, after

which date regular shipments of 10,000 every six weeks are expected, it having been agreed to take sleepers as deck cargo. Over a year ago, contracts were placed in England for the supply of 30,000 tons of rails, but only a few shipments of these have come to hand. However, over 1,000 tons are at present on the water, and a further 4,000 tons have been promised for the two quarters of the year after July. As regards using part of the line prior to the broadening reaching Mount Gambier, it is hoped that, perhaps when it reaches Kalangadoo, it may be possible to throw that open along similar lines to what is being done as far as Naracoorte for the conveyance of passengers.

ROAD REPAIRS.

Mr. TEUSNER—As a result of recent abnormally heavy rains considerable flood-water damage to main and district roads has been caused in some parts of the State. I believe that the Minister of Local Government knows that many councils are labouring under financial difficulties and find it extremely awkward to meet the entire expenditure associated with the roads mentioned. Will he consider making available, either by a special grant or by an increase in the annual grant to councils finance to assist them in maintaining district roads and carry out repair work where a case is made out for assistance?

The Hon. M. McINTOSH—The usual procedure adopted in these cases is to treat every case on its merits. The Government cannot say in general, "Yes, the season has been very wet and we will provide more funds," as the damage to roads probably applies all over the State. The Government has only limited funds available through the petrol tax, the Federal grants in aid and motor registration fees, all of which go into the South Australian road fund. In certain cases amounts are allocated on the recommendation of the Highways Commissioner, whilst in regard to main roads he has almost unlimited powers. Grants in aid have already been increased and the amounts available this year will be considerably advanced on those of last year, although much of the money will be absorbed in added costs. Every case will be dealt with sympathetically in keeping with the funds available.

Mr. CHRISTIAN—Much damage is caused by interstate, as well as local transport, and doubtless the Minister is aware that the damage today is tremendous, particularly during the recent wet weather. It is getting beyond the

power of councils, and even of the Engineer-in-Chief where roads come under his jurisdiction, to keep pace with the damage and maintain the roads in even trafficable condition. Has consideration been given to the levying of some tribute upon interstate vehicles which carry tremendous loads and inflict terrific damage on roads, or some restriction on the traffic so as to minimize the damage which is occurring? Alternatively, could the movement of commodities be regulated dependent upon the weather? It is immediately after rain that most of the damage is done because the country roads are of light construction and cannot stand up to the traffic; they were not built for it. Could the matter be controlled in this way or could greater contributions be made to councils and departments concerned in order to keep the roads in trafficable condition?

The Hon. M. McINTOSH—One of the subjects mentioned in the Paine Commission's report is greater contributions by heavy hauliers. An anomalous position arises today. Take the case of a diesel fuel engined vehicle coming from Victoria. It pays registration in that State and South Australia does not get a penny. Nothing is contributed in this State to either the petrol tax or in registration fees. It is a matter which will have to be rectified and dealt with here. Most of the other States levy a per ton per mile fee on hauliers. It is a fact that our roads have been "belted." A new road in my district is getting into bad shape, although it was reconstructed recently following a wet winter. The matter will be dealt with when we deal with the Paine Commission's report. Both matters are under serious consideration at present.

WESTERN DISTRICTS HOSPITAL.

Mr. HUTCHENS—Because of increased population in western districts and the fact that there is a shortage of hospital accommodation in those areas, many citizen committees are acting in a business-like way and purchasing community hospitals, in each case with Government assistance. At Henley Beach at present a citizen committee, under the secretaryship of a Mr. Newland, is doing a remarkable job, and is endeavouring to raise £40,000 to purchase a hospital there to serve people living in the area and adjacent thereto. This is creating some anxiety in connection with the commencement of the building of the western districts hospital. Can the Minister of Works indicate the progress made towards the commencement of that work? I understand the hospital is to be built in the Woodville area.

The Hon. M. McINTOSH—So far work has been commenced on the nurses' home, which is an integral part of the hospital. The contract has been let to a Mr. Baulderstone. A contract has been let to F. Fricker Ltd. for the maternity wing, which is an urgent part of the construction. A contract has also been let for the hot and cold water services. Work in connection with the latter two contracts has not been commenced. The combined total of these three contracts is about £878,000. The work of planning a hospital of this description is great and necessarily some time must elapse before all the work can be put in hand.

BULK HANDLING OF WHEAT.

Mr. HEASLIP—Last session when I raised the question of bulk handling of wheat I was told that the matter was in the hands of the Public Works Committee and that until a report was presented nothing could be done. I am not concerned so much with the immediate jute position, because at present we are comparatively well off, but conditions in India today are such that at any time supplies of jute may be cut off, and we have no other means of moving our wheat. Could the Premier expedite the report by the Public Works Committee on bulk handling of wheat?

The Hon. T. PLAYFORD—No. The committee has been appointed under an Act and is charged with the responsibility of making an investigation before presenting a report. Obviously it would not be possible for the Government to tell the committee that the report was wanted overnight. It must get the necessary information in order to make a report. I have discussed the matter with the chairman of the committee and I know that it is anxious to forward a report as soon as is practicable, but very grave issues are involved, including heavy expenditure. The committee is naturally anxious to forward a report which will be in the best interests of all sections of the State. It is a complex matter and obviously the committee must make much investigation. I am sure the committee will report as early as possible.

KADINA SULPHUR DEPOSITS.

Mr. McALEES—According to reports there are sulphur deposits in the Kadina district. I bring the matter forward at the request of the Corporation of Kadina. A test taken of ore from the Duryea area by the Commonwealth Fertilizer and Chemical Co. of Melbourne seven or eight years ago showed 46.80 per cent sulphur content, and it is claimed

that the old Wandilla mine area is also rich in sulphur. Will the Premier take up the matter with the Mines Department, because according to reports the indications of sulphur deposits in the area are good?

The Hon. T. PLAYFORD—Yes. I will have an investigation made to see the extent of the sulphur pyrite deposits and whether it is a feasible mining proposition.

STOCK MEDICINES AND PENICILLIN REGULATIONS.

Mr. HAWKER—Has the Premier received a report as to whether "Mastis," made by Nicholas Pty. Ltd., and "Penijec," made by Sigma & Co., are exempt from the regulations governing the sale of penicillin and penicillin products?

The Hon. T. PLAYFORD—I have a report from Dr. Southwood, Director-General of Public Health, which reads as follows:—

Both the veterinary medicines referred to in the letter from Mr. G. S. Hawker, M.P., are registered as stock medicines under the Stock Medicines Act, 1939. In accordance with No. 80A of the Food and Drugs Regulations, they are therefore exempt from the prescription requirement applying to penicillin preparations. They may be sold retail by chemists and also by storekeepers holding a medicine seller's permit issued in accordance with the poison regulations. These permits may be issued by the Central Board of Health when the premises are 4 miles or more from the nearest chemist. Such preparations may also be sold by licensed wholesale dealers direct to a primary producer.

MELBOURNE EXPRESS SERVICES.

Mr. STOTT—Can the Minister of Railways say why the Melbourne express is not running on Tuesday nights at present, whether this is due to the coal shortage in Victoria, and what is the prospect of its restoration in the near future?

The Hon. M. McINTOSH—The present position is due entirely to the unwillingness of the Victorian Railways Department to run the extra train. For some time past the South Australian Railways Department has been anxious, because of the business offering, to run additional trains rather than curtail services. If the position alters in any way I will let the honourable member know.

USE OF OUTPORTS.

Mr. DAVIS—Can the Minister of Transport say whether he or the Federal Minister for transport has considered the use of South Australian outports to expedite the turn-round of shipping?

The Hon. M. McINTOSH—The honourable member will have noticed a recent press statement by the Federal Minister to the effect that he was considering the diverting of shipping to outports. In a conversation on this matter he told me it applied more particularly to Queensland, where the railways run east and west into the hinterland, and to Western Australia, which has areas which can be served particularly well by outports. However, any transfer from one port to another would be hard to apply in South Australia because at present there is no hold-up at Port Adelaide, where there are plenty of berths and manpower available for the limited shipping arriving at this time of the year. Such diversion would only cast a further burden on transport from, say, Port Lincoln or Port Pirie, and would incur the cost of such transport to the metropolitan area. The question is one very largely for the Commonwealth. I can see no advantage and many disadvantages in the application of such a suggestion to this State.

GAWLER SEWERAGE.

Mr. DUNCAN—Can the Minister of Works give a general outline on the progress made with the extension of sewerage facilities to country towns, with particular reference to Gawler, and indicate whether this installation has been delayed with the object of embodying it in a sewerage scheme for the proposed satellite town at Little Para?

The Hon. M. McINTOSH—Several proposed sewerage schemes are under consideration by the Public Works Committee, but no report has been made on any of them. Even were the manpower and materials available, the Government is not in a position to proceed, because the Public Works Standing Committee Act says that the Government shall not expend an amount over £30,000 on such works without their being recommended by that committee. A sewerage scheme for Gawler has not been considered by the Government or by myself in relation to the proposed satellite town.

LOAN PROGRAMMES AND DEFENCE REQUIREMENTS.

Mr. STOTT—Can the Premier say whether the Prime Minister has communicated with him regarding the defence requirements envisaged under the Defence Preparations Bill, whether such requirements will necessitate the curtailment of the Loan programme in South Australia and, if so, which works will be affected?

The Hon. T. PLAYFORD—The State Government has been asked whether it will make

available the services of a number of its officers to sit upon committees dealing with certain projects, for example, an officer to deal with electricity supplies. That may have some indirect bearing on the Bill mentioned, because the report of that committee may be used by the Commonwealth as the basis for the provision of the necessary electricity supplies for the Commonwealth. However, there has been no direct request by the Prime Minister in regard to any specific work. For example, he has not said that he does not desire at this stage that a particular work shall proceed.

Mr. Stott—Has the diversion of manpower been mentioned?

The Hon. T. PLAYFORD—No specific request has been made, but in the press there have been two or three general observations that it will be necessary for the States and the Commonwealth to prune their programmes so as to apply only to urgent and essential works. I have no doubt this matter will be the subject of considerable bargaining when the Loan Council meets early next month to decide the programmes of the States and the Commonwealth for the year. It is proposed in the near future, and before the Loan Council meets, to bring down the loan programme of this State for this year. It will probably be brought down, if the Address in Reply debate is advanced to enable that to be done, about August 5 or 7. The documents are almost complete and will be introduced early.

DRAINAGE OF DISMAL SWAMP.

Mr. FLETCHER—Has the Minister of Works any further information to give me about the drainage of water from Dismal Swamp to the Glenelg River, Victoria?

The Hon. M. McINTOSH—Yes. The chairman of the South-East Drainage Board made an inspection with representatives of the Victorian State Rivers and Water Supply Commission on June 27 and 28. The inspection revealed that in order to provide a more satisfactory degree of drainage in South Australia and along the outfall of the drain through Victoria to the Glenelg River it was desirable to amend the design which was previously prepared to provide a deeper main drain than originally proposed. When the chairman of the board returns from the South-East I am sure he will take up this matter with his Minister and, following that, a communication will be forwarded to the Victorian Premier on the question. Up to now it is a matter of discussions between the technical officers of the two States.

ADDRESS IN REPLY.

Adjourned debate on the motion for the adoption of the Address in Reply.

(Continued from July 24. Page 78.)

Mr. O'HALLORAN (Frome—Leader of the Opposition)—I congratulate the mover and seconder of the motion on their speeches. I agree with much of what they said and may have more to say about their remarks later. Any criticism I may make of His Excellency's Speech will not be directed at him personally, but rather at his advisers who, we all understand, are primarily responsible for the compilation of the Speech. Although I did not have the pleasure of hearing it, I am sure His Excellency read it in his usual courteous and dignified manner. On behalf of the Opposition I join with His Excellency, and with the mover and seconder of the motion, in rejoicing at the prospect of a visit to South Australia by Their Majesties the King and Queen and Her Royal Highness Princess Margaret. I trust that the health of His Majesty will continue to improve so that he will be able to enjoy his short sojourn in South Australia and the opportunity of again making himself familiar with this part of his Dominions.

I also join in the felicitations expressed in the Governor's Speech about the Commonwealth Jubilee celebrations. We certainly have reason to celebrate the achievements of the first 50 years of Federal government in Australia. Probably those achievements, great as they have been, would have been even greater if some of the defects in the Constitution had been corrected as experience had shown them to exist. Realizing the disadvantages due to artificial borders or boundaries between the various parts of the Commonwealth which existed prior to federation, the pioneers of the movement were successful to a marked degree in overcoming colonial jealousies and establishing a Constitution which has enabled such great achievements to be made. It now devolves upon the people to use the instrument provided in the Constitution itself to correct its defects. I trust that long before a further 50 years of federation is celebrated they will have been eliminated and that the people of the day will be able to celebrate a Constitution truly national in character and a reorientation of State Governments, with more States and with specially selected powers delegated to them by the National Parliament, with provision, within certain limits, for their raising finances and carrying out the work delegated to them.

I rejoice, too, with His Excellency, in the bounteous rains which have fallen during the past few months, particularly in what is known as the inside country, that is, the country inside Goyder's line of rainfall. The present season emphasizes Goyder's wonderful achievement, because whilst we find that the country inside the line has probably the best seasonal conditions that have ever existed at this time of the year, in many parts of the State outside the line lean conditions are being experienced. In the main the reserve of natural fodder is being heavily drawn upon to maintain the flocks in the outside areas. I hope that before long copious downpours, which have been so beneficial to the inside country, will be experienced in the northern and north-eastern pastoral areas so that the people there may be able to rejoice with those in the rest of the State in another bounteous season.

The greater part of the Governor's Speech is a historical record of the achievements of the Government during the past 12 months. I remind the Ministers who were responsible for compiling the speech that the bulk of the achievements are the result of Parliamentary rather than Government action and that in so far as the public works programme, the developmental activities and the provision of amenities to people in various parts of the State are concerned, it is just as much the work of members of the Opposition as of the Government. Although the Government may have introduced ideas into Parliament it was, in many cases, only carrying out suggestions made by members on this side of the House, some repeated over many years before the Government was induced to act upon them. This document, referred by the member for Flinders yesterday as "a record of achievement by the Government," is actually a record of achievement of the Parliament of South Australia, for which members of the Opposition have as much right to credit as the Government.

At the moment the economic crisis overshadows much of what could be accomplished by this Parliament in carrying out suggestions made in the Governor's Speech. I shall devote some time to a consideration of these issues. Yesterday the member for Chaffey asked the Premier whether he would give the House an opportunity of discussing various problems and putting their views before him before he, as a representative of this State, attends the economic conference which has been convened by the Prime Minister in Sydney for Monday next. The Premier said that members would

have the opportunity of doing that during the course of the debate this week. It is as well that we should consider some of these issues, not only in prospect, but in retrospect. Much publicity is being disseminated in the community in an effort to get people to forget what largely led to the conditions in which we find ourselves today. Appeals for co-operation are being made to the Labor Party and the industrial movement by the Prime Minister, the press and sections of Liberal thought throughout Australia. We are asked to forget the past and co-operate in dealing with problems of the moment. Notwithstanding the past, which is a sordid one, we are prepared to co-operate with the Government in any way we can to assist in reaching a real solution of our problems, but we are not prepared to take a cut-and-dried policy from the Government. If our co-operation is desired we should have some say in fashioning measures which are deemed necessary to overcome difficulties confronting Australia. I remind members that it will not be difficult for us to assist in fashioning proper measures because they were being carried out by a Federal Labor Government until 1949. They were the result, in the main, of careful thought by the former Labor Prime Minister, the late Mr. Chifley, who realized the difficulties which would confront Australia in the years through which we are now passing. He was successful in designing a policy, accepted by the Labor Party, both industrial and political, as being in the best interests of the country. What co-operation did we get from members opposite, the press and radio sooth-sayers who today are appealing to us for co-operation?

Take the important question of price control. When the High Court decided that Federal price control, which had been implemented under war-time powers, could no longer be sustained, Mr. Chifley and his Government submitted the question to the people of Australia. They asked them for power to be vested in the Commonwealth Parliament to establish uniformity of price control, which they believed then and which most people realize now, is the only effective form of control. What happened? There was a spate of propaganda from one end of Australia to the other. Our own Premier made a promise which became famous in the intervening period "that he could assure the people of South Australia that when Federal control ceased the State Government could exercise its powers and implement prices control." He probably did not realize the

implications of his promise, or the difficult task with which he burdened himself. Apparently he realizes it to some extent now because he admitted, particularly today when replying to a question by me, that if there was to be effective price control there must be uniformity.

On a number of occasions I have said that the only way uniformity and concerted action can be obtained is by Federal action. Unfortunately, the people accepted the advice of those who sponsored State control. I believe that at that stage the great majority of people did not want any control. They did not fully realize the change in the world situation, particularly in economic affairs, which had been brought about by the war, nor did they realize fully the implications the changes would have on the Australian economy, and they voted for what they called "freedom from Canberra control." They accepted the slogan that it was better to be controlled from Adelaide than from Canberra.

Let us realize what this has been responsible for and see what happened during the last period of price control in Australia. Price control in Australia began in September, 1939, on the outbreak of World War II., and continued to be operated federally by the Labor Government until the defeat of the 1948 referendum. The overall increase in prices in Australia, taking the average of the six capital cities, between September, 1939, and June, 1948, was 39 per cent. Those years embraced the difficult war period when nearly 1,000,000 of our population, men and women, but mainly men, the best section of the country as far as productive capacity was concerned, were engaged in one or other of the fighting services in the defence of our country. From June, 1948, until June, 1951, under State control, which has virtually meant no control, there has been an increase of 44 per cent. The total increase today since 1939 is about 100 per cent. I do not say that my figures are decimally correct, but they are so close that it does not matter. That 44 per cent, translated into purchasing power, means about £70 worth of goods for every £100 spent. That is the price that people are paying for listening to Mr. Menzies, Mr. Playford, the press and radio satellites.

Mr. Dunks—In what part of the 1939 to 1948 period were wages pegged?

Mr. O'HALLORAN—I think they were pegged from 1943 until about 1947. I remind Mr. Dunks that the suggestion about pegging wages is largely a fallacy because today, under our wage fixing system, the wage structure in

Australia is controlled almost entirely on the basis of the cost of living index. I do not agree with the Premier's statement yesterday that because of overseas influences the "C" series index that is used to determine wages would be substantially interrupted.

Mr. Fletcher—Why not stop imports?

Mr. O'HALLORAN—Many imports of the luxury type that are entering Australia today could be stopped at a minute's notice by the Federal Government. Although we have been able to build up a surplus overseas because of high prices for wheat and wool, it is not a reason why we should spend it in purchasing luxuries from overseas. I was in Parliament in the depression years and we realized then the result of dissipating an overseas surplus. The plan which is being adopted in Australia today by the Commonwealth Liberal and Country Party Government is similar to the plan adopted by the Bruce-Page Government after World War I. Unless those who now control Australia's destiny can be induced to alter their ideas we will have the same results as we had on the previous tragic occasion. I am not much concerned with luxury production or distribution. I am old fashioned enough to believe that the ordinary things are the main essentials of life. There are many things regarded as luxuries which in certain circumstances can be considered essentials. We must have furniture in the kitchen and food in the larder before we think of buying furniture for the sitting room.

The Hon. T. Playford—And have a roof over our head.

Mr. O'HALLORAN—Yes. I now want to refer to the abolition of capital issues control. This was one of the features of the Prime Minister's policy speech before the 1949 Commonwealth elections. He said that if returned his Government would abolish that form of control, but we said it would be dangerous to do it as it would lead to a flood of investment in luxury industries, and black markets in materials and labour. Despite that warning Mr. Menzies went merrily on his way and we had a veritable flood of investment in luxury undertakings. New companies were formed and old ones were expanded, and the impact on our economy was great. I have tried to get reliable figures to show the extent of the investment during the past two years, but so far I have not been successful. I saw a statement in a newspaper published in the eastern States about two or three months ago that the investment in this way amounted to about £200,000,000. That seems to be rather

high, but it may be correct. I assume that the journalist who was responsible for the statement knew something about the matter. For a period I watched future issues of the paper but I saw no refutation of the report, so we must regard the figure as having some basis in fact.

Mr. Christian—What was the paper?

Mr. O'HALLORAN—The *News Weekly*. The Prime Minister recently, realizing the tragic mistake he was making, reimposed some form of capital issues control. I understand application has been made to the High Court to declare it *ultra vires*. If it is declared *ultra vires* much harm will have been done to the Australian economy. Another point is the criticism levelled at the Commonwealth Government when it imposed the wool deduction tax. The Government was criticized for not having taxed other people in receipt of incomes as high as those of wool growers. The Commonwealth Government said an excess profits tax would be introduced early, but 18 months and an election have gone and the excess profits tax has not yet seen the light of day. If it had, there would have been some influence on the evil of luxury spending, but the Commonwealth Government has failed to introduce it. When in opposition the Commonwealth Liberal and Country Party said it would put value back into the pound, but figures show just what has been the effect of that policy. It also said it would reduce taxation. From one end of Australia to the other, prior to the 1949 election, we heard that there would be a progressive reduction in taxation if Mr. Fadden became Treasurer. He did become Treasurer and last year he collected and spent an all-time record of taxation. I think it was £740,000,000. It is suggested that this year he will collect and spend £1,000,000,000. Is it not time that we had some stability in politics and in political principles? Is it not time that the people realized that they are responsible for these things and that if they permitted themselves to be misled on one occasion they should not allow it on another occasion.

We are to have in Sydney next week a conference on inflation. Up to date we have not seen one positive proposal submitted by the Commonwealth Government. In the main the Commonwealth Parliament has been engaged in passing two pieces of legislation. One was to amend Commonwealth arbitration laws and the other to deal with Communism. I shall refer to these matters later. Commonwealth Ministers must have known that a conference would

be necessary and that they would have to appeal to the workers, because in the final analysis it will be the workers who will get this country out of its difficulties. It will not be the rajahs of finance or the captains of industry, but the plain ordinary wealth producer, whether he works on the farm, in a mine, or in a factory. One would have thought that in framing legislation the Commonwealth Government would have shown some tolerance of the organizations the workers have formed to get protection. The legislation amending the Commonwealth arbitration laws represents a savage attack upon time-honoured rights of industrial organizations, and an attempt to destroy conditions which have taken workers many decades to get, yet they are asked to co-operate with the Commonwealth Government. As I have said, they will co-operate because they are the only people with the brains to organize the job.

Mr. Dunks—That is a reflection upon leaders of industry.

Mr. O'HALLORAN—I do not think leaders of industry have sufficiently realized the changed economic conditions born of the last war. They must take up some of the slack in their own industries before they give gratuitous advice to all and sundry as to what should be done.

Mr. Dunks—There are exceptions.

Mr. O'HALLORAN—Yes. There are industries in Australia which are highly efficient, and the B.H.P. Co. is one. We do not hear the leaders of these efficient industries talking in the same way as lesser lights in industry. Other industrial leaders are developing a potential, but there are some who regard industry as a means of getting a living with as little effort as possible. The first thing to consider in approaching this problem is the meaning of inflation. There appears to be some rather muddled thinking on this matter. Some people believe that the only way to check inflation is to reduce the standards of the workers. It has been seriously suggested by at least one leader of business thought that wages should be pegged, but no mention was made of pegging prices. The inference from that is that the standards of living of workers are to be reduced in order to solve the problem. I admit that much of the problem is due to the fact that there has been a very substantial increase in the prosperity of Australia in recent years, mainly because of high prices for our two principal exports, wool and wheat. However, the wool position is apparently deteriorating. Yesterday's *Advertiser* contained a report that, whereas the overall

average for the Australian market for the last wool selling season to June 30 was about 144d. a lb., the average at the Adelaide June sale was about 84d. a lb.—a substantial drop. Probably the June sale did not represent a fair cross-section of South Australian wool, because it included oddments and wool of the crutching type.

A better criterion may be the Brisbane sales, because, with their early shearing period, at the moment they are selling current clips of a fair quality wool. At the wool sale held three weeks ago in Brisbane the prices represented a drop of £100 a bale on prices obtained at the peak period in February of this year. For the whole of Australia that would represent about £250,000,000 if that reduction in price were maintained throughout the coming selling period. If the international situation eases the price may fall even lower. Even if it does not ease, the stage may have been reached when nations have completed stock piling for war. Had it not been for that factor, the price of wool would not have soared to such dizzy heights early this year. If we are to depend on the ordinary consumer demand to liquidate the wool clips of the various wool producing countries of the world, particularly Australia, there will probably have to be some reduction in price before stability is reached. Australians as a whole have some responsibility to seriously consider luxury spending before embarking on it. The Government has a responsibility to advise and direct them as far as possible, but until now we have seen no evidence of such a policy from Canberra.

Another factor undoubtedly linked with this matter is the question of banking control and interest rates. The control of banking, and through it interest rates, by the Chifley Government was one of its triumphs. After the first World War the rate of interest nearly doubled itself in Australia and the rate on Government borrowings increased from 3½ per cent to 6½ per cent. The overdraft rate increased from 4½ per cent to 8½ per cent and in some cases to 10 per cent.

Mr. Dunks—Australia was borrowing overseas then.

Mr. O'HALLORAN—The honourable member is not quite correct, because during the first World War a terrific amount of Australian expenditure—about £360,000,000—was financed through the Commonwealth Bank, including various pools for handling wheat, wool, meat, and other commodities. During the war loans

were floated in Australia to meet war expenditure incurred on behalf of Australia within Australia. Australia borrowed overseas to meet such expenditure as the payment of soldiers serving abroad and the munitions they used. However, a considerable part of our expenditure in that period was incurred in Australia. During the war and in the immediate post-war years we had satisfactory trade balances with the other countries of the world. It was later that the great dissipation set in. The honourable member for Mitcham would not suggest that the banks had to borrow overseas to meet my overdraft commitments at that time, because I like to think that the interest I paid went into the pockets of Australian shareholders rather than being dissipated overseas. The reduction on interest rates by a wise financial policy has been of inestimable benefit to hundreds of thousands of Australians today, including the returned soldier going on to partly developed or undeveloped land and the war service home purchaser, to whom this reduction represents a very big sum, to a considerable extent compensating him for the increased cost of materials.

However, we now find the present Federal Government embarking on the same banking policy as Messrs. Bruce and Page embarked upon in 1922. The control of the Commonwealth Bank was restored to the people by the Labor Government, which abolished bank board control and initiated control by a Governor, which was the type of control established when the bank first came into being and was so highly successful in those early days and during the first World War. When private interests are allowed to control the credit of a country, the control of the King's currency is taken out of the control of His Majesty through his Parliament. The Labor Government policy was successful in every respect.

One of the first actions of the Menzies Government which, I will admit, may claim to have a mandate from the people to do it, was to introduce legislation setting up the Commonwealth Bank Board. I am afraid the implementation of this measure will have the same results as those which followed the first World War, because already there are indications of a hardening trend in interest rates and suggestions that they will have to be raised. When the effects of the increased interest rates and the reduced returns to producers because of falling prices are felt, we will not be far away from the conditions which existed in this country in 1928 and 1929.

This is one point which will have to be tackled by the economic conference called by the Prime Minister, if it is to be successful. It may even result in the repeal of the banking legislation so recently enacted.

I was struck by the thoughtful nature of the maiden speech of the honourable member for Flinders, whose points were well reasoned and nicely put. I agree with most of what he said, but he made one trite remark, which I did not think he intended to be taken literally. When he referred to himself as one of the youngest of the "political children" sitting behind the Government, I thought to myself, "You do not realize how true that is, because, when the big maestro speaks, everyone on your side of the House is treated as a political child." The honourable member went on to commend the Government for bringing amenities to country districts. He referred to the activities of the Housing Trust, to soil conservation under the aegis of the Department of Agriculture, to water conservation under the control of the Minister of Works, to the proposed improvements to the Port Lincoln Harbor, and to the railway services generally. Later, the honourable member for Unley went on to talk about bricks and very nearly suggested the establishment of a State brickworks. There is a good deal of muddled thinking in Liberal circles today. It is time Liberal members orientated their principles a little.

Mr. Whittle—Members on this side are all individuals.

Mr. O'HALLORAN—Then they should remain so. If they want to stand for the same things as the old National Defence League, which was the beginning of their political organization, they should do so; but they should not adopt whole planks of Labor's platform, which were commended by the honourable member for Flinders yesterday, and then put out the following propaganda. It is part of an advertisement which appeared in the *Port Lincoln Times* for Thursday, May 24, 1951, and related to the by-election campaign then in progress which resulted in the election of Mr. Pearson. The electors were urged to vote for him because he had been elected by growers to the Australian Barley Board and was still a member. Is the Barley Board constituted to maintain the rights of the individual, or to carry out traditional Liberal policy, or to carry out the Labor Party policy of the orderly marketing of primary products by boards elected by growers? The electors

were also urged to vote for Mr. Pearson because he was a South Australian delegate to the Australian Wheatgrowers Federation. But here is the gem of the lot—"He will do all in his power as a loyal member of the Playford Government to oppose Socialism and Communism and serve the interests of the people of Flinders and the State generally." I believe he will very competently serve the people of the State in general and of the district of Flinders in particular, but the reference to Socialism intrigues me in view of what I have just referred to. Just prior to the by-election the Premier made a statement in Port Lincoln which was published in the *Advertiser* of May 3, 1951. The following is part of the report:—

A £1,000,000 plan to improve berthing facilities at Port Lincoln to meet the growing needs of Eyre Peninsula was outlined by the Premier.

The *Advertiser* then gave details of the various sections of the plan. Public works of this magnitude should properly be referred to the Public Works Committee for inquiry before statements are made in relation to them. I recall that the Premier went to Robe before another election some years ago and told the people there that a harbour would be established at that centre. However, the matter was subsequently referred to the Public Works Committee and after some investigations had been carried out as recommended by the committee it was found that the site was not suitable. As a result, a harbour has not been established at Robe, nor is one intended to be established there.

Mr. Macgillivray—It was a good topic for an election campaign.

Mr. O'HALLORAN—I would not be so uncharitable as to say that that was the reason for the statement, but regard should be had to the fact that we have a Public Works Committee, and it is the duty of the Government to have projects involving an expenditure of more than £30,000 investigated by the committee before the necessary legislation is introduced into the House. I do not like this publication at certain fortuitous times of what is about to happen. Some day I shall have much more to say on this matter.

Mr. Frank Walsh—Do you think the Public Works Committee is being overworked at present?

Mr. O'HALLORAN—I will not be drawn into that question at the moment, but I gather from the press that the committee is working very hard and I wonder how many years will elapse before some of the works it is now

investigating will be completed or even started. I urge clear thinking on the questions of Socialism, or whatever people may care, to call it. We have gravitated far beyond the stage when the community can be served effectively by individual effort. The scope of individual effort is being narrowed by circumstances beyond the control of the individual. I commend the Government for its adoption of portions of the platform I have been fighting for ever many years, but for goodness sake let us be clear about it and admit just what it is, Socialism or community effort, in order to ensure that the best service will be rendered to the community. Let us not continue to abuse other people because they believe in it and because they have paved the way for the Electricity Trust, and Housing Trust and other institutions of that nature in this State.

I am not happy about the position of our primary industries. I have heard many speeches and read many articles during the past few months on this question but the plain fact is that, despite what is said in the Governor's Speech to the contrary, there is a drift in primary production and land settlement that must be corrected. However, I do not see any effective suggestions in His Excellency's Speech for its correction. It is true that a portion of paragraph 4 refers to the establishment of young farmers' clubs and the financing of them, but we must go much further than establishing these clubs, worthy organizations as they may be, before the drift can be corrected. I have previously referred to the maldistribution of population, but I refer to it again because it has much to do with the falling off in production from the land. In 1920 the population of the State was 491,000; that of the metropolitan area was 253,000, representing 51.64 per cent; and the country population was 238,000, representing 48.36 per cent. In 1935 the State's population had increased to 586,000, the metropolitan area having 315,000, being 53.68 per cent; the country population had increased to 271,000, but the percentage had been reduced to 47.32. The population of the metropolitan area had increased by 62,000, but the population of the country had increased by only 33,000. The ratio of increase of the metropolitan population over the country was 2 to 1. During the 14 years between 1935 and 1949 the State's population rose to 687,000; the population of the metropolitan area increased to 407,000, representing 59.1 per cent of the total, but the population of the country rose only to 280,000, being 40.83 per cent. The population of the metropolitan area increased

by 92,000, but the country by only 9,000; the ratio of increase rising to 10 to 1. Those figures speak for themselves. The total increase from 1920 to 1939 was 196,000, the metropolitan area absorbing 154,000 and the country 42,000.

I think only the census figures collate the statistics of those engaged in agricultural, pastoral and dairying pursuits. According to the 1921 census, 47,755 persons were engaged in those industries in South Australia. By 1933 there were 53,124, an increase of 5,369. In 1947 only 44,300 were engaged, a decrease during the 14 years from 1933 to 1947 of 8,824. In order to ascertain the source of the decrease in persons engaged in primary production we must look at the statistics of individual land holdings. In 1935 there were 31,123 land holdings in South Australia. By 1948 that figure was reduced to 27,597, a reduction of 3,526. That reduction in holdings is still going on.

Mr. Heaslip—Can't you get some later figures?

Mr. O'HALLORAN—They are not available yet. The only substantial increase in land holdings in recent years was by the settlement of 616 soldier settlers on the land, as mentioned in the Governor's Speech. I doubt whether that has even made good the wastage which has taken place because there is a tendency today, when land is being sold, for the man with the most money, who sometimes has a good deal of land himself, to outbid everybody else. Many holdings are thereby being added to and this leads to a process of re-aggregation. That is wrong and something must be done to correct it. It is problematical whether the increased number of land settlers resulting from soldier settlement is making good the wastage in other directions.

Mr. MacLachlan—You are not contending that?

Mr. O'HALLORAN—No, I am only thinking it, but it will not make good the 3,526 we have already lost.

Mr. Heaslip—Much of it occurred under the marginal lands scheme.

Mr. O'HALLORAN—It did. There was no provision under that scheme whereby, when we shifted men out of the dry areas where they could not make a living they had an opportunity of becoming landholders anywhere else. They drifted into the city and we lost them and their families for ever. The wheat acreage in South Australia in 1938-9 was 3,080,000. In 1947-8 it was 2,375,000; 1948-9, 2,063,000;

1949-50; 1,896,000 and for 1950-1, 1,840,000 (a preliminary estimate). That is a reduction of a little more than 3,000,000 acres to 1,840,000 in 11 years. Some of the reduction is due to a transfer of planting from wheat to barley and oats; a most desirable practice so far as land husbandry is concerned, but I do not think it is all attributable to that, for some may be due to the marginal lands scheme. Until about 1938-9 the average production of wheat in South Australia was between 34 million and 35 million bushels, but now it has dropped to 30 million, or slightly less. We are not doing our part in wheat production to help feed the population of South Australia and provide for export, too.

It has been suggested that some of the decrease may be due to transference from cereal production to land carrying stock, but hay production has dropped enormously in the same period—from 586,000 tons to 385,000. There should not have been that drop in hay, even taking into consideration the mechanization that has taken place on farms. More hay should have been produced to feed stock on farms than has been the case and more must be produced if we are to have more butter production, which is a grave and growing problem. In 1938-39 we produced 20,717,000 lb. of butter; in 1947-48, 21,537,000 lb.; in 1948-49, 20,809,000 lb.; and in 1949-50, 19,626,000 lb. According to figures which have been published in the press there has been a further substantial reduction. Butter production is falling in a most serious manner. What is needed to correct it is a vigorous land policy. The Government might consider adopting a few more planks of the Labor Party's platform in that respect.

It is remarkable that we, who are accused of being Communists, out to dispossess everybody and put everything in the hands of the State, are the ones who, in and out of season throughout the years, have been trying to expand private ownership. We pioneered the workers' home scheme so that workers could own their own homes. We pioneered land settlement, in association with the Honourable C. C. Kingston, in the early days of this century and which was achieved by legislation passed at the time. Today we are pioneering another fight to induce this Government to take steps—and I believe some drastic steps will be required to correct this drift from the land and its re-aggregation into more effective living areas—to correct the position. We do not suggest that people who have acquired land under the laws of the State

should be dispossessed of their properties, but when the future well being of the community and the Australian nation is concerned the individual should be prepared, on receipt of fair compensation, to forgo his rights and make his land available for closer settlement. If he is not prepared to do that compulsion should be applied in the same way as under the Lands Act in the acquisition of under-developed lands.

Mr. Heaslip—You are opposed to a farmer making provision for his sons.

Mr. O'HALLORAN—No. I believe that a farm should be a family maintenance area. That postulates an area sufficient to provide for at least one or more generations, but I am not prepared to allow any man to hold an area which will provide for his descendants 100 years hence. We cannot afford to allow these conditions to continue. Let me read an extract from an article which appeared in the *Advertiser* of June 5 last by "Barbara Ward," who is really Mrs. R. G. Jackson. Addressing the Country Women's Association's annual conference she said:—

The best contribution Australia could make to world peace was to produce as much food as possible and export as much as possible. Higher food production was essential for Australia's survival and that of the Commonwealth and the free world. Food was the greatest need of the 20th century. There would be a shortage for the next 20 years. Primary producers need not fear over-production and vanishing markets as they had had to fear them in the past. The way to beat Communism in newly awakening Asian countries was to produce enough food for them to enjoy better standards of living. If these countries felt the free nations could not meet their basic food needs they would turn to Communism, Fascism and other violent creeds. Food production in Australia was not keeping pace with consumption, Miss Ward said. Investment in primary producing areas was lagging behind economic progress in other industrial fields. Fewer men were working on the land than before the war. That quotation aptly sums up what I have been trying to say. The responsibility which devolves upon this Parliament must be faced up to, not in the distant future but in the immediate future to correct the position.

The member for Flinders yesterday referred to Communism and said that he could not imagine any member of this Parliament opposing the referendum on the Commonwealth Powers Bill, but I intend to do so. I will do so deliberately, without reservations of any kind. I will do so because I learned, as a boy, that we did not use Beelzebub to cast out devils, but that it is what we are proposing to do under this legislation. In order to deal with a pernicious creed of misguided people,

who are out to destroy what I hold near and dear, we are going to join in the destruction of these things. I am not prepared to do it. I have been fighting Communism for more than 30 years and will continue to do so as long as I have strength in my body and breath in my lungs. Communism is contrary to everything that Christian people hold near and dear, but I am not prepared to sacrifice fundamental human rights so as to secure a Pyrrhic victory over Communism—and it will be a Pyrrhic victory. We cannot ban ideas by laws, but we can show people who are inclined to give credence to those false ideas that they are wrong. There is a great responsibility on the community in this regard. It does not all devolve on Federal or State Governments or on members of Parliament. It does not devolve on leaders of the trade union movement who are fighting for democracy and trade unions, but on the rank and file of the industrial movement to take an interest in their own affairs and throw Communists out of the official positions they hold in unions.

So far as individuals are concerned it devolves on them to cultivate a spirit of antagonism to Communism and not expect some Parliament or Parliamentarian to do the work. I recall when the International Workers of the World first raised its head in this country. It was the forerunner of Communism. I was a more active man then than I am today. I went out amongst the workers and talked to them against forming the I.W.W. I also went amongst the soldier settlement areas along the River Murray and in less than 18 months there was not an I.W.W. man left on the job in South Australia. What was done then could be done today. People must face up to their responsibilities and not try to get an easy way out. In doing so they should not ask Parliament to sacrifice the fundamental principles of human rights. If members consider the reasons given by the High Court when, by a six to one majority it declared the anti-Communist Bill *ultra vires*, they will find that the judges suggested ways and means within the present Constitution which could be used to deal with Communists in Australia. We should deal with treason as such and punish it under the Crimes Act, but that has never been tried. It is bad practice to ask people to write something into the Constitution because once this is done it can be taken out only after another referendum has been

carried. That is a point which should be seriously considered before giving whole-hearted support to a referendum. Members of this House have an obligation, which is to make this Parliament more democratic than it is today. We hear a lot about poor living conditions and hunger, and they are matters we should be tackling today. We should be increasing our production of foodstuffs, not only to prevent people from having to pay black market prices for butter and other goods, but to provide a surplus sufficient to feed the starving millions to the north.

We should have a democracy where the humblest and the highest citizens in the community have an equal right to change the Government if they so desire. In South Australia we have a Parliament of 39 members, 13 representing metropolitan seats and 26 country seats. In the metropolitan area there is a total enrolment of 272,000 and in the country 168,000. The highest enrolment in the metropolitan area is 26,000, the lowest 14,000, and the average 20,900. The highest in the country is 10,500, the lowest 3,500, and the average 6,500. There are 440,000 electors represented by 39 members, and the average should be 11,280. We should set our own house in order by establishing something nearer to a democracy than we have at present. The Governor's Speech contains no reference to electoral reform. Last session I introduced a comprehensive Bill on this matter and I fought it as hard as any man could fight it, but I did not get one vote from member's on the Government side. It is significant that they all voted as the Premier voted. Members opposite should look at this aspect of government and ask themselves whether they are doing what they profess to be doing in combating Communism.

The Opposition agrees with most of the legislation forecast in the Governor's Speech, but we regret that some of the more progressive reforms I have dealt with are not mentioned. We hope that as a result of our continued pressure we will succeed in getting the Government in days to come to gradually expand its activities, as it has done in the past along the lines of Labor principles, in the interests of the people.

Mr. MACGILLIVRAY (Chaffey)—I associate myself with paragraph 2 of the Governor's Speech where reference is made to the visit to Australia of their Majesties the King and Queen and Princess Margaret. The district I have the honour and responsibility to represent has a peculiar interest in the visit of the

Royal Family. When the previous visit was arranged they were to visit the Renmark area. We hope the King has regained his health and that his tour of Australia will not put upon him too great a strain, but will enable him to return to the Old Country recuperated. Perhaps the King and Queen will not be able to visit the Renmark district, but we all hope that Princess Margaret will do so. There we have an aggregation of ex-servicemen, second to none in the Commonwealth, who have done practically all the developmental work in the area, and they are men who defended the Empire through two world wars.

I join with other members in congratulating Mr. Pearson on his election to this place, which is an honour to any citizen in a democracy, and on his maiden speech. I hope he will not expect all members to agree with what he said, for if he does he has a wrong idea of a democracy. We look forward to what he has to say on future occasions.

It was not my intention to speak so early in this debate and I do not look forward to following the Leader of the Opposition, who is an excellent debater. In doing so, I hope I shall have the sympathy of members. Yesterday I asked whether it would be possible for the House to debate Australia's No. 1 problem—inflation. It is far more serious than the much more publicized problem of Communism, because if inflation continues and our economic system crashes there will be a greater breeding ground for Communism, and we shall have something we have never experienced before in any part of the British Empire. It has happened in other countries, and we say that it cannot happen here, but it will happen here unless we take definite steps to prevent it. I know that anyone who suggests ways to prevent the inflation spiral is "sticking his neck out," but I have been inspired to do so by the following lines, written by J. G. Whittier, when the United States of America was faced with a great problem in previous years:—

Now, when our land to ruin's brink is
verging,

In God's name, let us speak while there is
time!

Now, when the padlocks for our lips are
forging,

Silence is crime!

Anybody who can express an opinion on this matter of inflation is in duty bound to do so. That is why I have taken part in this debate so early. If people do not agree with my suggestions I would like to know where they break down. I want to see our Parliamentary system doing what it is supposed to do, that is, debating the problems of the day.

Several ways of overcoming the inflationary spiral have been mentioned. One of the commonest is that we should work harder and produce more. It is true that we should do so, but if we leave it there we will not overcome the inflationary spiral. The United States of America is now producing as no other country has ever produced. About 22 per cent of the workers are producing sufficient to meet the needs of the country, and enough to flood the markets of the civilized world. If production is necessary to combat inflation, there should be no inflation in the United States of America, but the fact is that inflation there is as great as if not greater than it is in Australia. We hear a lot about price control. The Leader of the Opposition believes in it, and says it will solve the problem. During the war price control and wage pegging played a valuable part in our economy. When we are engaged in a world war our people are prepared to put up with restrictions and make sacrifices, but when the war has ended they want their freedom again. People do not fight major wars for democracy in order to be tied to bureaucracy for the rest of their lives. The effect of pegging prices is to give an opportunity to the black marketeer to make profits. Tobacconists and grocers will keep goods under the counter for people with whom they have an affinity, and the rank and file will not get them.

This afternoon's *News* contains the following remarks by a visiting Canadian economist, Professor W. A. Mackintosh:—

Ending inflation is a matter of adjusting what the economy is trying to do with the amount of resources and manpower that is available to it. This means a multitude of things. The adjustments may be made with either direct controls or with market instruments, such as credit control, higher interest rates, or modified exchange rates, and so on.

The professor sees that finance is a major factor in the control of inflation. He goes on to admit that the measures he has mentioned may lessen business incentives, but says that something must be done to lessen the desire of people to bid up prices and to expand beyond their resources. I suggest that the professor's argument is the same old argument that introduced the depression in 1929—to reduce incentives to production. However, when incentives were reduced, production lagged. The biggest percentage of Australians are in the working class. Mothers in that class receiving a little over the basic wage and their maternity allowance do not squander their money. Any reduction of the spending power of that section will have a marked effect on industry.

Whatever virtue there may be in price control as a temporary expedient, neither it nor wage pegging is the answer to inflation. Wage pegging does not take into consideration an important section of the community, the thrifty, hard working, dignified and self-respecting people whom we laud. This section includes those men who pay a certain sum from their weekly wages into superannuation funds, mainly to protect their own dignity because they do not want to be supported by what they regard as charity, even though it be under the guise of some social service. It also includes men who regularly pay into savings bank accounts or invest their money in houses, thinking they will have security in their old age. Inflation is robbing those men of all the protection they have provided for themselves from the reward for their labour at a time when they are least able to protect themselves. Wage pegging will not answer their problem. Something more definite must be evolved.

A factor conducive to the present shortage of goods is the absence from industry of 8,000 young men who would soon have been able to take a major part in production. They have been drafted into the armed services. We are told there will be a regular flow of 200 a week to augment the number already enlisted. Assuming that flow continues, over 10,000 active young men will be taken out of industry within a year and put into an organization which must be paid for from production without itself producing. Defence is a responsibility which we, as a community, must accept, and no reasonable person will deny the need for it or suggest that those young men being trained to defend Australia should get anything less than the very best. However, it is a factor that must be faced up to.

If all these controls are to be imposed, how will the Commonwealth Government be able to rid itself of the 10,000 civil servants so as to make them available for production? Obviously, if we are to go back to the bad old days of bureaucratic controls, the numerical strength of Government departments must be increased. The statement that the Commonwealth Government intends to reduce its staff by 10,000 is too silly for words, and would seem to have been made in an effort to placate the public. It will not be possible to do what it desires.

We must take definite financial steps to stop inflation, and should as a major financial policy subsidize production with the express idea of

reducing the cost of living. Subsidies have been paid in other part of the Empire, particularly in Great Britain, where results are being achieved, which is more than can be said for this country under our present system. Great Britain's milk production increased from 530,000,000gall. in 1935 to 1,884,000,000gall. in 1950, an increase of over 300 per cent. To produce milk in Great Britain is much more expensive and difficult than in Australia, because there for practically six months of the year cows must be housed and hand-fed—a very uncommon practice in Australia. The *Advertiser* of July 20 contains the following report:—

Britain's agricultural production is 46 per cent higher than before the war. Milk production has risen by 300,000,000gall. in the last three years and is 30 per cent greater than before the war. Beef and veal has gone up from 408,000 tons to 600,000 tons and lamb from 108,000 tons to 144,000 tons.

This increase in agricultural production has been achieved by guaranteeing the producer a certain price without increasing the cost to the consumer. If that can be achieved in Great Britain, it can be achieved in Australia.

In this State we have no guaranteed price to the primary producer who must take more or less what is left over from secondary industry. The *Advertiser* of July 3 contained a comprehensive article by a staff agricultural correspondent to whom I pay a tribute. He compares production figures for 1950 with those for 1949, in every case showing a reduction. In 1950 South Australia produced 87,950,000 gallons of milk, but in 1949 we produced 91,300,000 gallons. In 1950, 19,650,000 lb. of butter was produced, but in 1949, 20,808,743 lb. The production of butter fell by about 1,000,000 lb. No wonder we have no butter for export. The way we are going we will soon have not enough butter for ourselves. In 1950 South Australia produced 23,700,000 lb. of cheese, but in 1949 we produced 26,105,591 lb. I doubt if any of us ever expected figures like these, and I was shocked when I saw what was happening in our primary industries.

Mr. Whittle—We had a very dry year in this industry last year.

Mr. MACGILLIVRAY—I admit that last summer was dry and hot, but we have had two of the best years South Australia has ever known.

The Hon. M. McIntosh—You are comparing the production of one season which was dry with the production of a good season.

Mr. MACGILLIVRAY—We had a dry summer, but it was a good year. In 1950 we produced 7,600,900 lb. of bacon and ham, but 8,460,221 lb. in 1949, a reduction of about 1,000,000 lb. I am not suggesting that the dry summer had no bearing on the reduction, but if Government supporters think they have answered the problems of primary production in South Australia by suggesting that these figures are the outcome of a dry summer they are much misled. Under the subsidy system in Great Britain primary production is increasing by 300 per cent in certain lines. However, in South Australia it is diminishing and will continue to do so under the present financial setup.

Mr. Dunnage—What do you recommend?

Mr. MACGILLIVRAY—Something that may seem unusual to orthodox thinkers. We are now spending hundreds of millions of pounds a year in meeting the big increases in wage rates. That in itself is bad enough, but there is no limit to it. I understand that a statement was made in Canberra some time ago that wage increases cost the Commonwealth £200,000,000 last year. I think that may be an understatement, but it illustrates my point. If we spent £200,000,000 in wage increases last year we know that we shall spend £300,000,000 this year and £400,000,000 next year for the same reason. There is no limit to it because inflation feeds on itself like a cancer until people will need a cornsack of paper money to buy a loaf of bread, if they can get it. There would probably be no loaf to be purchased because production would have ceased as a result of the rotten financial system.

Instead of spending untold millions in feeding the cancer of inflation we should spend it by subsidizing the consumption of goods. As the Leader of the Opposition said recently, the "C" series index is the basis on which the Commonwealth Government fixes the basic wage. I believe the Labour movement calls it the regimen. We know what has happened in Germany and China as a result of inflation. If we divert this great sum being spent on wage increases into a fund we can subsidize the cost of living—those items covered by the regimen of the "C" series—by, say, 10 per cent so that the cost of living automatically comes down. Then the next time the Arbitration Court considers the basic wage it would be automatically reduced because it is fixed on the cost of living. Until the cost of living is reduced wage rates cannot come down.

Mr. Fletcher—And we would then get back to real wages.

Mr. MACGILLIVRAY—Yes, we would be putting shillings back into the pound. Not only the workers, but those who are no longer engaged in industry and who are living on their savings would benefit.

Mr. Clarke—How would you establish the fund?

Mr. MACGILLIVRAY—By using exactly the same money as we now spend as a result of increased wages. Instead of paying increased wages use the money to reduce costs.

Mr. Whittle—The employer pays the wages and the increases.

Mr. MACGILLIVRAY—No, the consumer, of necessity. The employer only passes the increases on. I admit he has to do that. I do not suggest that he is doing anything wrong; he has no alternative. The consumer therefore pays for his own wage rise and he is worse off in the end. Businesses have to stand other costs, such as interest on bank overdrafts. The Leader of the Opposition said that money is cheap today, but I don't believe it. A man has to borrow £300 today to do what £100 did in 1938, so money is not cheap. Further, most workers in industry are called upon to work overtime so the consumer has to bear the extra costs resulting therefrom. Rising costs have brought dissatisfaction in industry in spite of the continual increases in wages.

Mr. Clarke—Financing industry by overdrafts is cheaper than by new capital.

Mr. MACGILLIVRAY—That is not germane to my point. I suggest that the money spent in wage increases should be used to subsidize the cost of living.

Mr. Clarke—You would take money from people by taxation instead of by high prices?

Mr. MACGILLIVRAY—I agree with the principle of taxing those who have plenty of money. The income tax system, properly applied, is the fairest form of taxation.

The Hon. M. McIntosh—Just as well Mr. Craigie is not now in this House.

Mr. MACGILLIVRAY—I disagree with him on many points, and we would probably differ on this, but without any personal feeling. Under the present system income taxation is the fairest method of re-distributing money. Some people, because of certain

privileges or rights, get too much money and they should see it ought to be distributed amongst others, but that is beside my point. We should use the money being paid in wage increases in reducing costs and thereby reducing wage rates so that those people to whom we give lip service and who save money to preserve their dignity may still live in dignity.

Mr. Whittle—You have not told us how the fund will be created.

Mr. MACGILLIVRAY—I am sorry the honourable member, who represents a big working-class area, should simply grin like a Cheshire cat. I approached this debate in a serious spirit. I do not mind being cross-examined, but this is not a laughing matter.

Mr. Whittle—I am not laughing. I am serious when I ask how the fund of £200,000,000 can be created.

Mr. MACGILLIVRAY—I ask the honourable member whether he knows how the £200,000,000 for increased wages is found? Where does it come from?

Mr. Whittle—From the consumer.

Mr. MACGILLIVRAY—The honourable member does not know. I ask members to look back on some of the things I have witnessed during the 13 years I have been here. I entered Parliament in 1938, when the worst of the depression had passed, but the people were still suffering from it. The then member for Unley, who represented a city constituency and could see what he believed was unnecessary suffering, moved for the establishment of a committee to investigate the question of unemployment. The member for Adelaide moved that an increase in the rate of allowance should be made to the unemployed of the day. That was not an instance when we were short of work for them, but because we were short of money to put them into jobs. It was cheaper to keep men unemployed on a spending power of 4s. 9d. a week, plus some cheap goods, than put them into industry. People do not seem to realize that we are likely to get exactly the same results today, but from a different angle. We are keeping too much money in circulation.

In 1939 I had a motion carried here that finance be made available for the defence of Australia, for primary industries, and for the general welfare of the people of Australia. That motion was carried and sent to the Government of the day, led by the same Prime Minister who is in charge now, Mr. Menzies. Following my motion, a similar one

was carried in every State Parliament in the Commonwealth, with the exception of New South Wales. Perhaps the biggest honour done me, as mover of the motion, was in a letter I received from a special Anglican conference in England asking for permission to use my speech.

The Hon. S. W. Jeffries—What year was that?

Mr. MACGILLIVRAY—In 1939. In September of that year World War II. broke out. Wheatgrowers were mortgaged up to the hilt; some of the wool men, too. By the time the war had finished, because of new purchasing power, our wheatgrowers had liquidated their mortgages. Sheep men excelled them and stood on top of the world. Speaking broadly, every section of the community was better off at the time. We needed inflation then to meet the needs of both primary and secondary industries.

I seriously suggest that we should examine our whole economic system to see if we cannot evolve a definite policy and get a stabilized economy. Sir Douglas Copland is the main-spring of the suggestion that is proposed to be put into force by the Commonwealth Government. We have the same orthodox economists today who previously advised Prime Ministers Lyons, Scullin, Curtin, Chifley, Menzies, and Page. If we follow these economists we will have to put up with everything we get. I have been told that I am unorthodox and have no orthodox supporters. The Prime Minister of Australia today is more concerned about protecting money interests than he is in protecting the economy of the people of Australia. I do not want to upset any of the accepted methods we can possibly use. Members are aware that the Arbitration Court fixes the basic wage. If we subsidize consumption by 10 per cent it would be a most generous gesture if wages were reduced by 8 per cent, leaving the worker 2 per cent better off. The workers are rightly suspicious of any attempt to reduce wages, but if it could be shown that by reducing wages and making the actual purchasing power higher I feel they would accept it. I know that the honourable member for Torrens must have been scarred on many occasions in the depression days because he had to administer a rotten system.

Mr. Clarke—Can you explain the machinery for establishing your plan? Where will you get the first pound?

Mr. MACGILLIVRAY—It could be taken from general revenue; we could do what is done when we start to prosecute a war—create national credit by printing Treasury bills—or it could be done by taxation.

Mr. Whittle—It could be done by taxation.

Mr. MACGILLIVRAY—I do not object to that. I feel that both the member for Burnside and the member for Prospect are suffering from major delusions. We say to the manufacturer of butter that as a matter of policy we do not want to increase the price, so we meet the position by paying a subsidy. It was done during the war with potatoes, tea, and other commodities.

Mr. Clarke—Would the honourable member agree that the money could be raised either by borrowing or taxation?

Mr. MACGILLIVRAY—I would not like to lay down definitely any way of raising the money.

Mr. Clarke—Is there an alternative to these two ways?

Mr. MACGILLIVRAY—Yes. One method was used over 30 years ago to finance World War I. In those days the Commonwealth Bank created £300,000,000 of credit to prosecute the war. It cost 5s. per cent, of which 1s. 8d. per cent was profit. Since those days the system of bookkeeping has been improved. Machines now do the ledgers. Before World War II the Bank of England dismissed hundreds of bank clerks because bookkeeping machines had made them redundant. On dismissal they were offered either a lump sum of money or a pension. Banking is simply a bookkeeping system. About 12 years ago when I moved a motion in this place I had great difficulty in convincing members that what I said was true. I quoted various authorities such as William Ewart Gladstone, Sir Reginald McKenna, the *Encyclopedia Britannica*, and Macleod's *Theory and Practice of Banking*. I thought there was enough intelligence on the Government benches to see that if things could be done during a war they could be done during peace. Is war more important than peace? The greatest desire of the people today is to stop this vicious inflationary spiral which is ruining everything that Australia stands for. I will now quote from the book by H. D. Macleod, a lawyer, who investigated the theory and practice of banking in 1883.

The Hon. Sir George Jenkins—Do you suggest that what a lawyer says is right?

Mr. MACGILLIVRAY—Not necessarily, but a lawyer can analyse a subject very well, because of his training. No doubt when the Government chose a lawyer in 1883 it picked a good one. Mr. Macleod was selected by the Royal Commissioners for the Digest of the Law to prepare the digest of the law of bills of exchange, bank notes, etc., and he was lecturer on political economy in the University of Cambridge. He was a type of economist we do not see in these days. He said what no economist would say today. He stated:—

Thus we see that the essential and distinctive feature of a "bank" and a "banker" is to create and issue credit payable on demand; and this credit is intended to be put into circulation and serve all the purposes of money. A bank, therefore, is not an office for borrowing and lending money: but it is a manufactory of credit.

If banks did not manufacture credit there would be no bank deposits. Why cannot we use national credit now as it was used to finance World War I? It was used as a temporary expedient in war and forgotten in peace.

Mr. Clarke—Is it not true that we have too much money?

Mr. MACGILLIVRAY—Yes, in the wrong place, and not enough in the right place. Money should reduce costs, not inflate them. The general public expect, even if members do not, that if money buys one article it will buy another. When I went to school a story was told of an Arab sheik who had 17 horses. When he died he left a half to his eldest son, a third to his second son and one-ninth to his third son. Obviously those fractions were not meant for 17 and the three brothers reached a stalemate and did not know what to do; so they consulted a very wise sheik who lived nearby. He came and brought with him an old horse. He said: "Take up the 17 horses and put the old screw alongside them." This was done and the first son was told to remove his share. He took nine horses and left the old horse. The second son took his third—six horses—and left the old horse. The third brother took his two and left the old horse. In other words, the old screw, although of no use, had solved the problem.

Mr. O'Halloran—He was a medium of exchange.

Mr. MACGILLIVRAY—I would not put it that way; he solved the problem. The monetary system is a matter of bookkeeping. When the Premier goes to the conference I hope he will be careful of State rights. There is

no need to give rights away. We gave away the controlling right to finance our own State under the Financial Agreement in 1927. Taxing powers have been taken away from us and every State has become a mendicant of the Commonwealth. We must not give away any more power, but tell the Commonwealth we have given them all they need to run the country. They should be told to use that

power to bring down the cost of living, to stop the inflationary spiral, and to live up to the promises made at the last election.

Mr. STOTT secured the adjournment of the debate.

ADJOURNMENT.

At 5.25 p.m. the House adjourned until Thursday, July 26, at 2 p.m.