

HOUSE OF ASSEMBLY.

Thursday, July 26, 1951.

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

BOUNTY ON FOX SCALPS.

Mr. O'HALLORAN—According to today's *Advertiser* a resolution was carried at a meeting of the Australian Primary Producers' Union urging that regulations on the destruction of foxes be enforced and that a scalp bonus of 10s. be offered to encourage destruction. The newspaper report states:—

The menace was so bad in his district, said Mr. S. A. Pocock (Paruna), that this year it was doubtful whether there would be a 25 per cent lambing. He knew of a soldier settler who had 300 ewes and would not rear a lamb. One of his neighbours had killed 106 foxes on his property.

I raised this question about two years ago, and after consideration the Minister of Lands stated that it was not considered that any action should be taken at the time. In view of the resolution of the conference and the fact that the position has apparently worsened in the interim, will the Government reconsider the matter to see if it is advisable to adopt the suggestion of a bonus?

The Hon. C. S. HINCKS—I did indicate about two years ago that the Government could not undertake the payment of a bonus on the destruction of foxes. I have not seen the newspaper report referred to, but I will take up the question with my colleagues and let the honourable member have a reply in a day or two.

FLYING DOCTOR SERVICE.

Mr. QUIRKE—On June 27 I asked the Premier what doctors who are practising at Cook, Tareoola, Penong, Wudinna, and Ceduna would be able to take up the duties of the flying doctor if he were forced to discontinue the existing service. Has the Premier now a reply to my question?

The Hon. T. PLAYFORD—Yesterday I replied to a question from Mr. Riches that a report was being obtained about this matter and as soon as it is available I will see that the honourable member gets a copy. From investigations so far there appear to be alternative services, but I want that confirmed before giving a definite reply.

DESTRUCTION OF RABBITS.

Mr. PEARSON—The destruction of rabbits by myxomatosis is being carried out by people

near Elliston, with promising results. I understand the C.S.I.R.O. has a programme for the destruction of rabbits by this means during the coming spring and summer months. Can the Minister of Agriculture give the House any information on this matter?

The Hon. Sir GEORGE JENKINS—A considerable amount of work was done last year by the C.S.I.R.O. in association with the Department of Agriculture here, and the results were very encouraging. Rabbits have been eliminated over a wide area in South Australia as a result of the spread of the disease, largely through the agency of the mosquito. In all places which were mosquito-infested the spread of the disease was more apparent than elsewhere. The disease is said to be still apparent in the district of Flinders and on the West Coast. It is the intention next year to carry out more intensive campaigns, and plans are now being formulated for the inauguration of a campaign for the destruction of rabbits by the use of the myxomatosis virus in the coming spring and summer in all parts of the State where conditions are favourable for this method of control. It is intended that this programme will be carried out in the mallee areas and in any parts of South Australia where there is any worthwhile mosquito population.

HOUSING TRUST HOMES FOR WALLAROO.

Mr. McALEES—Towards the end of last session I asked whether the Housing Trust was prepared to build more homes in Wallaroo. The reply was not altogether satisfactory and building operations ceased. I have found that a contract for three more houses was let, but during the last six months building has not proceeded. Is it intended to build more houses in this district? There are more applications for houses than the trust has been able to provide.

The Hon. T. PLAYFORD—I am not aware of any suggestion by the Housing Trust to curtail operations at Wallaroo. However, I will inquire from the chairman, but in a recent report he said that houses are in the course of erection there at present. I presume there has not been a cessation of building activities at Wallaroo, but will try to get the future policy determined.

ENTEROTOXAEMIA SERUM.

Mr. HEASLIP—Has the Minister of Agriculture a reply to the question I asked on Tuesday last about supplies of enterotoxaemia serum?

The Hon. Sir GEORGE JENKINS—The Chief Inspector of Stock reports:—

Enterotoxaemia serum which is issued under the name of Pulpy Kidney Antitoxin, will give almost immediate protection against the disease enterotoxaemia (pulpy kidney disease). This product can be stored at cool room temperature for at least three to four months without deterioration. The cause of delay in dispatch of this product after being ordered is that the supply cannot keep up with the demand at present. The Commonwealth Serum Laboratories are the only manufacturers of this pulpy kidney antitoxin in Australia. I know of no other source from which supplies can be obtained. It is pointed out that another biological product known as enterotoxaemia vaccine is extensively used for the purpose of preventing the disease from occurring, but it takes at least 14 days before any immunity is conferred. This is manufactured by Commonwealth Serum Laboratories. A private company known as the Biological Institute of Australasia Pty. Ltd., Sydney, manufactures a product known as bio-enterotoxaemia toxiculture, which is equally efficient. Both products, however, owing to the demand, are in very short supply.

MURRAY RIVER BRIDGES.

Mr. MACGILLIVRAY—It is rumoured in River Murray areas that the Premier, when he visited the district recently, said that if the Public Works Standing Committee, which is investigating transport problems in the Upper Murray areas, recommended that road and rail bridges should be built across the Murray at Cadell and Kingston, he would call for tenders in Germany and import German workers to erect them. Is the Premier correctly reported as having said that?

The Hon. T. PLAYFORD—The discussion in the river areas was along the lines of how long it would take to build bridges across the river under varying circumstances. I said I thought that the quickest way would be by the importation of men and materials from overseas. Obviously I cannot say what the Government will do until the report is received because the Public Works Standing Committee might have most important recommendations dealing with the mode of procedure that would have to be considered after the report was received. At present, with the resources of steel and labour that are available in Australia, it is physically impossible to undertake large, expensive works. As to how long it will take to do various things, my reply is that if the matter is sufficiently important to warrant the expenditure, the quickest way of doing the work would be by the importation of men and materials from abroad.

Mr. MACGILLIVRAY—In the event of the Public Works Committee recommending road bridges at Kingston and Blanchetown will the Premier also call for tenders in Germany and bring out the necessary workmen?

The Hon. T. PLAYFORD—I did not say that the Government would be prepared to call for tenders from Germany, but that under certain circumstances, if the things were needed urgently enough, the quickest way to get them would probably be to call overseas tenders, particularly from Germany. However, that would be inordinately costly and could only be considered if it was for a project of sufficient importance and there would be a return commensurate with the cost. Until the committee's report is received the Government obviously cannot give any answer on the policy to be carried out, as it will depend, to a large degree, on what the committee's report contains.

LAND FOR RETURNED SERVICEMEN.

The Hon. S. W. JEFFRIES—Has the Minister of Repatriation any reply to my question of yesterday whether all returned servicemen who are applicants for land will be able to get it in the near future?

The Hon. C. S. HINCKS—I have rather a lengthy statement to make on the matter and ask permission of the House to make it.

Leave granted.

The Hon. C. S. HINCKS—The matter has caused the Government great concern because of the apathy of many ex-servicemen applicants. I do not want it misconstrued that all applicants are apathetic, as many are most keen to get on to their blocks. On three occasions this year we have made call-ups of ex-servicemen applicants for blocks. The first was early in the year, when we wanted men to go to the South-East, chiefly on grazing properties. To get the 26 men required we wrote to 100 with high priority. Of that number 33 did not reply; about 31 or 32 wrote and gave various reasons, some of which were not very sound, against taking up the blocks. Eventually we only got 26 who were willing. No. 2 call-up was for 50 men for Kangaroo Island. Because of our previous experience we deemed it advisable to write to 262 in order to get 50 men. We received replies from about 70 who were prepared to go on the 50 blocks. Eventually 50 were selected. Again, about 70 did not reply. This causes the department much concern and makes it most difficult to let settlers know

exactly where they stand in order of priority when they do not answer correspondence. It is almost as difficult to secure applicants for irrigation blocks as for dry land blocks. Recently 59 irrigation blocks were available, the department writing to 76 men to select blocks. Naturally, we notified 17 over the required number. When the day came 19 did not turn up and two irrigation blocks were left on our hands.

Mr. Macgillivray—At Loxton?

The Hon. C. S. HINCKS—At Loxton and Cooltong. I am glad to have the opportunity of placing before the House the great difficulty that the department is having with these young men. In order to assist the situation in the river areas I gave the local Young Settlers' Association a list showing the names of 304 men, hoping that the association could get some definite information from them. The result was most disappointing. Only 81 of the 304 advised that they were definite starters; 181 did not reply to the local association.

Mr. Macgillivray—They have dropped their bundle!

The Hon. C. S. HINCKS—It is nothing of the sort, as that has been happening right along the line. I have a good reply to that. Personally, I am greatly perturbed about the position. I am glad to note that two servicemen's organizations, apart from the Young Settlers' Association, took up the matter. The Returned Servicemen's League wrote to every sub-branch in the State stating that a most disappointing reply had been received about irrigation and dry farming blocks. Two hundred and twenty-seven replied that they were still interested in soldier settlement. The Australian Legion of Ex-Servicemen and Women sent a circular to 246 of its members, with a disappointing result. All the members written to were asked if they would be prepared to help in the development of their blocks. Of the 246 only 35 said "Yes" and 32 of those 35 replied "Only under certain conditions." That left three out of the 246 who were prepared to come forward unconditionally and help get on with the job. The whole thing is most upsetting to the organizations in trying to arrange for early settlement of these men. Members are anxious to know what blocks are available. At the moment there are 140 dry farming blocks and 100 irrigation blocks not absorbed.

The Hon. S. W. Jeffries—Ready for settlers?

The Hon. C. S. HINCKS—No, the irrigation land is not ready. The Government has had 10,000 acres allotted to it, of which over 7,000 acres have been allotted or are in the process of allocation.

Mr. Macgillivray—When did the Government get the new allocation of plantings?

The Hon. C. S. HINCKS—That is the area planted at Loveday, Cooltong and Loxton. We have to find another 2,000 odd acres to complete the 10,000 acres. Mr. Jeffries wants to know if the Government can say when an individual will get his block. It is almost impossible to tell because every settler is not prepared to give information. In the last few months I have been all over the State where we have settlements and I have discussed the matter with regional committees, which are perturbed at the apathy shown by some men. Some of the applicants, however, are as keen as ever. The regional committee suggested, and I agreed, that the applicants who will not come along now should have their names placed at the end of the list. To try to get the men to let us know what they intend to do, I propose to send out a letter putting the position plainly to them. I have the approval of the regional committee in this matter. There was a big attendance at a meeting at Berri a few weeks ago, where the dispatch of the letter was supported. It will go to all irrigation applicants and then, according to the replies, we will decide whether to send a similar letter to dry area applicants. This is what we propose to send out:—

Before a further application is made for additional horticultural plantings for this State under the War Service Land Settlement Scheme it is necessary to know how many irrigation holdings are needed to provide for all who are eligible and still desire settlement under the scheme, and to what extent they can assist in developmental work prior to allotment of the blocks. It has, therefore, been decided to ask intending applicants to interview the Land Board at a place and time which will be advised in each case. In order to assist this survey you are requested to complete either "A" or "B" on the enclosed form and return it to the Director of Lands on or before..... If this form is not returned by the date mentioned it will be taken as an indication that you no longer require settlement under the scheme. The Land Board will be conducting interviews at the following centres and, on receipt of your reply you will be advised of the time and date when you can be interviewed:—Mildura, Renmark, Berri, Barmera, Loxton, Waikerie, and Adelaide. If you cannot conveniently attend at any one of the centres named, you should inform this office when returning the form.

Form (A) is as follows:—

I intend proceeding with my application for an irrigation holding under the War Service Land Settlement Scheme and I will be available to meet the Land Board at..... (state town).

Form (B) is as follows:—

I do not intend proceeding with my application for an irrigation holding under the War Service Land Settlement Scheme.

Mr. Macgillivray—Can the Minister supply irrigation blocks to those who are willing to go?

The Hon. C. S. HINCKS—I said we have sufficient land in irrigation areas to allocate a further 100 blocks.

Mr. QUIRKE—I desire to read extracts from a letter which the Department of Lands forwarded to an ex-serviceman settler informing him that land was available at Kangaroo Island under the following conditions:—

It should be clearly understood that applicants selected for participation in the allotment of a holding will be required to accept full-time employment with the department on the development of land for settlement under the scheme, until the individual holdings are ready for allocation and occupation by the selected applicants. The department will provide living quarters for the applicants during the term of employment, but no guarantee can be given that accommodation will be provided for the applicants' wives and families until occupation of the individual holdings by the selected applicants can be permitted.

Apparently a married applicant is eligible for a block of that land provided he is prepared, under the terms of the letter, to separate himself from his family for up to three years and maintain his family on the mainland and himself on the island on what is more or less a nominal wage today. Does the Minister of Repatriation not think that the apathy of which he complains as regards failures to reply to letters can be laid at the door of the letter itself, and the conditions contained therein?

The Hon. C. S. HINCKS—I am pleased that the honourable member has raised the question because I unintentionally omitted in my earlier statement to give a further report on the apathy of some settlers. I think my statement is most fair as regards the letter sent to the 262 applicants mentioned. It does not tell them that they will definitely get living quarters, but they were assured, when interviewed, that a number of them would. I have advised the Returned Servicemen's League that, in any case, none will have to wait more than six months, and not three

years as suggested by the honourable member. Since we selected 50 men, who advised that they were prepared to go to Kangaroo Island, we have notified them in recent weeks exactly when they can go and take up their duties. Of the first 19 who recently promised to go, six have since refused. Only one of that number refused because of living conditions for his family, which supports my contention about there being a lot of apathy.

Mr. Quirke—Do you mean that they will be provided with a house for their families within six months?

The Hon. C. S. HINCKS—Yes, all of them.

Mr. MACGILLIVRAY—The Minister's statement practically divides applicants for settlement into two groups—those who are vigorously following up their applications and those who, because of apathy, have not done much about the matter. Is sufficient irrigation and dry farming land available to settle those who are vigorously prosecuting applications to get land?

The Hon. C. S. HINCKS—That is the reason for the dispatch of the letter. If I could accept the figure of 81 replies to the Young Settlers' Association in the area we would have sufficient land, but I do not accept it. I believe we shall need another area for irrigation settlement purposes. The same applies to the figures supplied by the Returned Servicemen's League and the Legion of Ex-Servicemen.

Mr. QUIRKE—The following are extracts from a letter I have received from a prospective settler:—

For your information, and you can use it as you see fit, I will pass on the outcome of my visit to the Lands Department. After a few words here and there I reached a member of the Land Board who informed me they had selected 50 applicants recently. These 50 would take three years to absorb. Then another 50 would be selected. As time went on it was found harder to get these men settled, so the second 50 would take five years, a total of 100 in eight years. To settle matters, this member informed me there are 1,500 suitable applicants awaiting allocation, rather a lengthy scheme I gathered, but he also told me many of the applicants will never get a block. I quite agree! He also explained the bogey of the points system. It appears a man not following a rural occupation will never get a block, such as a factory or office worker, possibly through no choice of his own. I asked if these men were ever told of this position. He told me that it could not be done. Another great thing to help one up the points table is to start rearing a family.

Every child brings one up. It is a great pity there are not more "quads" among us ex-servicemen, so I gathered a man like myself with only one child, and no hope of more, will be on the outer.

I do not propose to release the name of the writer of the letter, although he has given me permission to do so. That was the result of his interview with the Land Board. I cannot imagine that it would be concocted in any way. He has given me a frank explanation. Is that the sort of information being handed out to applicants for blocks? If there is apathy amongst settlers why is a man who has been in constant touch with the department and lives in the country not given an opportunity to apply for some of the land? Can the Minister say if the information given is correct?

The Hon. C. S. HINCKS—I cannot say that information is given exactly as read by the honourable member. I would be amazed if any member of the Land Board would give such information, because some of it is absolutely incorrect. I saw the honourable member at the opening of the Returned Soldier's League Sub-Branches Conference, and he knows what information was given there about Kangaroo Island. I have informed settlers and members of this House that if they have any soldier settlement problems I will be glad to discuss the matter with them. I have asked the honourable member to interview me on soldier settlement matters at my office, but he has never taken advantage of the opportunity. I will gladly see any settler or any individual.

Mr. Quirke—I will bring the settler and the member of the Land Board to you. Will that be all right?

The Hon. C. S. HINCKS—Yes.

COUNTRY AMBULANCE SERVICES.

Mr. RICHES—Has the Premier obtained a reply to the question I asked yesterday regarding a Government subsidy being granted in connection with any fund started at Whyalla to meet the cost of ambulance services when patients have to be brought to Adelaide for specialized treatment?

The Hon. T. PLAYFORD—I have received the following reply from the Under Secretary:—

No subsidy is available as a contribution to a fund to assist in paying ambulance charges. The Government already grants assistance by paying one half of the necessary cost of ambulance fees to Northfield for poliomyelitis cases during the epidemic, provided the local

board of health regards the case as one of hardship and it pays the other half. For other urgent cases the Hospitals Department meets the cost of ambulance charges for pensioners and needy cases to be taken to the nearest Government hospital, if a doctor certifies the need of the ambulance, and the ambulance committee certifies as to the need of the patient. This same course could be followed if the nearest Government hospital certifies the removal of the patient to Adelaide was necessary.

Mr. RICHES—Am I to understand that the people of Whyalla are to be informed that no subsidy will be available for ambulance purposes?

The Hon. T. PLAYFORD—When the honourable member examines my reply he will see that the Government provides subsidies for persons in necessitous circumstances when it is necessary to have them conveyed by ambulance. The subsidy applies to persons rather than to funds. The obligation of the Government has always until now been restricted to necessitous cases or where there would be hardship in bringing people long distances at their own expense. In those cases the Government does give great assistance.

CEMENT SUPPLIES.

Mr. TEUSNER—Has the Premier any information regarding the cement works at present being established at Angaston? Can he say when they are likely to be in operation and the extent of the production? Can increased production be expected from other cement industries in South Australia, and is it expected that, as the result of any increased production, present cement shortages will disappear in the near future?

The Hon. T. PLAYFORD—I have not had a report recently on the progress being made with the cement works at Angaston. The last report I had was satisfactory, and it appears that the company is energetically developing the project. The Adelaide Cement Co. project is being developed as quickly as possible. When the two new activities are completed the present production of 100,000 tons will be increased to about 200,000 tons, which I believe will meet all the requirements of the State. Before that production is achieved I think at least 12 to 18 months will elapse. Some improvement will take place before then, but the full advantage will not be felt for about 18 months. Much depends upon deliveries of plant and materials from abroad being on time.

SCHOOL CLASSROOMS.

Mr. FRANK WALSH—Can the Premier say whether it is true that recently representations were made to the South Australian Builders and Contractors' Association for co-operation in the supply of 100 urgently needed school classrooms for the Education Department? I understand that about two-thirds of them are for the metropolitan area and one-third for the country. After the association indicated that it would co-operate in the supply of the rooms the Premier issued instructions for the Government to withdraw from further negotiations. Was there any particular reason for the withdrawal?

The Hon. T. PLAYFORD—It is true that 100 classrooms are urgently required by the Education Department, which had contractors for some of the rooms. However, the departmental contractors were unable to proceed because they had not secured the necessary materials. A request came to me for assistance in getting the materials and the Chief Storekeeper was placed in charge of the work of getting them. I believe the securing of them has almost been completed. It may even be completed. When the materials are available it is intended to call for tenders for the erection of the classrooms. The proper course for the Government in regard to any work which must be done is to call for tenders and to accept the lowest satisfactory one. If we do not secure satisfactory tenders, we may have to make other arrangements. My direction was directly in accordance with the proper procedure of administration that, if something is required by the Government, tenders should be called for its production. This enables people to tender on a competitive basis and is the proper way to secure the proper observance of a contract. Tenders for this work will be called for almost immediately, and every contractor in this State will be invited to tender with the assurance that the materials for the job are available, having been already secured.

ENGINEERING DEPARTMENT
EMPLOYEES.

Mr. PATTINSON—Yesterday the Minister of Railways described to the House the shortage of manpower in the Railways Department and explained the Government's plan to overcome this problem by the importation of European labour. There is an acute shortage of local labour available to the Engineer-in-Chief, particularly for sewerage construction and water reticulation. In my own electorate sewerage construction is lagging behind the

huge home-building programme, not so much on account of the lack of materials, but rather of labour. Can the Minister, in his capacity as Minister of Works, say whether the Government has any proposal for the recruitment of migrant labour for the Engineering and Water Supply Department similar to that which he has outlined for the railways?

The Hon. M. McINTOSH—The Engineering and Water Supply Department now has the greatest number of men ever employed by it—over 2,700. Against that, the demand for water extensions and connections is also very much greater than ever before. For instance, we are connecting about 9,000 houses a year in the metropolitan area. Since the war ended we have provided as many metropolitan houses with water connections as had previously been connected in all South Australian country towns. Towards meeting the growing demand, it has been decided, after very close collaboration with the Housing Trust, to build 400 houses for workmen in the Engineering and Water Supply Department, which will own the houses in the same manner as the Railways Department owns its cottages. We find this is the only way to tie a man to his job. The house will be part and parcel of an employee's contract. He will not be a tenant of the house, but will use it in the same way as houses owned by the Railways and Education Departments are used by their employees. I have no doubt the legal position of the employee in this case will be the same as that of the employee in either of those departments. As a Government we are not permitted, nor do we desire, to go in for incentive payments and bonus. Therefore, our only opportunity of keeping abreast in competing for labour is by providing housing. We have often been informed by decent men that they would be glad to stop in our employ if we could give them houses, and it is by this means that we hope to be able to maintain a nucleus of men who will supply the connections of water to houses.

Mr. Macgillivray—Will any of these houses be erected in the country?

The Hon. M. McINTOSH—Practically every country town has its own labour for the little extra work required in those areas, where 95 per cent of the homes are already connected. This is not a matter affecting any other area but the metropolitan area. The department is getting more requests for connections than can be met with its present staff, and the only way to increase that staff is by making these houses available.

REVENUE FROM WINNINGS TAX.

Mr. STOTT—Figures released regarding the revenue received from the Premier's winning tax on bets show that it has far exceeded the Premier's wildest dreams. The racing clubs have received about £52,000 out of the total of over £300,000. Is it the intention of the Treasurer to revise the winnings tax legislation, eliminating the tax on the amount staked in the punter's bet, or to hold a conference with the chairmen of the racing clubs in order to get this matter revised?

The Hon. T. PLAYFORD—It is not usual to give a preview of the Budget, but returns from the winnings tax are very much in accordance with what was anticipated when the legislation was introduced. The matter was discussed on a couple of occasions by correspondence with the chairmen of the racing clubs, to whom it was pointed out that a concession of this description could not be made at present in regard to State revenues, but that, if the racing clubs were prepared to make it from their share the Government would consider it. That correspondence has not been proceeded with. The Government is confronted at the moment with very steep increases in all its costs. For instance, a recent increase in the basic wage will mean a direct increase on Budget charges of about £1,000,000 in wages alone. The Government does not desire to raise the costs of essential services if that can possibly be avoided. Every honourable member is perturbed at the general rise in costs now taking place, and I believe the Government should be the last to give a lead in that connection. The Government desires to keep down costs as much as possible, which, I believe, is the best service which can be rendered to the community. Under those circumstances, the answer to the question is "No."

EUDUNDA TO BARMERA ROAD.

Mr. MICHAEL—A few weeks ago I introduced to the Premier a deputation consisting of representatives from all local government bodies on the north side of the Murray from Eudunda to Renmark. The deputation requested that, to improve transport facilities on the river, the road from Eudunda to Barmera should be bituminized. At the time the Premier was unable to give an answer because of investigations being made by the Public Works Committee. Has the Premier any further information to give the House?

The Hon. T. PLAYFORD—This matter was referred to me during the illness of the Minister of Works. The deputation requested that a trafficable bitumen road be laid on the north side of the river to relieve the pressure on the Blanchetown punt. I promised I would take up the matter and let the deputation have a reply as soon as possible. I have since conferred with the Minister of Works (who is also Minister of Local Government), the Highways Commissioner, and the Public Works Committee, because the committee, as the honourable member realizes, had a general reference with regard to a rail connection to the upper river areas. The committee has advised that it did not touch on the question of the bitumen road from Eudunda to Morgan as it considered it was outside the terms of reference. I believe that the Highways Commissioner will now take up this question as an active project. The committee informed me that it is in favour of the northern road being put into trafficable condition forthwith, but it did not advise at this stage that it should be bituminized except where rendered necessary by the physical nature of the country. The Highways Commissioner is prepared to give assistance in having the road made trafficable and it is his intention to divert to the northern road the heavy transport units which are causing so much congestion at the Blanchetown punt. This will prevent many of the inordinate delays sometimes occurring at the punt. The work on the road will proceed as soon as possible.

FLUORINE TREATMENT OF WATER SUPPLIES.

Mr. CHRISTIAN—Can the Minister of Works state or obtain a report on how far any plans have gone for the fluorine treatment of South Australian water supplies in order to eliminate or control dental caries? I read recently that 90 municipalities in the United States have treated their water supplies with fluorine because their health authorities were satisfied about the efficacy of such treatment.

The Hon. M. McINTOSH—We have a committee of eminent gentlemen, including university professors and health authorities, to advise on the treatment of our water supplies. The Engineer for Water and Sewage Treatment, who is a recognized world authority, is also available in this connection. So far these gentlemen have not suggested that anything on the lines of fluorine treatment is necessary. However, the question having arisen, I will take it up with the Engineer-in-Chief for his

consideration and report. From time to time the closest analysis is made of our water supplies, but no recommendation has been made for such treatment, nor has it come up as an active project.

SERVICING OF NEW HOMES.

The Hon. S. W. JEFFRIES—I was credibly informed this morning that there are between 100 and 200 emergency dwellings ready for occupation if they can be connected to electric power. Can this be done so that needy families can get shelter?

The Hon. T. PLAYFORD—Everything possible will be done. I think that this State is keeping up with the servicing of new houses better than some of the other States where, in some cases, little has been done to maintain water, sewer and electricity connections. So far we have been able to sewer a large portion of the metropolitan area and to maintain water and electricity supplies. We require no less than 6,000 miles of various kinds of electricity cable but, although we have called for tenders on a world-wide basis, we have not received a single offer.

Mr. Macgillivray—Could not the houses be let without electric energy being provided?

The Hon. T. PLAYFORD—Yes. We have tried to provide homes with these amenities for our tenants and I believe members will concur in this practice.

Mr. Whittle—Other services are lacking.

The Hon. T. PLAYFORD—Yes. I should like to confirm whether 100 houses cannot be made available to tenants on account of not being connected to the electricity mains. I will let the honourable member have a full reply later.

FREE MILK FOR SCHOOL CHILDREN.

Mr. RICHES—As regards free milk for school children, in several country centres schemes were inaugurated and operated until the announcement of the Federal Government's free milk scheme, under which milk would be purchased in bulk and distributed to the children. School committees have been hopeful that they would come under the new Commonwealth free milk distribution scheme, but the school year has half gone and no distribution has been made. Can the Premier give any indication of the Government's policy for schools where bottled milk would be too costly and milk can be distributed in bulk where all distributor facilities are available?

The Hon. T. PLAYFORD—The proposal to distribute milk free to schools is one in which

the State Government is acting as agent for the Commonwealth Government. It has been found to be beyond the physical capacity of the States to carry out the proposals immediately in their entirety. South Australia, at the request of the Commonwealth Minister, undertook to start a scheme in which bottled milk would first of all be distributed, with a hope of gradually extending the scheme to other types of distribution as they became practical. So far, although we have used every effort to get the scheme going properly, we still have difficulties. The scheme does not even operate in the metropolitan area, where bottling machines are in existence. I understand that satisfactory offers have been received and that the scheme will begin in the near future, but so far we have not yet succeeded in distributing any milk under it. As regards bulk milk, health and other reports show that this type of distribution, if it could ensure proper distribution, would be most expensive in the way of capital equipment. I am not in a position at the moment to say whether it can be undertaken, but I shall make inquiries.

METROPOLITAN WATER SUPPLIES.

Mr. WHITTLE—Can the Minister of Works say whether the Government will consider raising to a higher priority the proposal to construct another dam on the Onkaparinga River? At present thousands of millions of gallons of water overflow from Mount Bold reservoir and run out to sea. There is an opportunity to conserve the highest grade water we can get, and in saying that I am not disparaging in any way the water from the River Murray, but unfortunately it is not of the same quality as the water we get in the Adelaide Hills. If possible we should not in future seasons waste the overflow from the Mount Bold reservoir.

The Hon. M. McINTOSH—Almost immediately the Mount Bold reservoir was completed surveys and tests were made to ascertain whether there was a suitable site for another dam, whether it would hold water, and what overflow could be expected from the Mount Bold reservoir. Boring and testing have been going on for about five years. The work cannot be given a higher priority than it has at present. Plans have been prepared for the South Para project, which would be larger. Then there is the River Murray proposal. We hope in the not far distant future to have the Onkaparinga River plan sufficiently advanced for the Government to refer the project to the Public Works Committee.

ADDRESS IN REPLY.

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

(Continued from July 25. Page 112.)

Mr. STOTT (Ridley)—I congratulate the mover and seconder of the motion, and particularly commend Mr. Pearson for his maiden speech. I support his references to the proposed visit of the Royal Family to Australia.

The Premier has announced that the matter of a railway to the Upper River Murray areas with bridges across the river has been referred to the Public Works Committee. From my observations I can say definitely that there is no request for the proposed railway from Morgan through Waikerie and Kingston to Barmera. The people on the southern side of the river are emphatic that they would not support it. If the proposed route through Waikerie and Kingston were adopted it would mean that Loxton 25 miles away would be bypassed. Great progress is being made in soldier settlement in the Loxton area and production must increase, yet under the railway proposal it is to be by-passed. The Premier told Mr. Macgillivray that it would be difficult to get steel for bridges. I agree, but if the Public Works Committee's report is favourable every step should be taken to get the steel required. Members who have gone through the Upper Murray areas at busy periods must have noticed the congestion at the two river crossings. Sometimes a wait of 2½ hours has been necessary. Sometime ago I had occasion to be at Loxton at 11 o'clock one morning but when I got to Blanchetown I found a semi-trailer had broken its axle whilst on the ferry, which caused congestion. On learning that I would have to wait most of the day before getting across I went to Loxton through Waikerie. The Premier himself has experienced congestion at these crossings. When the report of the Public Works Standing Committee is received urgent attention must be given to it.

Parents of country schoolchildren are concerned about the present school transport systems. The Minister of Education has had numerous applications for increases in the allowances paid to the operators of the bus services, and in a number of instances parents have been asked to contribute towards the cost of running them. Only last week I received a request from a school committee in my district, which said that the department had refused to contribute further to the school transport system and that the parents now

found that they could not afford to pay any more towards it. Faced with the rising cost of petrol, oil, and tyres, the bus contractor had found he was unable to continue his service under the present contract. The Government must revise its ideas on the amount per child per day per mile to be paid to these contractors. In my district such services cover distances ranging from 10 miles to 46 miles, and parents find they have gone as far as they can go in contributing to their upkeep. The Minister of Education should examine this matter with a view to increasing payments made to the bus contractors.

Much has been said in this and the last Parliament regarding the Loxton irrigation area, where much progress has been made. Many exasperating delays have been experienced in the development of the area, but there is not a soldier settler there who would blame the Minister of Lands for all of them. However, one or two things at Loxton require examination. Inquiries should be made regarding the recommendations of some of the Minister's officers, and, if found blameworthy, they should be "put on the mat". I refer particularly to what is known as channel C and D in the Loxton area, which was an engineering mistake. This would be admitted by civil servants of high rank, if they were able to speak on the matter. This matter does not come within the purview of the Minister of Lands, but some explanation should be given for the construction of this engineering monstrosity. From experience at Renmark, Loveday, Berri, and other irrigation areas, it is obvious that that channel is inadequate to service the six or seven soldier settlers' blocks, as it is supposed to do. In addition, after the requirements of the settler at the top end of the channel have been met, the settler at the lower end is supplied with too much water for him to handle, and it overflows down the slope and into the Nissen hut where he and his family reside. Provision should have been made for the overflow, by way of a pipeline through which it could escape and flow back to the surging tower, which could handle the overflow under those conditions.

Members have heard the Minister of Lands this afternoon speak of the apathy of soldier settlers, but many applicants living in this area who have not yet been allotted land see these things and are disheartened. In addition, the main channel leading from the surging tower, which is a big one, is cracked, and it now seems inevitable that the channel will

have to be taken up and a pipeline installed. The Minister cannot be blamed for that, as he probably referred the project to his engineers, whose report he took as reliable; but somebody must be held responsible for this terrific waste of public money at a time when cement and steel are hard to obtain. Something should be done by the responsible Minister to prevent a recurrence.

Whilst not attacking the Public Works Committee, I believe another matter requiring Parliament's attention is the limitation by the Public Works Standing Committee Act of £30,000 as the amount over which public projects must be referred to the committee for inquiry. Whereas 20 years ago £30,000 was considered a colossal sum of money, it is totally inadequate under present conditions, and is out of proportion to the cost of building today. The Government should amend the Act to increase that sum to £90,000 or even £100,000 so as to bring it up to present conditions.

Mr. Whittle—An amount of even £50,000 would obviate the necessity of referring smaller schemes to the committee.

Mr. STOTT—Yes. The Minister of Education may have several urgently required schools to build, but because of this provision he is compelled to refer them to the committee.

Mr. Christian—Is the building of those schools delayed as a consequence?

Mr. STOTT—I have been informed by reliable sources in the Education Department that such inquiry is delaying the building of some schools.

Mr. Christian—That is not correct.

Mr. STOTT—I am glad of that. Under the Act the Minister is bound to refer such schemes to the committee, which is bound to make an inquiry, and it cannot be made in a couple of days or a week. The Act should be amended so that an urgently required school costing only £30,000 may be erected without reference to the committee.

Many retired school teachers now receiving superannuation benefits find themselves in very great difficulties because they are under a means test which is working disastrously against them. I have been told by a man who for years contributed to the superannuation scheme whilst a member of the Education Department that his benefits are totally out of proportion to present day living costs. A re-examination of the superannuation unit is warranted. It should be adjusted in accordance with the present cost of living so as to give

the man who paid for his units in good faith and in the anticipation of retiring with at least enough to live on a chance to meet rising costs. The recent rise of 13s. in the basic wage is exercising the minds of all members of the public. Yesterday afternoon we heard an excellent speech by the member for Chaffey whom I support in some of his opinions. The Prime Minister has called a conference of all sections of the public for next Monday in order to provide ways and means, as he terms it, in open and frank discussion without formality, to combat inflation.

Mr. Lawn—It sounds like another Premier's Plan of the 30's.

Mr. STOTT—I do not know whether or not that is envisaged. I do not think there is any hard and fast method of overcoming this problem. I shall be representing a certain section at that conference, but I shall not be able to put forward any definite solution. However, there are some things we have to bring into effect to halt inflation and we can later examine the position and see what can be done in the light of circumstances at that time. The first thing that should be done is to subsidize the cost of living, particularly in regard to the "C" series index, as suggested by the member for Chaffey. I do not suggest that I know all the answers to this problem. I have seen many of Professor Copland's recommendations and examined many of those he made in 1930. We criticized many of his recommendations then and what we said turned out to be correct. I have now no confidence in his ability to provide the answer to our present problem. He was the economic adviser to the Curtin and the Chifley Governments and is now adviser to the Menzies Government. However, his advice, and that of others, has led the country into the impasse in which we now find ourselves. If any of us let a contractor build a house and later found that the roof blew off or the walls cracked we would not employ him again, but would get somebody else. The same applies to the Australian economic house and those whose advice turns out to be wrong should be sacked and someone else employed. To subsidize food stuffs the Government should make bank credit available through the Commonwealth Bank. Yesterday members opposite asked the member for Chaffey, "Where are you going to find the first contribution?" I agree with Mr. Macgillivray that a subsidy should be provided by bank credit for this purpose. It may be said that this would cost millions of pounds, but what of it? It will cost

millions of pounds to meet the cost of the 13s. basic wage rise. The Premier today, in reply to my question, said it will cost £1,000,000 this year to meet the wage increases in the South Australian Public Service.

Mr. Macgillivray—With further increases to come later.

Mr. STOTT—Yes. It will cost many millions to meet the wage increases in the Commonwealth and State Public Services. That money should be used to subsidize the cost of living. If this were done, particularly with food stuffs, when the next examination of the "C" series index was made it would be found that the cost of living had been reduced. That is the first step in halting inflation.

What factors have contributed towards inflation? No doubt the big influx of migrants is one. Ambitious public works programmes have been compiled by the Commonwealth and State Governments which, with the shortage of materials, have been far in excess of the capacity of industry. A curtailment of these programmes is warranted until we have more adequate supplies of such things as cement and steel. All sections of the community must co-operate in order to help Australia through the present difficult period. The attitude of a great many trade union secretaries in regard to the go-slow policy is not in the best interests of the workers themselves. It has been a two-edged sword.

Mr. O'Halloran—Who advocated that policy?

Mr. STOTT—I cannot say now, but I could soon find out by looking up their speeches in the library.

Mr. O'Halloran—You should do that before making such sweeping statements.

Mr. STOTT—It is generally accepted that many have advocated a go-slow policy so that workers will not produce too much too quickly because it only assists the boss, but that is not so. It is well known that bricklayers used to lay many more bricks a day than they do now. This is because the union put a limit on the number of bricks to be laid. That policy may have been justifiable at the time, but it has increased the cost of building houses. It has increased costs in many directions and has created an undue demand for luxury goods, thus increasing the inflationary trend. I believe the workers today are living in fear of a repetition of the depression years and members representing big business should allay their fears in this respect. The worker asks himself "Will I find myself out of a job by producing too many goods?" Captains of industry should reassure the workers that such a danger

is gone forever. The incentive system is worthy of further examination by the trade union movement. It received the support of the late Mr. Chifley and that should be a guiding star for trade unionists.

Mr. Lawn—You know what Kelvinators Ltd. did?

Mr. STOTT—No, but the incentive system should be studied further. It has worked successfully in many industries, even at Loxton where the men under it say they would not go back to the old system. Why cannot it be extended and explained so that working men generally will accept it?

Mr. Lawn—Many workers in America collapsed from fatigue.

Mr. STOTT—There is no need to go to that extreme. The smartest man should not be the standard for everybody.

Mr. Lawn—The others have to keep pace with him.

Mr. STOTT—Yes, on a chain gang. However, under the incentive system the workers themselves get the benefits of their efforts in production. Wheatgrowers have made a tremendous contribution towards combating inflation in Australia. Since 1945 they have accepted a cost of production price for wheat to be manufactured into flour and consumed in Australia. The cost of production index in the first year was 6s. 3d. a bushel, and it later rose to 6s. 8d., to 7s. 1d., and to 7s. 10d. Wheat sold overseas was fetching over 22s. a bushel. That price has been gradually brought down because of the wisdom of wheatgrowers' organizations in accepting the International Wheat Agreement. Even when the price came down under the agreement to 16s. 1d. a bushel wheat for flour to be consumed in Australia was sold at as little as 7s. 10d.

In addition, a tremendous amount of wheat has been sold for stock feed, far greater quantities than were expected when the stabilization plan was first envisaged. Growers and their organizations did not accept the proposal that wheat should be sold for stock feed at the cost of production price. The organizations discussed this matter at great length from the start and one conference was wrecked through this question. When the various Governments finally agreed on the stabilization scheme the wheatgrowers' organizations reserved the right to press further that wheat for pigs and poultry should be sold at the export price. The present Commonwealth Government opposed the last prices referendum because it did not want price control.

The Minister for Commerce has found himself in a quandary, both as regards the wheat and dairy industries. He contended that we should not be continually asking the Commonwealth Government to dip into Treasury funds in order to subsidize butter and wheat. It was contended that because of high wages and the cost of living the State Government could, under their powers, increase the prices of wheat and butter. Price control should be transferred to the Commonwealth Government as, if it has power to grant subsidies, it should have power over prices; the two dovetail. All State Governments sat pat on dairying and butter production. The Federal Minister finds that he has to dip deeper into the Commonwealth Treasury to pay the subsidies. If price control were placed under the Commonwealth, Federal Ministers could agree on the amount of subsidy, and gradually limit the price, the difference being made up by a subsidy.

Returning to the question of stock feed, some of the figures I give will probably astonish members. A letter which has been received from the Minister for Immigration shows that the number of migrants is reaching startling proportions. According to the department, 200,000 migrants will enter Australia during each year. The figure has been arrived at, taking into consideration the economic ability of the nation to absorb them. Today, 36,000,000 bushels of wheat are used for flour; in 1940-41 it was only 33,435,780 bushels. On the migration figures supplied we will not have any wheat for export by 1960. In 1940-41 feed wheat for pigs and poultry totalled 15,841,852 bushels, but today it has jumped to 23,700,000 bushels. Wheat for breakfast foods and sundries shows an increase of 1,250,000 bushels. The total figures have risen from 51,576,000 bushels to 62,000,000 bushels. Taking 200,000 a year increase in migrant population the total consumption of wheat in the form of flour, breakfast foods, and stock feed will increase by 8,000,000 bushels by 1960. It is evident that by then we will require 47,500,000 bushels for flour, making a total of 87,250,000 bushels. Breakfast foods have shown an increase of 500,000 bushels in five years, at the rate of 100,000 bushels a year, absorbing 47,960,000 bushels. Total wheat requirements by 1960 will be 88,650,000 bushels for internal consumption—nearly 90,000,000 bushels. During the 12 years from 1939 to 1951 we had four drought years. In 1943-44, 94,750,000 bushels were acquired by the Australian Wheat Board; in 1945-46, 38,826,000 bushels;

and in 1946-47, 98,969,000 bushels; in other words, about the same quantity was required for internal consumption. The figure would increase by 1960 following on the same basis that operates today. Wheatgrowers, finding the cost rising to such colossal heights, are turning more rapidly to wool production. The Director of Agriculture in South Australia recently referred to the curtailment of wheat acreages. It is estimated that there will be a reduction of more than 2,000,000 acres throughout Australia this year. Unless something is done by State and Federal Governments to halt immigration and increase production of wheat and foodstuffs we will rapidly reach the position when we will not have any wheat for export.

Mr. Quirke—What harm will that do?

Mr. STOTT—We will soon find ourselves in competition with the United States of America and other countries and the national economy of Australia will be completely topsy turvy. If we are to play our part as a bastion in the Pacific we must take steps to continue being a food producer. Australia has an obligation under the Ceylon plan to supply India with foodstuffs. We must continue to assist other countries that have not the wherewithal to grow foodstuffs. There can be no doubt that the present tendency to pay extremely high prices for land to cash-in on the present prosperity of wool is unrealistic and can have most serious repercussions upon producers and the whole community.

Today the majority of the world's peoples exist upon a diet that is barely reasonable. A world food survey, conducted by the Food and Agricultural Organization of the United Nations in 1946 showed that before the war, in areas which contain a little over half the world's population, *i.e.*, most of Asia, portion of the Middle East, all of Central America, and parts of South America and Africa, food supplies at the retail level were sufficient to furnish an average of 2,250 calories a head each day. Due to wastage, the actual intake was even less than the retail supplies. Averages, of course, conceal sharp differences both between and within countries. The daily shortage was approximately 540 thousand million calories, and of this, two regions (India and Pakistan; China and Japan) accounted for 81 per cent.

The increase in population during the last decade and the serious war-time dislocation of food production, enlarged the want to possibly double the figures quoted. Notwithstanding the increased output of food in the past

three years, because of this growth in the world's population, the world supply has not reached the point where the overall per capita consumption rate, in terms of calories, equals the pre-war level. However, in 1950-51 world food production (measured by the calorie equivalent of the aggregate output of important food products) is expected to be about 4 per cent above the pre-war volume and the per capita consumption in many countries will be close to or above the pre-war rate. With the exception of the Asiatic, the rest of the world can expect to supply its own food needs in the reasonably near future. The world is relying to an increasing degree on vegetative sources for its foodstuffs. This, in itself, is a form of conservation since when crops are fed to animals instead of being eaten directly by human beings they lose 80 to 90 per cent of their calorie value before they reappear in the form of meat and milk.

There seems good reason to expect that, barring war, the wheatgrowing countries can adjust their production to meet demand. For the world as a whole (excluding U.S.S.R.) total wheat production in 1949-50 was some 20 per cent better than the 1935-39 average. Most of this increase has taken place in North America where stocks although high in comparison with pre-war are considered by the U.S. Government to be insufficient in face of the present international situation. Exchange difficulties also impede distribution. Most significant from the present point of view, has been the increase in both production and imports of wheat and coarse grains in Far Eastern countries. This has compensated partially for the decline in the per-capita rice supplies of that region.

Efforts to solve the problem will call for rapid large scale development of industry and trade, together with land reform, mechanization and improved techniques, all of which require large investments of capital and technical skill. Some nations have been able to achieve the transition by their own efforts, notably Britain, U.S.A., and Russia, but today, although every country is endeavouring, as far as its means will allow, to develop its own resources and raise living standards, the implementation of these policies lies beyond the unaided abilities of many of the countries most concerned, so that, in the words of Sir John Russell "The key to the problem of food and people is international co-operation".

Action to develop such co-operation is being taken by Food Agricultural Organization, through the plan for technical assistance to

under-developed countries by the United States through a series of economic aid programmes, and by the British Commonwealth countries as envisaged in the Colombo plan. These proposals all aim to provide the capital and skills required to increase productivity of the available agricultural resources. Before the fear of hunger can be removed from the minds of millions of people the rate of increase in food supplies must outstrip the rate of increase in the world population. There can be little doubt that further efforts in international co-operation will be required to expand and extend those already begun if this aim is to be achieved and an adequate diet made available to all.

We must examine the position to see if we have not gone too far in our commitments under the Colombo plan and other schemes. If we maintain our present migration programme, by 1960 we shall not be able to export wheat, and then we will not be able to meet our overseas commitments. The future position must be examined carefully if Australia is to play her part in providing food for overseas people. Generally these matters are discussed at Premiers' Conferences, but various State Governments should take members more into their confidence. We must solve our inflationary problem, and then having got our house in order we should consider ways to provide greater assistance to other countries so that they will not be over-run by a form of government they do not want. Peoples of India and other Asian countries want better amenities. Recently workers in the jute industry in India struck for higher wages and better conditions. Unless the Governments of those countries provide better amenities the people will not worry if they are overrun by Communism. We should not allow the position to drift. Yesterday the Leader of the Opposition referred to the number of country people coming to the city. Under our migration scheme we are not getting enough migrants with a knowledge of rural work; that is essential if we are to increase our food production. When I was in Scandinavian countries I discovered many people interested in the settlement of rural workers in Australia. Such settlers would be better than many of the migrants we are getting. They are used to the work on the land and would be willing to come to our country to assist materially in increasing food production. The opportunities are there for them.

Mr. O'Halloran—There are many people in South Australia who would go on the land if they had the opportunity.

Mr. STOTT—Yes. We need greatly increased production. When the inflationary problem is dealt with I hope the wheat industry particularly will not be called upon to make too many sacrifices. It has already done a good job in providing cheap flour and cheap stock food. It would be better to curtail excess profit making. Recently I inquired about the price of a new Holden motor car. The salesman told me that if I waited a month I could get one for £1,550. Two years ago I paid £730; the present proper price is about £900. I told the salesman I did not want to buy a new car, and would like to sell mine, but that was a different story. This type of racket is going on in many directions.

I believe that the Address in Reply debate should not continue too long, so I shall follow the example set by the Leader of the Opposition and Mr. Macgillivray and not speak at length, reserving my remarks on other matters until legislation and the Estimates are introduced.

Mr. CLARKE (Burnside)—I join in expressing gratification that the King's health has so improved that the visit which we have so long awaited will take place next year. Members, whatever interests they represent, will join in the expression of gratification. I was not in the Chamber when Mr. Pearson delivered his maiden speech. I have read it since in *Hansard* and I congratulate him on his effort and on his election to represent the district his brother so worthily represented for so long. The Governor's Speech referred to the carrying out of the Jubilee programme this year, and I accept with gratitude His Excellency's tribute to the many men and women who have so competently and enthusiastically assisted in the work of the committee which brought the celebrations into effect. I thank Mr. Dunnage for his more than generous remarks on my small part in this matter. I do not propose to deal with the excess profits tax legislation as a means of correcting inflation, but I draw the attention of the Leader of the Opposition to some features of the tax which are objectionable and unworkable.

Mr. O'Halloran—All taxation is objectionable to the taxpayer.

Mr. CLARKE—Yes, but income taxation is accepted in principle and is regarded as ethical. The excess profits taxation has been found to return a comparatively small amount by comparison with other forms of taxation

designed to draw off profits from companies. The Commonwealth Government very wisely, about a year ago, appointed an expert committee to examine all aspects of taxation and its incidence in Australia. I believe, but I am not sure, that the committee advised the Commonwealth Government that a system of excess profits taxation was unworkable. It is an extraordinarily complex matter. The former excess profits tax which was in operation in Australia yielded a comparatively small amount, and it had this bad effect: it tended to reduce efficiency in production rather than increase it. It also had the tendency to cause people to charge up costs of production which they otherwise might avoid.

Mr. O'Halloran—The excess profits tax is not intended to get large returns. Is it not intended to prevent excess profits from being made?

Mr. CLARKE—There is machinery for drawing off excess earning power in the ordinary graduated form of taxation. The additional form of taxation would bring about complexities. I do not say that no form of taxation should be used for economic purposes, but an excess profits tax does not achieve the results which its advocates hope it will achieve. It has another effect and greatly complicates the taxation structure. It increases inefficiency rather than efficiency, because of the temptation to charge up costs which might otherwise be avoided.

I now come to remarks made by Mr. Macgillivray yesterday. I accept the sincerity of his plea for an examination of unorthodox financial methods. It is paradoxical that he is completely orthodox in his unorthodoxy in as much as his financial proposals are not new, but follow the pattern of those who seek some amelioration of the position which might result from our present financial system. He said that economists had led us into the depression. I do not agree with that. They may not have led us out of the depression, but they did not lead us into it. In looking for the root cause of a depression we must go deeper than the effects. Fundamentally the cause of a depression is the irregularity of capital investment. These ups and downs in our economic life take place every eight or nine years with persistent regularity, and they are known as "trade cycles." Of all the features of our economic life none is more dreaded than loss of employment.

Mr. Macgillivray—Would the honourable member say that a trade cycle is, in effect, another cause?

Mr. CLARKE—A trade cycle is the result. The cause is an irregularity in capital expenditure on a large scale over many countries. The most grievous feature of our economic life is fear of unemployment. The sense of self-respect and our use in the world is bound up with our ability to hold down a job. Security is almost an obsession with most classes. At one time it was competent for a professional man to make, comparatively easily, provision for his old age so that he could live on income from his savings; but that is not possible today. It is understandable that more attention should be paid to the "downs" than to the "ups" of economic conditions, because more people are immediately injured by economic depression than by economic inflation, although the eventual results of both may be evil.

If I make no other contribution to this debate, I shall be happy to have directed the attention of honourable members to a publication "The Problem of Unemployment" issued by Lever Bros. and Unilever Ltd., regarding which the *Daily Mail* said: "Lever's have declared war on booms and slumps. They want to stop the world from riding to economic perdition on the trade cycle." The *Manchester Guardian* said of it: "The paper is the most important and useful contribution to economic discussion that one remembers to have come out of industry since the fiscal controversy of 40 years ago. It should do a great deal to set thinking on right lines." The *Economist* said: "The pamphlet is a notable contribution to the most important of all current discussions on future economic policy. It is outstanding among the contributions made by industry."

On the cause of rising prices which themselves are only the manifestation of a very much deeper cause, two widely diversified views are held, which, for the purposes of discussion, I have over-simplified. One view generally held by people not engaged in business and trade is that the prime causes are profiteering, cornering of supplies, and high profits. The other extreme view is that inflation is itself the root of all evil. However, there are many causes of rising prices. Dr. Roland Walker, an eminent Australian economist, in his *Wartime Economics* analyses a number of them. Although his book was written during the war, economic conditions today are in some respects comparable. He states, as the causes of increased prices, the increased cost of

imports, the increased prices for exportable produce, increased taxation, increased cost of transport, the increased direct cost of production, both of labour and materials, the replacement of imports by local production, and an increased demand for goods.

The last-named is to me the most significant and the simplest cause of inflation. It may be stated as "too much money chasing too few goods." The honourable member for Chaffey suggested as a partial solution the payment of subsidies. I appreciate the earnestness with which he advanced his views and agree that this is not a subject for levity. Indeed, it is the most serious problem that has come before this Parliament in recent years. However, we must examine the remedies he has offered in order to clear the ground of all the remedies which will not work and to make more room for an inspection of those which may. If we accept as the definition of "inflation," "too much money chasing too few goods," the obvious remedy would appear to be either to reduce the amount of money and credit available or to increase the quantity of goods. The member for Chaffey did not completely accept the suggestion that inadequate supplies are a major factor in inflation, and quoted the U.S.A. as an example in support of his views. Certainly production in the United States has never been higher than today; but immeasurable quantities of that production are being used in economic aid to Britain, Western Europe, and the United Nations, in the Korean war, and in stock piling for United States defence. All these are potent factors in preventing consumable goods reaching the American public.

Mr. Macgillivray—The honourable member said that high prices for exports had helped build up inflation in Australia. The U.S.A. is also being paid for its exports.

Mr. CLARKE—That is true. I do not discount that as a factor, but emphasize that the apparent solution is not necessarily the real one. There are other qualifying factors which do not appear in a simple analysis. Apparently the honourable member for Chaffey does not accept the view that there is too much money or credit in circulation, as his proposal is to inject into the economy by subsidy up to 10 per cent of the costs of production of the items in the "C" series index.

Mr. Macgillivray—And then to withdraw part by a reduction in wages.

Mr. CLARKE—Yes; but I remind the honourable member that the "C" series index

comprises food, groceries, housing, clothing, and miscellaneous items of household necessities, such as drapery, household utensils, light and fuel. I do not scorn his proposals, but wish to demonstrate that the remedy does not lie in this direction. The honourable member is completely orthodox in his suggestion that, if subsidies are paid, they should be met by income tax. I agree that a graduated scale of income tax, in accordance with the principle of ability to pay, is both ethically and practically sound.

However, I am not so sure that he really intends to use taxation as it may be used as an economic instrument, or whether he proposes to use what Mr. Richards, a former Leader of the Opposition, referred to as "costless credit." Before getting at the root of the proposals, a little more clearing of the jungle of terminology must be carried out. Money has ceased to have intrinsic value. Gold once had value in use in jewellery, medicine, and in industry generally, as well as exchange value. However, its functions today are to provide a measure of value, a medium of exchange, and a unit of account. No one person decides how much money the economy needs. The actual issue of coin is determined by public demand, and it is issued by the Mint. There is always a greater amount in circulation in peak periods of the year, such as Easter and Christmas, when spending reaches its highest point. The issue of notes is determined by the Note Issue Department of the Commonwealth Bank, which in turn is regulated by public demand. Credit issue by banks is closely allied to the needs of industry, the volume of trade and day to day transactions of the bank's customers.

Bank credit is not limitless, but closely related to deposits and reserves. If we accept the suggestion—and I think we must—that there is too much money, we must consider the effect of introducing additional money as subsidies. If subsidies are to be extended, that can be done properly only through orthodox channels. Hard cash must be paid by someone somewhere and taken from earnings, either company profits, workmen's wages, fees of professional people, or the earnings of primary producers.

The honourable member's remedy might be painless in the early stages, but, as the soporific wears off, the effects of the economic malaise will be intensified. At what stage of production are we to inject this subsidy into the machine to reduce costs and oil the economic wheels? Everyone knows the difficulties associated with the administration of

subsidies. To maintain them anywhere within reason the items subsidized must be controlled from the land to the breakfast table. It is inevitable if the product is primary. We must license producers, control acreage, direct marketing and distribution, fix costs, license export, and determine home consumption quotas. I am not using this as an argument against subsidies in certain selected and vital industries. I agree with them, and also agree that they are infinitely preferable to fixed home prices. The problem is infinitely more complex when the items to be subsidized cover even the "C" series index, which does not cover all elements in the cost of living.

Mr. O'Halloran—Do you suggest that all those items should be subsidized?

Mr. CLARKE—I gathered from Mr. Macgillivray's remarks that the factors which made up the "C" series index should be subsidized. Whether it should be all or only some makes no difference to my point. I shall give an example which is a direct opposite of the subsidy and show how it might work. Consider the sales tax. It is true that this tax has become less complex in its operation through the removal of many items from its operation. When many more items were covered we found such things as this—caulking compound if used as a putty was not taxable, but if used as a caulking compound it was. Dog soap was free from tax, but baby soap was taxed; drain pipes used for agricultural purposes were free from sales tax, but if used for other purposes were taxable. If we put this in reverse and have a subsidy on, say, cloth, what will be the position? Cloth may be used to make clothes, seats for theatres, or decorations for a church. Consider, for instance, flour, which, according to Mr. Macgillivray, should be subsidized for making bread, but if used for making office paste or artificial blooms would it then be subsidized? How can we differentiate between the uses? These simple examples show how fantastic the problem of subsidizing "C" series items could be even if we had the money. That is the administrative side only. What about the economic side? We want less money in the community so that fewer tokens will be required for more goods. Mr. Macgillivray's proposal would, I think, do the opposite—at least in the initial stages. It would put more money into circulation.

Mr. Macgillivray—Only to start with.

Mr. CLARKE—Yes. The problem would have no limits even without taking into account the elasticity of demand which could throw

out of gear the best laid plans of mice and men. Elasticity of demand means that there would be a great variation in demand for some things if the prices varied. The demand for bread is not elastic. There is a limit to the quantity of bread one could eat, even if it were sold for $\frac{1}{2}$ d. a loaf. Even then the demand would not be greatly increased, because in a civilized community the demand for bread does not vary greatly with the price. However, if the price of clothing were subsidized heavily and it became cheaper, the demand would be greatly increased because of the tastes, habits, and social customs of the people.

Mr. Pattinson—What problem would that solve?

Mr. CLARKE—It would greatly complicate the problem. Mr. Macgillivray's proposal does not take into account the elasticity of demand, which would provide a tremendous urge for spending on subsidized goods.

Mr. Macgillivray—How did it function during the war?

Mr. CLARKE—If the honourable member will accept rationing with it, there may be some merit in it; but we cannot have subsidies without control from the land to the breakfast table for certain foodstuffs, nor could we have subsidies for clothing without control from the sheep's back to the storekeeper's counter. Where does the remedy for inflation lie? I do not know any one answer to it. All one can say with certainty is that the more one studies the economic problem the more one can be sure that the snap answer is rarely right. My purpose today is specifically to avoid the snap answer. I feel that a great disservice has been done by the snap decision of New South Wales to control all prices. I believe that our Premier will go to the Sydney conference with no ready-signed agreement, but with an earnest intention of South Australia playing a useful part, after this House has had the chance to express its view.

Lest I be charged with dealing solely with the negative side of the question, I have left to the last what I hope will be a constructive suggestion. We have in this House a number of statutory committees, such as the Public Works Standing Committee, the Land Settlement Committee, and the Industries Development Committee. With great respect to members of those committees, and their work entitles them to respect, I am sure they would not set themselves up as experts in the fields

in which their work lies. They have to examine experts and probe evidence, institute inquiries and make recommendations. I submit for the consideration of the Government the proposal that it should set up in a similar form to that of these standing committees a fact-finding committee on economic matters. It would not be as satisfying to Mr. Macgillivray if an inquiry were made into his proposals and they were found to be impracticable as it would be if they proved to be the real solution of the problem. However, the honourable member would have the satisfaction of knowing that his proposals had been examined, and if they were not acceptable to the committee, it would have to look elsewhere for the solution. The Commonwealth Government proposes to revive the Committee on Public Accounts. That is an excellent step. The Commonwealth Parliament cannot, because of its increased numbers, devote the necessary time to a close study of all the implications demanded by the Budget policy. Time should be devoted to fact-finding, which is essential if we are to solve our economic problems. I do not know that my suggestion needs much elaboration, as I believe it speaks for itself. Such a committee could inquire into economic matters and advise the House and the Government.

Mr. O'Halloran—Would you give it a charter to investigate certain things?

Mr. CLARKE—Yes. I have in mind all kinds of things it might consider. For instance, the member for Mitcham previously suggested that an inquiry should be held into the landlord and tenant legislation. If such a committee as I propose had been in operation it would have been competent to deal with the problem. I believe the time has arrived when some of these economic matters should be considered as I have suggested. I support the motion for the adoption of the Address in Reply, and earnestly ask the Government to consider setting up a committee which would be charged with the examination of economic proposals in the same way as other committees examine public works, land settlement, and assistance to industry.

Mr. DAVIS secured the adjournment of the debate.

ADJOURNMENT.

At 4.42 p.m. the Assembly adjourned until Tuesday, July 31, at 2 p.m.