

HOUSE OF ASSEMBLY.

Thursday, August 2, 1951.

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

PRICE CONTROL.

Mr. O'HALLORAN—Today's *Advertiser* contained the following report:—

Victorian Pressure on Prices.—Melbourne, August 1.—At the pre-conference talks with the other Premiers on August 14, Mr. McDonald will suggest to them that they should tell the Commonwealth that they will legislate to transfer controls, "whether the Commonwealth likes it or not." "If all States were united on this, the Commonwealth could not refuse to take back price control," Mr. McDonald said tonight. He pointed out that the Commonwealth already controlled wages and hours (through the Arbitration Court), excise, tariffs, subsidies, bank credits, and imports. Mr. McDonald said he believed his proposal would definitely have the support of the Labor Premiers of New South Wales, Tasmania, and Queensland. He hoped that the Premiers of South Australia and Western Australia would change their views and back the plan.

Has the Premier's attention been drawn to this report, and, if so, has he any views to indicate to the House regarding it?

The Hon. T. PLAYFORD—My attention was not drawn to the statement, but I noticed it in passing and made a mental reservation that there appeared to be some political problem in Victoria at present. Be that as it may, my Government is not prepared to consider the permanent transfer of price control to the Commonwealth Government.

Mr. Shannon—Hear! Hear!

The Hon. T. PLAYFORD—If the States transferred that power permanently to the Commonwealth it would mean that all our public services and everything we did would be under Commonwealth control and the functions of this Parliament would be so abrogated that they would cease to be worth-while. If there is any necessity for or advantage in having a uniform administration of price control during this crisis, an arrangement could be made with this Parliament to have the prices laws administered by a proper authority. I point out that Mr. McDonald's premise for his statement, that Victoria, Tasmania, New South Wales, and Queensland would agree to such a plan, is not correct. The Premier of Tasmania said quite definitely on Monday that his Parliament would never consider transferring permanent power to the Commonwealth, and the Premier of Western Australia had already made a similar observation. I

know I can speak with the approval of the Leader of the Opposition on this matter. I have already assured the Commonwealth Government that if there is anything we can usefully do toward solving the problem of price control during this economic crisis I am sure that all sections of the South Australian Parliament will be prepared to assist. That does not imply that we will be prepared to hand over permanently the authority of this Parliament, as I do not think we have any mandate for that. Two referendums have been held on this matter, both being rejected by the Australian people. It may be that at present they would carry a similar referendum but that is a matter for the people.

MARINE DRIVE.

The Hon. S. W. JEFFRIES—There has been correspondence in the daily press recently concerning the construction of a marine highway. Does the Minister of Works consider the construction of that highway of such an urgent nature as to justify the diversion of manpower and materials which could be more profitably used in essential works?

The Hon. M. McINTOSH—I saw the paragraph in the press and obtained the following explanation from the Commissioner of Highways:—

In order to provide for movement of traffic and to avoid congestion at dead-end roads at the seashore, the corporation of Glenelg desired to construct the unmade road between Broadway and Phillips Street—a distance of approximately 20 chains. The Glenelg and Brighton Foreshore Committee also recommended this work among other similar minor works. As the proposal would ultimately be incorporated in the future marine drive from Outer Harbour to Marino, funds were provided by the department for the work, which will be carried out by the corporation of Glenelg as and when their facilities are available. The estimated cost is £2,000.

IMPORTATION OF HOUSES.

Mr. FRANK WALSH—Has the Premier a reply to my question of July 24 regarding the importation of timber-frame houses from Britain and Western Germany?

The Hon. T. PLAYFORD—I have received the following report from the chairman of the South Australian Housing Trust:—

The South Australian Housing Trust has not entered into arrangements for the supply of permanent housing to building operatives to be brought to South Australia to erect imported houses, although it is possible that, as regards British operatives and in order to encourage their recruitment, some arrangements will be made that these operatives will become eligible to purchase a proportion of

the houses they erect. However, the trust has arranged to supply a limited number of temporary dwellings for the housing of building operatives with families. Such arrangements are necessary to enable the labour to be brought to South Australia. As regards the entry of union officials on to the jobs, this matter has not been discussed by the trust with the builders in question, but the contracts provide for the builders to abide by the relevant awards applicable to the building industry. Thus union officials will, as regards these jobs, have the same legal rights as they have on other building jobs.

MEAT PRICES.

Mr. HUTCHENS—Following on my question of yesterday in regard to meat prices, I received a number of telephone calls and was interviewed by several people on the matter. They all told me that they had not seen recently in butcher shops any placards showing the prices which had been determined by the Prices Department. Today's *Advertiser* contains the following report:—

Referring in the Legislative Council to the difficulties of price control, the Chief Secretary (Mr. McEwin) pointed out that butchers had to pay a high price for meat, and wanted to get their money back. "People want meat, and are prepared to pay for it," he added. "They are not going to give evidence against the butcher who supplies it."

I take it that the butchers are adopting intimidation tactics and holding out on their customers. Are we to assume by the statement in the *Advertiser* that the Government is prepared to condone the actions of butchers in charging prices above the prices fixed? Secondly, is it the Government's intention that the people of South Australia shall become a police force and report any breaches? Thirdly, will the Premier ask the authorities to see that placards showing the fixed prices are displayed in accordance with the law?

The Hon. T. PLAYFORD—I told the honourable member yesterday that I would refer his question to the Prices Commissioner for attention immediately. That promise will be fulfilled. I examined this problem today to find out what the difficulty is, but I found that at present the South Australian market, which is already inadequate, is being drawn on even further by large consignments of meat going to other States where, incidentally, the prices fixed are on about the same level as here. There appears to be not only a problem of control here, but also an equally great, or greater, problem of control interstate. The Meat Board has arranged to see me on this matter and I hope to be able to effect some solution of the problem. The

policy of the Government is certainly not to condone any breaches of the law. If the law cannot be administered, obviously it must be altered so that it can. I am examining the whole matter and hope by the next sitting day to be able to give more concrete information to the honourable member.

Mr. HEASLIP—Under present price control it is unprofitable for butchers to buy and sell meat, and it is obvious that they cannot continue business without profit. Is it the policy of the Prices Commissioners to force meat off the market as has been done to a great extent with butter?

The Hon. T. PLAYFORD—Butter has not been forced off the market by the Prices Commissioners. The short supply in Australia has been due to two factors—unfavourable weather conditions in some States and, more particularly, exports have been allowed to exceed the needs of home consumption. The price paid for butter in Australia, with the subsidy included, is approximately the export price. In reply to Mr. Hutchens, I have already said that the present position appears to require some attention. The existing high ceiling price for meat at the abattoirs obviously leaves a butcher in a difficult position. It is not desirable to have a law which cannot be policed. Our problem today is made more difficult because of very large consignments of meat being sent interstate, where, strangely enough, they have similar limits. I hope to be able to announce some solution of the problem next week.

UNDERGROUND WATER SUPPLIES.

Mr. PATTINSON—Underground water supplies proved a great asset to the residents of the metropolitan area last year when water from Government bores was diverted into the mains. Following ample rains during this year the water from the bores was shut off from the mains. I understand that since the reservoirs became full the Engineer-in-Chief's Department has endeavoured to supplement the underground supplies by diverting excess reservoir water into the bores. Can the Minister of Works state the result of this experiment?

The Hon. M. McINTOSH—Yes. I am glad to say that up to the present the experiment has proved very successful. In collaboration with the Mines Department the previous process has been reversed and, instead of taking water from the bores, it is now from the mains, being forced back through the bores into the underground basin. As there is a desire to save as much water as possible it is very proper that

it should be diverted back. To such an extent has it been successful in some bores that it has flattened out the pressure and we have already had some complaints, and are watching the position. Speaking generally, it has been found that a bore which was yielding, say, 10,000gall. an hour would, in return receive 10,000gall. an hour through the pressure from the main.

Mr. Macgillivray—Has the water table been raised?

The Hon. M. McINTOSH—That would not be so apparent yet, but the bores are receiving the water and the ultimate effect must be to raise the water table. Not only that, but it was found that through excessive pumping the quality of the water in some bores had deteriorated. Now, even if we do not use the fresher supply in the underground basin, other people will do so and receive a benefit. The tests have been considered worthwhile and will be continued, having regard to the fact that we must not flatten out the pressure too much where the bores are particularly receptive to the receipt of water.

Mr. FLETCHER—Is a strict watch being kept on the drilling of bores to tap this underground basin? If salt water should get into the basin, the supply will be more or less ruined for all time. Is it possible for anyone to drill willy-nilly and perhaps be the means of letting salt water into the area, or must a person wishing to drill get permission from the Mines Department?

The Hon. M. McINTOSH—No. There is no law in force in South Australia, and I doubt elsewhere in Australia, to prohibit a person from drilling for water on his own property. There must be hundreds of bores in the metropolitan area. The Government has put down almost 100 and in doing so has followed the advice of the Mines Department as to their location. To date, there has been no serious effect on the supply or the quality of the water. In one or two places it was found that the mineral content was increasing, but not seriously so. I do not think there is anything in the suggestion that by drawing off a large quantity of water we will create such a vacuum that salt water will penetrate into the basin. We are replenishing the basin and up to the present the results have been very promising.

TURN-ROUND OF SHIPS.

Mr. STEPHENS—Has the Premier yet received a report from Mr. Bishop, the Auditor-General, who was appointed to inquire into

the question of the turn-round of ships at Port Adelaide? If not, when does he expect it?

The Hon. T. PLAYFORD—I have not yet received a written report from Mr. Bishop, but he has, in verbal reports, informed me of useful things which he believed could be done to help the position, and I have instructed him in each case to take them up direct with the authorities to see if some alleviation of the position could be achieved. I know he has been conferring with the Harbors Board and other authorities with a view to finding solutions which, after all, is what is wanted more than written reports. However, the report will be received in due course.

MOUNT PLEASANT-ANGASTON ROAD.

Mr. TEUSNER—Before and since the determination of the war statements have been made by the Government on various occasions that it had in hand an extensive programme of road construction and reconstruction, which involved bituminizing some of the main roads in rural areas. I will read a few sentences from a letter I have received from the District Council of Mount Pleasant as follows:—

I have been directed by my council to seek your assistance to have the road from Mount Pleasant to Angaston bituminized this summer. This road has been reconstructed now for some years and it appears that the Highways and Local Government Department has difficulty in maintaining it in good order, and therefore, the only solution is to seal the surface. Furthermore, the council is of the opinion that this road is of sufficient importance to have the surface sealed.

I believe that this highway is one which the department has in mind for bituminizing. Can the Minister state what progress has been made in the road construction and reconstruction programme, and will he confer with the Commissioner of Highways to ascertain whether the road referred to can be bituminized at an early date to meet the wishes of the council?

The Hon. M. McINTOSH—I have conferred with the Commissioner of Highways very frequently on similar subjects, and as recently as today we had a long talk about it. Speaking generally, the supply of bitumen is better than it was, but against that we are having maintenance difficulties on many main roads. Gangs of men have been diverted for maintenance purposes who, under ordinary circumstances, would probably have been available for new works. Lack of manpower is one of our greatest difficulties. I cannot say whether the road mentioned is one of the particular stretches of road the Commissioner

has in mind which could be done, but we are pushing ahead wherever possible, having regard to the bottleneck of manpower and, to a lesser extent, materials. The Government has advanced hundreds of thousands of pounds to councils for acquisition of plant, which has been of great assistance. I will obtain further information as to the specific road mentioned by the honourable member and let him know the position.

LAND FOR EX-SERVICEMEN.

Mr. MACGILLIVRAY—Since the Minister of Repatriation made his statement about the apathy of certain ex-servicemen who are not following up their applications under the land settlement scheme, I have been inundated with letters from qualified men in my district setting out certain problems with which they are faced. I will briefly quote from one letter, which will give the Minister an idea of the tenor of practically all the letters I have received. This man states that he has been qualified for more than five years and that men from other States, both from city and country, have been allotted holdings whilst he is treated like an "also-ran." He adds that the Minister's statement that applicants' attitude is apathetic is easily understandable when such treatment is meted out to them. The ex-serviceman had written to the Department three days before the Minister made his statement, so his letter was prior to the Minister's statement. The concluding paragraph of a letter signed by Mr. A. H. Peters, Director of Lands, dated July 24, 1951, to the applicant in question states:—

However, in view of these circumstances, I regret that at the present time I am not in a position to state definitely when you are likely to be allotted a holding.

Following on receipt of the letter the Minister's statement in the House was quoted in the *Advertiser*, of which the applicant has sent me a copy, asking me to interpret the Minister's remark:—

At present there were 140 dry land and 100 irrigation blocks "not absorbed."

This ex-serviceman wants to know, if it is a fact that 100 irrigation blocks are not absorbed, why he and others are not placed on them? The statement obviously requires clarification. Will the Minister explain exactly what is meant when he says there are 140 dry land and 100 irrigation blocks "not absorbed?" Are they available for allotment now?

The Hon. C. S. HINCKS—The department has the blocks but they are not far enough

developed, particularly the irrigation blocks, to be allotted immediately. The whole tenor of the question is definitely in relation to my statement. The reason why settlers who are keen have not been notified they can occupy a block is that they are on a lower priority, but they will get an opportunity of doing so in their turn. We are sending out letters to all these men and I am hopeful that, from the information we get, we will be able to tell them where they stand on the list. As regards irrigation blocks, 10,000 acres have been allotted to this State for settlement and the department has classified applicants who will absorb more than that area. That is another reason why we seek the information. We want to know whether all the applicants are still keen for a block so that we would know whether we will have to apply for more land or not.

Mr. Macgillivray—Has the Minister or the department taken steps to increase the allocation of plantings from the Commonwealth?

The Hon. C. S. HINCKS—Not yet. We were told by the previous Commonwealth Government that it would be no use applying until after June 30 this year. Because of the poor response recently by applicants for blocks the Government is endeavouring to find out the exact position, and if we require more blocks, which I think we do, we will immediately apply for a further acreage.

HILLS ROADS.

Mr. SHANNON—The hazards associated with driving a motor vehicle from the Big Tree at Glen Osmond to Crafers has increased tremendously in the last 12 months. A large amount of very heavy transport occupies the road at all hours of the day and also, I think, at night. In my travels over that road at night I have encountered a number of heavy transports. A factor which should be well known to the department is that they run in convoys, never less than two, and sometimes more. They run together for their own special benefit in case of breakdowns. This creates a serious block for other road users. The transports range from 35ft. to 45ft. overall. When two are together they occupy about 100ft. of roadway, and the driver of a following vehicle must see a clear patch before he can overtake. This makes it a hazardous undertaking, especially on a winding road. I understand the department has a plan for a new road leading from the other side of Burnside through to the Saddles at Crafers, and that in times gone by attempts have been

made to secure private contractors to undertake some of the formation work, cuttings required in hillsides, and levelling. Can the Minister of Works inform the House whether there are definite plans, and, if the department has not the plant to do the work, whether private contractors will be invited to do it? Can anything be done for the users of the present road in view of the grave disability they are suffering at present?

The Hon. M. McINTOSH—For some time past a great deal of negotiation has taken place with owners of property adjacent to the proposed road and much of the necessary land has been purchased. The plan for the general layout of the Burnside-Crafers Road has been finalized, and the details for a section at the lower end to enable work to be carried out adjacent to the built-up areas. This latter work is in the hands of the district council of Burnside. The detailed plans and specifications for the remainder of the road beyond Burnside, which would be necessary before contracts could be let, have not been completed. The Highways Commissioner is not very sanguine about the work being suitable for contractors. However, we are going ahead with the detailed plans to see how far we can get contractors interested in the work.

Mr. O'HALLORAN—When I was at Cairns, North Queensland, recently, I was driven over a road from the Atherton Tablelands to Cairns known as the Gillies Highway. The roadway, which drops 2,400ft. in 12 miles, carries very heavy traffic, but the position is made safe by regulating traffic during certain periods. It is allowed to flow down for a prescribed period and to pass up for a certain period. Control is exercised by gates at each end. No toll is paid, but a minimum and maximum time is set under which traffic must pass through the controlled area. Will the Minister of Works have this suggestion examined by the State Traffic Committee to see if it could be adopted as an expedient in the busy periods of the day, or perhaps for the whole time, on the main hills roadway until the alternative road is available for traffic?

The Hon. M. McINTOSH—The idea is well worth considering to the fullest extent. One of the councils in my district has suggested something which would have a similar effect. They refer to it as a pound, into which vehicles go for a certain period and are then released. The position is very difficult, due to the fact that traffic is becoming heavier and vehicles are increasing in size. Many of these vehicles

are undoubtedly causing much damage to our roads. I think the House will agree that they are not contributing anything like their quota to the road fund in proportion to the damage they do. The ordinary motorist contributes most of the money in the form of petrol tax and registration fees. The real damage is mostly done by big diesel trucks that do not contribute either directly or indirectly to the fund. One of the problems this House will have to deal with this session will be what steps shall be taken in this direction. Obviously we cannot keep on diverting manpower and bitumen and other resources to repair damage done by huge trucks that do not pay a fair quota towards the costs of repairing roads and also obstruct other motorists in the meantime. This question arises in the report of the Royal Commission on State Transport Services and when this report is printed members will have the opportunity of studying it and in the light of that report and their own knowledge will be able to consider what should be done.

COUNTRY HOUSING.

Mr. DAVIS—Has the Premier obtained any further information on the number of Housing Trust homes to be built in the country?

The Hon. T. PLAYFORD—I have obtained the following report from the chairman of the South Australian Housing Trust:—

It is not proposed by the South Australian Housing Trust to erect, in country areas, any of the 1,500 imported houses referred to in the recent press announcement. These contracts are on a supply and erect basis. However, many of the houses now being imported under another contract for 2,000 houses (which is on a supply basis only) are being sent to country areas under arrangements made between the trust and the South Australian Railways Commissioner and the Electricity Trust of South Australia. At least 16 per month are being used in this manner and, as occasion offers, this rate will be increased. It should be realized however, that these houses are not the most suitable for country use. They are crated in batches of eight and must, accordingly, be erected in multiples of eight, and when used in the country will prove somewhat expensive. The trust has therefore diverted entirely into the country its production of partly pre-fabricated timber and asbestos houses built with Australian materials and this, at present, accounts for a production of approximately 18 houses per month. Previously, this production was used partly in the country and partly in the metropolitan area. It is hoped by the trust to extend this scheme considerably. These houses, I may mention, are appreciably less costly than the imported houses although the accommodation provided is equal to that of the imported

houses. In addition, the trust is making many contracts for country building in timber-frame where the builders supply their own materials. It should be mentioned, however, that the trust uses timber-frame in any country areas only where there are no adequate supplies of brick or local stone. A very large part of the country building programme is being carried out in solid construction of brick, stone or concrete, and the use of timber is additional to and not in substitution for the use of these solid forms of construction.

TAXATION DEDUCTION: DEPRECIATION ON PLANT.

Mr. DUNKS—For about the past two years the purchaser of new plant has been allowed to deduct from his taxable income 40 per cent of its cost as depreciation allowance. I believe the idea of the Federal Government behind this provision was to encourage the purchase of new plant in order to produce more goods. Some big orders were placed in Great Britain as long ago as 1949, but, due to prevailing conditions, have not been fulfilled. However some of that plant is likely to arrive within the next 12 months. I notice that this matter is likely to be considered when the Federal Budget is being prepared and that shortly there is to be a conference between the Prime Minister and the Premiers. Will the Premier take this matter up at that conference with a view to advising the Federal Treasurer that it is advisable, for the next 12 months at least, to allow this 40 per cent deduction so as to encourage producers, particularly those who have already placed orders for plant?

The Hon. T. PLAYFORD—I am not sure that it is within the province of this Government to advise the Commonwealth Government on questions relating to its Budget. This matter was discussed at a recent meeting of the Loan Council when it was pointed out that private industry now was absorbing in capital goods about seven times more of the capital available than the Governments were obtaining for the necessary supply of utilities and maintenance of services. However, I will see that the member's observations are brought to the notice of the Prime Minister so that he may consider them.

MOTOR VEHICLE REGISTRATION FEES.

Mr. RICHES—Section 10b of the Road Traffic Act states that if the Registrar of Motor Vehicles is satisfied by such evidence as he requires that the owner, as a result of his service in a naval, military or air force, is totally and permanently incapacitated, or is blind, or has lost a leg or foot, or by reason of impairment of his power of locomotion receives

a pension under the Australian Soldiers Repatriation Act, 1920-1943, of not less than 75 per centum of the pension payable for total incapacity, the registration fee for that motor vehicle shall be half of the amount ordinarily payable. I know the case of a returned soldier who is suffering from a heart affection, but there is hope that in a few years he may recover, so he is not classified as "totally and permanently incapacitated," but as "temporarily totally incapacitated." His doctors have advised that it will be dangerous for him to walk any great distance, therefore his means of locomotion are impaired. I understand the Registrar has received a ruling from the Crown Solicitor that this does not constitute sufficient impairment to bring the applicant under section 10b. Will the Treasurer consider amending the Act to provide for soldiers who are temporarily totally incapacitated as well as those who are totally and permanently incapacitated?

The Hon. T. PLAYFORD—If the honourable member will let me have the name of the person in point, I will have the matter examined. However, taxation from motor registrations does not go into the revenue of the State for general purposes, but is used almost entirely on road construction and maintenance. Over a number of years we have discussed in this House the making of concessions to various sections of the community, but concessions can only be made at the expense of the standard of our roads, because they depend on this revenue for their maintenance. However, I will examine the case in question to see whether there may be some additions to the general principle laid down in the Act which may be desirable and necessary. I realize that I cannot give any decision on the case which would affect the Registrar's decision, because he has received the Crown Solicitor's ruling, but investigations will enable me to see the type of case the honourable member has in mind.

HERD TESTING FOR TUBERCULOSIS.

Mr. PEARSON—Can the Minister of Agriculture say whether his department has worked out a programme for the testing of herds on Eyre Peninsula for evidence of tuberculosis, and, if so, when it is likely to commence?

The Hon. Sir GEORGE JENKINS—I drew the attention of the Stock and Brands Department to the honourable member's remarks on this matter made during the Address in Reply debate. As a result a plan is being worked

out at present for testing for tuberculosis of stock herds on Eyre Peninsula, and it is hoped that operations will be commenced by August 23.

HOUSING AT CLARE.

Mr. QUIRKE—The Housing Trust has carried out good work at Clare, but applications are still being called for purchase homes that are to be built. The total amount necessary as a deposit to purchase a home is between £300 and £400, and this prevents a number of young people from taking advantage of the scheme. Has the trust considered the erection of rental homes in country areas to meet such conditions with the proviso that when the time is opportune and they have the funds they can purchase them?

The Hon. T. PLAYFORD—The trust is erecting houses in the country on a rental basis where it is possible to have a sufficient number to make such a scheme practicable. It will be realized that it is very expensive to administer a rental scheme, where the trust is undertaking a big responsibility in the maintenance and care of houses, when there are only a few scattered in a particular area. The trust is already providing rental houses in the country where sufficient can be erected to make the scheme practicable. The case of the honourable member's constituents will possibly be met by the Government's proposal to make some additions to the credit avenues at present available under the various Acts for financing house building. That legislation will come before Parliament in due course. The limit will be raised and I think it will be possible for those who have exercised reasonable economy to have a sufficient deposit.

RECEPTION TO LORD MAYOR AND LADY MAYORESS OF LONDON.

Mr. PATTINSON—Members of the Government, the Speaker, and representative members from both sides of this House have been invited by the Lord Mayor and Lady Mayoress to attend a civic reception to the Lord Mayor and Lady Mayoress of London to be held next Tuesday at the Town Hall at 4 p.m. What is the Government's intention about the sitting of the House at that time?

The Hon. C. S. HINCKS—The sitting of the House will be suspended for an appropriate period so that members may have the opportunity of attending this very important function. The period will be announced early on Tuesday afternoon.

DRAINAGE OF WINGFIELD AREA.

Mr. HUTCHENS—Has the Minister of Works any further information to give me about the drainage of the Wingfield area?

The Hon. M. McINTOSH—I have taken the matter up with the Engineer-in-Chief and the latest information is that the drainage of surface waters from the Wingfield and Woodville North areas is a matter for the attention of the local councils. The Engineering and Water Supply Department does not take storm water into its sewers and storm water must be provided for by a separate drainage system. The Housing Trust has prepared a drainage scheme for the Woodville North area and the department is assisting by constructing one of the main drainage channels. The Enfield corporation also has plans prepared for the construction of other storm water drainage channels. The investigations for the sewerage of the noxious trades area at Wingfield and Housing Trust homes at Woodville North have been completed and plans for the system of main sewers have been prepared. Estimates of cost will be prepared as soon as more important work will permit, but as the proposals will cost between £150,000 and £200,000 the honourable member will see that it is not a small project and will have to receive the attention of the Government in due course. I take it that it will require reference to the Public Works Standing Committee because it is a big scheme and is not in any way a continuation of other systems.

DR. HENDRICKSON'S TREATMENT OF POLIOMYELITIS.

Mr. FRANK WALSH—Last session I asked a series of questions about what many have called Dr. Hendrickson's treatment of poliomyelitis. Have there been any recent discussions between the Poliomyelitis Advisory Committee and Dr. Hendrickson on whether his method of treatment should be continued? Also, have there been more deaths than previously of males between the ages of 30 and 40, and what recommendations have been made for the treatment of these people?

The Hon. C. S. HINCKS—I will obtain a report from the Chief Secretary.

DAIRYMEN'S PREMISES.

Mr. STEPHENS—This morning's *Advertiser* contains the following letter from Mr. E. J. King, of Noarlunga:—

The Metropolitan Milk Board, by its unreasonable attitude, is driving many a small dairy farmer out of business. I have been a milk supplier for 18 years. I have never had a

can of milk rejected. Milk produced by me has, when tested, proved to be of excellent quality. My milking shed, however, has an earth floor and a straw roof. The board took objection to it and cancelled my milk producer's licence. It required me to "construct an approved milking shed, milk room and can washing room in accordance with the board's regulations." This I was not able to do as the Building Materials Office refused me a permit. The board later admitted that it had no authority to require me to construct a new shed, but it has continued to refuse a licence on other alleged grounds. Yet, if I complied with its demands in every way it would not make the milk produced by me any better than it is now. Is it any wonder that there is a shortage of milk and butter? A large number like myself, with a few cows, have gone out of cows because of the action of the board. In the near future my cows will not be producing milk.

Can the Minister of Agriculture obtain co-ordination between the Milk Board and the Building Materials Office in regard to supplies of timber so that they can assist this man and thereby prevent him from being put out of business?

The Hon. Sir GEORGE JENKINS—I read the letter quoted by the honourable member, but remind him that there are always two sides to a question. The Milk Board acts under Act of Parliament independently of Ministerial authority. When the Milk Board asks dairymen to improve their premises it does not insist on the strict letter of the regulations if they make a real attempt to effect improvements. In many cases people will not make an attempt and then the board acts, as some think, drastically. However, I know nothing about this particular case and will bring it under the notice of the chairman of the Milk Board and ask for a report. Despite the shortages of materials many dairymen have improved their premises considerably. On the other hand, others resist any request by the board for improvement and I am sure members will agree that if it is possible to make dairy premises hygienic it is quite right that the Board should require some standard of cleanliness.

EMERSON RAILWAY STATION.

Mr. FRANK WALSH—Has the Minister of Railways received a report on the Emerson station platform, concerning which I asked a question yesterday?

The Hon. M. McINTOSH—As promised, I took up the matter with the Railways Commissioner and he expects that the work on the duplication of the Goodwood-Marino line will be resumed within the next six weeks, but

owing to the raising of the tracks, it is necessary to raise the level of the Emerson platform and this has resulted in temporary inconveniences for passengers. However, in view of the postponement of the work everything possible will be done to improve the conditions pending the raising of the tracks. I hope that he will be able to get on with that straight away.

ALLEGED UNDERPAYMENT OF NEW AUSTRALIAN.

Mr. HUTCHENS—It has been reported to me that a New Australian employed by a certain cake manufacturer, assuming that he had been underpaid, went to the Factories Department, where he was advised that his assumption was correct. He asked the department to take up the question on his behalf, but on each occasion when representations have been made on his behalf, the enquirer has been told that the department has written to the employer concerned, but that he has not called in as requested. If I give the particulars to the Minister will he have the case investigated and, if the report is correct, take steps to see that the employer complies with the requirements of the law?

The Hon. C. S. HINCKS—I will be happy to take up the question if the honourable member will supply me with the details.

MEAT SUPPLIES.

Mr. SHANNON—I understand that prime heavy weight bullocks are making not less than £6 per cental, that prime light weight beasts are bringing up to £8 per cental and prime wethers about 22d. a pound in the open market, and while present conditions continue I do not think there is much hope that butchers will reduce their prices. Can the Minister of Agriculture say whether his department has been able to make an estimate of the number of spring lambs likely to come forward this year? I realize that there are two factors which will militate against large numbers, namely, the high price of wool and the excellent season which will enable graziers to hold more lambs than they would normally. Can the Minister indicate what relief the meat market is likely to receive as the result of spring lambs coming forward?

The Hon. Sir GEORGE JENKINS—The beef supply would be fairly easy if it were not for demands from outside the State. Melbourne operators are buying in the Adelaide market and after paying transport costs are apparently able to sell the meat; at what price I leave to the imagination. Mildura and

various other country towns have to be supplied from Adelaide, and Broken Hill is being supplied to some extent with beef. In addition, a number of country butchers have gone out of business, leaving quite fair-sized towns without a butcher. There are, of course, usually a considerable number of spring lambs coming forward each season and meat prices generally ease a little during the spring, but the very fact that we are having such an excellent season means that there will be a tendency for graziers to hold on to wethers, and consequently less livestock will be sold. Last year, but for the work of some of the big exporting wholesale butchers in buying considerable quantities of meat during the spring and stockpiling it, we would have been in a much worse position. One wholesaler alone brought over 750 tons of meat which he stored and fed into the Adelaide market, and thereby helped to keep Adelaide people alive.

Mr. Shannon—And it was good meat too.

The Hon. Sir GEORGE JENKINS—Very good. It was frozen meat, but bought in the flush of the season. The Meat Board met during the past week and, as far as it was able, made an estimate of the position; it looks as though, with the expected demand for meat for local consumption and for stockpiling, the number of lambs available for export will be light; we will be fortunate to get 200,000. If the season holds as it is at present there will be a considerable tendency on the part of graziers to retain sheep, so the outlook for mutton does not appear to be good. However, if the producers sell lambs they will probably sell many of the mothers too, as is customary, and as a consequence meat supplies should be easier during the spring months. What the position will be after that is anybody's guess.

CAFETERIA CAR.

Mr. RICHES—When the cafeteria car was placed on the East-West express between Adelaide and Port Pirie the Railways Department announced its intention to build another car so that the cafeteria service could be made permanent on that run. Is the department working on the construction of the second car and, if so, can the Minister indicate what progress is being made?

The Hon. M. McINTOSH—The department has a very considerable construction programme running into some hundreds of vehicles and I cannot say from memory whether the cafeteria car has a high priority. I rather doubt it, however, because we are behind with work

necessary to maintain the great amount of traffic offering. Since the war the railways have carried 38 per cent more freight than before, and it is taking all the available manpower and materials to deal with essentials.

ADDRESS IN REPLY.

Adjourned debate on motion for adoption of Address in Reply.

(Continued from August 1. Page 201.)

Mr. QUIRKE (Stanley)—Yesterday I addressed the House on the question of what investigations were being made into the poliomyelitis epidemic and I said that its evil effects, if it remained unchecked—and, through no-one's fault, it appears to be having a completely unchecked course—would be such as to transcend any effects which might accrue from inflation. To refresh the minds of members I shall make a short summary of my remarks yesterday. They led up to the question of the origin of a virus which is claimed to be the cause of poliomyelitis. According to the scientists whom I quoted one says a virus is an expanded and broken protein element; the other shows how the virus can originate when two factors are brought together although both may, in themselves, be quite unaffected by the virus disorders. Both agree that the trouble starts from within. The questions I ask are—(1) has any attempt been made to prove or disprove the theory of these two scientists by checking the quality of consumer protein, and (2), is it possible that the virus action can be set up by introducing into people a disturbing factor which could have its origin in the processed or refrigerated foodstuffs. When I mention "food" I do not imply that people are badly fed, according to accepted standards, nor do I imply malnutrition from the want of food or insufficient variety of foods. What I refer to is some factor, as yet unknown, that is introduced to upset the functions of the extremely complicated mechanism of restoration that is constantly taking place in the human system. In effect, it is a matter of deficiency and one product which can easily be deficient is milk. It is well known that the quality of milk is dependent on the quality of foodstuffs fed to the cow. There is milk that, from the point of view of nutritional value, is unfit for human consumption. These factors should be taken into consideration. I have read that those in charge of these investigations say that food cannot be responsible. The ordinary sense of the word "food," as we know it, perhaps

would be an easy assumption to make, but in view of the findings of these top-ranking world scientists probably a challenge could be made to the statement that "food is not responsible." Deficiencies and intrusions into food, according to these scientists, could be responsible.

Is research into poliomyelitis too much along the lines of finding "antis" instead of concentrating on the fundamental factor of trying to find why a virus is set up from within by some outside introduced influence as has been proved by the experience of Professor Harland? No expenditure is too great to achieve that desirable end to the problem, and the miserable pittance that is handed out by South Australia is not an adequate contribution towards the cause. We have spent hundreds of thousands of pounds in combating the fruit fly.

Mr. O'Halloran—More than half a million!

Mr. QUIRKE—It was feared that the fruit fly might extend from the suburbs into the commercial fruitgrowing areas. I do not think the incentive was to assist back garden fruit-growers in the metropolitan area. When challenging the quality of spraying compounds, I have a distinct recollection of the Minister of Agriculture saying it was of small consequence because the sprays were not used in commercial fruitgrowing areas. I could only conclude that the vast expenditure on eradication of fruit fly was to prevent its spread into the commercial fruitgrowing areas where it would have worked havoc. I do not disagree with that, but to spend £500,000 on the elimination of fruit fly and offer only £10,000 as a contribution towards investigations to combat poliomyelitis, with all the dire results of the disease in young and old, is indeed miserable. The investigations I desire to see started would cost many thousands of pounds, but it is more than likely, following on the Government's attitude today, that the amount required will preclude the necessary investigations being made.

Mr. O'Halloran—Do you agree that investigations into poliomyelitis research in Australia should be co-ordinated?

Mr. QUIRKE—Certainly. In this, as in other things, there should be a central research station which could collate all the evidence from every part of Australia, analyse it and report back its findings. I am a firm believer in giving aid to individual efforts. If one organization directs the whole thing investigations will have a tendency to follow one set course whereas individual ideas can attack

widely different features of the problem, following up original ideas as to the cause of the disease. I am only a layman and do not expect my contribution to receive much consideration, but I use it as an illustration of what I mean when I say that I support individual research by any man who is prepared to devote his activities to it. I would subsidize very heavily any qualified person who is prepared to do that work to the exclusion of any possibility of his earning a livelihood in any other way. It is a most serious problem and Parliament, as the supreme governing body in this State cannot be absolved from its responsibility. I heartily disagree if the Government considers that its responsibility is liquidated when it contributes £10,000.

I conclude my remarks on poliomyelitis and address myself now to another problem, a lesser one than poliomyelitis, known as inflation. First and foremost there appears to be considerable doubt in the minds of some members on what has been advocated by the member for Chaffey, and what will be advocated by me, and whether it can be used as a means of combating inflation. One hundred years ago people in high Government positions knew more about finance than people in similar positions today. Abraham Lincoln said:—

Money is the creature of law, and the creation of the original issue of money should be maintained as an exclusive monopoly of the National Government. Such needs can be served by issuing national currency and credit through the operation of a national banking system. The Government should create, issue and circulate all the currency and credit needed to satisfy the spending power of the Government and the buying power of consumers. The privilege of creating and issuing money is not only the supreme prerogative of the Government, but it is the Government's greatest creative opportunity. The people can and will be furnished with a currency as safe as their own Government. Money will cease to be the master and will become the servant of humanity. Democracy will rise superior to the money power.

We have not done that yet, but Lincoln proceeded to do it, and the "greenbacks" originated in his time. After he made the statement the *London Times* said:—

If that mischievous financial policy which had its origin in the North American Republic during the late war in that country, should become indurated down to a fixture, then that Government will furnish its own money without cost. It will pay off its debt and be without a debt. It will have all the money necessary to carry on its commerce. It will become prosperous beyond precedent in the history of the civilized government of the world. That Government must be destroyed; or it will destroy every monarchy on the globe.

I do not know whether it was a coincidence, but a short time after Lincoln made that statement he was destroyed. The problems we have today were appreciated 100 or more years ago. Then people in high positions, like the President of the United States, knew that credit was a simple creation. Even men like Winston Churchill have said it. I have previously quoted what he said. Gladstone knew it. He could not understand why his Government should be controlled by outside sources and he questioned the need for it. People today say it cannot be done. I thought the time had gone when any person in a responsible position queried the possibilities of credit creation. Mr. Clarke said money is a measure of value. If it is, it is like a yard stick having an inch cut off every month of the year; if that happens it will soon cease to be a measuring stick. Definitely money is not a measure of value. Mr. Clarke accused Mr. Macgillivray of orthodoxy when the latter said he would continue to use present methods of taxation. •

Mr. Clarke—It was not an accusation, but a commendation.

Mr. QUIRKE—I thank the honourable member for the correction. It is not the intention to be unorthodox for the sake of being unorthodox, because every means of taxation, loans and credit was used for raising the necessary money to be spent in the two World Wars. One report of the Commonwealth Bank gave three amounts of money spent in financing the last war: There was so much taxation, so much loan, and then in unmistakable print the amount of between £400,000,000 to £500,000,000 of central bank credit. What is unorthodox in the proposal is that the same type of money, and found in exactly the same way, should be used to stabilize our economy in the interests of peace. Churchill was mystified about the matter. In 1918 at the eleventh hour of the eleventh day of the eleventh month an armistice was signed, and an instruction was given that at 4 o'clock on the same day all war work should stop and expenditure of money be curtailed. Churchill said:—

For my part I cannot yet see any difference in financing guns, shells, armaments, foodstuffs and housing.

He found the difference we are finding, because the means used to finance a war cannot be used in times of peace to restore financial equilibrium. Why, I do not know. Just as in prosecuting a war no individual is made responsible, other than by taxation, for financing it, today no individual employer should be responsible for financing the present inflationary system which has been brought about

by World War II. and the present preparations to offset any possibility of a third World War. At present each increase in wages means that an employer must borrow and use more money in business, thus increasing his debt to the bank holding his overdraft. That debt must be reclaimed by means of increased prices. The honourable member for Burnside suggested the setting up of a fact-finding committee. In other words, if his house were on fire he would try to find out who lit the fire instead of finding methods of putting it out. Twelve months would elapse before the committee would operate, by which time prices would be double those of today. Such a committee is no solution of the problem.

There is no easy road to the curbing of inflation. Each member may contribute towards the solution of this problem. I commend the honourable member for Burnside for his contribution. The fact that I do not agree with it in its entirety does not mean that I think he has not made a honest contribution. He may have convinced other members even if he has not convinced me. My contribution may be open to criticism. It is very easy to cause a depression out of the present position if it is not handled carefully. One factor which would tend towards a depression is a too hide-bound and rigid control over the financial structure and prices of this country which might check the very production desired. The statement by Federal authorities that they wish to work along the lines of restriction of credit and capital issues reminds me of the very factor that precipitated the last depression. A depression may be caused at any time if advances are restricted and overdrafts called up, thus stopping production and promoting unemployment, which was the method used last time.

The last depression did not come about through any natural causes, but was deliberately and with malice aforethought implemented in order to destroy the money which had been advanced to fight the first World War. Finance has always worked so that the profits made come from keeping the people in debt. Money in the hands of the public increased rapidly all over the world as a consequence of the amount released to fight the first World War. The term "supply and demand" was the name given to camouflage the system of "boom and burst." In the interests of the finance system it was necessary to destroy the money in the hands of the public. But that is not so easily done today, owing to the curb placed on the activities of private financial institutions by the central

banking system operated by the Commonwealth Bank. It is highly improbable that, left to its own evolution, the financial position could degenerate into another depression of the type experienced in the early thirties. However, if we deliberately messed around with the system as was done between 1922 and 1928, we could bring about conditions exactly the opposite of those obtaining today and confusion would be worse confounded. Under those conditions people will genuinely suffer, whereas they are not suffering much yet under inflation.

Rapid progress on the part of any nation, as is being experienced in Australia, promotes inflation. There has always been, under modern capitalistic systems, a deliberately promoted mysticism concerning money. Very few and very clever men are the only ones who supposedly have known anything about the manipulation and operation of the financial system. The fact is that the operation of the system is childishly simple, so simple in fact that it was found necessary to disguise its simplicity from the ordinary person and hedge it around with all sorts of social complications which were really non-existent. Money, even paper money, is a practically costless creation which, until the advent of the Commonwealth Bank, was entirely in the hands of private banks. However, these have been shorn of their power and can be controlled today as a part of national policy.

The evolution of money from the early days of history is an absorbing study. Some indication of it may be found in two words—the English word “pecuniary,” and the Russian word “rouble.” The former had as its origin the Latin word “pecus” meaning “cattle.” Today it has assumed a meaning connected with money. The Russian word “rouble” means a piece of metal cut from a bar. These two words show that the meaning of money may be traced to the real wealth of people in their cattle and herds and the fact that later it was found unnecessary to hawk bags of wheat or herds of cattle around because a medium such as a piece of metal bar could be used to provide a means of exchange, provided there was confidence in such a system. Civilization has travelled far since those early days until today money is simply an efficient method of book-keeping.

No commercial organizations in the world today do so much for their customers for so little return as the trading banks. They can afford to, because of their very light overhead

costs. They are honest and efficient custodians of the people's money. They also produce money, their only plant being a set of books and calculating machines. It is necessary here to debunk the so-called mysteries of money. Banks monetize the assets of the people and create the means for bringing into existence new assets. This process is practically costless when compared with industrial processes. Many authorities have been quoted in support of the statement that banks create credit. Every loan made by a bank becomes a deposit somewhere else, and the repayment of a loan inevitably destroys a deposit. Those are two banking axioms.

Section 504 of the Report of the Royal Commission on Banking states:—

Because of this power, the Commonwealth Bank can lend to the governments or to others in a variety of ways, and it can even make money available to governments or to others free of any charge.

This statement was later confirmed by the Secretary of the Royal Commission, Mr. W. T. Harris, who said that the statement in section 504 was to the effect that, as a matter of power, the Commonwealth Bank could make moneys available to governments or to others on such terms as it chose, even by way of loan without interest, or even without requiring either interest or repayment of principal. These admissions are of the greatest importance.

Dr. E. R. Walker, the then Economic Adviser to the New South Wales Government, wrote the following in his paper on “Sound Finance”:

The members of the commission probably did not expect to be quoted as supporting interest-free money. What are the objections to such a practice? A Government could finance all its defence by credit expansion thereby becoming independent of taxpayers, bondholders, and other financial interests; but it would sooner or later be confronted with the dilemma of recession or soaring prices.

That would appear to collapse the whole of my argument, but he goes on:—

Indeed, if prices, costs and other variables are effectively controlled, credit expansion has no dangers, but the mechanisms, which, in the absence of control, imperil industrial stability, are not understood by the apostles of sound finance.

The remedy for inflation is not understood by the apostles of sound finance. The issue of credit has in great measure been controlled, but what of these soaring prices? What has contributed to them? Millions have been borrowed and spent on goods which are not consumer goods and which no-one was called upon to purchase. During the war millions of

pounds were spent on wages in the production of guns, shells, and other armaments. No-one had to buy those goods back and further no money was returned from their manufacture. The money was not withdrawn because the articles were not sold to the people who made them; but they were given away free as a present by the people of Australia to the enemies they were fighting. However, they left behind the legacy of the money spent on wages and the purchase of raw materials. It is quite different when wages are paid out for boots, shoes, clothing and other consumer goods, because the money which goes out is brought back again in the purchase of those goods, but under war conditions that is not so. In that event money is handed out and becomes wages and Savings Bank deposits. The money raised by the Commonwealth Bank and contributed by the people in answer to appeals for loans was spent and circulated among the community for goods which the people were not buying and never could buy, and for which, in any case, they had no use. This has resulted in the building up of enormous amounts in saving bank accounts and current accounts, in socks up chimneys and in holes in brick walls, etc. Capital expenditure, particularly Government capital expenditure, has not been as great as is generally thought. It uses the materials of industry and creates national assets, but competes with such activities as housing. There have been high export prices received and diminished imports due to the inability of overseas countries to export to the full value of their imports. We send away millions of pounds worth of primary products to Britain and we have an enormous credit accumulation there. It is true to say that the people of Britain have not, as yet, paid us for the goods we exported to them. It is not their fault. It cannot manufacture sufficient goods to send in payment for our goods. Therefore, we have built up in Britain a fund amounting to the enormous sum of £600,000,000 or £700,000,000. That money has been paid in Australia. It has not come from loans or taxation, but has been financed by the Commonwealth Bank. It is a direct creation of money. It is owing in Britain, but no-one in Australia has gone without his money. It has been paid in Australia against the time when we shall realize upon it in Britain. It is credit expansion and a contributory cause to inflation in this country.

There are other aspects, but perhaps I have given sufficient to show just how the various factors have contributed to inflation. It will be at once challenged that perhaps the method

I suggest could only add further to inflation, but just the contrary happens. It is nothing more or less than a monetary problem. It is said that there is a shortage of goods competing with the amount of money available. That is not the main factor. It is the high cost of goods, due in the main to the vastly increased standard of living we now enjoy. I want that standard to continue, and I see no reason why our present standard should be reduced just because of this inflation.

I hope that the Premiers' Conference to be held shortly will not develop a Premiers' Plan as bad as the last one, on the basis that you first make things worse before you can have them better. That is generally the brilliant idea. We hear talk of plenty of sacrifices, but who will make them? There is no need for that kind of rubbish. It is a monetary background; and it is only by the control of the monetary policy and its proper administration that we can get an answer to the problem. I was pleased to hear the Treasurer say today that he will take no part in any scheme of rigid price control and wage pegging. I hope he is able to convince the members of his Party that he is right in this respect and that they are wrong. We have already had one member saying that the remedy is the rigid control of prices and wage pegging, and the handing over of the powers of the State to the Commonwealth. I am not prepared for any further powers to be given to the Commonwealth Government. It already has complete control over the monetary structure of this country, and the exercise of that control is the only thing necessary. No-one need look to me for support for the handing over of the sovereign rights of this State to the Commonwealth, because I will not agree to it. Let the Commonwealth do its job, and if it gets down to it and starts to work instead of continuing to talk, we may get somewhere. The most important things in life on the material side are food, clothing and shelter. If we handle those three things all this talk about luxury industries which are to be taxed out of existence becomes nonsense. Why should not they exist? What is a luxury? Is a kerosene refrigerator for a home at Oodlawirra or elsewhere in the country a luxury, or an electric refrigerator or washing machine in the city a luxury, having in mind that domestic help is now not available. Are motor cars a luxury when there are no horses to take their places?

Mr. Lawn—It is a luxury if a man has six motor cars.

Mr. QUIRKE—If he has six, he evidently paid for them. Evidently, he helped to keep vehicle manufacturers going and also other phases of industry.

Mr. Davis—How do you think he got the money to buy them?

Mr. QUIRKE—I have not heard that such people have been charged in the court with having stolen them. It is easy to make such accusations. Many men have become wealthy without being dishonest. The assumption is that one cannot get to the stage where he has sufficient money to buy six motor cars unless he is a rogue. That is utterly wrong. There was the time years ago when boys of seven were working in coal pits driving ponies and the Earl of Shaftesbury or someone else hunted them out; also when innocent men went down to the sea in ships which had been loaded with junk and were sunk, resulting in many men losing their lives. It was not until Plimsoll came along and a law was adopted limiting the loading of ships that this kind of thing was stopped. We remember the depression of the 30's and how the people suffered, and we now recognize that that depression was a major mistake. It was deliberately implemented according to the policy of those days, but it shall not happen again. That is the way we must approach the problem. To say that because one man gets £2 and another only £1 we will not play cricket, is entirely wrong. It is just like this political Party system which is tearing this country apart, as is evident today. Whenever there is a conference with Liberal and Labor Party Premiers present there is a striking lack of unanimity. One Party blames the boss for everything and the other blames the employee, instead of getting down to the job. If something is not done to get rid of this Party revenge complex the load of it will sink this country. I deprecate the remarks of members of the Labor Party in blaming the boss and also the remarks of those on the boss's side in blaming the employee. One side says, "You must work harder," and the other says, "We must have shorter hours." We must get down to arriving at what is in the best interests of the country. Representatives of the worker and of the boss should resolve their differences in the interests of the nation. One side condemns an undertaking because it is, as they call it, a socialistic enterprise, but the other side says, "What is wrong with that?" or may say, "It is not real socialism, only democratic socialism." There is no such thing as demo-

cratic socialism; the only type of socialism is bureaucratic socialism.

There is only one problem, a financial problem. It was a financial problem in the depression and is still a financial problem when there is no depression. That clearly proves that the system does not work. We must evolve something entirely different. I wholeheartedly support the methods suggested by the member for Chaffey. We must have deliberately-created, costless money to subsidize commodities and have nothing to do with wage pegging.

Mr. Davis—Would not the people subsidized become richer?

Mr. QUIRKE—No, because the man who is subsidized would have to sell his goods at the price operating today less the amount of the subsidy.

Mr. Davis—But the manufacturer will get the money.

Mr. QUIRKE—Of course, and so would the man who produces the raw materials. In the production of an article every manufacturer must receive some inducement to keep on working. This inducement is usually the profit he receives for his enterprise. However, we need not consider all the trafficking down through the production line. All that matters is the price at which the article is sold to the consumer.

Mr. Riches—How would you see that the subsidy is passed on?

Mr. QUIRKE—If the price of an article is £1 and the subsidy 5s. the price to the consumer becomes 15s. I would apply price control only to certain items.

Mr. Whittle—How many articles are in your list?

Mr. QUIRKE—That does not matter.

Mr. Whittle—You said just now that you were not in favour of control.

Mr. QUIRKE—That is if there is no subsidy. If the Government finds money to subsidize a commodity it has the right to control its price and see that the subsidy is passed on to the consumer. On the other hand, if the Government will not adopt a system of subsidies I am not prepared to give it any measure of price control. It is impossible to control prices unless the high initial cost is subsidized. The very prosperity and standard of living we have in this country will be reduced if we do not subsidize commodities. If there are no subsidies under price control, in order that price fixing may work wages would have to be pegged, because they are the major cost in production.

Mr. Davis—Don't you believe in dealing with the profiteer?

Mr. QUIRKE—He can be dealt with by taxation.

Mr. Whittle—Some may be.

Mr. QUIRKE—The only ones not dealt with by taxation are those who have a sock in a chimney. Those who keep legitimate books of account have to pay taxes. If people could get away with taxation they could make a lot of money telling the world how they do it. The money created under the method of subsidy outlined by the member for Chaffey would not come into the country under a debt on which the people have to pay interest. Abraham Lincoln was aware of this, and many know that it is possible to have costless credit. The extraordinary thing is that those of us who advocate this principle never hear in this House or anywhere else a statement that our assertions are incorrect and could not be put into practice.

Mr. Whittle—I have stated that once you create a credit you must cancel it somewhere.

Mr. QUIRKE—The credit advanced to win the first World War was cancelled in the depression. Perhaps price control could be clamped on food, clothing and shelter. I would be agreeable, provided subsidies were granted, to bring down the price of goods first. The amount of subsidies would not matter because it would be cancelled out when the goods were consumed. The only thing that could be left would be the profit. This system would halt wage increases because the price of goods would decrease and no demand for increases in wages could be successful before the Arbitration Court. Wage pegging would be unnecessary. The monies advanced for subsidies would not cause inflation because costs along the production line would be subsidized and people at the receiving end would be able to buy the goods more cheaply. For so long have wages been chasing prices that some time would be allowed the wage earner to catch up with an advantage his way, when wages could be reduced 10 per cent, and prices further reduced. If this system cannot work I shall be pleased for any honourable member to show me where I am wrong.

Let us consider the unfortunate position of people on fixed incomes, such as superannuation or pensions. I do not know how the pensioner exists on the miserable pittance allowed him. He is completely ground between the upper and nether millstones and cannot lift a finger to save himself. Further, rising prices are destroying investment values. A man needs £10,000 in stocks or shares to get

a return of £6 a week. However, the old age pensioner is allowed £5 a week for himself and his wife, and may earn up to £3 a week himself. The old age pensioner is therefore better off than the person who has saved and invested £10,000 in Commonwealth bonds. Both are in a very difficult position. They have no control over increased prices, and these people are some of the best in the country; the people who made this country what it is, but who hate to see it being destroyed by this inflationary spiral. How can we help them unless we costlessly subsidize them?

The Hon. S. W. Jeffries—Is the honourable member in favour of the abolition of the means test?

Mr. QUIRKE—Absolutely. It must be abolished. I think also that the system of retiring people at the age of 65 results in waste of some of the best lives in this country.

Mr. Whittle—That is the wisest thing you have said.

Mr. QUIRKE—I recall a story published in one of the Digests concerning a very able engineer in America who was compulsorily retired at the age of 65. He was at the height of his fame and had the capacity for many more years of work. He was not content to be thrown on the scrap heap, however, and he gathered together others in a similar position who had been reduced to nonentities by that system. These men, who ranged in age from 35 downwards, possessed between them a wide fund of knowledge, and he formed them into an organization which is now accepted as the biggest and most valuable consultant body in America today. I believe in the abolition of the means test, though we should not necessarily allow the older men to prevent the promotion of younger men. Nevertheless, we should not retire them on a pension and prevent their doing any work. Give them a pension and let them work while they are capable of doing so.

The Hon. S. W. Jeffries—They would have to be retired from the Public Service.

Mr. QUIRKE—I qualified my remark by saying that I would not allow them to compete for promotion with younger men, but if their experience could be used only in an advisory capacity I would use it in that way.

Mr. Whittle—How much costless credit would you allow?

Mr. QUIRKE—I do not know. If there were a war would you ask that question?

The Hon. M. McIntosh—We borrow money for war purposes and pay interest on it.

Mr. QUIRKE—Of course, but we pay interest on all of it. One of the infamous features of the present system is that we pay interest on costlessly created credit. Of course, the banks would make no profits unless they charged interest; not that they are making exorbitant profits. For the amount of work they do banks probably make smaller profits than anyone else. I think they are the most efficient organizations of their kind in existence and do more work for less return than any organization I know of; they keep a current account, with all the work that involves, for 10s. a year and one could not get it done by a legal man for less than 10s. an entry.

My last point is in regard to housing. One of the greatest inflationary influences is what a man is constantly called upon to meet when he buys a house on the deferred payment system. In the first place the amount allowed under the Advances for Homes Act is quite insufficient, for the young man who is getting married has not had sufficient time to acquire the necessary money, and therefore the £1,600 allowed under the Act is useless to him. He must have at least £600 or £700 before he can take advantage of that Act and the only lending authority that nearly approaches requirements is that set up under the War Service Homes Act, under which £2,000 is available. Although probably some high profit to the contractor is embodied in the present day cost I have not found any evidence of very great exploitation on the part of the contractor, although I have carefully checked the cost of many houses built in the country, both for the trust and for private people. He can only go to a certain figure as there are few who have enough money to go beyond it. I believe it is recognized that the maximum price of a house of 14 squares is in the region of £2,500.

The Hon. S. W. Jeffries—You mean the minimum.

Mr. QUIRKE—No, because there is a great deal of variation between costs in the city and in the country. I have no hesitation in saying that where the bricks are made in the country, the cost may be as much as £200 to £300 less. The principle of using costless subsidies should be applied to houses in order to reduce the cost per week of house rent—that is, interest and principal—to the home builder. A sum of 35s. to 40s. a week out of his wages is too much.

The Hon. S. W. Jeffries—And that is over a 40-years' term.

Mr. QUIRKE—It is too heavy and he cannot stand up to it. He should be subsidized so as to bring it down to a reasonable thing; say, one-fifth or one-sixth of the weekly wage, whichever is recognized as the reasonable figure.

The Hon. S. W. Jeffries—It is usually regarded as one day's wage.

Mr. QUIRKE—It could be subsidized, and this is the easiest form of subsidy because it could be given to the financial institution providing the money. Instead of its having to provide the whole sum the house could be subsidized by £300 or £400, thereby reducing the weekly commitment and in that way increasing the purchasing power of the buyer's wage.

Mr. Riches—That would have to be for a standardized house?

Mr. QUIRKE—No. Why standardize houses? For two elderly people, who do not expect any increase in the size of their family, a small house will suffice whereas a man with five or six children whom he has to rear for 20 years or so wants a bigger home. Subsidize according to the needs of the individual.

The Hon. S. W. Jeffries—Can the honourable member tell me how we can get more building materials?

Mr. QUIRKE—I could reply to the honourable member by asking another question. What is preventing another 40 million or 50 million bricks from being made?

The Hon. S. W. Jeffries—Manpower.

Mr. QUIRKE—The honourable member assumes that if we had manpower we would get more bricks, but I assume nothing of the sort. Are we to coerce men to go into the brickmaking industry, or should we induce them? Any inducement must necessarily be a financial one, therefore subsidize the brick-maker so that the subsidy goes to the person you want to get into the industry.

The Hon. M. McIntosh—Without some control over manpower how can we make any man go into the brick industry?

Mr. QUIRKE—There are only two ways to get anything done; one is by inducement, and that is the profit motive—good conditions and good wages—and the other is compulsion. I am against compulsion.

Mr. Macgillivray—New Australians can be directed.

Mr. QUIRKE—I do not think there is any power to keep a New Australian in a job he does not like.

Mr. Macgillivray—But he has agreed to it.

Mr. QUIRKE—He has agreed to work, but not at that particular job. I have had a few of those cases brought under my notice and I find that there is a complete lack of ultimate compulsion. I thank members for the patient hearing they have given me and the interest they have displayed as shown by their interjections, which I hope I have been able to answer satisfactorily. I sincerely trust that, whether my solution of the inflation problem is adopted, or whether another is considered better, something will be done to halt it. What I disagree with is that nothing can be done. That is what is wrong. Money is only a record in books.

Mr. Clarke—A measure of value.

Mr. QUIRKE—No, not by any means; it is a diminishing measure which gets a "chop-off" every week. All the money we use, with the exception of £250,000,000 of currency, is a book entry, perhaps representing assets in the country, perhaps representing nothing at all.

Mr. Clarke—If that is not a measure of value, what is?

Mr. QUIRKE—It is not a measure of value today. The sovereign was a measure of value, but this stuff is not.

Mr. Riches—It is a power.

Mr. QUIRKE—It is a tremendous power which will destroy us if we are not careful. I congratulate the mover and seconder of the motion and trust that my remarks will sink in and, if I can be proved to be wrong, I will support the one who can prove me wrong. I have pleasure in supporting the motion.

Mr. STEPHENS (Port Adelaide)—I congratulate the mover of the motion, who did a good job, although I cannot agree with some of his remarks. I note with interest the proposed visit of the Royal Family to Australia. Our loyalty to them will not be shown by the amount of money spent on the various functions to be held in their honour. Much has been heard lately about spending money on essential goods, but will that apply to public bodies during the Royal visit? I am afraid that a lot will be spent on functions, of which the Royal Family will know nothing, and which will be shared only by certain sections of the people. Although everybody will have to pay his share, through taxation, towards the cost, many will never participate in the festivities enjoyed by a certain section. Money should not be wasted on non-essentials. It will be interesting to note, after the festivities are over, what they cost and how much was spent on non-essentials.

It has been said that inflation has been brought about by the latest increase of 13s.

in the basic wage, but we cannot blame the workers or increased wages for the position in which we find ourselves. The first living wage in Australia was decided on when the Sunshine Harvester Company told the Government of the day that if it were given protection against imported farm implements it could manufacture them here. The Government replied that if the company would agree to pay a reasonable living wage to its employees it would afford protection. Mr. Justice Higgins was appointed to go into the question and made what is known as the "Harvester" living wage judgment. Following on that Mr. Piddington, K.C., was appointed, taking evidence throughout Australia as regards goods which were necessary to supply the wants of a husband, wife and family of four. That has since been altered to a family of three. The Piddington Commission did not go into the question of costs, but only what was required for food, clothing, and shelter. Both employees and employers were represented at the commission. When the requirements were decided upon then costs were enquired into. That principle was applied throughout Australia. When the cost of living was established the basic wage was fixed. That has always been done after the cost of living is decided upon.

Later Mr. Justice Powers went into the whole question. Wages had been fixed at a certain sum, which he found was totally inadequate. He added 3s. a week loading to the living wage, which became known as the "Powers loading". Little notice was taken of that until the last increase of 13s. was granted. There has been much talk about wages being too high, but I remind members that the Commonwealth Arbitration Court fixes the wages. That can only be done after the statistician has found out the cost of living. If there is an increase in living costs in one quarter wages are increased in the next, but if there is a reduction then wages are reduced. However, if there is no alteration wages remain stationary. Stabilization of prices and wages can only be effected in one way. It is no use our thinking we can have a big reduction in costs and wages immediately. The Commonwealth Parliament should be given power to control prices, because it is the Commonwealth Arbitration Court that fixes wages, and wages and prices work together. It is no use a State authority fixing prices, which differ in each State, and the Commonwealth Arbitration Court fixing wages.

There is a way out of the difficulty. We should have another referendum and give to the Commonwealth Government, no matter

whether it is Labor or Liberal, power to fix prices. If it is given that power it could say, "We will fix prices on what the Commonwealth Statistician finds was the cost of goods when the 13s. a week increase was granted." We could then tie prices and wages down to that increase. If prices are to be reduced further they could be fixed at the prices which ruled prior to the 13s. increase. For years prices have been increasing, with wages following. Years ago I assisted the secretary of the Employers' Federation to work out the results on figures supplied by the statistician. In some quarters we found there would be a reduction of 1s. a week, in another quarter an increase of 1s. and in a third quarter no alteration. We found that any increase or reduction of wages depended on the cost of commodities.

It might be said that it is wrong to reduce prices first, but it has been done before and it is right to do it now. Wages have always been behind prices. There have been three price increases since the recent 13s. a week increase was awarded. The result is that goods manufactured before the basic wage increase are being sold at prices which cover the increase. The people must blame themselves for being misled, although I will not say deliberately, at the last referendum. The Chifley Government asked for power to control prices, but it was refused. During the campaign it was said that the State could and would control them. The *Advertiser* of May 29, 1948, prior to the holding of the referendum, contained the following advertisement:—

Say "No" to Canberra. The States have full power to control prices when Canberra ceases to do so.

It was authorized by the Liberal and Country League Party and appeared over the signature of Mr. Dunk. On Friday, May 28, 1948, there appeared under the photograph of the Premier the following:—

A personal message to the people of South Australia. I say this to you. You may vote "No" on Saturday in the full knowledge that when Canberra control ceases your South Australian Government will introduce legislation to control prices and rents as may be necessary. To keep controls within your own State vote "No."

That was over the signature of the Premier, and was authorized by Mr. Dunk. The Premier has recognized that he was wrong when he made the statement, and I admire him for admitting his mistake, for on July 25, 1951, when answering a question on price control, he said:—

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 reconcontrol measures should be through the Prices Ministers' Conference.

It was not said before the referendum. The Premier recognizes that a mistake was made when it was said that prices could be controlled by the State.

Mr. Shannon—I think he told the Leader of the Opposition today where he stood when it was suggested that price control should be handed back to the Commonwealth.

Mr. STEPHENS—It will not be long before he will find that it will have to be done. We cannot expect too severe a cut in prices. They can be reduced properly only by one controlling body in Australia.

Mr. Pattinson—How long is it since the honourable member had a high opinion of the Menzies Government?

Mr. STEPHENS—I have never had a high opinion of that Government. Power should be given to the Commonwealth to control prices, irrespective of the Party in office. Members opposite would give much power to Mr. Menzies, but to no-one else. They know that for years I tried to get adopted a scheme to provide free milk for school children. Mr. Jeffries laughs, but when he was Minister he spoke about the harm which would follow if it were done. He referred to the possibility of poisoning and did all he could to defeat the proposal. Mr. Whittle was full of excuses for not supporting it.

Mr. Whittle—What I said is being proved right now.

Mr. STEPHENS—The honourable member said mine was not a good scheme, but as soon as Mr. Menzies proposed giving free milk to school children not one member opposite opposed it.

Mr. Riches—The children have not yet got free milk.

Mr. STEPHENS—No. Like all Mr. Menzies' proposals it was covered up. He promised to supply the milk, but he wanted the State to distribute it. After fighting for seven years I had a motion carried in this place, but the Premier told me he did not intend to give effect to the proposal, although it had been adopted by a democratic Parliament. It is the man who makes the proposal and not the

proposal itself, which counts. That is why many matters brought forward by the Leader of the Opposition are not supported by members opposite. Because they were misled when the referendum was held, and later at the Commonwealth elections, the people are in a bad way. At present South Australians are in an unfortunate position. They are controlled by Liberal Governments in both the Commonwealth and State spheres, yet those Governments have directly opposite policies. There is one policy for the Commonwealth and another for the State, and both Governments are making a terrible mess of their jobs. In South Australia the Government supports Socialism, or nationalization of industry, and has developed a State coalfield and taken over the company supplying electric power. I commend the State Government for doing it. The Commonwealth Government say it is not Liberal policy to nationalize industry and is taking steps to hand the national airways back to the people and to sell Commonwealth ships. I am surprised that the people should be so easily misled.

Every now and again we are told that cement will be plentiful. In 1946 several members opposite inquired about the then cement shortage and they were told that as the company intended to install more machinery the State would have all the cement it required within two years. Members were told in His Excellency's Speech, as they have been told for the last 15 years, that shortly South Australia will have all the cement it requires. "Shortly" may mean anything. The honourable member for Unley, when asked by interjection in this debate why it was necessary to pay such a high price for cement, replied truthfully that the two companies in South Australia could charge what they liked. Why have these two companies been given great privileges for so many years and why have they suffered no opposition? Surely, if the Government could take over the supply of electricity and coal, it could take over the production of cement. A perusal of the lists of directors and shareholders in those companies may reveal why it has not done so, whilst hospitals, railways, wharves, and homes are awaiting construction pending adequate supplies of cement.

The Hon. M. McIntosh—If the honourable member can persuade the coalminers to mine the coal, the cement companies will be in a position to produce cement.

Mr. STEPHENS—Leigh Creek coal could be used in its production. It is stated that

the necessary plant could not be manufactured in South Australia, but I have been told by a Liberal member in another place that his firm could supply it. The alleged shortage of machinery is an excuse and not a reason. The production rate per man is higher under a 40-hour week than it was under the 48- or the 56-hour week. For a number of years I carted cargo between Port Adelaide and Adelaide. In those days a driver of a four-horse team averaged four tons of goods a trip on that road—a total of eight tons a day. With the improved machinery one man is doing the work formerly performed by six men under the 48-hour week; yet it is said that the 40-hour week has caused all our troubles.

Mr. Shannon—Would the honourable member suggest that more bricks per man are laid today than ever before?

Mr. STEPHENS—That is the only job of which I know for which no machine has been invented. Many people abuse the waterside workers at Port Adelaide. These men, who have no chance to defend themselves, did a wonderful job during the war. As was stated by Commander Symonds, on every occasion they were called upon to do additional duties, they responded admirably. Yet they are now condemned and it is said that they are controlled by the Communists, when in fact there is only one Communist on the executive.

Mr. Shannon—There are three. It is mentioned in tonight's paper.

Mr. STEPHENS—They are not at Port Adelaide. The press announces that a public meeting at the Trades Hall is to be addressed by Communist leaders, and the names mentioned are R. Dixon, E. Hill, and Dr. A. Finger. They are not at Port Adelaide.

Mr. Shannon—I did not say that they were.

Mr. STEPHENS—If the Communist Party went out of existence, the most disappointed man in Australia would be the Prime Minister, because then he would have no-one to blame. The Waterside Workers Federation should be encouraged to get rid of Communists from its ranks. I hope honourable members will not allow their prejudice to carry them away, but will try to do something in the interests of the State.

The Hon. S. W. JEFFRIES secured the adjournment of the debate.

ADJOURNMENT.

At 5.16 p.m. the House adjourned until Tuesday, August 7, at 2 p.m.