

HOUSE OF ASSEMBLY.

Thursday, July 24, 1952.

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

QUESTIONS.**OLARY—MACDONALD'S HILL ROAD.**

Mr. O'HALLORAN—Complaints were made to me recently about the bad condition of the road between Olary and MacDonald's Hill on the main Broken Hill road. It is stated by those making the complaints that it is due to the heavy traffic on the road, some of it of a heavy nature, particularly the water carting from Olary for the use of the Mines Department at Radium Hill. They suggested that the road was not suitable for heavy traffic and that serious consideration should be given to reconstructing the road and bituminizing that portion. They commended the work done by the Highways Department generally on this road, but felt something better would have to be provided to meet future needs. Will the Minister of Local Government take up the matter with the Highways Commissioner to see if something practicable can be done to meet the position?

The Hon. M. McINTOSH—I am grateful for the tribute paid to the department for what has been done under difficult circumstances, but I think the honourable member knows as well as I that the position is quite unusual and that the road was built to carry only a relatively small amount of traffic, but has now become a main highway. Whether it would be feasible to make it a bitumen road, which pre-supposes a strong foundation, I do not know. A bitumen sealing coat is often regarded as perhaps the greatest part of the cost, whereas in fact it is just like putting a roof on a foundation. The main cost arises in preparing the road for the bitumen; but I will take the matter up with the Highways Commissioner, bearing in mind, too, the honourable member's pertinent remarks yesterday in relation to having a permanent water supply on the Radium Hill field to obviate the cartage of water thereto. I will bring down a considered reply to both questions.

DONATIONS BY COUNCILS.

Mr. MICHAEL—Can the Minister say whether a Bill to amend the Local Government Act will be introduced this session? If so, will it include a provision which was passed by this House last year, and which is desired by

councils in the River Murray areas, to enable them to make donations for certain objects? For some reason which I cannot understand, the provision was defeated in another place.

The Hon. M. McINTOSH—It is obviously impossible to announce in advance what will be included in an amending Bill. The point raised will be considered when drafting the amending Bill, which, being a hardy annual, is sure to be introduced. The question raised does not relate to one particular phase alone. A formula has to be evolved to enable councils to make donations to certain worthy causes without being inundated by high-pressure outside politics to contribute to every other cause. That is one of the difficulties we have to contend with, and that was the difficulty that caused the action that the honourable member referred to as not being understandable. I attended a conference on the matter and there were cogent reasons for not carrying that clause, which is still under consideration and is the subject of discussion between the Parliamentary Draftsman and myself, and Cabinet, as to whether it is feasible to adopt a clause that would enable councils to contribute to causes outside their own areas without making themselves subject to high pressure politics by people who have no real interest in the area concerned.

JAMESTOWN—CALTOWIE PIPELINE.

Mr. HEASLIP—As a tank was not installed at the end of the Beetaloo main there is a large area not covered which the Caltowie scheme will cover when completed. Until completed, however, every summer it is necessary for farmers to cart water for their stock, especially during heat waves. Now that Loan moneys have been cut there is much speculation in my district on whether the scheme will be completed before the coming summer. Can the Minister of Works say when it will be completed?

The Hon. M. McINTOSH—It would be a most optimistic statement if I said it would be completed before the coming summer. I will not say when it can be completed, but the Jamestown scheme is one we will proceed with so far as funds permit. The question having been raised, I will see with what degree of accuracy I can make a forecast and bring down a reply.

LAND SETTLEMENT IN NORTH-WEST AREAS.

Mr. RICHES—Young men in my district who are experienced boring contractors and have spent all their lives on the land are

anxious to take up land north-west of Lake Cadibarrawirracanna. They have about £2,000 in cash and have been promised assistance with stock. They have a boring plant available and desire to get land and commence boring operations. On inquiry at the department they were told that nothing could be done to help them until the land had been inspected by the Pastoral Board, but that this could not take place for over 12 months. Can the Minister take steps to see that this matter is dealt with within reasonable time so that these young men will have an indication whether they can succeed in their application or not? If there is a possibility of its succeeding, I suggest that they be given a licence to operate in the meantime so that they can start the work.

The Hon. C. S. HINCKS—I shall certainly take the matter up and see if a survey can be expedited, and certainly done in less than 12 months. I should like more information on the locality and the areas they might require, and shall be pleased to discuss these matters with the honourable member. I will get a report and let him have it.

CAMPBELL PARK AND CAMPBELL HOUSE ESTATES.

Mr. MACGILLIVRAY—In October last the Land Settlement Committee made a hurried visit to inspect lands known as Campbell Park and Campbell House about 20 miles from Meningie, and ultimately the Government acted on the recommendation of the committee to make a purchase. The concluding paragraph of the committee's report is as follows:—

Factors influencing the committee in making this recommendation are the unusual potentiality of the land and its location, its capabilities for expeditious development and settlement, the benefit to the State that would accrue if the property were occupied by about 23 settlers instead of as a single unit, and the indisputable fact that many qualified ex-servicemen are still awaiting the allocation of holdings.

The committee hoped, seeing that the property had been largely developed, if not developed to its full potentialities, that it would be subdivided and ex-servicemen placed on it immediately. I was somewhat alarmed to hear a statement in Adelaide yesterday that this property had been handed over to a certain stock and station agency and, instead of being used for soldier settlement, was being used for the agistment of stock for this company. Can the Minister of Lands say whether this rumour is correct, and has he any other information to give the House?

The Hon. C. S. HINCKS—What the honourable member has said is to some extent correct. On a certain part of the area the Government has allowed agistment because of the growth in that locality. It is rather puzzling to me that some of the settlers who are waiting for blocks have not accepted the opportunity to go there, saying that they do not know whether the Commonwealth will accept it or not as a soldier settlement proposition. That is rather disappointing, because it means that outsiders are helping to develop the blocks which will eventually be for soldier settlers. There has been some unavoidable delay in surveys and it has been found there is not as much land available as was originally expected because of the wash of the water, whereby quite a few acres have disappeared into the lake. The considerable rabbit menace has been dealt with. There were signs of sand-drift and about 400 acres of the land was planted to pasture. Unfortunately, a recent blow disturbed part of this land and about 100 acres will have to be seeded again. The Government is doing everything possible to speed things up with a view to allocating this land to settlers. Contracts have been completed for some of the posts, wire and fencing, and when a complete survey of the soil and costs is ready, which will be in the very near future, the proposition will be submitted to the Commonwealth for approval. If it is not approved, it is the State Government's intention to proceed with this proposition.

Mr. MACGILLIVRAY—Is it a fact that the Government or the Lands Department has offered the lands under discussion to qualified soldier settlers and that not sufficient applicants have come to hand for all the land to be allotted?

The Hon. C. S. HINCKS—Some applicants approached in order of their priority have refused to go there to help develop the area until they know the scheme will be accepted by the Commonwealth as a land settlement proposition. All prospective settlers have not been written to because if that were done in groups of five or 10 it would take months for all replies to be received.

Mr. MACGILLIVRAY—The Minister said that civilians were helping to develop the property. It has been the practice, when men help to develop such properties for them to get priority in allotment. What will be the position when this land is ultimately allotted? Will these civilians have any priority over qualified ex-servicemen?

The Hon. C. S. HINCKS—The position has been made perfectly clear to the non-service-men applicants engaged in the development of the land. They get no preference in the allocation of the blocks simply because they are there.

MUTTON AND LAMB PRICES.

Mr. O'HALLORAN—Has the attention of the Minister of Lands been drawn to the fact that there has been a substantial drop in the prices of mutton and lamb at the metropolitan abattoirs recently? I understand that at the market yesterday some types of mutton sold as low as 4d. a lb. or the hook. Will the Minister have inquiries made from the Prices Branch to see that the benefit of these lower prices will be passed on to metropolitan consumers?

The Hon. C. S. HINCKS—Yes.

NEW RIVER MURRAY BRIDGES.

Mr. MACGILLIVRAY—Has the Chairman of the Public Works Committee a reply to the question I asked him on June 25 regarding the use of timber instead of steel for the erection of bridges at Blanchetown and Kingston?

Mr. CHRISTIAN—As chairman of the committee, I discussed this question with the Highways Commissioner, and subsequently he sent me a letter, the substance of which is as follows:—

In reply to your verbal enquiry as to whether it "would be possible to construct a bridge of timber," which I understand originated from Mr. Macgillivray M.P., I have to advise that it would be possible. However, there are a number of other factors apart from the bare possibility which have to be taken into consideration. Before the type of construction is determined it would be necessary to compare:—

- (a) Relative cost.
- (b) Availability of materials.
- (c) Suitability of construction.
- (d) Economic.

(a) Although no estimate of a timber bridge has been made for either Blanchetown or Kingston, figures have been prepared for timber construction in other locations which are comparable. These show very little saving in cost.

(b) The type of pile which would be required for this work is unprocurable in this State and difficult to obtain elsewhere, as they are in great demand for electrical and harbour work. Suitable timber for the superstructure is practically unobtainable.

(c) As the maximum span possible with timber construction is much less than with steel, the piers would necessarily be much closer and require a higher superfootage of timber; as well as offering more obstruction and risk of damage during floods.

(d) Having regard to the limited life of even the best of timber, as compared with steel and concrete, the annual cost would be much higher for the former. There would therefore be an economic loss when the matter is considered over a period.

In short there is no obvious advantage in timber construction and many disadvantages.

ADDRESS IN REPLY.

Adjourned debate on motion for adoption of Address in Reply.

(Continued from July 23. Page 93.)

Mr. PEARSON (Flinders)—I compliment the mover and seconder on their able speeches and associate myself with their remarks regarding the change that has taken place in connection with our Royal Family since last session. There is no need for me to expand the point. I associate myself with the comments already made. I sincerely join with other members in this Chamber in expressing the hope that the reign of Queen Elizabeth II. will be long and prosperous, and will go down in history as an era of progress in the real sense of the word.

I join with other members in their remarks about the departure of Sir Willoughby and Lady Norrie from this State. I fully associate myself with the sentiments expressed to them personally, prior to their departure, during the magnificent gathering of citizens in the streets of Adelaide: it gave a strong indication of their popularity and the gratitude of the people for the services they had rendered.

One of the earlier items in the Lieutenant-Governor's Speech dealt with soil conservation, a subject close to my heart. Having reached the stage in the development of our agricultural lands where much of the high rainfall country has been tapped and cleared, the next responsibility of the farmers and of Parliament is to see that the productivity of every acre of land is increased each year. We are already beginning to get results from the policy and energy of our Soil Conservator. An important factor in considering the matter of soil conservation is the rapid expansion that has taken place in this State since the war in the production of barley. Sometimes we hear that the fall in wheat production is a calamity, but I hold a different view. Wheat is not the only valuable cereal grown in South Australia. There will be opportunities later to make a wider reference to the production of barley, and I content myself now by saying that, in spite of what the Leader of

the Opposition said yesterday about the reduced number of wheat farmers, reduced acreages and production of wheat and reduced numbers of agricultural workers, an examination of the overall production of cereals in South Australia tells a different story. I have some figures which were given to me by our statistical office, and they show that aggregating the bushel production of wheat, barley, and oats in this State we had the following total yields:—1938-39, 40,000,000 bushels; 1948-49, 40,000,000; 1949-50, 43,000,000; 1950-51, 49,000,000; 1951-52, 48,000,000.

In 1938-39, the year in which the highest wheat acreage was sown, our average yield was 10.28 bushels per acre, and in 1952, the year in which the lowest acreage was sown, it was 16.93 bushels. In spite of the factors mentioned by the Leader of the Opposition yesterday the total cereal production in 1951 was only 1,000,000 bushels less than the highest total yield in any of the years I have mentioned. I link barley production with soil conservation because barley is an important factor in conserving soils in mallee districts and other areas with lighter soils.

I congratulate the Government on its achievements, and on behalf of my constituents say that we are delighted that the trunk main on the east coast of Eyre Peninsula is nearing completion. Much work has still to be done on branch mains and other reticulation features for which we have been waiting for many years, but in the past six months several schemes in my district have been commenced. I realize that owing to stringent financial circumstances other of these schemes may not be proceeded with as early as we would like. I also note with some pleasure the foreshadowing of the electrification of the suburban railway system, and, as a layman in these matters, I suggest that sooner or later the city pedestrian problem must be tackled by the installation of an underground railway between North and South Terraces. The topography of the city lends itself to such a proposal, but it cannot be considered until electrification is on its way. In Sydney, huge crowds of people disappear off the streets into underground railway stations and the construction of a station under the intersection of Rundle Street and Gawler Place would relieve much of the congestion in that area and also tend to remove the obvious pedestrian hazard on North Terrace at peak periods.

Mr. Macgillivray—What would the vested interests in Rundle Street say about that proposal?

Mr. PEARSON—Not being closely associated with Rundle Street I do not know.

Mr. O'Halloran—They did not think much about it when we proposed it in 1925.

Mr. PEARSON—We have come a long way since then. I am pleased to hear that it has been considered, but further consideration is warranted in view of the traffic congestion in the city. Much has been said about railways on Eyre Peninsula, and I cannot pass this subject without a reference. After much agitation we now have a definite undertaking from the Minister that improvements are about to be effected in the Eyre Peninsula railway system in the immediate future.

Mr. Davis—For how long have such assurances been made?

Mr. PEARSON—I have not had that assurance before, but now that the Minister has given it I believe that something more will be done. In justice to my constituents I must say that many improvements are overdue, but provided the remedy is applied soon it will not be too late in the day. In his speech the Lieutenant-Governor mentioned the development of our uranium resources, and I believe that uranium is the biggest discovery in the history of South Australia. Many events during the regime of the Playford Government are worth recalling, and its record in discovering and developing natural resources will always bear some repetition. Leigh Creek, Radium Hill, the Nairne pyrites deposits, land development, and many other features are worth-while memorials to the zeal and foresight of Mr. Playford.

Mr. Fred Walsh—Many of those projects have no roads yet.

Mr. PEARSON—The honourable member expects everything overnight, but there are limitations to the Government's capacity, particularly in these days when we do not get much for our money. Whatever may be said of Mr. Playford by his critics—and he has few well-informed critics—his record in the field of discovery and development of South Australia's natural resources will go down in history as the most significant and far-seeing feature in the State's history. South Australia, which once had the reputation of being a State that had nothing is now prominent and in some respects predominant in the fields of agriculture, forestry, coal production, power

development, water supply, sulphur production, electricity generation, soldier settlement, land development, housing, and, last but not least, political stability. Following reports of the development of our uranium resources the possibility of an atomic pile on the shores of Spencer Gulf has been announced, and this raises the interesting speculation that such a pile may foreshadow the establishment of a steel rolling mill at Whyalla. I do not know whether steel can be produced without coal, but I imagine that if heat and energy can be supplied the problem would not be beyond solution. The production of finished steel in South Australia is urgently needed. We have all the raw materials and apparently we shall soon have the necessary power. We need steel for many purposes. South Australia has always been a leader in the production of agricultural machinery. We need steel for public works, even for bridges over the River Murray, for railway conversions and for pipelines. It has always seemed incongruous to me that South Australia, which has some of the best iron ore in the world, should have to send it to another State and then fight a losing battle to get it back in the form of steel for public and private enterprise. It will be interesting to see whether a steel mill is established at Whyalla.

We were all pleased to hear that controls on building materials and the building of houses will be eased somewhat, and eagerly look forward to perusing the provisions of the Bill. I compliment the Premier on the scheme to construct prefabricated houses in rural areas and for the success of the work already accomplished. I turn to the paragraph on finance in the Lieutenant-Governor's Speech with some trepidation because I am not an expert in this field. However, we know that the trend today is towards a tighter financial structure. Already the exponents of unorthodoxy are getting on their stumps and putting forward various means of providing money. Recently I heard over the air a modern version of an old proverb: Take care of the pence and they will grow into shillings; take care of the shillings and they will grow into pounds; take care of the pounds and the Taxation Commissioner will rip them off you. That is largely true, but how is it possible in the welfare State to have social service benefits without paying for them? Let me trace the history of the dispensation of State largesse. According to the Commonwealth Year Book old age pensions were introduced in 1909. They were granted for invalids and certain aborigines. In 1912 the maternity bonus was

introduced. Later came the war pensions and pensions for the widows of soldiers killed in World War I. Child endowment was introduced about 1934, widows' pensions in 1942, and funeral benefits in 1943. Unemployment and sickness benefits were first passed in 1947. Before 1930 the only social service benefits were the old age pension and maternity bonus, but since 1934 a long list has been added. Much progress has been made in a short period. I say "progress" advisedly because I think it is progress. Further, there has been a vast expansion in expenditure on hospitals, associations, clinics, X-ray examinations, and so on. We have made enormous strides in education and research, free medicine, and the provision of milk for school children. It seems that national insurance will be introduced before long. The basic wage is now over £11 a week for attending a place of employment for 40 hours, and civil servants attend under 40 years. We can have all these things if we pay for them, but the only way to pay for them is through taxation. Taxation is obtained as the result of production, and production from the energy we expend by head and hand. A catch phrase going around the country for some time has been, "Putting value back into the pound." I suggest another—"Put work back into the week."

Mr. Christian—Now we are talking.

Mr. Dunks—That would automatically put value back into the pound.

Mr. PEARSON—The welfare State gradually degenerates the morale of the community. It provides for the needy, which we must do, but it also bolsters up the thriftless at the expense of the thrifty; it protects the indolent from the fruit of his indolence; it gradually but surely white-ants the foundations of the State—the almost old-fashioned conception of work, thrift, honesty, self respect, and a healthy individualism. At some time we shall be obliged to take stock of the drift in morale which the welfare State *in extremis* engenders, and to discover whether in the process of creating a physical Utopia we are not freezing the soul of the nation.

On the question of employer—employee relationships, I discovered a very interesting article in an authoritative journal to which I subscribe, and under the heading "Productivity, an attitude of mind" it says:—

The economies of the English-speaking nations fall broadly into two classifications—"high productivity" economies and "low productivity" economies. The "high productivity" economies are to be found on the North

American continent—the United States and Canada. The chief “low productivity” economies are Britain and Australia. In America, output per man hour or man year is the highest in the world; in general terms about two to three times as great as output per man hour in Britain or Australia. In America, massive strides in production have been made over the last decade. In Britain and Australia, advances in production have been, by comparison, meagre.

Ever since I was a young fellow and read Henry Ford's first book I have been convinced that the relationship between employer and employee and the attitude of both to their particular part of the job were vital in the ultimate results. It might appear strange to some people that certain countries are able to surmount their economic problems more rapidly and effectively than we do. It is an accepted fact that the North American countries have overcome their economic problems far more readily and rapidly than we have. The article further proceeds:—

The low producers, on the other hand, seem to live perpetually under the looming thunder clouds of economic crisis. Obstacles are overcome only with laborious difficulty; but fresh ones almost immediately appear. Crisis succeeds crisis; inflation, balances of payments difficulties, shortages of basic products—all of which appear to provide good reasons for cuts in living standards, more government restrictions and controls, additional tax imposts.

In short, the attitude on the one hand is one of onward march and on the other the remedy always tends to be in the negative in some form or other. The article further continues:—

The psychological atmosphere of optimism and confidence in the “high production” economies, the sense of “going places”, contrasts strikingly with the pessimism and frustration evident in the “low production” economies. Expansion contrasts with restriction.

Already the apostles of gloom in Australia are beginning to preach their doctrine. Most difficulties are overcome by hard work. It is often questioned why people in other parts of the world have a different attitude to work from what we have. Why is productivity in the North American continent, and particularly in the U.S.A., so far in advance of productivity in Australia? Several reasons are advanced. One is that more machinery is available to the worker in the U.S.A., but after all, where does the machinery come from? Does it grow on trees or is it produced? If you produce more machinery, more goods can be produced. Another reason advanced is the richness of the natural resources of the U.S.A.. Who dis-

covered and developed those natural resources? How is it that in such short time America became a nation out of a few bands of roaming Indians and the Pilgrim Fathers? Another reason advanced is the old story of taxation. We know that taxation does tend to be restrictive in its effect upon producers, but the Americans today are paying the highest rates of taxation in their history. Although that taxation is far higher than Americans are accustomed to, the people continue to achieve miracles in the fields of production. There is the suggestion that the American people have always been used to fierce competition in private enterprise. I know that my friends opposite will be interested in that aspect. In America they have a system of protecting private enterprise by a series of anti-trust laws which prevent the aggregation of companies into cartels and other such organizations which sometimes arise to defeat competition. Why is it that Americans have armed themselves with these anti-trust laws and why have they gone to such lengths to preserve the fierce competition of private enterprise? Mr. Paul Hoffman has given the answer in these words:—

The anti-trust laws, however—like all laws—deprive their real significance from the fact that they grow out of and reflect the temper of American society, rather than from the legal mechanics of enforcement. The startling productivity of the U.S.A. is ultimately traceable to the American attitude of mind, the psychological climate of America, to the whole American approach to living.

Enough has been said to prove the point that the way out of the problem into which we are descending is for a re-organization of our ideas on the matter of production. For too long in Australia did employers in the early days regard their employees as people not to be considered; but now the gospel is still preached in trade union circles that if a man works hard he is a fool, because he is doing something for the boss. By contrast, not only does the boss in American industry realize that there is something to be gained from doing his work properly, but the worker also realizes it. A re-organization of our ideas of the relationship between employer and employee could be a major contributing factor towards an improvement in our economic position. I suggest that we do something about it. I am not a pessimist; neither, I hope, am I an ostrich. I can see the signs that other people observe. I can see the sign of factories going on short time and men being out of work. We have had a period

of unprecedented prosperity, which has probably tended to conceal the real capacity of the people to meet and overcome the challenge of our problems. I hope we still have the same make-up underneath as we had in earlier days and that, if the occasion arises for us to demonstrate that fact, it will be clearly shown. Difficulties are made to be overcome and the character of the individual and of the nation is strengthened in the battle for survival. We are due to go through a period of re-adjustment and having passed through it I believe we shall emerge more stable and stronger because of the experience gained. I support the motion.

Mr. GEOFFREY CLARKE (Burnside)—The Speech with which Parliament was opened this year was read by His Excellency the Lieutenant-Governor, and it reminds us, though we should need no reminding, that Sir Willoughby Norrie has recently retired from the position of the direct representative of the Sovereign in this State. Many public tributes to the fine service of the late Governor and his charming lady have most properly been paid by the people of this State. Members of Parliament also had the privilege of meeting Sir Willoughby just prior to his departure. I feel, however, that it would be appropriate if, in the adoption of the Address in Reply, some reference were made to the great work undertaken for the Commonwealth and the Empire by Sir Willoughby and Lady Norrie. I make this suggestion in all sincerity, not only as a member of this Parliament, but as a representative of the Empire Societies of S.A., which have been heartened and encouraged in their work by the interest and patronage of our former Governor and Lady Norrie.

I think, too, Mr. Speaker, it is appropriate in this place to congratulate you on your selection as the representative of this Parliament to attend the great conference at Ottawa of some 40 odd Parliaments of the British Commonwealth, and to express all good wishes to you in the important mission you are undertaking. The direct access of this Parliament to the Sovereign through her personal representative in the Governor of the State, and the great convocation which is being called in Ottawa, are evidence to nations behind the Iron Curtain that the genius of the British people to evolve and develop changing forms of government in changing times is as virile today as it was in the 600 or so years of history in which our people have by sacrifice and energy evolved a democratic form of Gov-

ernment which is the envy of many other countries. It is perhaps more evident today than ever before that the essence of government is finance. All the goodwill of Government and indeed of Opposition, too, is worthless if money is not available to carry out the will of the people reflected in its elected Parliament. It may well be that our present concept of public finance is undergoing some form of change. Whatever that change may be there can be no doubt whatever that ultimately all real money must come from the pockets of taxpayers, who in turn have earned it in some form of employment. Too many people hold the completely false notion that Governments have money of their own which they can tip out of the proverbial teapot or keep under the mattress for a rainy day.

It is proper then that we should periodically look at the very basis of all Government activity, finance. I am sure members are often confronted with constituents who for various reasons, from good to bad, say "Why doesn't the Government do this or that?" without considering the elementary matter of cost and where the money is coming from. While we have a number of comparatively minor taxes, the principal source of revenue is income taxation. Although we are all irked and frustrated by this form of taxation it is recognized as being equitable in principle. The defects of many of our taxes lies in their failure to recognize ability to pay. There is no scale of progression in their rates, which are either flat rates or rise in steeply graded steps.

Income tax does however recognize this principle of progression, although there may be strong views about the steepness of the curve of progression. Except in passing reference, or on such occasions as this, the members of this Parliament have for some years been precluded from discussing either the weight or incidence of income taxation. Very properly, in due course this responsibility will revert to this Parliament. I propose to discuss some of the implications of the resumption of our taxing powers. When the Federal system was introduced to Australia, there was then, and it has subsequently been expressed innumerable times, a widely spread and firmly held view that the solvency of the States was vital to Federation. The autonomy of States in their fiscal matters not only brought to the States a large measure of flexibility in the management of their affairs, but also, through the responsibility which the gathering of taxes imposed, a check on the prodigality which some

of them might have been tempted to enjoy. Uniform taxation has removed those restraints and it is indeed a credit to this State, if to no other, that State spending has for the most part been wise and of permanent value.

Of uniform taxation as a means of war-time financing I have no criticism. Indeed, when civilization itself is imperilled, no measure within the compass of any Government should be neglected if it can be used in worthwhile service to the nation. But, as a peacetime fiscal method in a democratic federal system, uniform taxation is itself the very negation of federalism. When the States federated in 1901 under a Constitution in which the preamble runs:—“Whereas the people . . . have agreed to unite in one indissoluble Federal Commonwealth” the Parliament of the Commonwealth was given powers with respect to taxation; but not so as to discriminate between States or parts of States. The High Court has ruled that the power of the Commonwealth in tax matters takes priority over the States; *but* no other amendment to the taxing powers has ever been made by any one of the ways by which the Constitution or its interpretation may be changed. The Constitution may be changed by will of the people expressed through a referendum. It may be changed by a surrender or reference of powers by the States, and its interpretation may be varied by the changing circumstances under which judicial decisions are given in relation to challenges to the exercise of powers.

None of these methods has been invoked to change the Commonwealth powers over taxation. By concession of the Governments of the States during the war, uniform taxation was levied, but on the understanding, and indeed by constitutional right, that it would be restored to the States after the war. There is no doubt that the States wanted these powers back for within three years of the close of the war this is what the Premiers of the States had to say about uniform tax:—

South Australia: Mr. Playford—“Uniform taxation is equal taxation with unequal benefits.”

Tasmania: Mr. Brooker—“Tasmania’s deficit is in a very large measure the result of uniform taxation.”

New South Wales: Mr. McGirr—“The State was losing £10,000,000 in revenue because of the Commonwealth’s taxation plan.”

Western Australia: Mr. McLarty—“The State should continue to press vigorously for a convention to consider the financial relations between the Commonwealth and the States.”

Victoria: Mr. Hollway—“The Prime Minister (Mr. Chifley) would be courting political suicide if he continued to ignore the Premiers’ request for an early conference on uniform taxation.”

Queensland: Mr. Hanlon—“If there is one sin I have not got on my soul, it is the sin of inflicting uniform tax on Queensland”

The position today is indeed much the same. With the exception of Victoria, Governments of the same political colour are in power and there has been no reason for any of them to change their views. The present Victorian Government has shown a determined attitude against uniform taxation, and is testing its legality before the High Court. As the Prime Minister, Mr. Menzies, has very properly said, whether the uniform tax is legal is a very different question from whether it is desirable. There are many arguments, which cannot be challenged in principle, that make it imperative in the interests of good government that taxing powers should be returned to the States. The Prime Minister himself has recognized those principles equally with the Premiers of the States, but there are, too, practical reasons, and without debating it as the matter is virtually subjudice, constitutional reasons why taxing powers should return to the States. The Federal constitution says that there must not be discrimination between States and parts of States in taxation, but the Chifley Government introduced zoning for tax purposes, while this year the tax reimbursements to the States were as follows:—Victoria, £14 10s. a head; Tasmania, £14 13s.; South Australia, £15 19s.; New South Wales, £16 8s.; Queensland, £17 19s.; Western Australia, £18 6s.; and margins have on occasions been even more pronounced. This discrepancy, to call it by its mildest name, may be traced back to the tax rates and tax policy of the States immediately prior to uniform taxation. In the original reimbursement to the States the amount was based on the average of their own collections in the two years prior to uniform taxation. Although that basis has given way to a formula which takes several facts into account, including the numbers of persons employed and the amount of wages paid in a State, it still can be traced back to the levels of taxation in the States before 1943. Two or three examples make this clear. Victoria was the lowest-taxed State, with a compact population, high taxable capacity and generally stable government. Today Victoria receives back the lowest amount per head. On the

other hand Queensland with a pre-war high tax rate—indeed so high on companies that Queensland was almost without secondary industries except those which were directly related to its climate or natural resources—today receives a tax reimbursement far above the average, South Australia which had in 1941 a weighted tax index of about the average of the Commonwealth today whether by accident or design receives something less than the average reimbursement.

The Premier has often, and quite rightly, said that we would be better off collecting our own taxes, and this is true in more ways than one. Of first importance is a matter of principle—of principle in public finance. Too often we are inclined to look first at the money involved rather than the principles involved. This is quite understandable when one considers the problems which face all members irrespective of party. All members naturally put the claims of their electorates for public services, schools, electricity, water, sewerage, roads, and housing in the very front of their platform. Yet, if these things are to be provided, the fundamentals of the ways and means must be appreciated and understood. All members must agree that it has been easy to confront constituents and say that the State Government should spend more on this and that and, when the Estimates are prepared, to find that resources do not go far enough and then blame the Federal Government. Neither Liberal and Country Party nor Labor Federal Governments have been free from this charge. I know that the Premier has always felt—and I am in complete agreement with him—that the time would come when a Federal Government, irrespective of the party in power at the time, would say to the States that they should resume their taxing powers. That very proper position has now arisen and this Parliament will, in due course, accept the responsibility for raising the revenue which it will spend.

There are in some quarters doubts whether this will be a good thing in practice. But first of all one must emphasize the principle of State responsibility which is involved. A former Leader of the Opposition, Mr. Richards, on occasions would twit the Government about the loss of sovereign powers in the loss of taxation. I am sure it will give satisfaction to every member of this House who is not a Unificationist to see that the States once more are in the true sense about to become sovereign States.

Mr. Macgillivray—The mere recovery of taxing powers will not be sufficient to make the State sovereign.

Mr. GEOFFREY CLARKE—No, but it will be a step in that direction. There are few people who believe that this vast continent can be satisfactorily governed in its entirety by any political party in Canberra. Federation as we believe it should be, could provide the most enlightened form of democratic government, and the return of taxing powers is a very firm step towards that goal. The plan by which taxing powers are to be resumed has not yet been worked out and to those who have made some study of the problem involved there are several matters which are of great importance and which should be resolved very early in the discussions. Some fears have been expressed that taxes will be higher, that taxpayers such as companies having taxable income in two or more States will have to wade through the maze of returns required before the war, and that the complexities of tax law will be even more vexatious than now.

Whether taxes will be higher than now will, of course, depend upon the demands made by the people for services over and above the present level of social services. There can be no guarantee that uniform Federal taxes under a spendthrift Government determined upon a vast expansion of the welfare State could not greatly increase in the next decade or even sooner. But State Governments are in the main closer to their constituents than any Federal Government, and the very problems with which members of this House deal are complete proof of that; therefore the State Governments will have a more direct and much closer check upon their spending because of their close contact with their electors. If indeed there are demands for this or that facility, then the people in this State will themselves make the choice through the ballot-box of whether or not they are prepared to pay for the services they seek. That is rather the negative side but it does tend to give an assurance that the State and Federal taxes would be no higher than the uniform tax would be under the same circumstances. On the other hand there is certain knowledge that our taxable capacity has risen steeply in South Australia since the early 1940's as a result of the industrial expansion which was then coming into its own as a result of this Government's encouragement to secondary industries in the late 1930's. We have never had the

benefit of that capacity to raise taxation on the new additions to our economy. Indexes show that in many respects we have an enviable position in the Commonwealth today, therefore, on the basis of our greatly increased taxable capacity and our comparatively unfavourable reimbursement a head from uniform tax, there is little doubt that we would be no worse off—indeed we could be much better off. But generalizations must be tempered by a proper assessment of the real value of social services supplied and the real weight of taxation. It could be—but heaven forbid—that a community paying a flat rate of tax of 19s. 11d. in the £1 would be better off than one paying under a graduated system which we accept, if—and it is a very big “if”—all community needs are met. Members would, I am sure, agree that such a state would be impossible. Therefore, in any approach to the comparison of the actual weight of taxation generalizations must be avoided. The only accurate method of measuring the weight of taxation is in relation to taxable capacity and some proper assessment of the level of social services. The unweighted and crude measure of £ for £ comparison is untenable.

With regard to the possibility of multiple returns it should be possible to devise a formula by which the interstate earnings of a company can be taxed within those States without the complexities of accounting which were involved before uniform tax, and a return filed which would be acceptable to all States and the Commonwealth. This is fundamentally an accounting problem and is not beyond the skill of taxation specialists who should be called in to advise the Governments in the detailed planning of the operation “tax changeover.” There is no need to alter at all the return for the average taxpayer, wage earner, small trader, primary producer or business carried on in one State only. There was a substantial measure of uniformity in tax law even before uniform taxation, and the preservation of one Act to measure taxable income is of the utmost importance. States will be permitted great flexibility in the use of their tax rates, which may be varied to suit the local conditions and point of view and by varying the scale of concessional deductions. Neither of these major variants will in any way affect the measure of the taxable income which is the prime purpose of any taxing Act.

To summarize, the advantages of a resumption of taxing powers will be (1) to restore

responsibility to the States; (2) to restore to this House the obligation and right to impose taxation to give effect to the policy of the Government as elected by the people of this State. We must accept the Federal Act as a yardstick to measure taxable incomes. There should be provision in the agreement or the legislation to give effect to this; that there shall be no changes in the taxing Act without complete agreement by the States after examination and report by some expert committee which shall be called in to advise on the implications of the change such as the Commonwealth Committee on Taxation, which has done valuable work in the last year or two. It will be necessary for the Commonwealth to vacate some fields of taxation and some definite proportion of its present tax, say, one-third. The advantage of one taxation return must be retained wherever possible. There will be one collecting authority (the Commonwealth) which will act as agent for the State charging the State for cost of collection. The Commonwealth will be the only assessing authority, but the States will have their own rates Act which will require to be passed each year. The States, to give effect to domestic policy, could vary the concessional deductions. The present system of “pay as you earn” will continue, and a taxpayer will receive an assessment which will show the amounts due for State and Federal purposes, but the tax will be paid at the one office.

I have confined my remarks principally to the resumption of taxing powers by the States, as I regard that as one of the most important matters that will confront us in the near future. The subject, of course, was not mentioned in the Lieutenant-Governor’s Speech as it had not been raised at that time. It leads me to another aspect of public finance, namely, borrowing. There is a good deal of misunderstanding about the operations of the Loan Council. It is asked, “Why must we be bound by its decisions? Why can’t this State borrow more widely through its own instrumentalities, as it has recently so successfully through the Electricity Trust?” The Loan Council is the outcome of a financial agreement between the Commonwealth and the States entered into in 1927 and ratified by a constitutional amendment. The financial agreement lays down the procedure to be adopted, the allocation of borrowings, details regarding voting, the obligations of the Commonwealth in accepting the liability for the States’ public debts as they were in 1927, the obligations of States and

Commonwealth to contribute sinking funds, and the details relating to flotation expenses and the like. It is not generally appreciated that the Commonwealth is not required to meet its proportion of sinking fund on loans floated outside the Loan Council, and such loans do not carry the tax concession which is granted on income from Commonwealth loans. On the other hand such semi-Government loans must be approved by the Loan Council. I am making these points to lead up to my often-expressed view that the ruling off of both the Budget and the Loan appropriation accounts into watertight yearly compartments, at least from the long-term view, provides budgetary difficulties.

Mr. Macgillivray—Are you in favour of continuing the financial agreement?

Mr. GEOFFREY CLARKE—I am not debating that at the moment. I am not prepared to answer that question without more study, but I suggest that this ruling off of the financial accounts into watertight compartments is not a good thing, and in the best interests of the Budget I think it desirable that there should be presented with each annual Loan appropriation a reasonably accurate forecast of the Budget requirements for Loan purposes in the coming year and at least a reasonable anticipation of Loan expenditure which would be likely in the third year. I do not, of course, suggest that the year to year or even month to month figures should not be taken out; in fact, the more frequent the examination of our financial affairs the better, but we do need a longer view of our loan requirements than one year. Sympathy and understanding of both the Loan Council point of view and that of the Premiers is important. To get some realistic view of this it is necessary that in considering our Loan programme for the current year we should have a fairly accurate forecast on the next year's programme and some indication of the need of the third year. It is not easy to do this in the last session of a Parliament, but it should be done in every new Parliament. Apart from other considerations it would at least be an indication to an incoming Government of its commitments following a change in Government; not, of course, that that is likely to happen here.

The speech with which His Excellency opened Parliament tells a story of real development in this State and of confidence in the future. I opened my speech by referring to finance as the fundamental of government. That financial stability which is so essential can only be

realized by the enterprise and hard work of our people. I entirely agree with the assertion of the member for Flinders that we would be doing a great service to our people by emphasizing the need to put work back into the week rather than value back into the pound.

Mr. O'Halloran—You do not agree with the Federal Treasurer, Sir Arthur Fadden?

Mr. GEOFFREY CLARKE—I agree with the member for Onkaparinga that money is only a measure of value and a medium of exchange. Of itself it has no particular significance. Members should not need any reminding that the pound Australian had its greatest value during the depression years when Mr. Scullin was Prime Minister. I feel that it is now the time to change the emphasis and put it on "work into the week." No standards of living can be held, let alone raised, without a recognition by all parties in industry that value must be given for wages and value must be given for the price charged. I support the adoption of the Address in Reply and identify myself, as we all do, with the sentiments of loyalty towards Her Majesty the Queen.

Mr. DUNKS (Mitcham)—I join with other members in supporting the motion for the adoption of the Address in Reply to the Speech with which his Excellency the Lieutenant-Governor was pleased to open Parliament. I have often said that the debate on the Address in Reply is well worth while. Firstly, it gives the Government the opportunity, through His Excellency, to give Parliament and the people an idea of what has been done in the past, and of its intentions during the session. It also gives members an opportunity to express their viewpoints, particularly on matters concerning their own electorates. I was reminded yesterday that today I would have my last opportunity for some time to address the House. I believe some members down to speak today stood by to allow me this opportunity, and I greatly appreciate their action. I endorse the remarks contained in paragraphs 2 and 3 of His Excellency's Speech about the untimely death of our late beloved Sovereign and the accession of Her Majesty, Queen Elizabeth II. I am sure all members pledge their unswerving loyalty and devotion to the Queen. A tribute was paid to Sir Willoughby and Lady Norrie. They were a wonderful couple and performed excellent work while here. I once said that

Lady Norrie reminded me more of an Australian than an Englishwoman because she had an easy manner that is not always quite so noticeable in English people.

Although we shall miss you during your absence overseas, Sir, I realize it is in great appreciation of the work you have done as a member and as Speaker in this House, and more particularly because of the great interest you have displayed in the Empire Parliamentary Association. I congratulate you, Sir, on being selected, and I am sure we have made a wise choice and that you will be a great ambassador for Australia in Ottawa. I had the pleasure of attending the dinner given in your honour last night. I can imagine how you felt when you saw the large attendance, as it was a token of the esteem in which you are held. Your speech was thoughtful and well delivered. It portrayed the Empire with its numerous tongues, colours, and creeds. You showed how many of the countries in the Empire have been given a better appreciation of civilization, security and freedom, and how they have grown up under the protection of the Union Jack. You put before us the real meaning of the British Empire, and showed us the part the Empire Parliamentary Association can play by holding conferences such as the one to be held at Ottawa. I regret that your speech could not have been delivered in this House, as it could then be recorded in *Hansard* and the press so that people could be given an indication of what the Empire Parliamentary Association means. I desire to refer briefly to the passing of my dear friend, Mr. Leslie Duncan, the late member for Gawler. He was a most estimable gentleman. I learned many things from him, and his passing was a sorrow to me and to other members. Paragraph 5 of the Lieutenant-Governor's Speech states:—

My Ministers are seriously concerned at the curtailment of the State's programme of public works. Despite all the efforts of the Government, the arrears of construction work accumulated during the war have not yet been overtaken and the present need is for expanded rather than restricted programmes. Not only is much new construction necessary to enable the authorities charged with the duty of providing transport, water, electricity, harbours, schools, hospitals, and housing, to meet existing needs, but the increased requirements of the future must also be provided for.

It is essential to provide the facilities mentioned if we are to develop this beautiful State in which we live. I wonder whether they are mentioned in order of priority? We are passing through a time of financial difficulty

brought about by the drying up of Loan funds. Perhaps we have tried to advance a little too quickly. I have seen instances in private enterprise when business men equipped a factory with loan money. A little later a day of reckoning came when further money was required for the expansion of the factory, but it was not forthcoming. Because the people have refused to provide loans to enable public works to proceed the time has arrived when Parliament must begin to look at these things in the same way as a man in private industry would. His Excellency the Lieutenant-Governor in his speech further said:—

Notwithstanding the difficulties connected with the loan programme, the economic position of the State remains sound. There has been some curtailment in spending by the public, but the financial results of trading companies continue to be generally satisfactory. While some economic adjustments now appear inevitable, they may well be followed by a sustained period of stable and prosperous economic conditions.

Members opposite will be surprised to hear me say that too many big profits are being made by some of the larger manufacturing and distributing companies. Often these profits arise after their paying out huge amounts on advertising. There is something wrong in our system which allows this to continue. I do not say that it should be restricted by Act of Parliament, but there should be some way of giving the public the benefit of a reduction in the price of articles rather than these excessive amounts being used for advertising.

I can never understand why people are prepared to sit at their wireless sets and appear to enjoy reports of tragedies. When television arrives, these people will not only see the actual happening but will be able to listen to descriptions of it. One would think that because of the horror associated with such events the effect on the onlookers must be terrible. It is not unusual to hear such matters put over the air as a feature of advertising. I have in mind the shocking railway tragedy at Parafield yesterday. Some people listen to these things and seem to think them lovely.

I was very interested in Mr. Pearson's speech this afternoon and his statements regarding production, which is the keynote to the prosperity of this country. He referred to the United States of America and quoted from a report of the Institute of Public Affairs, Victoria. I do not agree with all this journal publishes, but some of its articles make one sit up and take notice. The extract read by the honourable member was to the effect that

if we are to survive we must produce. That is one of the truest statements ever made in this House. While he was speaking I took the opportunity to look at a few figures appearing in the April-May edition of the same journal. I want to have them published in *Hansard* so that people will be able to make some comparison between other countries and this land in which we live, where it would appear that we try to keep down the cost of production and the basic wage by all kinds of restrictions and controls. Despite this, prices are still soaring, whereas in America they have a system of control whereby people buy at a cheaper rate than we can in Australia. An Australian must work 48 hours to obtain the money to purchase a suit of clothes. For the same suit in America he would work 28. The respective hours for a pair of shoes are 10 and 6, and for a refrigerator, 400 and 135. In his speech, Mr. Shannon classed refrigerators, washing machines, and certain other amenities as being desirable for housewives. While their men-folk have the benefit of a 40-hour week it seems to me essential that women should be allowed to have more leisure and be able to purchase such things as refrigerators and washing machines. I will not say the same about a motor car.

Mr. Shannon—I do not think you will find I mentioned washing machines, but I did include wireless sets.

Mr. DUNKS—To buy a radio an Australian would have to work 65 hours whereas an American would work only 21, and to buy a motor car an Australian would be required to work 3,300 hours, whereas to buy a comparable motor car an American would work only 1,000 hours. Thousands of Australians are riding about in motor cars they cannot afford. Some people will say, "What does it matter how high the price of commodities so long as we do not have to sell them to other countries?" This may be all right as regards secondary industries, but for primary industries it is a very different story. I am sure that if we are to survive as a nation we must produce, and that involves making more machinery. Australians have proved that they can make machinery equal to that of any other country. Today we are making aeroplanes for Great Britain as well as for ourselves, and if we can make such machines with all the technicalities associated with them, will it be said that we cannot produce other machines equal to those produced in America?

His Excellency also had this to say in his Opening Speech:—

In view of the world shortage of food, however, my Government realizes that it is essential not merely to maintain but to increase primary production and is devoting special attention to this problem.

There is no more pressing problem in Australia or in the world than food supplies. Owing to the excessively heavy rain in South Australia this winter, it is expected that large areas will not be planted to grain and this will have an effect on the returns from our rural industries. I give full credit to the Labor Party which, during the last election, advocated decentralization. I do not suppose there is a member in the House who is not concerned about the drift to the city. We know the answer. If we were living in many of these country places under the conditions prevailing and had the opportunity to come to the metropolitan area with all its amenities we would do so. Here there is the attraction of higher wages, shorter hours, more amusements, and numerous amenities not available in the country. There must be beginnings if we are to progress and I therefore suggest to the Government that it select a suitable country town not too far from the metropolitan area. I have in mind a town like Murray Bridge.

Mr. Davis—What about going north?

Mr. DUNKS—That is getting away from the eastern markets, which is one of the things we must bear in mind.

Mr. Macgillivray—And getting away from a reliable water supply.

Mr. DUNKS—That is so, and we are getting further away from the eastern States where 90 per cent of much of our production goes. If we selected one country town and developed it by introducing manufacturing industries the goods produced could go to all States of the Commonwealth. If this were done, the people nearby would get better transport and better education, and all the amenities which help to build up a nation. Some of the best of our workers come from the country. They work well in the city until they are told by other city workers not to work so hard. In the country they have to work hard in order to exist. From surrounding areas the town being developed could recruit its workers, and the smaller farms nearby could be developed. I pass on this suggestion and hope it will receive consideration by the Government. Paragraph 12 of His Excellency's Speech states:—

The Government has also made interest-free loans to enable councils to obtain efficient road-making plant. Approximately £1,200,000 has

been made available in this way and has greatly increased the capacity of the councils to provide roads of the kind needed for present-day traffic.

I wonder whether much thought has been given to the construction of a bridge over the River Murray. During the last holidays motor traffic was lined up for hours at the Blanchetown ferry before getting across the river. Incidentally, when we get on a ferry crossing the river we wonder whether it will sink and whether we will get to the other side. The time is long overdue when there should be at least one good bridge over the river.

Mr. Macgillivray—It would at least be a start.

Mr. DUNKS—Yes. I wonder whether the expenditure of £1,200,000 on the purchase of plant and machinery by councils will result in its being used to the best advantage. Reference is made to the construction of roads of the kind needed. My friends from the West Coast tell me that the roads there are not the kind needed, and members from other parts of the State tell the same story. I suggest that we give the Highways Commissioner greater latitude and instead of advancing money to the councils to buy valuable machinery, which may be used for only about 30 hours a week, the machinery be purchased and supplied to a community under the administration, to some extent, of the Highways Commissioner. If that were done we might get better roads than we are getting today, and the money might be spent in a more advantageous way.

His Excellency also referred to improved shipping facilities at Port Adelaide. During the last week or two we have heard much about Harbors Board regulations being enforced at Port Adelaide. Listening to what has been said, it seems that more storage sheds are needed. If shipping increases again and overseas goods are permitted to come into this country, I hope we will have enough sheds to hold the goods. It has been pointed out, in connection with storage charges, that days at the week-end, when little work is done, are counted as lay days.

The Hon. M. McIntosh—That is not necessarily so.

Mr. DUNKS—Shed accommodation is desirable.

The Hon. M. McIntosh—We have more shed accommodation per ton than wharves in other parts of Australia.

Mr. DUNKS—The people who use the sheds tell a different story. Paragraph 21 of His

Excellency's Speech referred to the activities of the Electricity Trust and said that rural extensions and developments are being carried out as quickly as the supply of essential materials will permit. Too quickly we have tried to reticulate electricity over the whole of the State. Now that loan funds are dried up and we are compelled to retrench it might be well if we have a holiday from taking electricity to distant parts of the State. Wherever possible we should leave the supply of electricity in the hands of local undertakings, and spend the money available on more necessary things.

Mr. Teusner—Many outlying parts have had to wait years for electricity.

Mr. DUNKS—Some country power stations have been taken over, but they could have been left in the hands of the local people until more necessary work was done.

Mr. McAlees—If we do not provide amenities in the country the people will not stay there.

Mr. DUNKS—They have had many amenities for years. In industry if things get tough we have to put up with the old machinery we have had for years instead of spending money on new machinery. Paragraph 22 of His Excellency's Speech states:—

It is anticipated that Leigh Creek coal and the power stations now existing or proposed will meet requirements until 1965; but thereafter further power stations will be necessary. My Ministers believe that by that time the technical problems of using atomic power for industrial purposes will be solved, in which case the South Australian uranium deposits will be of extremely great advantage to the State.

For many years now we have had the same Premier in charge of this State's affairs. During his Parliamentary career there have been two outstanding events. First of all there was the development of the Leigh Creek coalfield, which has proved a great benefit to the State. Then there was the development of the uranium deposits, which in years to come will be of advantage to the State. If the Premier and his Government had done nothing more during their term of office—

Mr. Davies—Would not any other Government have done likewise?

Mr. DUNKS—No. Governments have come and Governments have gone. Previous Governments have looked at the Leigh Creek deposits and said it would be too expensive to develop them. Nothing was done until our present Premier said the deposits had to be developed.

Mr. O'Halloran—You do not suggest that the underlying principle of these things was Liberal policy?

Mr. DUNKS—Yes. Much of the legislation passed by Liberal Governments during the last 12 or 13 years has been passed with the assistance of the Opposition. It was Parliament that did these things, but the proposals were brought forward and pressed with tenacity by the man who leads the Government today. Previous Parliaments did nothing about the Leigh Creek deposits. There is a different story in regard to the uranium deposits, but I will not go into that now.

Another important matter is the manufacture of sulphuric acid in South Australia. Here again we must give credit to the Premier of our State. He brought forward the proposal to enable sulphuric acid to be manufactured here. I do not know much about the manufacture of superphosphate for I have had no connection with the land for the last 40 years, over which period this fertilizer has been increasingly used to make areas which were worth nothing before blossom like the rose. Today most of our sulphur comes from America, and I recently read an article by the Honourable A. J. Melrose, who said that our soils in the western parts of Australia were deficient in phosphorus, without an adequate supply of which Australia would soon starve. I go further and say that without it the food supplies of the world would be in jeopardy. Mr. Melrose said that superphosphate was made by treating finely ground tri-calcium phosphate, known as "phosphate rock," with sulphuric acid in the proportion of two tons of rock to one of acid so that it would be soluble in water and capable of being absorbed by plants. The rock comes from Nauru, Ocean, and Christmas Islands. It is estimated that only 50 years' supply remains, and after that primary producers will be forced to use a poorer type of fertilizer.

This Government may well be proud of its home building record, for over 29,000 houses have been built providing living accommodation for 116,000 people. As the population of the State is only just over 800,000, it would seem that extra homes have been built for about one-fifth of the population, which means that we must soon begin to catch up with the housing shortage. The main problem today in connection with home building is finance, and just as Governments are finding difficulty in getting funds to finance public works so the average person desiring to build a home is having difficulty in finding funds. His Excellency's Speech continues:—

My Ministers are seriously perturbed at the reduction in the finance available for the building or purchase of homes. They recognize

the social and economic benefits which arise when people are adequately housed.

I have previously referred to the maximum amount which may be advanced by the State Bank to a home builder, and it seems to me that £1,750 is not nearly enough, for a timber-frame house of a decent size, together with the land, probably costs about £2,300 today, and to find the deposit constitutes a hardship for many people. The furnishing of a house is also a great problem and probably costs three or four times what it did 20 or 30 years ago.

Paragraph 32 of His Excellency's Speech states:—

The report of the committee of investigation into the affairs of the Municipal Tramways Trust will be laid before you. Before preparing legislation on this subject my Government intends to discuss the recommendations of the committee with representatives of the constituent councils.

As this report was finalized a considerable time ago surely members might have had the opportunity of seeing it before now. Members have read in the press of the activities of the committee and of the conferences called to consider the affairs of the trust, and although they know that the Premier has placed three proposals before councils, they can form proper conclusions only after perusing the committee's report. The time is opportune for the printing of the report so that members may see it and advise members of local government bodies in their districts as to their opinions on it.

Mr. DAVIS (Port Pirie)—I support the motion for the adoption of the Address in Reply and associate myself with the remarks of previous speakers regarding the death of our late King George the Sixth and the death of Mr. Les Duncan. I have been surprised to hear members opposite telling the House of the Government's past achievements rather than saying what it intends to do during this session. They seem to forget that Mr. Playford had been in office for a number of years before he thought of doing many of the things mentioned. Members of this side have been accused of doing little when in power, but it is many years since the Labor Party held the reins of Government in this State.

Mr. Pattinson—And it will be many years before it does so again.

Mr. DAVIS—The honourable member may have another think coming after the next election, as he, himself, may not be here. I do not want to dishearten members opposite but I think they are due for many surprises as a result of the next election, and, although I will regret to a certain extent the loss of

some members opposite, I will be very pleased to see a larger number of Labor members so that our Party's policy may be put into effect. Then members opposite will realize the meaning of a progressive Party in power, for we will not speak of the past but talk of the future.

The district of Port Pirie should receive greater attention from the Government, as it is the most important town outside the metropolitan area. The Adelaide-Pirie railway line is a great revenue earner and in fact is the only railway in the State that pays. The harbour at Port Pirie is in a deplorable state. Frequently by means of questions and speeches I have brought to the notice of the Government the advisability of making greater use of South Australian outports, but I point out that if anyone tried to make greater use of the harbour at Port Pirie he would not be able to do so because it has been sadly neglected by the Minister of Marine. Only one wharf in Port Pirie is safe to work, and most of the ships handled are serviced at the Baltic wharf. Not only the wharves but the railway facilities are neglected. Shortly after the first World War it was necessary to remove certain railway lines serving the wharf, but after the gantries had been erected no effort was made to replace them and today there are no railway facilities leading from the southern end of the wharf, while the wharf yard contains only a few lines, which are unsafe and about which I have repeatedly complained to the Government. If the Government is sincere in its statement that it wishes to do something for country areas, it should discourage centralization, yet it is greatly concerned with establishing industries in the metropolitan area. If the Government expects people to stay in the country it must give them amenities there. The mover of the motion complained that people living in country areas were coming to work in the metropolitan area. If he thought for a moment he would realize the reason for it. He would appreciate that country people do not enjoy the amenities provided for city folk. If the Government desires to keep people on the land to increase production the jobs must be made more attractive. That is the answer to the question of how to prevent the drift to the city. The Government has always opposed allowing rural workers to go to the Industrial Court for an award covering wages and conditions. The member for Flinders said that we must consider the relationship between employer and employee.

Mr. Pearson—My employees are not objecting.

Mr. DAVIS—It is strange that employers should think of getting together with their employees only during times of prosperity. During a depression they do not care if men are walking the streets looking for work. If members go into the back country today they will find more "swaggies" than they have seen for years. Mr. Pearson will tell a different story next year.

Mr. Pearson—No, I won't.

Mr. DAVIS—Last year, when opposing a Bill to amend the Industrial Code, he said that if it were passed it would break up the wonderful relationship that existed between master and man.

Mr. Pearson—Exactly.

Mr. DAVIS—He said that they even went to football together.

Mr. Pearson—So they do.

Mr. DAVIS—I will wager that the boss does not pay for his employee's admission.

Mr. Pearson—I did and have done so on many occasions.

Mr. DAVIS—I have heard the story about master and man getting together all too often. Can anybody imagine the Broken Hill Pty. Co. Ltd., the most callous employer that ever was, getting together with its employees?

Mr. Pearson—I did not mention the B.H.P.

Mr. DAVIS—Fancy that company handing out plums to its employees! Requests have been made for the establishment of steel mills at Pt. Pirie, using Leigh Creek coal. There is no reason why such mills cannot be established by the B.H.P. The Government, however, is not the master of the company; it is the reverse.

The Hon. M. McIntosh—When the Government started to exploit Leigh Creek coal all the doubting Thomases were on your side.

Mr. DAVIS—The Port Pirie wharves should be immediately improved so that ships can be loaded and unloaded expeditiously. The Government claims that it is endeavouring to do everything possible for South Australia. It certainly is doing something for the oil people, but it is not doing anything to speed up the turn-round of ships at Port Pirie. It has not done anything to assist shipping interests there. Another matter is the provision of a better train service for the town. Prior to the war there were two trains daily from Port Pirie, with three returning during the week. Today there are two night trains

weekly and one on Sunday. Does the Minister ever consider people at Port Pirie who desire to come to Adelaide for a day? Why should they be held in Adelaide for two or three days when they could get back to Port Pirie the same day? Recently I was approached by people at Port Pirie asking that a special train be provided so that they could witness the interstate football match. Another reason they desired to visit Adelaide was that a local team was engaged in a "curtain-raiser." I approached the Railways Commissioner, through the Minister, but football enthusiasts were refused the train, by which 300 or 400 would have travelled. The only ones who were fortunate enough to see the match travelled by bus and private car. The Railways Department could at least have granted the request. I approached the Commissioner again, who said he would reconsider the matter, but I had no chance of getting the train.

For a long time people at Port Pirie have been promised a remodelling of and additional accommodation at the Port Pirie hospital. The estimated cost was given as £150,000, but probably that will be greatly increased. Apparently there are no prospects of our getting that work done; it is merely a Government promise. It has a habit of breaking promises to the people.

It is five years since the Minister of Education has visited Port Pirie to inspect the schools. The last time he visited the town he was so ashamed of their condition that he apparently has no further desire to see them. Improvements have been made, but not to the extent needed. At one stage children were housed in an old drill hall, with no decent seating accommodation or any sanitary arrangements. These remarks apply to surrounding districts. A big burden has been placed on the parents at Port Pirie because of the closure of several schools. A school erected at Nelshaby was not opened for 12 months because, it was said, of the lack of teachers, but I doubt that. Children have to travel long distances from their homes to be educated. The Government claims that we have free education and says that children are supplied with books free. I find that although the book allowance for a child attending a high school is £3 parents have to find £8 to provide them with all the books required. I hope the Government and the Minister will realize their responsibilities and make greater grants to help the parents of children attending high schools.

Much has been said about greater production. If this is necessary, why was it announced a few weeks ago that a large quantity of vegetables had been dug into the ground in the Adelaide Hills because the producer was not prepared to sell them for the price offering at the market? Had more been produced it would have meant more vegetables being wasted. The member for Onkaparinga mentioned the over-production of potatoes.

Mr. O'Halloran—Onions were dug into the ground earlier in the year.

Mr. DAVIS—Yes. We read in the newspapers recently that a cotton mill in the State would reduce employment of its staff to one week in three. If the employees had speeded up they would have been put off long ago. That firm appealed to the Premier to obtain army orders in order to get rid of its commodities. Many people are criticizing the workers and saying, as the member for Flinders said, that they should work longer.

Mr. Geoffrey Clarke—No, he said "Put more work into the week."

Mr. DAVIS—He said that the workers should put more working hours into the week. He also said we should get back to the early days of Australia. How pleased he and members opposite would be if we could get back to the days when farm hands worked from 4 a.m. to 8 p.m.

Mr. Christian—Now you are getting back to the dark ages.

Mr. DAVIS—The member for Flinders admits he wants to get back to the early days of the State, and the member for Eyre would probably be with him on that point. But in one breath the member for Flinders says employees should work day and night to produce more and in the next quotes figures in reply to the Leader of the Opposition that production is now greater by six per cent an acre than in 1942.

Mr. Whittle—They work with machines now, not horses.

Mr. DAVIS—The employers want men to work like horses. Farm workers are doing a good job. The falling off in production is not the result of shirking work or lack of energy on the part of the employees, but because of the greed of the farmer. Many primary producers have turned to woolgrowing instead of growing wheat.

Mr. Macgillivray—That is only commonsense.

Mr. DAVIS—Human nature comes into it. It may be common sense, but it is not common sense to accuse the workers of being responsible

for under-production. I am not saying that the wheatgrower has no right to switch to wool, but the worker has the same right to change his job.

Mr. Moir—Quite right!

Mr. DAVIS—According to some members opposite the worker has not that right. They say he should stay on the land and produce whatever his master requires. The present Federal Government is largely responsible for our difficulties. In many States the stores are overstocked and are holding bargain sales. In Sydney the big firms are waging a price war.

Mr. Pattinson—You don't complain about that?

Mr. DAVIS—No, I should be happy to get something cheap. My point is that the restriction of credit has financially embarrassed these big firms, and similar firms in Adelaide will be in the same position in the near future. Those unable to obtain credit will have to dismiss their employees. We shall be short of Loan funds because the Federal Government says it has not the money required. That is because the people have lost confidence in the Federal Government and will not lend their money. A person I know was once a staunch supporter of the Liberal Party, but he told me he would not lend the Federal Government a penny now because it was incompetent and would waste his money. I was surprised to read in the Lieutenant-Governor's Speech that "notwithstanding the difficulties connected with the loan programme, the economic position of the State remains sound." If a State's economy is sound should there be people tramping the country looking for work? Some members opposite think a country cannot be economically sound without a percentage of unemployed.

Mr. Whittle—Who said that?

Mr. DAVIS—You are thinking it. That is the policy of your Party. Some employers want to be able to crack the whip over the worker.

Mr. Whittle—That is plain foolish.

Mr. DAVIS—We know by experience, and no-one can deny the fact that during the depression employers sacked workers like so many flies.

Mr. Whittle—Wasn't the employer hit as well as the employee?

Mr. DAVIS—We shall soon have conditions again like those of the last depression. Of course, everyone was hit, but no-one tried to keep workers in employment unless they could do so at cheap wages.

Mr. Whittle—If everyone was hit, why suggest that employers want another depression?

Mr. Riches—They have said they do.

Mr. DAVIS—Many employers do not want a depression. They are good and honest men, as are members on this side of the House. I realize that many employers have already been driven out of business, and others will follow. The Prime Minister (Mr. Menzies) has admitted that he has no sympathy for the small business man. He is concerned only with the big man. I agree with Mr. Whittle on one thing. My council is in the same position as his regarding roads in Housing Trust areas. I suppose most councils are in the same situation. Housing Trust homes are usually built on land where there are no roads or paths, and the Government has done little to provide them. It is very expensive to construct roads and paths in these areas, with the result that in practically all cases councils are compelled to neglect them. I agree that the Government should assist councils in this matter. Mr. Shannon said he was opposed to rental homes being built by the trust and that it should build only homes for sale, and if the buyer found himself in difficulties he could walk out and say, "Well, I have lost my £250." Such a sum would probably represent a life's savings. If a man cannot purchase a home how does the honourable member expect him to get one if that is the only type available? On the other hand, if a person can rent a home he can, in the event of a depression, do the same as the purchaser and walk out. I remember the Thousand Homes Scheme; many of the occupants of those houses lost their homes during the last depression and I would hate to see the same thing happen again.

Mr. Dunks compared conditions in Australia and America and claimed that workers in America were producing more than those in Australia. I am not in a position to contradict him, but he did not say why the cost of living is so much higher in the United States of America. He quoted the number of hours a man has to work to buy a motor car, a refrigerator, or a wireless set, all of which can be produced in America much more cheaply than in Australia, but he did not say that it costs about 6s. to buy a chop.

Mr. Christian—We control our food prices largely; take the home consumption price of wheat as an example.

Mr. DAVIS—I am talking of things not controlled in Australia. Inflation is greater in America than it is here, so where is the

connection between greater production and inflation? Mr. Pearson said there was little unemployment in America. I do not know where he got his figures for I believe unemployment is much greater there. I bring under the notice of members opposite the fact that there has been for some time a complete stoppage of the steel industry throughout the United States of America, brought about simply because the President was prepared to give the workers a decent living wage. With a view to bringing about a settlement he authorized the taking over of the steel works by the State but the employers found that he did not have the power and resumed their works, and the men are still out on strike. There is no comparison between conditions in Australia and America. Mr. Shannon complained about people buying luxury goods and Mr. Dunks classed washing machines, refrigerators, and wireless sets as luxuries. Does he think that the only persons who should have refrigerators are the wealthy? Should not the wife of a worker be able to keep food cold and to give her husband a decent meal when he returns home after a hard day's labour? Has not the woman who has to do her own washing the same right to have a machine to assist her as the wife of a wealthy man? They are essential things in any home. I can remember the time when these amenities could not be enjoyed by the worker's wife, who had to stand over the washtub and use the old washing board. Recently the workers of South Australia were granted an increase of 13s. a week in the basic wage. Actually, they dread these increases because they know what the effect is. In actual fact it is not an increase but a decrease, because the increase has to cover the lag over the previous three months. In most cases an increase puts them

into a higher taxation group, with the result that the Commonwealth Government gets a greater rake-off. With every increase in the basic wage the workers are poorer, because it is impossible to catch up with costs, and they are therefore put further behind than ever. I hope the Federal Treasurer and his Party will do something to bring about an alteration. I was pleased to hear him say the other day that his Government had put value back into the pound, yet within a few days the basic wage was increased in South Australia by 13s. and by considerable amounts in other States, proving that Sir Arthur Fadden did not know what he was talking about.

Mr. John Clark—He didn't believe it himself.

Mr. DAVIS—I do not think he did, but tried to mislead the people. Mr. Dunks suggested that the Government should choose a large country town with the object of additional industries being established to supply requirements to the eastern States. I remind him that for a number of years large quantities of products from my home town of Port Pirie have been sent to the eastern States. Among other things Port Pirie produces 250,000 bushels of peas annually, large quantities of which are marketed in Victoria. Much fish is also treated in Port Pirie for transport to the eastern States, and long before a treatment plant was established there crates of fish were forwarded to that market, while local people suffered from short supplies.

Mr. JOHN CLARK secured the adjournment of the debate.

ADJOURNMENT.

At 5.17 p.m. the House adjourned until Tuesday, July 29, at 2 p.m.