

**HOUSE OF ASSEMBLY.**

Tuesday, August 12, 1952.

The DEPUTY SPEAKER (Mr. Dunks) took the Chair at 2 p.m. and read prayers.

**ADDRESS IN REPLY.**

The DEPUTY SPEAKER—I have to inform the House that His Excellency the Lieutenant-Governor will be pleased to receive honourable members for the presentation of the Address in Reply at 2.05 p.m. today. I now propose, accompanied by the mover and seconder and other honourable members who so desire, to proceed to Government House.

At 2.02 p.m. the Deputy Speaker and members proceeded to Government House. On returning at 2.17 p.m.:

The DEPUTY SPEAKER—I have to inform the House that, accompanied by the mover and seconder of the Address in Reply to His Excellency's Speech and other honourable members, I proceeded to Government House and there presented to His Excellency the Lieutenant-Governor the Address adopted by the House on August 6, to which His Excellency was pleased to make the following reply:—

I thank you for your Address in Reply to the Speech with which I opened Parliament on June 25 of this year. The death of our late beloved Sovereign King George VI. was, indeed, the cause of profound regret throughout the British Commonwealth of Nations. I join with you in your expression of loyalty and devotion to Her Most Gracious Majesty Queen Elizabeth II. upon Her Majesty's accession to the Throne. I am confident that you will give full and most careful attention to all matters placed before you, and I pray that God's blessing may crown your labours.

**STAMP DUTIES ACT AMENDMENT BILL.**

His Excellency the Lieutenant-Governor, by message, recommended the appropriation of such amounts of the general revenue as were required for the purpose mentioned in the Stamp Duties Act Amendment Bill, 1952.

**QUESTIONS.****MONEY FOR PUBLIC WORKS.**

Mr. O'HALLORAN—The *News* of August 9 contains the following report:—

£1,000,000 for Works.—Mount has an ambitious plan—At a meeting last night Mount Gambier Council heard from the Premier (Mr. Playford) that local projects—the new hospital, sewerage scheme, and improved water service would be held up by lack of Commonwealth loan money. The mayor (Mr. Marks) then asked Mr. Playford: "If we can raise a £1 million loan in the district can we have it spent on local projects?"

Mr. Playford replied: "You raise the million, and a load of materials for your new hospital will be on the next train."

Mr. Marks: "We can do it."

The town of Mount Gambier has a population of 8,500. Mr. Playford said semi-governmental bodies, such as the Housing Trust and Electricity Trust had power to raise loans. If Mount Gambier folk subscribed to a special £1 million loan for one of the bodies, £1 million pounds of other loan money would be free for Mount Gambier projects.

Though I have no lack of sympathy with the Mount Gambier folk in their desire to have these projects carried out, I think the practice suggested in the report is undesirable. Did the Premier intend to suggest that in future people who want public works carried out in certain areas may subscribe specially to loans in order that those works may be carried out?

The Hon. T. PLAYFORD—I did not make that suggestion. The Mayor of Mount Gambier asked whether, if money were available in that district the Government would go on with projects there. In this State many projects which would be carried out if funds were available are held up because of lack of money. Whether the money will be forthcoming is a matter not yet determined. If we can raise semi-government loans in South Australia it will undoubtedly help the official programme of the State and incidentally be in accordance with what is the universal practice in other States.

**BARMERA WINERY.**

Mr. MACGILLIVRAY—Has the Minister of Lands a reply to the question I asked last week about a rumour that Penfolds Wines Pty. Ltd. has now no intention of erecting a winery on its leasehold at Barmera?

The Hon. C. S. HINCKS—It has been reported to me that that company does not hold any land in the town of Barmera. The land referred to by the honourable member was apparently section 424, Nookamka Division, Cobdogla irrigation area. The department has no knowledge of the company's intentions.

**MOUNT BARKER ROAD.**

Mr. SHANNON—Last session, following on a number of questions that I addressed to the Minister of Local Government in relation to the improvement of traffic conditions on that section of the Princes Highway known as the Mount Barker Road, the matter was referred to the State Traffic Committee which, I believe, made certain recommendations. Can

the Minister say what steps are being taken to improve traffic conditions on the highway in the immediate future?

The Hon. M. McINTOSH—One of the committee's recommendations was the improvement of the road by straightening some of the worst bends and curves, and the bituminizing of the remaining section of the Greenhill Road towards Littlehampton. The Highways Commissioner will undertake this work as opportunity offers. In pursuance of the honourable member's question, I obtained, through the Chief Secretary, a reply on the other point, namely, better traffic control. It states:—

Motor traffic patrol officers are rostered for daily duty on the main Mount Barker Road. The patrols extend from Glen Osmond to Hahndorf with particular emphasis on the traffic between Glen Osmond and Aldgate. It is the duty of the patrolling officers to ensure, as far as practicable, that the safety provisions of the Road Traffic Act are properly observed. As on all main highways, and especially at peak traffic periods, it is a physical impossibility to prevent a certain proportion of road users from deliberately or carelessly flouting legislative safeguards provided for road safety, and the detection of offenders under the Act can only be accomplished if a patrolling officer happens to be on the spot at the relevant time. This is a coincidence which the offending motorist usually scrupulously endeavours to avoid. He is also aware that complete and simultaneous police supervision cannot be maintained, and acts accordingly. As more trained men become available it is proposed to intensify police patrols on the main arterial highways in the metropolitan and country areas. There is no statutory provision specifically directed to regulate the distance to be maintained between particularly long vehicles moving in the same direction, but police attention is given to this matter as occasion demands. Reports indicate that drivers of such vehicles readily co-operate and comply with instructions given them by police officers in this regard. Attention will continue to be given to the matter mentioned in the foregoing.

As the Commissioner stated, when the Police Department gets more men a more intensive campaign will be undertaken.

Mr. Shannon—Are you doing anything about widening parts of the Mount Barker Road?

The Hon. M. McINTOSH—Yes. As I said, the Highways Commissioner has undertaken to do that as opportunity affords. Obviously, he cannot leave one job of prior importance to widen the road, but I hope that much of this work will be done during this financial year.

#### EX-SERVICEMEN'S LAND OPERATIONS.

Mr. FRANK WALSH—During the debate on the Address in Reply I mentioned that persons selected for soldier settlement in the

Penola area for dairy farming had transferred to fat lamb raising and that in another section, not far away, settlers had been allotted land for fat lamb and cattle raising, but had gone in for dairy farming. Has the Minister of Repatriation any information to give the House on these points?

The Hon. C. S. HINCKS—I have considered the matters raised by the honourable member, but I think members will agree that once a settler has been granted his lease he should have the right to produce what he thinks best in the interests of himself and the economy of the State. It is true that some have changed from dairying to fat lamb raising and others the reverse, but I do not feel that it is the function of any Government to direct a settler as to what he should or should not produce on his block.

#### CAFETERIA CAR ON BROKEN HILL EXPRESS.

Mr. O'HALLORAN—Has the Minister of Railways any further information relating to the provision of a cafeteria car on the Broken Hill express as far as Terowie, concerning which I asked a question last week?

The Hon. M. McINTOSH—Yes, I have conferred with the Commissioner of Railways and the position is that owing to the alteration of the schedule of the East-West express between Adelaide and Perth it will not now be possible to utilize the cafeteria car regularly on the East-West express. Consequently, commencing from next Friday, August 15, arrangements have been made for this car to work attached to the Broken Hill express departing Adelaide 6.15 p.m. and returning on the up express on Saturday morning, departing Terowie at 5.10 a.m., arriving Adelaide 9.20 a.m.

#### PORT PIRIE WHARVES.

Mr. DAVIS—Has the Minister of Marine received a report in regard to the condition of the wharves at Port Pirie?

The Hon. M. McINTOSH—Following the honourable member's question last week I took up the matter with the Engineer for Harbors who, in effect, advises that the wharves at Port Pirie, with the exception of Baltic and Federal, are very old and call for continual maintenance. This has been carried out as well as possible in view of the difficulty which has been experienced over a period of some years in obtaining the necessary materials, particularly timber. Baltic Wharf is a concrete and steel structure of modern design and is in excellent condition, but the

others are all constructed entirely of timber except Federal, which has steel sheet piling. Barrier Wharf was for years used exclusively for the mechanical discharge of coal into overhead bins, but with their removal a few years ago the wharf fell into disuse and due to its age and poor condition further expenditure on maintenance was not considered warranted and it has been closed to traffic. Nothing short of total reconstruction can be attempted. Queens Wharf is also due for rebuilding. It is of very light construction and in recent years due to the sheet piling being of insufficient depth, trouble has developed in the sheet piling, with the result that owing to its general condition and the fact that it has small storage space at the rear it is used on very rare occasions. Regarding the other wharves it is pointed out that these have been maintained reasonably well with the conditions obtaining. For four years efforts have been made to obtain the necessary timber for redecking and strengthening Smelters Wharf and it was only a few months ago that some of the planking came to hand and is now stacked near the site. However, the job cannot be put in hand until the heavy timbers required for replacement of the girders and other supporting members come to hand. It is anticipated that a shipment of hardwood from New South Wales will arrive in *Poul Carl* within a short time, and will include the timbers required for this job. Supplies of Tasmanian stringy bark are being received at the moment at Port Adelaide and provision is being made for the supply of some of this timber for renewing decking at Federal and Railway Wharves and Federal Dock.

#### RIVERTON-SPALDING RAILWAY.

Mr. QUIRKE—My question relates to the Riverton-Spalding railway line, more particularly that section between Riverton and Clare. It must be admitted that this railroad is practically worn out and is so bad that a passenger needs physical resistance to travel on it. Reading is impossible and conversation next to impossible due to the vibration and rattle of the coaches. If there is any doubt about that statement, as a councillor of the Clare Corporation I invite the Minister of Railways, and perhaps the Railways Commissioner, to take a trip to Clare, and the people of Clare will undertake to meet any repairs as regards their physical well-being either in hospital or in a hotel, according to the disability suffered. Apart from being facetious, I contend that this railroad is not up to the standard required by modern traffic. The rails

are branded 1888, showing that they are more than 70 years old. They were worn out on one side when put there in 1918, and now they are worn out on the other side. They have staggered joints, which coincide with the length between the bogies of railcars, and one can understand the effect. It is beyond a joke. Can the Minister of Railways say whether anything is forecast for the restoration of the rail track between Riverton and Clare at least?

The Hon. M. McINTOSH—I am afraid I will have to accept the statement that this track is in very bad condition. Unfortunately, that is not unique either on South Australian or Australian railways generally. Steel rails have been almost unprocurable until the last few months and sleepers are not coming to hand in sufficient numbers to maintain tracks on the most used railroads. The Railways Commissioner is well aware of that and every endeavour is being made by the Government to stimulate the delivery of sleepers and rails. As they come forward they will be used for the most necessitous cases first. Just what priority the Clare line has is for the engineers to say.

Mr. Quirke—It could not be any worse.

The Hon. M. McINTOSH—I am afraid some others are equally bad. I will direct the honourable member's remarks to the Railways Commissioner and if I can give any more definite information I will bring it forward.

#### CARRYING OF ARMS.

Mr. MOIR—Can the Premier say whether the Government intends to amend the Police Act and the Criminal Law Consolidation Act with the object of forbidding a person to carry firearms, knives, bludgeons, and other offensive weapons and instruments during the daytime as well as at night unless he has a valid reason for being so armed?

The Hon. T. PLAYFORD—An amendment of the Criminal Law Consolidation Act is being prepared, but I do not know the precise provisions to be inserted.

#### COMMONWEALTH HOSTEL CHARGES.

Mr. FRED WALSH—No doubt the Premier is aware of the serious dispute between British migrants and Commonwealth Hostels Ltd. on the question of charges for hostel accommodation. It is my belief that the dispute could be solved by the provision of kitchenettes to the various units. I understand the Premier has stated that if money were forthcoming from the Commonwealth Government South

Australia would be happy to provide these kitchenettes. Has the Government applied to the Commonwealth Government for any financial assistance for this purpose?

The Hon. T. PLAYFORD—The Government has not made any request for financial assistance in this matter. It is purely a Commonwealth problem and the migrants referred to are in hostels under Commonwealth control. A Federal member, in whose district one of these camps is located, approached the Government and asked whether, if money were forthcoming, the Government would be prepared to assist by allowing the Housing Trust to undertake the suggested work. I said "Yes." I believe he has referred that request to the Commonwealth Government but I have heard nothing further.

#### INSPECTION OF LEIGH CREEK COAL-FIELD.

Mr. O'HALLORAN—Can the Premier say whether any arrangements have been finalized for the proposed Parliamentary inspection of the Leigh Creek coalfield and other installations associated with development in that area?

The Hon. T. PLAYFORD—Yes. Some of the work has already been carried out and an itinerary has been prepared and referred to the Electricity Trust and to the appropriate railway authorities who will arrange transport. The date has not been finalized but the inspection will probably take place next Monday week. I will confirm the date later today for the information of all members.

#### AMENDMENT OF LOCAL GOVERNMENT ACT.

Mr. MACGILLIVRAY—Yesterday I attended a conference of local governing bodies whose districts range from Morgan to Paringa. During discussions the opinion was expressed that Parliament should give greater attention to what they consider one of the most important Acts in the Statute Book—the Local Government Act. They rightly pointed out that in recent years debating on this Act has been limited to one or two matters. Times have changed so much and so rapidly that the whole Act should be examined thoroughly. Can the Minister of Local Government say whether it is the Government's intention to introduce this session a Bill along the lines of that discussion?

The Hon. M. McINTOSH—To be quite candid, the Government has not had referred to it any matters of major importance for discussion except one relating to the system of rating. Various councils were consulted, and

of those that replied about half were of one opinion and about half of another; 30 did not reply at all. I know of no other matter of major importance which would necessitate a general review of the Act, which runs into hundreds of pages. There are several minor matters now in the hands of the Parliamentary Draftsman, who is preparing amending legislation to be considered by Cabinet for submission to Parliament as soon as possible. No matter how late it is left there are always persons who will suggest further amendments.

#### SWEETMAN'S ROAD DRAIN.

Mr. FRANK WALSH—Will the Minister for Local Government ascertain from the Commissioner of Highways why work was stopped on the concrete drain at Sweetman's Road and when the work is likely to be resumed to put the road in reasonable repair?

The Hon. M. McINTOSH—I am not aware of the circumstances, but I will obtain a report from the Highways Commissioner.

#### COMPLETION OF PUBLIC WORKS.

Mr. O'HALLORAN (on notice)—

1. What was the estimated cost of the following works when approved:—(a) The Southern Yorke Peninsula water scheme, including the Bundaleer trunk main reconstruction; (b) the South-Eastern railway broadening, including rollingstock; (c) the western districts hospital?

2. How much has been spent on each of these works to June 30, 1952?

3. What proportion of each of these works was completed by June 30, 1952?

4. What is the estimated cost of the work to be completed in each case?

5. When is it anticipated that these works will be completed?

The Hon. M. McINTOSH—The replies are:—

1. (a) Southern Yorke Peninsula water supply, £2,685,000. (b) South-Eastern railway broadening, etc.—Estimated cost when approved by Standardization Agreement Act in November, 1949, including Mount Gambier, Beachport, Kingston and Glencoe lines, £4,112,064. (c) The estimated cost of the portion of the overall scheme for the western districts hospital which has been approved, viz., maternity block, nurses' home, boiler house, etc., was £491,795 (in February, 1948).

2. (a) Southern Yorke Peninsula water supply, £144,000; in addition, pipes manufactured

and to be paid for this year will amount to £250,000. (b) South-Eastern railway broadening, etc.—Expenditure up to June 30, 1952, £2,203,461. (c) Western districts hospital, £194,115.

3. (a) Southern Yorke Peninsula water supply.—Through inability to obtain steel plate for pipes and other materials, activities have been concentrated on sections of the work involving manpower and plant, but little in the way of materials. For example, enlargement of Upper Paskeville service reservoir from 10,000,000 gallons capacity to 40,000,000 gallons capacity—an essential part of the scheme—has been completed and the enlarged reservoir is now being filled to provide a reserve supply for next summer. The actual expenditure so far incurred is, therefore, not indicative of the proportion of the work which has been completed.

(b) South-Eastern Railways.—Proportion completed at June 30, 1952, 37 per cent. (c) Western Districts hospital.—Approximately 20 per cent.

4. (a) Southern Yorke Peninsula water supply.—On present costs, £6,100,000. When referred to the Public Works Standing Committee the basic wage was £5 2s. for 44 hours; now £11 4s. for forty hours per week. Steel plate then £17 15s.; now minimum £36. Cast-iron pipes increased from £14 14s. to £41 2s. per ton. Whilst labour and materials quoted above were not then available, the estimates were necessarily prepared on the nominal rates then ruling. (b) South-Eastern railways.—Estimated cost of the work to be completed under the Standardization Agreement Act . . . £4,600,000. Costs of wages, sleepers, and rails have risen since 1949 as under:—

	Comparative costs.				Per cent increase.
	1949.		1952.		
	£	s. d.	£	s. d.	
Basic wage, per annum . . . . .	326	0 0	582	0 0	79
Broad gauge sleepers, each (wood) . . . . .	1	2 6	2	5 0	100
Rails, per ton—					
Australian . . . . .	16	10 0	24	5 0	47
Imported . . . . .	—		41	10 0	—

(c) Western Districts hospital.—This work is being done under a contract which contains the usual “rise and fall” clause. Thus it is not possible at this stage to assess the completed cost.

5. (a) Southern Yorke Peninsula water supply.—The rate of progress on this huge scheme depends mainly upon factors entirely beyond the control of the State and at this stage it is obviously impossible to say when the work will be completed. Fortunately the benefits are progressive and the work already carried out will be of great assistance to those who have experienced shortages during the last two summers. (b) South-East railway.—Anticipated date of completion of whole scheme is June, 1955. Expected to reach Mount Gambier during March, 1953. (c) Western District hospital.—Two years.

the arrival of migrants until the position has improved and work and homes can be found for our own people?

4. If so, is it the intention of the Treasurer to take up this matter with the appropriate Federal Minister?

The Hon. T. PLAYFORD—The replies are:—

1. Statistics regarding the number of New Australian migrants who have arrived in South Australia from January 1 to July 31, 1952, are not available, but according to figures supplied by the Commonwealth Department of Labour and National Service, the number placed in employment in South Australia from January 1 to June 30 was 735. This is exclusive of 1,107 German migrants brought out under contract to the S.A. Railways.

2. There is no obligation on the part of the South Australian Government to accept any specified number of migrants this year. The State Immigration Department is the recommending authority for the acceptance of nominations in favour of British migrants. The number who will actually arrive before the end of the year cannot be estimated with accuracy, but it is not expected to exceed 1,250. The position so far as alien migrants are concerned is that the Commonwealth Government has entered into agreements with certain

MIGRATION POLICY.

Mr. MOIR (on notice)—

1. How many New Australian migrants arrived in South Australia from January 1, 1952, to July 31, 1952?

2. How many migrants is South Australia bound to accept to the end of 1952?

3. Following the growing number of unemployed in this State, is it possible to discontinue

countries to accept a given number of migrants who will be allotted to the various States in accordance with the availability of employment.

3. The admission of alien migrants is entirely under the control of the Commonwealth Government. Because of the present economic position the quota for 1952 has already been substantially reduced, and an announcement has been made that a further reduction will be effected in 1953. So far as British migrants are concerned, those accepted under State nomination are guaranteed accommodation by their sponsors.

4. It is understood that a conference of Commonwealth and State Ministers of Immigration will be held following the return to Australia of the Commonwealth Minister for Immigration, who is at present overseas discussing migration matters with various Governments.

#### YATALA PRISON DISTURBANCE.

Mr. LAWN (on notice)—

1. Is it the intention of the Treasurer to indicate the circumstances surrounding the alleged disturbance at Yatala Prison on or about May 22, 1952?

2. How many prisoners were involved?

3. What were the complaints of the prisoners?

4. What, if anything, has been done about remedying the complaints?

5. What were the terms of punishment imposed on the prisoners?

The Hon. T. PLAYFORD—The replies are:—

1. On May 21, 1952, a disturbance did occur at the Yatala Labour Prison, the leaders being those with long criminal records. At the time the prison was crowded and there was difficulty in segregating certain prisoners convicted for serious offences. They were obviously endeavouring to emulate recent disturbances in America, Canada, Pentridge and prisoner of war camps.

2. One hundred and fifty prisoners were involved.

3. The following were the complaints of the prisoners:—(1) Better conditions and food. (2) That soup and sweets be provided at least twice each week. (3) That as the food generally was not up to standard, in the future braised meat be removed from some of the evening meals and replaced with stews. (4) The present prisoner cooks be removed from the kitchen and replaced by those selected by the prisoners. (5) That immediate representations be made to the Government with

the object of having reduced the recent vindictive sentences imposed by the court. (6) That action be taken against the police as they were continually victimizing ex-prisoners and make untrue statements to the courts in connection with their trials. (7) Immediate removal of Prison Medical Officer, Dr. Nicol, from the department, as he was too old and was unable to give proper treatment, also that he was unfair and should be kicked out of his job. (8) Guards generally were overbearing in their enforcement of the prison regulations, also that they (the prisoners) were being reported to the visiting magistrates for trivial breaches. It was demanded that certain officers be moved, but before doing so, they must apologize in front of all prisoners. (9) That seven blankets be issued to each prisoner instead of six as at present. (10) That the prisoners be allowed to have three hot baths each week instead of two.

4. As the complaints were unreasonable and unfair no action has been taken.

5. Terms of punishments varied from the forfeiture of 63 credit marks to imprisonment (such imprisonment to be additional to sentences being served). Fifty-six prisoners were ordered to forfeit 63 credit marks. The remaining prisoners (90 in all) were each ordered terms of imprisonment from one month to 12 months. Prisoners sentenced to 12 months had pleaded guilty to four charges, including that of assaulting the prison officers.

#### RENT ASSESSMENT FORMULA.

Mr. TAPPING (on notice)—

1. Is the Treasurer aware that since the passing of the Landlord and Tenant Act Amendment Act, 1951, the Housing Trust has made rent determinations granting increases in many instances far in excess of 22½ per cent?

2. Can the Treasurer explain the formula used by the Housing Trust when assessing rents, particularly in arriving at 1939 rent levels?

The Hon. T. PLAYFORD—The replies are:—

1. The rent fixations of the South Australian Housing Trust made during the first quarter of 1952 have been examined. During that period approximately 3,400 rents were fixed. In 323 cases, rents were increased in excess of 35 per cent above the existing rents, including 94 in excess of 50 per cent. A relevant fact is that, of these 323 cases, only in approximately 10 per cent were objections lodged by either the landlord or the tenant to the rents

provisionally fixed by the trust, which would appear to justify the inference that the parties were satisfied that the increased rents were reasonable.

2. When fixing rents of dwellinghouses the trust is, under the provisions of the Landlord and Tenant (Control of Rents) Act, 1942-1951, required to do the following:—

- (a) The rent at which the premises would have let on September 1, 1939, is to be ascertained. This rent is to be based on rental standards prevailing at that day, and, for the purpose of this inquiry, the trust has a mass of detailed information as to 1939 rental levels in different localities. The 1939 rent to be fixed by the trust is not necessarily the rent actually charged then for the particular premises. That rent may be higher or lower than the standard rental level at that time.
- (b) After ascertaining the 1939 rent, the trust must add 22½ per cent to that amount.
- (c) The trust must also make allowances for increases in rates, taxes, maintenance costs and other outgoings. In many instances, these allowances are appreciable.
- (d) The trust must also take into account such matters as the use to which the premises are put (*e.g.*, whether the tenant keeps boarders or sublets, whether the tenant is unduly damaging the premises, and so on.)

It is pointed out that the Committee of Inquiry (on whose report the Act of 1951 was based) on page 15 of its report drew attention to the fact that the matters other than the 22½ per cent increase would in many instances bring about additional increases in rent.

#### WEIGHBRIDGE NEAR TRURO.

Mr. MACGILLIVRAY (on notice)—

1. Is the Highways Department erecting a weighbridge on the Sturt Highway adjacent to the town of Truro?
2. If so, who authorized this work?
3. What is the total estimated cost?
4. What is the object of erecting this weighbridge?
5. Is there not already a licensed weighbridge in the neighbouring town of Truro?
6. Could this weighbridge not be used for whatever purpose the new weighbridge is proposed to be used for?

The Hon. M. McINTOSH—The replies are:—

1. Yes.
2. The Commissioner of Highways.
3. £1,550 (estimated cost).

4. For checking the weights of vehicles to discourage overloading with consequent damage to roadways.

5. Yes.

6. No; it is of insufficient capacity.

#### HOUSING TRUST CLERICAL STAFF.

The Hon. S. W. JEFFRIES (on notice)—

1. How many persons were on the clerical staff of the Housing Trust on—(a) June 30, 1951; (b) June 30, 1952?

2. What were their aggregate weekly wages on—(a) June 30, 1951; (b) June 30, 1952?

The Hon. T. PLAYFORD—The replies are:—

1. (a) 138. (b) 157. Of the additional officers appointed between June 30, 1951, and June 30, 1952, 10 were appointed to cope with the extra work occasioned by the operation of the Landlord and Tenant (Control of Rents) Act Amendment Act, 1951.

2. (a) £1,497 19s. 6d. (b) £2,036 13s. 9d.

#### BUILDING MATERIALS OFFICE STAFF.

The Hon. S. W. JEFFRIES (on notice)—

1. How many persons were on the clerical staff of the Building Materials Office on—(a) June 30, 1951; (b) June 30, 1952?

2. What were their aggregate weekly wages on—(a) June 30, 1951; (b) June 30, 1952?

The Hon. T. PLAYFORD—The replies are:—

1. (a) 23; (b) 20.

2. (a) £250 6s. 6d.; (b) £253 12s. 9d.

The staff is being reduced as relaxations permit—present clerical staff numbers 16 with a weekly wage bill of £209.

#### MEANS TEST FOR TRUST HOMES.

The Hon. S. W. JEFFRIES (on notice)—

1. Is there any means test which has to be observed before a Housing Trust home can be let on a rental basis to an applicant?

2. If so, what is it?

3. Is the same test (if any) observed in allotting Housing Trust houses to purchasers?

The Hon. T. PLAYFORD—The replies are:—

1 and 2. A means test, as such, is not applied by the South Australian Housing Trust to applicants for rental houses but, before letting a house to an applicant, the trust, among other things, requires information as to the applicant's ability to pay the rent.

3. As regards purchase houses, the trust does not apply a means test, but requires the applicant to pay the requisite deposit and obtains evidence of his ability to meet his liabilities under any mortgage debt.

#### WRAPPING OF BREAD.

Mr. O'HALLORAN (on notice)—

1. In what areas have local government bodies adopted, since December, 1951, a by-law providing that bread sold in shops should be wrapped?

2. Did the Prices Branch grant an increase in price to cover the cost of wrapping bread sold in shops in these areas?

3. If so, has the Prices Branch made any check to ascertain whether the increase was sufficient or more than sufficient to cover the cost of wrapping?

The Hon. T. PLAYFORD—The replies are:—

1. The model by-law re wrapping bread (as published in the *Government Gazette* of October 4, 1951, at page 830) has been adopted by the corporations of Mount Gambier, Peterborough, and Port Lincoln, and by the district councils of Cleve and Streaky Bay.

2 and 3. The Prices Commissioner reports:—

2. (1) Yes. (2) Orders in writing approving increase forwarded to bakers at Peterborough, February 1, 1952; Mount Gambier, March 5, 1952; Port Lincoln, March 24, 1952. (3) Provision is made for three types of paper on account of availability of supplies.

3. (1) Yes; only sufficient to cover cost of paper and service of wrapping bread. (2) Application was made and no baker was granted the increased rate until costs had been checked. (3) Since original approval two further checks have been made.

Mr. O'HALLORAN (on notice)—

1. What are the fixed maximum prices of 1 lb. and 2 lb. loaves of bread in the metropolitan area—(a) sold in shops; (b) delivered?

2. Are there any statutory provisions, regulations, or by-laws requiring that bread sold in shops in the metropolitan area should be wrapped?

3. What are the fixed maximum prices of 1 lb. and 2 lb. loaves of bread at Port Pirie, Port Augusta, and Peterborough—(a) sold in shops; (b) delivered?

4. Are there any statutory provisions, regulations, or by-laws requiring that bread sold in shops at Port Pirie, Port Augusta, and Peterborough should be wrapped?

The Hon. T. PLAYFORD—The replies are:—

1 (a) and (b). Metropolitan area, maximum prices. (Prices order 314 of June 2, 1952):—

	Over the counter. Delivered.	
	s. d.	s. d.
1 lb. loaves . . . . .	0 5½	0 6
2 lb. loaves . . . . .	0 10½	0 11

2. No metropolitan council has adopted the model by-law re wrapping bread.

3 (a) and (b). Port Pirie, Port Augusta (no compulsory wrapping). (Prices order 315 of June 2, 1952.)

	Over the counter. Delivered.	
	s. d.	s. d.
1 lb. loaves . . . . .	0 5½	0 6½
2 lb. loaves . . . . .	0 11	1 0½

Peterborough (compulsory wrapping). (Prices order 315 of June 2, 1952, for delivered prices.) (Orders in writing of June 4, 1952, for wrapped bread over the counter.)

	Delivered.	
	s. d.	s. d.
1 lb. loaves . . . . .	0 6½	0 6½
2 lb. loaves . . . . .	1 0½	1 0½

	Over the counter.	
	1 lb. loaf. s. d.	2 lb. loaf. s. d.
When fully wrapped in cap paper of not less than 17in. x 27in. . . . .	0 6½	1 0
When fully wrapped in kraft paper of not less than 20in. x 30in. . . . .	0 6½	1 0½
When fully wrapped in newsprint of not less than 22½in. x 35in. . . . .	0 6½	1 0½
When wrapped in cap paper less than 17in. x 27in. . . . .	0 6	0 11½
When wrapped in kraft paper of less than 20in. x 30in. . . . .	0 6½	1 0
When wrapped in newsprint of less than 22½in. x 35in. . . . .	0 6½	1 0

Shops and delivered prices at Port Pirie, Port Augusta, and Peterborough have always been the same until the corporation of the town of Peterborough adopted the model by-law for compulsory wrapping of bread on January 17, 1952. The difference in shop prices between Peterborough and Port Pirie and Port Augusta is occasioned by the cost of paper and service of wrapping of bread in the former town.

4. The corporation of Peterborough has adopted the model by-law re wrapping bread. Neither the corporation of Port Pirie nor the corporation of Port Augusta has adopted it.

## TEACHERS' SALARIES.

The Hon. S. W. JEFFRIES (on notice)—

1. Who are the members of the Teachers' Salaries Board?

2. Do teachers receive quarterly cost of living adjustments in their salaries?

3. What will be the aggregate increase in teachers' salaries if the new determination announced last week becomes operative?

4. Does the new determination affect all teachers? If not, what sections are affected?

The Hon. M. McINTOSH—The replies are:—

1. The members of the Teachers' Salaries Board are:—Mr. E. L. Bean (chairman), Mr. E. Allen, Mr. B. E. Schumacher, Mr. T. S. Raggatt and Miss V. M. Macghey. Miss D. C. Smith is deputy member during the absence through sickness of Miss Macghey.

2. Teachers receive the quarterly cost of living adjustment to their salaries in accordance with the terms of the award of the Teachers' Salaries Board.

3. The additional aggregate cost of the award made on August 7, 1952, is estimated at £90,000, for a full year, plus the cost of the recent increase in the living wage.

4. The determination affects all teachers' salaries which are fixed by the Teachers' Salaries Board.

## DIRECTOR OF EDUCATION: UNESCO CONFERENCE.

The Hon. S. W. JEFFRIES (on notice)—

1. Who made the choice of the Director of Education to attend the biennial general conference of UNESCO to be held in Paris in November and December?

2. How long is it expected that he will be absent from his duties in South Australia?

3. Who pays the costs of his attending the conference?

4. What is the estimate of such expenses and how is it made up?

The Hon. M. McINTOSH—The replies are:—

1. The nomination of the Director of Education was made by the Right Honourable the Prime Minister after ascertaining from the Honourable the Premier that the Government of this State would be prepared to grant the Director of Education leave for this purpose.

2. It is expected that the Director will be absent from his duties in South Australia for approximately five months.

3. The Commonwealth Government pays the costs of the Director in attending the conference. However, the South Australian Gov-

ernment will be responsible for approximately six weeks' expenses while the Director looks into education matters in the United Kingdom.

4. The costs will be the fares and expenses attending the conference, which will be a debit to the Commonwealth Government. The daily living allowance while attending the conference is 3,000 francs.

## URANIUM MINING ACT AMENDMENT BILL.

The Hon. T. PLAYFORD (Premier and Treasurer), having obtained leave, introduced a Bill for an Act to amend the Uranium Mining Act, 1949-1951.

Read a first time.

## LOAN ESTIMATES.

Grand total, £29,019,000.

In Committee.

(Continued from August 7. Page 327).

Mr. O'HALLORAN (Leader of the Opposition)—In debating whether we should sanction any particular Loan work at any given time we should examine the Loan works position as a whole. This is especially necessary now since, for reasons beyond the control of this Parliament, the amount available for expenditure on Loan works has been seriously reduced. The accumulation of a large number of works, either not commenced or in various stages of completion, raises the question which of these works should be proceeded with. The practice in this State during recent years has been to hold preliminary investigations into proposals and then have them referred to the Public Works Committee, over which the member for Eyre presides with great dignity and competence. I know that this committee efficiently discharges the duties imposed upon it by the Act, for I was once a member of it, but we are, to some extent, leading many worthy people up the garden path because they believe that after a scheme has been favourably reported upon it will be soon commenced, whereas often a long time elapses between the committee's recommendation and the commencement of the work. Some of the proposals reported upon when I was a member some years ago have not been commenced yet.

Despite difficulties in adopting the principle, some priority in the State's works programme, and in that of the Commonwealth and States, should be drawn up. I realize that something

along these lines is being done in the Commonwealth sphere by the Co-ordinator-General, but apparently nothing very effective has yet emanated from such efforts. We should consider the overall picture and adopt a programme giving the highest priority to those works regarded as most essential. Loan works should be approved which we believe can be commenced and completed within a reasonable time. It might be possible to have a schedule providing an annual works budget, but at least we should be able to say, when we approve of Loan works, that they will be completed within a certain time. We should also be reasonably sure that the necessary finance will be available, but as a result of the more or less haphazard method which we have followed recently many contracts have been entered into by the Government and huge amounts of capital will be tied up and remain unproductive for a long time. The South Para reservoir provides an illustration. A considerable amount of preparatory work had been done on this scheme and machinery and plant had been acquired to push it forward

rapidly. At one time this proposal had a high priority in order to augment the water supplies of a rapidly growing metropolitan area. The dislocation of our Loan programme, brought about by the curtailment of Loan funds, has resulted in the South Para scheme being virtually abandoned, and the same will apply to other works. Interest will have to be paid on the money expended on works which cannot have any earning capacity until completed. Furthermore, valuable plant may seriously deteriorate as a result of lying idle.

I think the kindest criticism of the Premier's public works policy generally is that he has not been prepared to hasten slowly, with the result that practically every public work embarked upon has been prejudiced. In order to get a picture of the total expenditure on public works from revenue and from Loan I have examined the relative figures under those two headings for a number of years past, and they make very interesting reading. In order not to weary members I ask leave to insert the table in *Hansard* without reading it.

Leave granted. The table was as follows:—

*Revenue and Loan Expenditure, 1938-39 to 1951-52.*  
(Nearest £1,000.)

Year.	Expenditure	Expenditure	Total.
	from Revenue.	from Loan.	
	£	£	£
1938-39 . . . . .	12,701,000	421,000	13,122,000
1939-40 . . . . .	12,918,000	627,000	13,545,000
1940-41 . . . . .	13,008,000	1,274,000	14,282,000
1941-42 . . . . .	13,712,000	132,000	13,844,000
1942-43 . . . . .	14,960,000	820,000 Cr.	14,140,000
1943-44 . . . . .	15,530,000	448,000 Cr.	15,082,000
1944-45 . . . . .	16,113,000	41,000 Cr.	16,072,000
1945-46 . . . . .	16,343,000	1,709,000	18,052,000
1946-47 . . . . .	17,253,000	2,211,000	19,464,000
1947-48 . . . . .	19,156,000	2,482,000	21,638,000
1948-49 . . . . .	22,129,000	4,461,000	26,770,000
1949-50 . . . . .	29,550,000	8,644,000	38,194,000
1950-51 . . . . .	33,433,000	16,845,000	50,288,000
1951-52 . . . . .	42,293,000*	31,204,000	73,497,000

\* As estimated.

Mr. O'HALLORAN—It will be seen that I have taken 1938-39 as the base year because that was probably a reasonably normal pre-war year. In that year expenditure from revenue was £12,701,000 and from Loan £421,000, a total of £13,122,000. During the war there was a substantial cessation of loan works, but in 1947-48 when things started to move again the expenditure from revenue was £19,156,000 and from loan £2,482,000, a total of £26,770,000. Last year, 1951-52, the estimated expenditure from revenue was £42,293,000 and from loan £31,204,000, a total

of £73,497,000. These are colossal figures in any language, and, considering that the bulk of this vast expenditure has been directed into channels which have not added to the food production potential, or to the increase of primary production, it discloses an alarming state of affairs. The Treasurer justifies those astronomical figures in the following words:—

It is desirable to have Parliamentary authority for such a programme so that, if owing to the shortage of material of one kind or another it became impossible to proceed with one work, some other work in the programme, for which materials and labour were available, could be proceeded with.

That may be very desirable from his standpoint, but I suggest that it is gradually divorcing this House from any real control of loan expenditure because loan works once approved remain approved, even if funds voted for them may not be spent in the financial year for which they were approved. Funds necessary to carry them out must be found subsequently—if they are to be proceeded with—as the money voted for them may be spent on other works in excess of the amounts voted for those other works. The figures supplied by the Minister of Works, in response to my question this afternoon, showing the terrific increase in the estimated costs of certain works which were approved by this House some years

ago, illustrate my point very clearly that we are gradually losing our control over the expenditure of loan funds. This would not be so bad if we knew how much of the work which was contemplated for the proposed expenditure was actually carried out. Although some details have been given this year, insufficient information of this kind is submitted to Parliament, which, in effect, gives the Government a blank cheque to fill in as it likes. The unsatisfactory nature of the procedure adopted is illustrated in the following figures relating to Loan expenditure and repayments on account of land repurchased for closer settlement:—

Year.	Balance of Loan A/c as at June 30. Amount.	Estimated for the following year.		
		Gross expenditure.	Repayments etc.	Net expenditure.
	£	£	£	£
1947 . . . . .	1,350,000	50,000	60,000	10,000 Cr.
1948 . . . . .	1,282,000	150,000	65,000	85,000
1949 . . . . .	1,203,000	40,000	70,000	30,000 Cr.
1950 . . . . .	1,121,000	35,000	80,000	45,000 Cr.
1951 . . . . .	1,006,000	30,000	100,000	70,000 Cr.
1952 . . . . .	933,000	—	—	—
Totals . . . . .		£305,000	£375,000	£70,000 Cr.

If the actual expenditure and repayments had been as estimated, the balance of loan account at June 30, 1952, would have been £1,280,000 instead of £933,000. There has been an unexplained discrepancy between estimated and actual expenditure and repayments, but we are not informed how much was spent or how much was repaid each year. Instead of a credit of £70,000 for the five years referred to, repayments apparently exceeded advances by £417,000. It would be an advantage to know, when the Loan Estimates are introduced, how the balances of the various departmental loan accounts as at June 30 are arrived at. The figures quoted appear to show that very little is being done in the way of closer settlement. This is an important point which amplifies what I said earlier, namely, that despite the demand for and the great necessity of closer settlement little has been done in this direction and it is difficult, in view of the lack of information which I have illustrated, to know how these balances have been arrived at.

Another very interesting quotation from the Treasurer's speech is as follows:—

The rapid increase in the population and the necessity to increase food production make great demands on the public undertakings provided by the State, such as railways, electricity, water, sewers, and harbour facilities.

I should like to know what is the connection between food production and the demands on the public undertakings referred to. Are these undertakings being expanded from year to year because they are necessary to provide for a growing volume of food production, or to provide amenities for communities who, in the main, are not associated with food production? A good illustration of this is the expenditure on sewerage schemes. All sewerage works in South Australia to date have been established in the metropolitan area. I read the Estimates closely and listened to the Treasurer's explanation, but so far as I know it is not proposed to undertake one country sewerage scheme this financial year. Is the huge railway expenditure proposed this year designed to increase food production? I venture to say that it is not to any appreciable extent, with the possible exception of some expenditure which I understand is being incurred to provide more efficient rolling stock. Food production requires more people actually producing on the land. When will the undertakings referred to bring this about?

Another quotation from the Treasurer's speech is as follows:—

The Government believes that the drift of population to the city can only be effectively stopped by providing amenities for the country such as are enjoyed by those living in the metropolitan area.

How long will it take, at the present rate, to provide these amenities in the country? In any case, why was this not thought of long ago? No sewerage schemes are proposed and no appreciable expenditure on country water schemes and other amenities, although there is to be some extension of electricity mains, but these are to serve mainly industrial enterprises which are not linked with food production. It will be many years before the amenities, which should have been provided years ago, will be available to country people in sufficient measure to stop the alarming drift of population to the city. By the time they are provided, if ever, there will be no one left in the country to enjoy them except the landed aristocracy into whose hands the land is rapidly falling. In his speech the Treasurer also said:—

Due to the poor support accorded public loans by the investing public and the inability of the Commonwealth Government to find anywhere near the amount provided last year, the works programme for this year had to be curtailed.

If it were not for a certain very important factor I would have more sympathy for the Treasurer because of his difficulties associated with this year's Loan Estimates. I consider that he is largely responsible for the present Commonwealth Government being in office, as he did his best to secure its return. Therefore he must accept his share of the responsibility. I contend that the poor support for Commonwealth loans at present is due entirely to the present Commonwealth Government, because when it took office our loan funds were in a sound position. Commonwealth bonds were worth approximately their face value, but as a result of certain things, which I shall not go into fully today, some of those bonds are now worth as little as £86. With those facts staring them in the face in the daily press, is it any wonder that the investing public are hesitant to support Government loans?

One undesirable feature is that interest rates have risen and are likely to rise more rapidly because of the extension of semi-government borrowing, which is really independent State borrowing. The Commonwealth Government is prepared to sanction this because of its own failure to retain the confidence of the people. The Loan Council was established in 1927 for the specific purpose of eliminating competition among the States and the various borrowing authorities. The object was to secure co-ordination of effort in order that the maximum

amount could be made available at the most reasonable rate of interest. In other words, there would be no competing in the market for whatever loan funds were available. Yet, we find that the practice is now being developed very rapidly in South Australia of borrowing by semi-government bodies. For instance, the Electricity Trust, which a few months ago had a successful flotation, intends, because of arrangements having been made with the Loan Council, to raise a further loan. This body and also the Housing Trust are to raise moneys which will be in addition to the amounts to be received from the Government programme.

While at Mount Gambier last week the Treasurer told the local people if they wanted improved amenities, such as an additional hospital, an improved water scheme and other desirable works they would have to support the loans so that the necessary money would be available. He said that if they provided £1,000,000 the material required for the new hospital would be on the way the following day. It is not desirable that the Government should put the responsibility on these people to subscribe to a loan for amenities which have been promised and approved. It would be advisable for the Treasurer to retrace his steps on that course immediately. Just how semi-governmental are these undertakings? Their activities form a prominent part of the Treasurer's report on Loan works. They are his particular children and have been carefully nurtured and expanded under his guidance and tutelage. Until now they have been financed out of ordinary Loan funds. However, I feel sure the Treasurer will gaze upon them with the same paternal kindness that has characterized his attitude towards them in the past.

The Hon. T. Playford—The honourable member has not always opposed them.

Mr. O'HALLORAN—I think I have made that abundantly clear and I do not intend to oppose them in the future. I believe they are a type of undertaking which is becoming more and more essential to the proper development of the State in view of the complexities which have arisen in our social life during the last decade or so.

Mr. Hutchens—They might become bad children if permitted to start bidding.

Mr. O'HALLORAN—If they are permitted to start bidding for large sums of loan money they may become difficult children to handle and we may reach a stage when some other less well-grown child of this new idea of independent Liberalism-cum-Socialism may

find himself starved as a result of the strength of the undertakings already mentioned. The success of the Electricity Trust loan was largely due to the higher rate of interest offered. Semi-governmental loans may be the excuse for higher interest rates on Government loans. The success of developments of this nature will depend on keeping the deadweight of interest of our public undertakings at the lowest possible level. In the past we had to write off millions of deadweight in our railways and other undertakings. If we permit the rate of interest to rise as it did after the first world war we shall doom all manner of enterprises, if not to failure then to very difficult times, and create great problems for new settlers, soldier settlers, and home builders. Much of the Electricity Trust's expenditure represents dead capital which will not be earning for a long time. The proportion of dead capital is growing rapidly. I refer to the huge capital works which are in progress, particularly the power station at Port Augusta and the development of the Leigh Creek coalfield. I do not suggest that they are not necessary but we shall have to wait some time before they will start earning interest on the money borrowed to finance them. The Treasurer also said:—

This year the amount available is £29,019,000, which is £2,185,000 less than was spent last year.

This is a significant figure because he said that there was to be no diminution in employment. I cannot agree with the Treasurer's hopes that we can get through with so much less money in view of the increase in the cost of capital works that has taken place in the last 12 months. I hope we can get through because

	Balance as at June 30 (nearest £1,000).
	£
1947 .. .. .	4,011,000
1948 .. .. .	4,140,000
1949 .. .. .	4,298,000
1950 .. .. .	4,581,000
1951 .. .. .	4,911,000

On the figures for 1947 to 1950, the total estimated net expenditure on metropolitan sewers was £1,303,000. If this had been the actual net expenditure the balance as at June 30, 1951, would have been £5,314,000. The balance was actually £4,911,000, which shows a discrepancy of about £400,000. The same criticism applies in relation to the account for repurchase of land for closer settlement. There

I do not want to see a considerable volume of unemployment in South Australia and there is undoubtedly a slackening in private employment. This is the time when we should be in a position to expand our public works programme to provide amenities which are so desirable, not only at Mount Gambier but elsewhere, and employment for those who are losing their positions in private industry. The Treasurer further said:—

With less funds available and higher costs, honourable members will realize that some desirable and urgent works cannot be undertaken this year.

For some years the total Loan programme has been unattainable and has merely been a means of enabling the Premier to proceed with particular projects which he deems important. There is scope for difference of opinion regarding the priority of the works contemplated because the Premier said:—

Such Government projects as water, railways, electricity, housing, sewers, coal, hospitals, school, and food production have been given priority from the funds available.

Apparently everything is to have priority because I think that covers the whole schedule of potential expenditure from the Loan fund.

The Hon. T. Playford—There is still the Tramways Trust.

Mr. O'HALLORAN—I am glad the Treasurer mentioned the tramways because I may have forgotten them. I shall have a few well-chosen remarks to make on the tramways later. Sewers were mentioned in the priority list. Here again I find it difficult to ascertain exactly what the loan position is. The following figures regarding the Adelaide sewers account are interesting:—

	Estimated for following year.		
	Gross expenditure.	Repayments.	Net expenditure.
	£	£	£
	321,000	15,000	306,000
	330,000	15,000	315,000
	280,000	15,000	265,000
	432,000	15,000	417,000
	634,000	25,000	609,000

is a lack of information submitted with the Estimates. In addition, whereas separate balances for the various branches of the Engineering and Water Supply Department used to be submitted, this year there are only two. There were 13 last year and, I think, in previous years. The estimated expenditure on Adelaide sewers for 1952-53 is £462,000, but there is to be no expenditure on country

sewers. There has been no expenditure on country sewerage schemes, except at Leigh Creek, for several years.

To June 30, 1952, the Government has advanced to the Housing Trust £14,156,000, and it is proposed to advance £2,890,000 for 1952-53. The trust is also to raise a loan on its own responsibility. This money will enable the trust to house many people; the need could not have been met in any other way. As the result of this expenditure we will have to eventually write off a considerable sum, and this will apply particularly in respect of pre-fabricated houses. It is, however, a worthwhile programme and Parliament should face up to the responsibility of meeting some of the losses. I wonder whether it might not have been possible to adopt the suggestion by the Commonwealth some years ago to the benefit of this State.

Advances in relation to Leigh Creek coal-field to June 30, 1952, have been £2,337,000 and it is proposed to advance £600,000 this year. I was pleased to hear the Premier say that this year this undertaking will show a small profit. I had faith in the field, long before the Premier ever heard of it. In this place in 1919 I endeavoured to get the then Government to develop the field: consequently, I can express much pleasure at the success achieved. Up to June 30, 1952, advances to the Electricity Trust have totalled £17,382,000 and the advance proposed for this year is £5,400,000. Members are aware that the trust's private loan in 1951-52 was over-subscribed. There is a proposal for it to raise another private loan this year. To June 30, 1952, investments in State enterprises totalled £145,814,000, the principal items being water-works and sewers £34,287,000, railways £22,700,000, Electricity Trust £17,382,000 and Housing Trust £14,157,000. This has occurred in a State where the Liberal and Country League Party has always had a majority in one House and nearly always a majority in both Houses. It subjects my Party to continued abuse and misrepresents remarks by our members because it says we are socialists.

In connection with the Woods and Forests Department, log production in 1951-52 was 136,000,000 super feet, but for some unexplained reason, in this time of shortage of timber and when we are importing timber from overseas at high prices, the estimated production for 1952-53 is only 94,500,000 super feet. This represents a considerable falling off which should be explained to members at the earliest opportunity. Details of the production in

1951-52 and the estimated production for 1952-53 are as follows:—

	1951-52	1952-53
Private sawmills ..	66,700,000	42,000,000
Department sawmills	35,200,000	42,000,000
Pulpwood . . . . .	31,100,000	8,000,000

It is difficult to understand the big falling off in the quantity of timber to be turned into pulp during the current financial year. I believe that Cellulose (Australia) Ltd., the principal user of pulp wood in South Australia, has complained because the department cannot make sufficient timber available. We should look into this matter carefully and ascertain why there is such a big falling off, especially in view of the complaints that have been made about insufficient supplies. I have previously remarked on what I consider is the unsatisfactory feature as regards the financial set-up of the Woods and Forests Department, namely, that revenue from forests is put back into the Loan Fund. More details should be given to the House about this shop window dressing.

A great increase is noticed in public works which have been recommended by the Public Works Committee and since they were first approved by this House. The Mannum-Adelaide pipeline was approved in September 1948 at an estimated cost of £3,390,000. The cost to June 30 last is set down at £2,061,000, the total estimated cost being £7,000,000. The Southern Yorke Peninsula water supply scheme was approved in November 1948 at an estimated cost of £2,685,000. Today the Minister said that the estimated cost was set down at £6,100,000. Other items show a great increase in cost. I know that the basic wage and the cost of materials have increased, but my point is that these works were recommended by the Public Works Committee on the basis of a certain return. The increased cost of the Yorke Peninsula scheme will not result in more revenue and shows that the gap between the estimated revenue and expenditure including interest on sinking fund and working expenses has widened to terrific dimensions. Great leaks in this and other schemes will have to be blocked from revenue as time goes on. This huge expenditure in recent years has not added appreciably to the financial stability of the State. We have certain secondary industries, some of which will probably pay their way after the first blast of overseas competition strikes them, yet in the same period we have not only failed to expand our natural primary industries, but have sat idly by and watched their numbers and production diminish.

Lavish expenditure is set down for railways this financial year. Provision is made for completion of the payment for 10 diesel electric locomotives on which £943,000 was spent to the end of June last and on which it is proposed to spend a further £288,000 this year. The cost per unit, I believe, will be £123,000. These locomotives are doing an excellent job but I doubt whether, taking a long range view of our Australian economy, it is prudent to change our locomotive haulage system from the type of engine which uses fuel that can be produced in Australia in favour of a type which depends entirely on overseas fuel. If we become involved in a war which results in cutting off overseas oil supplies, with our tremendous dependence on all forms of machines and vehicles using overseas oil I shudder to think what the position here will be, with men with wheelbarrows trying to take the place of a transport system which must be immobilized by the cutting off of our fuel oil supplies. I have sounded that note of warning before and I do so again.

I understand that it is intended to import 10 Beyer Peacock locomotives from France. Last year £265,000 was spent and it is estimated that £440,000 will be required this financial year, the cost per unit being £70,700. The sum of £60,000 was spent to June 30 last on the purchase of six A.S.G. engines which were obtained from the scrapheap in Western Australia. It is estimated £27,000 will be required for 1952-3, the cost per unit being £15,533. That is cheap, compared with the estimated cost of the Beyer Peacock engines from overseas, but I understand that considerable problems will have to be overcome by our engineers before the A.S.G. engines will give satisfactory service on our northern railways. When at my home last week I saw a Garratt engine being hauled into the railway yards by an old "T" class engine. I hope, however, that the Garratt engines will prove successful.

The Hon. M. McIntosh—They have rendered good service by moving a lot of stuff which otherwise would not have been shifted.

Mr. O'HALLORAN—I would like to see more shifted and want more information on this aspect from the Minister. Again, we have the diesel railcars, another oil driven job. I sound the same warning note here as I do about other oil driven locomotives. The sum of £152,000 was spent to June 30 last on 14 of these railcars. The estimate for 1952-53 is £183,000, the cost per unit being £68,000.

Considerable expenditure is estimated for harbour projects. Included in it is a large sum for compulsory acquisition of land for the extension of the harbour at Port Adelaide. I do not see any mention of compulsory acquisition of country lands for settlement. The Government should have a look into that matter. It apparently has no compunction in dispossessing somebody of a house or building block for the extension of harbour works, but when it comes to country lands, which some people are holding out of full production, it does not take any action.

The Hon. M. McIntosh—The Government has not acquired any house on any improved property. It has power under another Act to acquire partially improved property.

Mr. O'HALLORAN—The Government has power to acquire under-developed land for settlement.

The Hon. M. McIntosh—It has not acquired any developed land.

Mr. O'HALLORAN—One or two people in my district who purchased desirable blocks along the sea front and were looking forward to enjoying their declining years there were not too happy when they received notices of compulsory acquisition from the Harbors Board. I understand that £400,000 is to be advanced for expansion of the Tramways Trust's activities. Negotiations with councils are proceeding and three proposals have been submitted by the Premier for their consideration, under the second of which the Premier proposes to make £1,500,000 available over a five-year period. I take it that the money will be advanced at the rate of £300,000 a year and will be provided from Loan funds. If it is, where is the line on the Loan Estimates to authorize that appropriation? I do not know whether agreement will be finally reached and I doubt whether it ever will by the way negotiations are proceeding. There seems to be a desire on one side to pass the buck and a fear on the part of the other to accept it. I make no secret where I stand on the matter; I made my position clear two years ago and I think that every member of my Party stands thoroughly behind me in that regard. There should not be any messing about. The present system should be taken over and run as a metropolitan tramways system under the control of a Minister responsible to Parliament and managed by a competent board appointed by the Government.

The Hon. M. McIntosh—Take over the whole transport system, including buses and taxis?

Mr. O'HALLORAN—Exactly. I would go further and take over the whole control of transport in South Australia and have one transport authority with a responsible Minister in charge. I would stop a lot of silly competition and damage to our roads and reduce the financial burden on our public utilities. In the final analysis nobody will benefit as the result of this competition.

Members have been told that the large sum provided for the development of the Radium Hill mine is to be raised by means of an overseas loan—no doubt a *quid pro quo* for our being able to supply the much-needed mineral to a friendly nation—but members are entitled to know the terms of the loan, whether it will be at discount or par, the annual rate of interest, the rate of repayment, and, if it is to be repaid over a period, whether a certain proportion of the annual revenue will be set aside to repay it. The Treasurer explained the reason for the monthly advances from the Loan Council and the difficulty he is experiencing in keeping the various works proceeding smoothly with the quota allotted to each department, and I sympathise with him in this respect. The total we are asked to approve represents a very great reduction on last year's Loan expenditure, and this will impose great difficulties on the Treasurer and the officers of the various departments. This directs our attention to the weakness in our Australian financial system—that we make effort depend on finance rather than finance on effort. This is not the Parliament in which this question can be resolved, but it can and should be resolved by the people once and for all. Prior to 1939 we apparently had little money to spend on anything, but within six weeks after the outbreak of war we were spending over £1,000,000 a week on it and, as it progressed, that expenditure increased; yet our economy was kept on an even keel throughout the war and the period of readjustment following it, when hundreds of thousands of ex-service personnel had to be rehabilitated in industry. There was no suggestion of any incapacity to pay for the war nor any falling off in subscriptions for Australian loans on the stock market. Again and again, when asked a question regarding the commencement of certain public projects, the Minister of Works has said that men and materials, and not finance, were the limiting factors, and country people have waited years for those factors to be overcome. Now they have been overcome and unemployed men, who are registering daily with the Department of Labour and National Service, are prepared to

go anywhere in the State to take a job, yet now we are told that these works cannot be carried out because of a shortage of money.

The Hon. M. McIntosh—When we had the money those men had better jobs to go to.

Mr. O'HALLORAN—Yes, because of the policy of the Federal Government and the complete failure of State price control. On the one hand Messrs. Menzies and Fadden opened the gate to capital and luxury industries, and on the other State Prices Ministers failed to satisfactorily fix the prices of luxury goods. When I pointed out the danger of this foolish policy two years ago, the Premier said it was good anti-inflationary policy to get people to waste their money on luxuries, but as a result of that policy men were diverted from essential work.

The Hon. M. McIntosh—They went of their own inclination.

Mr. O'HALLORAN—But for the failure during the past three years of the Federal and State Governments they would have had no opportunity to indulge those inclinations. Labor members have said for many years, and say today, that the development of Australia in general and South Australia in particular, with regard to the provision of water, sewerage, and other services for country areas, should not depend on bond issues, and that the credit of the nation should be used to carry them out. If a war broke out next week—which God forbid—within a fortnight there would be no shortage of money to fight the war, for we could not afford to be short under such circumstances. Then how can we afford to be short of money to fight the peace, to build up this nation's potential, to effectively absorb the increasing population overseas and to encourage these immigrants to become the best type of citizens who will be prepared to join native-born Australians in the defence of this great land?

Mr. FRANK WALSH (Goodwood)—I commend the Leader of the Opposition for his brilliant address. His remarks have an important bearing on the welfare, not only of this State, but of the Commonwealth. The Treasurer said that the South Australian share of the total Loan moneys last year was £26,400,000, but I ask him where he obtained the extra £4,804,000, which permitted him to spend £31,204,000 on Loan works last year. With regard to the Loan programme, the Premier said:—

The programmes for all States have been reduced from £225,000,000 to £180,000,000. Of the latter amount this State has been allocated

£21,820,000 and in addition has been authorized to raise an overseas loan of £3,883,000 to finance the capital works and operating expenses of its uranium development. These two amounts, together with a small carry-over from last year, and repayments to the loan fund, provide the moneys available to carry out a programme totalling £29,019,000, details of which are set out in the Estimates.

Members are asked to approve of the borrowing of £3,883,000 overseas, but the Premier merely made the bald statement that "the actual terms of the loan have not yet been determined." He should indicate whether this State will be expected to carry all the responsibility, or whether, in the event of the interest rate being higher than the Commonwealth interest rate, the Commonwealth will assist through the Loan Council. Now that approval of the Loan Council has been obtained, can the Treasurer immediately borrow this amount for the purchase of the capital equipment to be used in the winning of uranium ore? Little information has been given other than that the loan will be repaid over a period of seven years, and members should be told how the uranium ore is to be disposed of and how soon we can expect a stock pile to be provided for industrial use in this State. As an enormous amount of money is involved in this project, members are entitled to the fullest information on the overseas borrowing of this money.

I notice that the State Bank is to receive £2,037,000 compared with £1,995,000 last year, yet we find that the bank curtailed its advances to home purchasers during the past four months and it did not use £153,000 that it could have advanced. Perhaps the Treasurer can throw some light on this because some of the board members are closely associated with him. I have been wondering whether any of the £153,000 was earmarked to meet an emergency had the Electricity Trust's loan not been fully subscribed. Insufficient attention has been paid to the policy of the Credit Foncier Department of the bank. Does the Electricity Trust use the State Bank as a banking institution? Recently I drew the attention of the chairman of the Electricity Trust to a contract let by the trust for the erection of a workshop. Tenders were called and a firm which had previously done work for the trust submitted an estimate of about £70,000. However, another firm was given the contract at a figure of about £6,000 higher. How can the trust afford an extra £6,000? The firm to which I first referred could be expected to carry out the work satisfactorily. It has always been

able to meet its commitments and its credit with the merchants has never been in dispute. The trust's engineers, after an exhaustive inquiry, considered that the work could have been carried out at the lower figure. If this is the sort of thing that goes on daily, or even yearly, it is time an exhaustive inquiry was made into some of the trust's activities. It is regrettable that it does not have to submit its proposals to the Public Works Committee in the same way as other Government departments.

The Treasurer indicated that approval has been given by the Loan Council for the Housing Trust to borrow money on the market to continue its operations. From information given in Parliament it seems that the trust has been able to obtain money at ridiculously low rates of interest, but it has not advanced money at those low rates to home purchasers. If the trust does not offer at least 4½ per cent for its loans they will not be fully subscribed. It seems that future advances by the trust to home purchasers will be at the rate of about 5½ per cent. Further, I will not be surprised if the Advances for Homes Act is amended this session, because of soaring costs, to raise the maximum loan from £1,750 to £2,000. Those buying houses of solid construction will still need to find £800 or more as a deposit. On £2,000 at 5½ per cent they will face an interest bill of £110 a year. How will they be able to meet their commitments? The trust has already advanced more than 90 per cent of valuation on timber-frame homes in St. Marys. Will this policy be continued with the timber homes being imported? These houses are being subsidized £300 by the Commonwealth and, according to information given by the Treasurer, they will be sold at £2,560. No-one can convince me that they can be erected and valued, even at today's prices, at more than £2,560.

The question of the Housing Trust going on the loan market raises great difficulties. If it would have the effect of lowering the prices of houses I would approve, but I do not approve of the raising of finance for the purpose of carrying on the home building programme. I firmly believe that it must pay a higher rate of interest to attract investors and it immediately follows that it must impose a higher interest rate on borrowers. Consequently, I can foresee nothing but a recession in the building industry and if that comes about it will not be simply a question of halting the galloping horse of inflation, but of how soon this country will adopt the policy

pursued during the war, when all the money in the world could be found for destructive purposes. Why cannot money be found for constructive policies? I fear that instead of being the instrument of providing cheap homes for the people the Housing Trust will create prohibitive conditions for the home purchaser. I reiterate that had the State Bank seen fit to make its credit foncier department more readily available to the home builder there would have been no need to give the Housing Trust authority to go on to the loan market.

Mr. TAPPING (Semaphore)—I am disappointed to observe that no provisions is made for a primary school at Taperoo, despite the fact that, in reply to my question on July 29, the Minister of Works told me that although the Government had decided not to go on with a permanent structure it had decided to provide a prefabricated school in the near future. I regard this school as an essential. The Housing Trust has been building extensively in the Outer Harbour-Largs North area and the Largs Bay school is no longer able to accommodate all the children from these new homes. It is therefore essential that the Government should seriously consider providing for this school in any Supplementary Estimates which may come forward this year. In the Largs North area 450 trust homes have been built in the last 18 months and a further 350 will be set aside in the near future entirely for Harbors Board employees, so members can appreciate the large increase in the number of scholars and the necessity for a new school at Taperoo.

My second point relates to a matter to which I referred in the Address in Reply debate, namely, the Housing Trust's method of assessing rents. Although in 1951 the Landlord and Tenant Act was amended to provide that the landlord could obtain an increase of 22½ per cent, we have abundant evidence that many have been granted an increase of from 50 per cent to 65 per cent. The Committee of Inquiry set up by the Government in 1950 recommended that landlords be permitted to increase rents by 22½ per cent and when the matter came before the House in 1951 I subscribed to that recommendation, for I felt that in view of the increased costs the landlord was entitled to a bigger return, but I strongly object to his being granted 60 per cent or 65 per cent more than the 1939 level. At page 8 of its report the Committee said:—

It is clear that dwellinghouse rents generally were lower in 1939 than in 1929 although there were conspicuous exceptions . . . . It is

not to be thought that rent levels in the years 1928 and 1929 can properly be regarded as a standard of what constitutes a normal return to landlords of dwellinghouses. A fact that is often overlooked by landlords is that those years represented the high water mark of a period of economic buoyancy that was far above normal and the rents generally which were being received by landlords of such premises at that time constituted a higher return on the value of their properties than normally can be expected . . . . Taking a comprehensive view of the matter we believe that the standard of rents of dwellinghouses generally in August, 1939, was reasonable and fair.

In view of that Committee's opinion, which was accepted by this House in 1951, I contend that the Housing Trust is flouting the wishes of this Parliament. It is trying to gauge 1939 levels by saying that if a landlord got 15s. then it should have been 20s., and accepting that as the basis for the 22½ per cent increase. When I tried to ascertain the formula adopted by the trust the Premier told me exactly the same thing, namely, that 1939 levels are accepted as the true rental basis. He also said that because most people have accepted the higher rents without lodging an objection they must be satisfied. However, this is not a true picture of the situation, for people realize from experience that to appeal is futile and accordingly pay the increase with much objection. However, should a tenant appeal the trust sends a valuer to make an inspection and he examines both the interior and the exterior of the house. If either party objects to the first assessment the trust sends a second valuer, but this is where in my opinion the system falls down, for in nine out of ten cases brought under my notice the second valuer never concerns himself about the interior of the premises. I fail to understand how any valuer can arrive at a fair determination without doing so because, although the exterior of a house may be reasonably well maintained, the inside may be in a very bad state of repair. The Government should tell the trust what it should do in order that both the landlord and tenant should have justice. To quote from one of the numerous letters I have received the writers states: "I paid 12s. 6d. in 1939, but my rent has been raised to £1 3s. in 12 months, an increase of nearly 80 per cent above 1939 levels." No one objects to paying more rent to cover increased council and water rates and insurance. That is accepted as being fair, but I strongly object to the heavy imposition on the people because the trust is trying in 1952 to arrive at

fair rents based on those which obtained in 1939. I appeal to the Treasurer to seriously consider this matter. Members will agree that when the Bill was before the House last year the view was held that an increase of 22½ per cent on the 1939 rents was right. However, I hope that a better deal will be given to the people whom I believe are being badly treated under the existing legislation.

Mr. HUTCHENS (Hindmarsh)—It is to be regretted that the Loan Estimates have been reduced by about £2,000,000 as compared with last year, especially in view of the increased cost of materials, the declining value of money, the increased population, and the need for the development of this young and somewhat undeveloped State. I heartily agree with the statement that the Government believes the drift of population to the city can be effectively stopped only by providing for the country such amenities as those enjoyed by people living in the metropolitan area. I have studied the Loan Estimate figures, but can see no indication of any move to give country people these services.

I am rather concerned with the trend in international affairs and believe that we must see that our people are educated to the highest possible standard to meet the competition of highly educated people in other countries. Therefore, I suggest that among the foremost amenities needed are libraries and schools, particularly secondary schools. I have studied the value of secondary schools, and regret that greater provision is not made for them in the Estimates. An alarming phase is that the State Government has made an arrangement with the Loan Council to permit the Housing Trust and the Electricity Trust to negotiate loans on their own behalf, increasing the bid for Loan moneys, which must have a detrimental effect on other loans. The 1949 Loan Estimates provided for the erection of technical schools for boys at Norwood and Croydon. The school council at Croydon was given to understand that a woodwork shop was among the first priorities, but since then no amount has appeared in the Estimates for this work. It is agreed by the council and the highest authorities in the Education Department that this building is urgently needed. I received the following letter, dated March 17, 1952, from the Director of Education:—

As regards the woodwork shop at the Croydon Boys Technical School, it was intended to proceed with this work before this date. It was found, however, that the whole of the proposed work at Croydon school would have to be

referred to the Public Works Committee as it exceeded considerably the limit of £30,000. As you probably know, it is intended to erect a new school consisting of a classroom block, a library, science laboratories, drawing room, woodwork room, and the necessary administrative accommodation, and at present the Architect-in-Chief is engaged in preparing the necessary sketch plans and estimates for the Public Works Committee. When these have been approved by that committee work will begin as soon as possible on those portions of the school, including the woodwork shop, which are needed immediately, leaving the other portions to be built at a later date.

In view of that letter, I am very concerned. I express my approval of the type of buildings erected at the Croydon Girls Technical School which were constructed by a branch of the Education Department. It is a most satisfactory type of building and it should be considered whether these prefabricated types of buildings are not more satisfactory than solid types. I know of schools of solid type construction which are not now required to the full extent because many people have ceased to live in the locality, and now there are not sufficient children remaining to warrant such large buildings. If they had been prefabricated buildings, portions could have been shifted to meet the needs of other districts.

The time is now ripe for the Government to revert to a principle practised prior to the war when accepting contracts. I understand that when contracts were sublet, such as for the installation of sewerage connections, a time limit was included. However, with the deletion of that clause I find that many contractors have been tendering for far more work than they can do, and as a consequence the building programme in some instances has been held up. I support the remarks of the Leader of the Opposition that when it was necessary to prosecute a war the Government seemed able to find the money. As I said recently in another debate, the first weapon against Communism is the provision of food, and to develop this country's food production we should obtain money by issuing credits. Although that is not a matter for this Parliament, members could be partly responsible for the introduction of this policy.

Mr. GEOFFREY CLARKE (Burnside)—The Leader of the Opposition, among other observations, made three points which I think should be referred to in a comment on the Loan Estimates. He said in general terms that Loan expenditure had not added to the financial stature of this State; his second point was a repetition of the story he told us a few

days ago about the alleged decline in production in South Australia; and his third point was a reference to the failure of the Loan Council to raise sufficient money to meet requirements for public works this year. I repeat the suggestion I have made several times relative to the examination of the Loan programme, namely, that when we discuss the current year's programme we should have before us a reasonable estimate of the funds required to complete all the works mentioned in the current Estimates, so that when the Premier goes to the Loan Council he can have in mind, in applying for money for the current programme, his requirements for that year with a reasonably certain idea of his requirements for the following year and a reasonable approximation of his requirements for the third year.

I want to contrast the way in which the people of Australia spend their money with the way they expect the Government to spend its money. I shall mention a few figures without drawing any conclusions from them, apart from those evident on the face of it. Mr. Hutchens said that the provision of food was the greatest deterrent to Communism, and with that I most readily agree. Communism breeds under conditions of starvation and poverty. In fact it is the very principle of Communism to promote disaster, panic and poverty so that it may progress. In the three months ended December 31 last the people of Australia spent on groceries £59,000,000, on meat £28,000,000 and on other foods £49,000,000 a total of £136,000,000. That represents spending at the rate of £544,000,000 a year. During the same period they spent £41,000,000 on wine, beer, and spirits, and £96,000,000 on motor vehicles, petrol and oil. This is evidence that the Australian people are not without the means to subscribe to Government loans. In 1950-51 the Australian people imported 41,000,000 pounds of tobacco, on which the duty alone was £42,000,000. There is no lack of resources in Australia to supply all the funds needed for Government activities, but there is a lack of discrimination on the part of many in the manner in which they spend.

The Leader of the Opposition referred to the decline which he alleges has taken place in primary production. There is no need to go over the field covered so adequately by the Treasurer last week, but the Leader of the Opposition should be reminded that other propagandists have in the past succeeded in having a completely false viewpoint accepted

by repeating it sufficiently often. I hope he will not repeat this statement to such an extent that Australians will begin to believe that there is a real decline in production. He also said that the loan expenditure in the past had not added to the financial stature of the State, yet in the same breath he referred eulogistically to the work of our Public Works Committee. He cannot have both statements accepted as correct; one or the other is wrong. I am sure the compliment he paid to the Chairman of the Public Works Committee is well founded. If the work of that committee has been well done it cannot be that the works undertaken have not added to the financial stability of the State. I feel that his political enthusiasm has overcome his general strict observance of the truth.

Mr. Fred Walsh—You do not suggest he told an untruth?

Mr. GEOFFREY CLARKE—I feel that both statements cannot be correct. I commend the Treasurer for his practical approach to the problem and for making the somewhat lesser amount than he expected from the Loan Council go so far over so many works and using manpower, materials and money to the best advantage. I know that members on both sides of the House could indulge in parish pump politics and find particular items of work in their own electorates which have not been done or are not to be done in the current year. I trust that the Loan programme will be looked at from the widest possible viewpoint in its application to the general stability of the State, which the Leader of the Opposition has said our past Loan expenditure had not achieved. Every reason for the encouragement of an optimistic view of the State's future and a firm belief in the continued prosperous development of the State is provided by the many items of expenditure mentioned in the Loan Estimates, which I support.

Mr. McLACHLAN (Victoria)—In expressing my opinion of the Loan Estimates I voice the thoughts of most of my constituents and most of the people I have conversed with in Adelaide in the last two days. The Treasurer's task is more difficult because of the limited amount of money available. The time must come when we must try to live within our means instead of having record amounts of Loan money. We must return to stability and the Treasurer is proving conclusively that this State can do so. Honourable members opposite have implied that the expenditure of Loan money in accordance with these Estimates

will interfere with the State's primary production. If we could get the same assistance from the trade union movement as primary producers give we would have no need to fear for the future of primary production. The question of unemployment has been flogged. We realize that it is possibly the most used weapon the Opposition has, and they will be terribly disappointed if there is not much unemployment in South Australia. In other States where there are Labor Premiers there is considerable unemployment, but we have little here and I am confident we will not have much.

Mr. Lawn—The Government does not share your confidence.

Mr. McLACHLAN—We may have some unemployment at present, but the unemployed persons are those who were not very active when employed. Since retrenchments have taken place they have suffered. The man who does the least always says the most and he is the one from whom we hear so much today. We shall have very limited unemployment in this State if the prices of our produce remain at their present level. I was surprised at the antagonism of the member for Hindmarsh to the semi-Government loans we propose to raise. Those undertakings will be a means of creating labour and absorbing the unemployed in this State.

Mr. Hutchens—You cannot have your cake and eat it too.

Mr. McLACHLAN—I believe the point the honourable member was trying to make is that we should not raise semi-Government loans in this State because we can do so but other States may not be able to. If we bar such loans it will not show our Treasurer in his true light. When I examined the amounts that will be made available for our railways, hospital and other services, I realized the excellent job performed by our Treasurer. He has shown the same impartiality in distributing the finance as he has shown in distributing amenities to every section of the community.

Mr. Fred Walsh—What about sewerage at Mount Gambier and Naracoorte?

Mr. McLACHLAN—A record number of residences were connected with sewerage this year; but no matter what the Treasurer proposed to do with the Loan money the Opposition would try to find fault.

Mr. Fred Walsh—What are we here for?

Mr. McLACHLAN—But let us be fair. It is said that if we can find money for wars we can find it for other purposes. Last year £180,000,000 was spent on defence in this

country. Every intelligent person will realize that the fear of war is not as great now as it was three or four years ago because the Commonwealth Government took active steps to build up our defences. During 1939-45 we had to find money to prosecute the war and we should do so again if war broke out. The trade unions certainly proved during the war that they could accomplish more and give a greater effort. The Loan Estimates make me confident that we shall not be troubled with unemployment in this State.

Mr. RICHES (Stuart)—In adding my contribution to the debate I am inspired by the member who has just resumed his seat, and also by press statements calling on the people to have confidence, and telling them that there is no fear of large-scale unemployment in this State. We do not have to look to the future for an unemployment problem. Unless my district is different from any other—and I cannot think that it is—we have unemployment with us now. Can Government supporters see a glimmer of hope for anyone on the wrong side of 40 who now finds himself out of a job? The Salvation Army envoy at Port Augusta told me recently that he felt compelled to provide 94 meals last month to unemployed men in the town. We are so much concerned about the position that only yesterday there was a meeting of representatives of all the town's religious organizations, and we formed again, for the first time since the depression, an unemployment relief committee. Men have been walking southwards from the Northern Territory looking for work. Men have come to the town walking northwards. They have passed each other looking for work. We have tried to find work for them, but without success.

Mr. Quirke—Send the men to Naracoorte, where there is plenty of work.

Mr. RICHES—They say they have walked through Naracoorte and I do not think they are all liars. It is chiefly men in the Commonwealth Government departments that have been dismissed during the last month. I have not been able to find work for men. The upbringing of some of us makes us want to do something in the matter. When a man is hungry something must be done to give him a meal. I am amazed at some press statements that unemployment is not to be feared at present. It may be that Port Augusta has come into prominence in recent times as the gateway to the north and to the west and that men displaced in other parts of the State have

come there looking for work, but the town has an unemployment problem which it has not had in any year since before the war. A glance at the Loan Estimates does not lead us to believe that in the next 12 months there will be more work. With the money available to the State, the Government has endeavoured to ease the blow by spreading the work. I cannot criticize the way in which the money available is to be distributed, but I believe the Loan Estimates are a little optimistic in some respects. I give the Government credit for what I think is a genuine attempt to spread the work as widely as possible with the money available, but regret, with other members, that more money cannot be found. It is a sorry state of affairs when we have to curtail expenditure on education. I cannot subscribe to the view that the spending of money on school buildings and equipment is like expenditure by people enjoying a honeymoon. If we examine the way in which expenditure has been curtailed we find that in almost every instance it has been in relation to education, hospitals, or developmental work for the benefit of the State. There was a time when we believed, and I still hold the view, that it is perfectly sound to provide finance for reproductive work, such as the generation of electricity from our coal resources. To say that it is impossible to find an economic policy to enable this work to be done is to adopt a defeatist attitude, and it is something I will not accept. It has been shown that such a policy can be found. The delaying of work will cost more than proceeding with it.

There is no comfort in the Budget or in the fact that we have to go overseas for finance. Surely the development of our uranium deposits is sufficiently secure to warrant the expenditure of our own money. I cannot understand why we have to go overseas for money and place our State in bondage. When I first came here the State's finances were in a parlous condition because of the high interest bill on overseas borrowing. I thought that when the State was freed to a large extent of overseas borrowings Parliament would see that never again would we be placed in the position South Australia found herself in during the depression, when more than half the earnings of public utilities had to go to pay the interest on overseas borrowings. We are being forced back into that position. I am concerned about the announcement in the press that the Premier had agreed to establish public works in a district where the citizens were wealthy enough to subscribe

£1,000,000 to a loan. Surely the location of public works should be determined by the Government, and the tune should not be called by wealthy citizens. I hope members will not charge me with being parochial in this matter but I represent a district which, if this policy were to be carried out, would be served very well. I know what appeals have been made to people in Port Augusta, because I have been chairman of the Loan Committee for many years, and if the policy I have mentioned were adopted the wool men in the north-west would subscribe to a loan for public works in their part of the State. Should they be allowed to call the tune and decide where public works should be established, or should they be established on the basis of need? I hope this kind of policy will not develop.

Mr. MacLachlan—If the Mount Gambier people can find £1,000,000 would it not mean that the money available could be spent elsewhere?

Mr. RICHES—They will subscribe the £1,000,000 if the money is to be spent in their district. The Premier said that if the money were available work could start tomorrow, but that could be done in any other part of the State. Is it sound to start such a policy? Should not the Government determine where public works should be commenced? All honour to Mount Gambier for displaying enterprise. I think the people caught the Premier in a weak moment. I hope they get their £1,000,000 and the work that has been promised. I trust the policy will not be extended because it represents a poor lookout for struggling parts of the State. Strangely enough members opposite have claimed that they are the champions of the smaller communities. I have always been firmly convinced that the smaller country centres get the rawest deal from the Liberal Government.

An item of several thousands pounds for the electrification of the metropolitan railway system appears on the Estimates. I understand that it is for plans. Before any further expenditure is embarked upon in this direction there should be an inquiry into the possibility of a diesel tractive car replacing the electric train. Railway engineers have told me that in America cars similar to Budd cars are replacing electric trains.

Mr. Whittle—Your leader is against so much imported oil being used.

Mr. RICHES—I am entitled to my own views. If I am not satisfied it is better, both for the economy and the defence of the country that electric trains be used in preference

to a system of diesel cars, I will accept the findings of an inquiry. Every railway engineer to whom I have spoken agrees that Budd cars could serve the metropolitan and country areas better than an electric system. The general opinion held by them is that electric trains are going out. Budd cars have obvious advantages and could be made available for any part of the State. They are not limited to any area that has been electrified and are much cheaper to run. Moreover, they are more comfortable and just as fast as any locomotive, in fact they are preferable in every way to other systems of rail transport. Before the amount on the Estimates is spent on any electrification scheme an inquiry should be held by competent authorities into my suggestion.

The Minister of Works informed members that the Government had not forgotten country sewerage schemes and said it was still the Government's policy to proceed with them, but I cannot find any line on the Estimates for this work. Such schemes could, I feel, be successfully financed. The work would take care of any unemployment which might occur. Sewerage schemes for country areas are a necessity. The antiquated methods in country districts today means increased costs each year. The Government should give early consideration to implementing its promises made to country people in this regard. I know that there are physical difficulties, but I would like to see treatment works established ahead of a sewerage reticulation system. The cost of sanitation in country centres throughout the State is increasing at a terrific rate and in some instances the system is breaking down completely. If a system could be devised whereby treatment works could be established ahead of the reticulation system it should be gone on with. It would also be a tremendous advantage from the point of view of health and economy in larger country towns. In conclusion, I agree that the Government has attempted to spread the amount available over as wide a field as possible and I believe that there has been an attempt to avoid unemployment, a problem which is with us at this very moment.

Mr. MACGILLIVRAY (Chaffey)—Somebody should intervene between the two warring Parties in this debate. Some members have eulogized the Government for what it has done and others damned it with very faint praise. I approach the matter from an entirely impartial point of view as a citizen of South Australia. I represent free people and as such

admit that the Premier is absolutely outstanding as a Liberal leader. Never before in my knowledge of the history of Australia have we had a Liberal Premier fight for the under-privileged. The policy of the Liberal Party has always been to uphold the *status quo*; it is always happy with things as they are. Members of the Party give some kind of lip service for a change, but in actual practice always oppose it. For the first time in the history of South Australia we have a Premier who stands in the front line of thought. Above all, he is carrying what is probably the most moronic Party in the Commonwealth. I doubt whether we could find so much dead timber in any other Party in Australia.

This afternoon the member for Burnside quoted a lot of figures. It was a kind of high school speech such as one would expect from some poor boy from a not very high class school who was searching for figures to bolster up an argument he did not understand. The member for Burnside refutes his own argument by saying he does not want any deduction to be drawn from his figures. Why should a grown man, with reasonable intelligence, come before a body elected by the public, men who have to fight an election every three years, and make a statement of that kind? Are we here as a debating society to hear figures thrown at us? He mentioned the millions of pounds spent in intoxicating liquor, but he did not say those millions spent by the people who consume intoxicating liquors help to build up the revenue of the Commonwealth and pay for its defence.

Mr. Pearson—There are other taxpayers, too, you know.

Mr. MACGILLIVRAY—I am not refuting that. If any member says that people who imbibe intoxicating liquors spent so many million pounds he should be fair and say that the major part of such expenditure has nothing to do with imbibing of intoxicating liquors. It is a question of the excise duty that is being paid.

Mr. Frank Walsh—Yes, 7s. 2d. a gallon on beer.

Mr. MACGILLIVRAY—Exactly, and every time a man smokes a cigarette revenue goes into the Commonwealth coffers. But I am not arguing about that. It is unfair, without telling the whole story, to say that we are spending so much on intoxicating liquor. I do not smoke, but those who do and those who drink liquor help largely towards the building

up of Commonwealth revenue. That should be recognized by people who are continuously attacking them.

Mr. Michael—The member for Burnside did not deny that.

Mr. MACGILLIVRAY—No, but he said he did not reach any conclusions. If people stopped smoking and drinking there would be no question of our stability.

*Sitting suspended from 6.00 to 7.30 p.m.*

Mr. MACGILLIVRAY—I commend the Treasurer for the worthwhile fight he put up on behalf of South Australia and especially its under-privileged citizens. Although the member for Burnside quoted certain figures, he asked that no conclusion be drawn from them, but, as a representative of a district which earns at least 50 per cent of its income from the growth of grapes and their manufacture into wine, I took particular exception to his statement that, because over £40,000,000 a year was collected by the Commonwealth Government in excise duties on alcoholic beverages, Australians still have plenty of money with which to support Commonwealth loans.

Mr. Geoffrey Clarke—I gave those figures as evidence of the spending power in the community's hands.

Mr. MACGILLIVRAY—The honourable member gave the figures, but asked that no conclusion be drawn from them. Why not?

Mr. O'Halloran—The main spending power is in the hands of the Federal Treasury.

Mr. MACGILLIVRAY—Yes, but the member for Burnside says that the amount spent on these so-called luxury goods proves that Australians have plenty of money to support loan issues. If that is so, then they have obviously lost faith in the Commonwealth Government, for they are not subscribing to the loans. That is the logical conclusion to be drawn from his figures, and, in view of this type of argument by a Government supporter, it is more than ever to Mr. Playford's credit that he is big enough to ignore or discount such expressions of opinions by his supporters. I would not like it to be thought that the member for Burnside is the only proponent of this illogical type of argument, for we have heard Government supporters complaining about the cost of building accommodation for the nursing staff in our hospitals. This is the most illogical type of argument to support a financial system which was rotten from its inception. If there is one section of our community that has been grossly exploited throughout the years, it is the sisters and nurses in

our hospitals. I have had a close personal connection with this class and know what it means to a girl to go into a hospital and do work which a navvy on the wharf would refuse to do; but those young girls have to do it in the interests of suffering humanity. All through the years they have been paid a pittance, and frequently we have heard Ministers apologizing for the low wages paid them. For the first time in the history of nursing, nurses and sisters are getting somewhere near what one would expect a civilized community to pay them, but what do we hear from Government supporters? Nothing but complaints about the cost of our hospital services! Obviously, if we employed only half the staff of nurses and sisters, we would not need nearly as much accommodation, and costs would thereby be cut down. That is the type of argument coming from the Government benches today, and I could cite instance after instance of the same line of argument.

Another country representative stood in his place and with the solemnity of a High Court judge said that it was a pity that the Commonwealth did not abolish the 25 per cent exchange rate. That step may be all very well for wheatgrowers and especially those who are out of the box, sitting on the lid, and paying their debts for the first time in their lives, but what about the other struggling primary producers, for, although Australia lives largely on its exports of wool and wheat, some producers of eggs, dried fruits, and wine are going bankrupt because they cannot meet their costs of production. They are absolutely dependent on the 25 per cent exchange rate, yet still we hear Government supporters, supposedly representing country interests, advocating that this 25 per cent be abolished. We do not hear such an argument from Opposition or Independent members. What has the member for Ridley to say on this point, for he has done more for the primary producers of this country than all the Government members put together have ever done. He has organized the wheatgrowers for the first time in Australian history, until now they are able to speak with one voice. His organization says that, in spite of the present seemingly good prices for wheat, if this exchange rate is taken away it will mean the downfall of the wheat industry.

Mr. Stott—That is the opinion of every such organization throughout Australasia, including the Country Party.

Mr. MACGILLIVRAY—Yes, and the only opposition in this House comes from certain

country members. The Premier has been big enough to challenge the orthodox financial views of the Commonwealth Government, not because of the support he is likely to get from his Party, but in spite of the kicks he is likely to receive. Before the Loan Council meeting loud-mouthed statements were made in the Federal sphere that not one penny of national credit would be used to finance the public works programmes of Australia. That is an old line of argument which goes back to the depression of 1922 in Great Britain. In his autobiography Philip Snowden, Chancellor in the Ramsay MacDonald Labor Government formed in that year, tells of the reforms to which his Party was pledged. Ramsay MacDonald had promised the unemployed of Great Britain that he would legislate for certain unemployment benefits, and Philip Snowden says that the Labor Government had to repudiate that promise because American bankers would not allow it the necessary money to carry on unless first of all the standard of living of the unemployed in Great Britain was reduced. That sort of thing is happening in Australia today.

Recently the President of the International Bank came to Australia and made certain monies available provided that we in Australia, in effect, tightened our belts, worked harder, produced more, and did all the things that bankers always talk about when asked for a loan. Only if those assurances were given would certain monies be advanced from the International Bank, and it was in furtherance of such a policy that the Federal Treasurer (Sir Arthur Fadden) prior to the presentation of his Budget, made statements that roused all Australians, but in reply every section of the community said, "No, we won't have it"—and we did not have it! The change in Federal policy as expressed in the Treasurer's Budget is a credit to the people of Australia, who have beaten the American bankers by telling them, in effect, "We will tell you what we are going to do providing we have the men and the resources." When the labour and materials are available and certain works are required to be carried out, the money must be found, and the Federal Treasurer and his Government are eating their words, for now we hear that that Government intends to use national credit, as considered necessary, to finance the Loan programmes of the various State Governments.

I have no desire to go into the various ways in which the Government intends to spend these Loan monies, but I point out that spending

these monies on capital projects will not help one iota in solving the problem of inflation. We must face up to the continual spiralling of costs, and, although it has been suggested in certain quarters that the Federal Government's action in making money available through the Central Bank for Loan works will in some way mitigate the inflationary spiral, I say it will not do so. If anything, it will add to the problem, because the money will be spent on capital projects, whether harbours, railways, roads, schools or hospitals, and, unless the Commonwealth Government is prepared to subsidize the items contained in the "C" series index and thus stabilize the basic wage, the spending of money on these capital projects will merely put money into circulation and create a further demand for consumer goods. The items in the regimen must be subsidized in order to eventually reduce the cost of production, and I would like the Premier seriously to consider this aspect of our financial problem at a time when we are faced with all the evils of inflation. Many people think that when anyone gets up in this House or elsewhere and advocates the use of national credit he is advocating some spendthrift policy. That is as false as anything can be. Any advocate of the use of national credit knows that any such money has to be spent more carefully than money from any other source because it would amount to pledging the credit of the whole community. I notice that over £3,000,000 of our Loan funds will be spent on capital equipment for the railways, but only a miserable £300,000 will go into highways and bridges. If I had my way I would reverse the position.

Mr. Quirke—The position is worse than the way you put it because the £3,000,000 will only cover losses on the railways, but the £300,000 will at least build new roads.

Mr. MACGILLIVRAY—The Governments of the day are obsessed with obsolete ideas. This shows the danger of a socialistic line of thought because once the community spends money on any public utility such as the railways every Government, irrespective of its political complexion, feels it has to protect that investment irrespective of the harm done to the economy generally. For instance, to protect the railways, traffic in the River Murray areas has been virtually prohibited. The Governments of other countries know that water transport is the cheapest and go to any lengths to encourage it. No other country is so suited to river transport as ours because the River Murray normally has a slow current and a

low fall to the mile. However, we find the railways of all States involved take all the trade from the river districts, when the Murray could be Australia's main highway. Not content with killing water transport, railway authorities are trying to kill road transport. In answer to my question today I was told that the Highways Department was spending taxpayers' money to install weighbridges and forcing road hauliers to use them. Further, despite denials from certain quarters, licences are being refused to road hauliers. The railways authorities and their apologists say that road hauliers are breaking up our roads. I point out that the hauliers and road users generally, pay more money, in excise duty, to the Commonwealth Government than would be needed to liquidate the railway debts of all the States. All revenue from excise duties on motor engines, chasses, fuel and oil should be spent on roads and bridges, but all the millions of pounds so gained have been directed into general revenue. This means that those who use motor transport pay a special class tax besides paying income tax as citizens of the Commonwealth. We still hear that the motorist is getting the roads built free of charge, but that is entirely false. The great tragedy of the road haulier's plight is his not being allowed to back-load. I live on one of the main trade routes of the Commonwealth and often see carriers coming through with big loads. I thrill to see them because they are men of enterprise, of the type that made Australia great, but we put every obstacle in their paths. Perhaps they come from Newcastle with goods badly needed here, but often they have to return with empty trailers. That involves waste of petrol and oil because those trucks could be carting essential goods to other States. This is because of the mistaken idea of sacrificing everything for railways, whereby these men are not allowed to play their part in developing Australia.

Many ex-servicemen have invested all their savings in transport vehicles, but today the vehicles are lying idle. The men are being ruined in the country for which they fought, but not because they are doing any harm to the community. The public have learned to trust them because they know the goods will be delivered. These hauliers are being penalized in the interests of a Government department. It does not matter whether a Liberal or a Labor Government is in office; these Government departments under bureaucratic control not only continue, but grow from strength to strength. Eventually we shall

be living under a system that we are supposed to be fighting. Communism will gain ground by reason of these practices. The State will be supreme and any individual or body of individuals who stand in the way of the State will be ruthlessly sacrificed, just as surely by a Liberal Government as by those who are supposed to support socialism.

I read today that the accommodation position in Victorian schools is so bad that the idea of staggering school hours has been suggested. This brings me back to my earlier statement that money is only a medium of exchange. If this had been realized in the depression years there would have been no shortage of school accommodation today. We could have built all the public buildings needed, such as hospitals and schools; but in those days money was in the saddle and rode mankind.

Mr. Riches—Don't you think it is in the saddle today?

Mr. MACGILLIVRAY—If many of the Premier's supporters had their way it would be again in the saddle today, because it is their idea to make people work harder, produce more, and tighten their belts. During the depression many farmers rightly refused to accept the standards of living that banks were trying to force on them. They defied the banks and many honourable men were put into gaol as a result of orthodox financial policy. Today the member for Semaphore spoke of the Taperoo school. By a coincidence that school was mentioned in a letter I received from the Director of Education about the primary school at Renmark. The Public Works Committee investigated the Renmark project and recommended that a school be built there. As the Leader of the Opposition said, many undertakings are recommended by the committee, but a considerable number had not been started. Evidently one is the Taperoo school and another is the Renmark school. The Director's letter states:—

The Architect-in-Chief has completed the plans of the new school and is now engaged in writing specifications for the work. The computing of quantities, which must be provided for contractors likely to tender, involves a considerable amount of work, but it now appears likely that the tenders could be called about the middle of July, 1952. A copy of the plans and specifications will be forwarded to the school committee, as requested by that body. The Minister has asked me to explain that a very extensive programme of emergency dwellings erected by the South Australian Housing Trust in the Taperoo-Osborne area made it necessary for priority to be given to

the erection of a new primary school at Taperoo. To some extent this has delayed work on the Renmark infant school.

I have checked up on this since the tea adjournment and find that the Renmark School Committee, instead of getting the plans and specifications so that it would be able to help the department, has now been told that the whole project has gone into the limbo of forgotten things. Does it mean that education is going to break down entirely because schools cannot be provided? I know that the orthodox, with their pool of unemployed, will say, "Where can we get the money?" I know there is no shortage of stone in the Renmark district and I think I could guarantee that lime could be found; there should be no shortage of labour since there is an unemployment pool. We are therefore forced back to the one problem—where is the money to come from? As the Leader of the Opposition said, when there is a war no-one asks such a foolish question. Has anyone ever heard of a war being stopped for want of money?

Mr. Stott—There would never be wars if that were the case.

Mr. MACGILLIVRAY—We had to pay hard cash, in the sense that the Government means it.

Mr. Geoffrey Clarke—During the war did we not divert all voluntary savings into certain channels?

Mr. MACGILLIVRAY—All the savings of the individual would not be a flea bite compared with the cost of war. The money is found by the big central banks.

Mr. McLachlan—Is there not an aftermath of war also?

Mr. MACGILLIVRAY—There is, but we fight wars with manpower and materials, and money is only the means of getting those two things together; a country cannot spend money because it is only a bookkeeping system. It can spend manpower and materials, but not money, because it does not exist in that sense; how can you spend a bookkeeping system?

Mr. McLachlan—Isn't the Government paying interest on those bonds for which we subscribed?

Mr. MACGILLIVRAY—Yes.

Mr. McLachlan—If it did not have to do that would that same amount of money be available for the work you are talking about now?

Mr. MACGILLIVRAY—I would not say so because when the Government pays out the money in interest the people who get it spend it again, so I do not think that is an important aspect. War is the only method this civilization

has evolved for beating the banking system, for the bankers cannot refuse the country hundreds of millions of pounds in the name of war. However, they are very anxious to get it back as soon as the war is finished so as to recover their control over the individual, by saying, "We spent so much money for war that we have none left for peace." I have pointed out time and time again, by quoting irrefutable authorities, that money is only a matter of bookkeeping, and you cannot spend a bookkeeping system.

Mr. McLachlan—Will not excessive money make people extravagant?

Mr. MACGILLIVRAY—I am not suggesting that the money system should be used to improve the morals of the community. It would be an easy way out to say, "You can spend only so many shillings and therefore cannot kick over the traces."

Mr. McLachlan—I know a person in my home town who built houses and had to pay the bricklayer £3 10s. a day. Is that a good thing to happen in the country?

Mr. MACGILLIVRAY—I cannot answer that question because I do not attempt to suggest how the system should work. We have wages board and unions of employers and unions of employees. Speaking broadly, they each do a pretty good job. I am not out to oppose any organization in the Commonwealth because I believe that we are all Australians and at heart prepared to do the best we can. I have great faith in the Australian people, and I am convinced that if we would alter only this one thing and make money work in the interests of the community, although we may not answer any moral questions we will have answered one of the major problems of the world today. If we can do that we will have time to go into the question of whether £3 10s. a day is a fair rate for a bricklayer. At present we are bleeding to death—a good sitting shot for anyone who likes to attack our democratic system. All that the Communist has to do is sit down and wait, for everything is coming to him. Already prices are so high that everyone who is not in actual employment—the old age pensioner, the thrifty man who has saved his money—is already near starvation point. All these people will become disgruntled and the Communists will have them. I say that the Communist is entitled to have a chance if we cannot do better.

Mr. McLachlan—He will make us work.

Mr. MACGILLIVRAY—Exactly, if he has to take a machine gun to do it. This spiralling of prices is ruining a worth-while section of our community, for it is making money useless. We know what happened in Germany and China and we say it cannot happen here. I suppose the Germans said exactly the same thing. They are an intelligent race, but their financial system ruined them. Those of us who are old enough remember the Young Plan and all the other plans after World War I. They made Hitler. He waited just as the Communists are waiting today.

Mr. Geoffrey Clarke—Was it not the issue of money without any real backing which destroyed their currency?

Mr. MACGILLIVRAY—The honourable member says that with all the enthusiasm of a Christian martyr. What does he mean by real backing? Is there no real backing in Australia?

Mr. Geoffrey Clarke—The production of usable goods and services.

Mr. MACGILLIVRAY—I can answer that one. Production of goods is not the solution. The first trouble in the coalfields of Great Britain was when the Germans produced so much coal that they put the miners of Great Britain out of work, and built so many ships that they closed the dockyards of Great Britain. Because the Peace Treaty said that the Germans had to supply so many thousands of railway waggons they did so and we had to stop them. There was certainly no shortage of production in Germany. I have used this argument so often, but evidently with little effect on those behind the Government benches. There is no direct connection between production and finance; they are as far apart as the poles. The workers produce the goods of the community, but only the bankers can produce money. If it is their policy—as it is at present—to withdraw credits and overdrafts and other forms of assistance to industry it does not matter how much production we have. In the last copy of *Dried Fruit News* we find that the consumption of dried fruits throughout the Commonwealth has fallen by some 2,000 tons last year, despite our increased population. It is not because the people do not like dried fruits. The only reason is that the banks have withdrawn the credits usually given to the distributors of dried fruit so that they cannot buy ahead and therefore cannot deliver it to the stores where the people usually get it.

Mr. Geoffrey Clarke—May it not be because the marketing policy has never been to put the best quality on the local market?

Mr. MACGILLIVRAY—I will not say that it is the best quality, but there is plenty of good dried fruit on the Australian market and there could be thousands of tons more if the consumers had the money to buy it. The present financial policy of the banks will ruin the greatest country this world has ever seen, despite all we can produce. The farmers tried it in 1930 and finished up in the Bankruptcy Court. It took a second world war to solve their problems. Of all the sections of the community that have been penalized by this inflationary spiral none has been more affected than the exporting industries. Primary industries on the Murray have to pay their employees £11 a week, but their products are sold on markets where the basic wage is down to £4 or £5 a week. I remind the House that I am fighting not only for one section of the community, but for all sections. I do not necessarily agree with all the projects on which the Government proposes to spend Loan money. Members of the Premier's Party do not have to think, but sit still and do nothing. However, I hope that the Premier has started something worthwhile and that the Commonwealth of Australia will benefit from it.

Mr. STOTT (Ridley)—Much controversy has been created because of the curtailment of Loan funds, and comparing the amount this year with that provided last year the position is rather alarming. I can visualize some grave complaints coming from country areas because of the lack of money for capital expenditure on country schemes, particularly for water supplies, hospitals, schools, and police buildings. With the arrival of many immigrants in this country it is necessary for the Government to erect new schools or make additions to existing schools to provide for their children. However, we find there is a curtailment of the education grant, which will have the effect indirectly of upsetting the Commonwealth Government's five-year increased production programme. If we are to increase our food production more people must be induced to go to the country, and to do this we must provide them with an incentive in the form of amenities. The first thing that immigrants and those living in the cities who want to transfer to the country will ask is, "What amenities are there for education?" Two very important requirements for country

residents are education facilities and satisfactory means of transport. This year the Government proposes to spend £3,000,000 on the railways and only £300,000 on roads. The railways, not only of South Australia, but all over the Commonwealth, have fallen down on their job and have been unable to shift our primary products, particularly wheat and barley, and this has forced the Australian Wheat and Barley Board to use road transport to get these commodities to the seaboard for shipment overseas to build up our credit. I notice that the Treasurer in his speech supports materially a point I made during the Address in Reply debate. He made the following comment:—

A disturbing feature in respect of money for development is that we are swinging away from a low interest economy, which is detrimental to a young country like Australia, where of necessity large sums of money are needed for developmental work . . . . . The South Australian and Queensland Governments made it clear that they were utterly opposed to increasing interest rates. They had no delusions where high interest rates would ultimately take the economy of this country.

That is an excellent statement and I commend the Treasurer on his policy. He is wise enough to know where the foolish policy of high interest rates will lead the economy of Australia. Mr. McLachlan is perturbed about the payment of £3 10s. a day to workers engaged on building a home, but I should like to know what the increased interest rates will add to the cost. They will affect not only those in the city who want to buy homes, but also those in the country. Unfortunately, our Treasurer has been unable to get a little commonsense from the Loan Council. All the Premiers and the Prime Minister should surely know that high interest rates will wreck our economy. It would appear that we are in for a recurrence of what we tried to get out of, and what I thought we would never hear of again, but it appears that the fear of war is forcing a greater expenditure on defence. As the Commonwealth Government is short of money and by increased taxation is taking it away from the people, particularly primary producers through provisional and other taxation, and with higher interest rates offered in other directions, I believe the people have been frightened away from the loan market. This is instanced by the lack of support for loans. There has been a big drop down to £88 10s. on Government bonds, and this has had the effect of curtailing the amount of loan money available, which brings the position back where they want it.

I am extremely disappointed with one or two aspects of the Budget. In my district the people have suggested several water schemes, including one for Paringa. No provision has been made in the Estimates for this project, and I have been told by the Engineering and Water Supply Department that because of the cut in loan allocations this scheme will have to be held over for the time being. I propose to ask the Treasurer and the Minister of Works to reconsider this proposition as it is possible it could be undertaken at a lower cost than at first expected. Under the Electricity Trust rural extensions legislation the Renmark Irrigation Trust can extend its power lines across the river to Paringa. It has all the material available. The original plan for a water supply included a large diesel pumping plant, but the use of electricity would considerably cheapen the ultimate cost. Under the original plan it was proposed to install a chlorination plant, but last night a representative meeting of water users agreed unanimously that there was no need for it. They used the convincing and feasible argument that because Renmark had no chlorination plant they saw no reason why they should have one. The omission of this treatment would considerably cheapen the total cost, which was originally estimated at £8,200, and therefore it may now be possible for this scheme to be included in the Loan programme and be completed before the coming summer. No doubt under the restricted Loan programme the Karoonda town water scheme will be affected. The people were told that it might be on this year's Estimates, but I can see no provision for it. However, I hope the Treasurer will be able to include it.

The Government is actually in a better position than the Loan figures indicate, because no provision has been made for the purchase of land on Kangaroo Island for the war service land settlement scheme. If the Commonwealth Government agrees to provide the money it will be paid to the credit of the State Government, which would then have that amount in credit. I understand the amount involved is £110,000. Therefore, the Loan Estimates would be in a better position to that extent, which would give the Treasurer the opportunity to spend money along the lines I have suggested. Another matter the River Murray people are disappointed about is the Blanchetown punt. Recently a Gardner diesel engine was installed, but whereas the crossing previously took about four minutes it now takes seven minutes. One can visualize what will happen in a peak period of traffic if it takes almost double the time to

cross the river. At present there is a bottleneck at Blanchetown. Evidently the department concerned wants the people to travel over the river at a slower rate so that they can enjoy the beautiful scenery! What will happen this season when drivers of grape trucks want to cross the river? Last season some trucks were held up for two, some for three hours; this season they will probably be held up for six or seven. There is opposition to the construction of wooden bridges, but something in that direction will have to be done because the punts cannot meet the position. Now if we want to go to Renmark for the Easter period we shall not be able to leave on the previous Thursday and get there on the Good Friday. We shall have to leave a week earlier. Is it any wonder that members from the Murray districts are critical of what the department is doing in one of the most important parts of the State? We have there some important roads such as the Paringa to Renmark, Cobdogla to Kingston punt, and Loxton to Berri. The Highways Department has been building up these roads so that they will not be covered by flood waters, but the work has been done in such a way that within a week the Cobdogla road will be under water and the Kingston punt out of commission. The department put down a bitumen road from Berri to Loxton, but it will be under water soon. The officials did not have sufficient intelligence to build up the road four or five feet in the low levels in order to keep floodwaters off. An expenditure of £300,000 on country roads is inadequate. Opposition members object to the Electricity Trust and Housing Trust arranging private loans, but I favour them provided there is no increase in interest rates. The Opposition believes that these private loans will compete with Government loans. The answer is to peg interest rates. The Government should encourage the Housing Trust to build more houses. The present housing position is far from satisfactory to me. There should also be more electricity extensions to rural areas.

Some members have advocated an adjustment of the exchange rate. The danger in the economy of Australia is that we are raising costs of production to such a high level that soon we shall not be able to compete with our primary products on the world markets. A tractor costs over £2,000 and a big header between £1,300 and £1,400. Capital expenditure in producing cereals is so great that many people regard it as dangerous to take the risk of the weather in order to produce crops.

What will happen if we bring down the exchange rate? We have a 20 per cent advantage now on all the primary production we export. If that is taken away there will be a 20 per cent reduction in returns. The Commonwealth Government has imposed import restrictions because of insufficient sterling balances in London. If the exchange rate is adjusted as suggested there will be a 20 per cent reduction in the sterling balances, and the position will soon become chaotic. I cannot understand why anyone suggests such an adjustment. In connection with nearly all primary industries there is an Australian price. If the export price is reduced by 20 per cent, the Australian price will have to be increased by 20 per cent to make up the deficiency. Therefore, instead of improving the position by reducing the exchange rate we shall really make the position worse. I am concerned about the state of affairs. We have the anomaly that, whereas through the high prices for wool and wheat huge sums of money are coming to Australia, although the people are better off the country is worse off. I am alarmed, because practically all primary producers, following on these higher returns, have been placed in a higher taxation range, and they have paid more to the Commonwealth Treasury than ever before, yet less Government money is being spent on rural areas. Members are forced to tell their constituents that they cannot have a water supply or some other scheme because of the lack of money. Last night I was most embarrassed when I tried to tell those who attended a meeting that they could not have a certain scheme because there was insufficient money. There was an immediate burst of laughter when I said it. Six months ago they were told by the department that the scheme could not go ahead because there were no materials and the department could not obtain labour. My constituents informed the Government that they would supply all the labour required if it would buy the materials. The Government and the department accepted that, but the work was not gone on with because the materials could not be obtained. Today they are told it cannot be done because of the lack of funds.

City representatives say that country members are always squealing and moaning, but it cannot be wondered at when we are told that money is not available for public works. That is not the way to encourage people to get down to work and produce more food. If greater production is to be accomplished we must back

up our pleas with money. Country members are asked if the Government is serious in saying money cannot be found for essential works. The Government, through the Loan Council, will have to face up to the position if we are to get out of our economic troubles. We must reduce interest rates. What kind of mess are workers getting into with the high interest rates they have to pay on mortgages on their homes? I am most disappointed at the tendency to increase interest rates, and foresee more trouble. We will have to get Australia back to an even economy if we are to play our part in the Pacific Pact, which was recently reached at Honolulu. Governments generally are adopting a foolish policy and cannot see the writing on the wall. They are either blind or being led up the garden path by too many so-called experts. I strongly protest against this state of affairs. If the Government adopts the policy of high interest rates it will find itself in greater trouble next year. People will not go into the country and put up with all kinds of disabilities, such as bush fires, floods and no roads.

Mr. McLachlan—Are many farms in your district for sale?

Mr. STOTT—No, but there is a large number of disappointed people. The Kangaroo Island soldier settlement scheme has been mentioned by different members. A large area is available at Loxton and another at Murtho for soldier settlement purposes. Members should visualize what that means to ex-servicemen who are anxious to obtain blocks. The Minister said that many ex-servicemen were not so anxious to get homes and blocks under the War Service Agreement as they were previously. The Government should do everything possible to encourage these land settlement schemes and ex-servicemen given first preference in the allotment of blocks. If soldier settlers are not anxious to apply for the land it should be thrown open to anybody. I am disappointed with the Loan Estimates and trust that my fears about the way we are drifting will not be realized. However, I feel grave concern about it.

Progress reported; Committee to sit again.

#### BUILDING OPERATIONS BILL.

Introduced by the Hon. T. Playford and read a first time.

The Hon. T. PLAYFORD (Premier and Treasurer)—I move—

That this Bill be now read a second time.

The Bill makes important alterations in the law dealing with the control of building operations and the supply of building materials. Its general effect is to relax appreciably the controls now imposed by Statute. It will be recalled that the existing Building Materials Act provides for control over the use of various essential building materials such as building bricks, roofing tiles, galvanized iron, flooring boards and other materials, and it is now an offence to use any of these essential building materials for any purpose except under permit or for certain exempted purposes. The main exemption applies to the erection of a dwelling-house for occupation by the owner or, in the case of a primary producer, by an employee, but the area of the house must not exceed 12½ squares and the limit of the permitted cost is £2,200. As regards other buildings, the Act provides that a permit is necessary if the cost of the building will exceed £150 exclusive of painting costs. The present law requires a permit to be obtained for the carrying out of additions, alterations or repairs if the cost of the work exceeds £150, exclusive of the cost of painting. The Act also provides for a system of priority certificates under which the users of building materials are allotted different priorities and, in addition, the Minister has power to issue directions as to the manner in which the sellers of essential buildings materials may dispose of those materials.

It is proposed to repeal the existing Act and to set up a new system for the regulation of building operations. As before mentioned, the control proposed by the new legislation will be very much less stringent than that now provided. It is considered by the Government that the time is appropriate to take such a course. In general, the supplies of building materials have increased appreciably and, in addition, the labour position has eased. There are still, however, considerable numbers of people lacking proper dwellings and it is felt that the time has not yet arrived for the complete relaxation of controls and that it is still essential that the resources of the building industry should be principally devoted to the provision of dwellinghouses.

The scheme of the Bill is as follows:—The regulation of building operations will, in future, not have reference to what have been known as essential building materials and, with two exceptions to be referred to later, it is not proposed to exercise any control over the disposition or use of any specific building

materials. This means that the priority system will disappear, as will the practice of giving Ministerial directions to suppliers of essential building materials as to the manner in which they are to dispose of those materials. The control proposed by the Bill will, in general, be limited to the control of actual building operations.

Clause 4 sets out the general principles on which the Bill is to operate. It is proposed that the following building operations will be able to be carried out without any permit of any kind:—

1. It will be competent for any person who desires to build a house for his own occupation or for occupation by an employee to build a house to an area of 18 squares. This area will include all domestic outbuildings such as garage, laundry, etc., but it will be seen that this is a very big increase on the present maximum of 12½ squares. Another point of difference is that, under the present Act, it is provided that a house for an employee can only be built by a primary producer, whereas the Bill now provides that any employer may build a house of up to 18 squares for a person employed or to be employed by him. Another very important difference is that no limitation is placed upon the cost which may be incurred in building a house, although, as has been previously pointed out, the present law now imposes a maximum cost of £2,200. It can be reasonably assumed that, with present-day building costs and restrictions on mortgage finance, a person will not build a bigger house than he reasonably needs and it is considered that, under existing circumstances, there is no reason why the limitation on costs should be continued. If a person wishes to build a house to an area greater than 18 squares he will, of course, be required to take out a permit but as the ordinary family house does not need to exceed 18 squares, it will be seen that, as regards this class of building, control is virtually brought to an end. However, speculative house building will still require a permit.

2. Buildings other than dwellinghouses may be built without permit so long as the area does not exceed 3 squares or the total cost £300, exclusive of the cost of painting. The present Act provides that non-permit buildings of this kind must not exceed a cost of £150 so that there is some relaxation of control in this regard. It will be noted that, as far as buildings other than dwellinghouses are concerned, building without a permit will only

be allowed up to a relatively small limit. The result is that it will still be necessary to obtain a permit if it is desired to build commercial buildings of any size and, in effect, this will be the only way in which any great degree of control will be exercised under the Bill. However, it is the opinion of the Government that this form of control should continue in operation as otherwise the result would probably be that a considerable amount of the effort now being devoted to house building would be diverted to less urgent purposes. Building for other than housing purposes will in general still come under the permit system, but it will be possible to administer the legislation so that necessary building other than housing will be permitted and, if necessary, to see that the resources of the building industry are fully engaged.

3. It is provided that as regards a house built after the commencement of war, additions may be made to the house bringing the total square area, including the area of the outbuildings, up to 18 squares. During the war years and subsequently, persons who built houses were restricted considerably in the area to which they could build and it is considered that, if the owner of such a house now desires to increase its area, he should be able to do so, up to the limit of 18 squares, without requiring a permit.

4. An outbuilding may be built upon land used for primary production without any limitation as to cost or size. It is considered that this form of building should cease to be controlled.

5. Alterations and additions to existing buildings are to be permitted to the extent of £300, exclusive of the cost of painting, in any financial year and, in the case of additions, with the further limitation that the additions must not exceed 3 squares in area. Each of these operations is regarded separately for the purposes of the Bill so that it will be competent for an owner to carry out £300 worth of alterations and also to carry out £300 worth of additions in the same financial year. The present Act provides that the total which can be expended without permit in any financial year for repairs, alterations and additions to any building is limited to £150.

It should be noted that all reference to repairs in the law have been deleted. The existing Act provides for control over repairs where essential building materials are used, but it is not proposed under the Bill to exercise any control over the carrying out of

repairs. The clause also provides that the Governor may by proclamation declare other classes of building operations which will be exempted from the permit system so that, if it proves desirable to do so in the future, a proclamation can be made extending the exemptions now given by the clause. To sum up, the clause provides that a dwellinghouse may be erected for occupation by the owner or an employee without permit to the extent of 18 squares and without limit of cost, the law regarding alterations and additions will be considerably liberalized, repairs will cease to be subject to control, but permits will still be necessary for houses beyond the size mentioned or where built for speculative purposes and for commercial buildings of any appreciable size.

Clause 5 deals with the use of cement and cement products. The Act now provides that cement and cement products are not to be used for paving or the construction of fences, footpaths, kerbs and similar work. It is proposed by clause 5 to continue these provisions for the time being, but the operation of the clause will be limited to cement manufactured in South Australia, so that there will be no control over the use of cement imported from another State or from overseas. It is expected that within a relatively short time the cement production in the State will be such that it will be unnecessary to have any control over the use of cement for the purposes mentioned but, at present, the production of locally produced cement is not such that its use should be permitted for the purposes mentioned in the clause. However, it is provided by sub-clause (4) that the clause is to cease to have operation after February 28, 1953, and in addition, it is provided that the Governor can, by proclamation, declare that the clause shall cease to have operation on any earlier date. The intention is that this clause shall only operate until such time as the cement production in South Australia reaches a stage where control ceases to be necessary.

Clauses 5 and 7 are the only clauses which provide for the control of the use of specific materials. In the case of some Australian manufactured materials the supply is still inadequate to meet the demand and clause 7 provides that these materials are to be used only for various essential purposes. The materials in question are burnt building bricks, Australian galvanized iron of 24 or 26 gauge, Australian galvanized piping of a diameter from  $\frac{1}{2}$  in. to 3 in. and *Pinus radiata* flooring boards.

Imported materials do not come within the scope of the clause. The clause provides that these Australian materials are only to be used when authorized by a permit or for one of the purposes set out in sub-clause (2). These purposes are as follows:—Building bricks may be used for the construction of dwellinghouses, schools and hospitals which are constructed in accordance with the Act or for underpinning any dwellinghouse, school or hospital. At the present time, the general practice of the Building Materials Office is that permits for the use of Australian galvanized iron for buildings will only be given for use in country areas and this policy is continued under the clause. It is provided, in general, that Australian galvanized iron is to be used only for roofing purposes outside the metropolitan area, but it is provided that Australian iron may be used for such purposes as guttering, flashing and similar purposes for buildings constructed anywhere, and that it may be used in the metropolitan area for the purposes of making additions to existing houses, schools or hospitals where the roofing of the existing building is of galvanized iron. In addition, galvanized iron may be used for the manufacture of water tanks. As regards Australian galvanized piping it is provided that this may be used for the purpose of water reticulation.

*Pinus radiata* flooring may be used for the flooring of houses, schools and hospitals and additions and repairs to that class of building. It is provided by paragraph (o) of sub-clause (2) that secondhand materials may be used for any purpose. The general effect, therefore, is that the use of these particular building materials is confined to the purposes set out in the clause and when it is desired to use them for any other purpose a permit must be obtained.

Mr. Frank Walsh—The practice at present is to allow one-third of pinus and two-thirds of imported timber for flooring. Will that continue?

The Hon. T. PLAYFORD—Imported materials will be freed from all restrictions. Pinus can only be used for flooring houses, schools, and hospitals.

Mr. Quirke—At present there is an embargo on the use of pinus for a dwelling.

The Hon. T. PLAYFORD—There is not sufficient pinus to go around now and the Buildings Materials Office has stipulated the percentage of pinus that can be used so that each builder will have his fair share of the material available. However, there will not be

any permits under the new system. The whole permit system is being abolished and another system established to ensure that materials will not be wasted on non-essential purposes, but as before mentioned, the restrictions imposed by the clause will not apply to secondhand materials and will only apply to materials manufactured in Australia. Clause 6 is similar to section 6 of the existing Act and prohibits the demolition of dwelling-houses unless a permit is obtained or unless the demolition is carried out as a result of an order of a local board of health. Clause 8 authorizes the giving of a stop notice where building is carried out contrary to the Act. The clause is similar to the existing law and includes those provisions which were inserted in 1951 providing that an appeal lies to the local court where a stop notice has been in force for six months.

Clause 9 is similar to the existing Act and gives the Minister power to issue permits. The clause deals with one matter which has given some difficulty in the past. Under the existing Act, it is provided that the Minister may make it a condition of a permit that the cost of the particular building operation is not to exceed an amount specified in the permit. It has sometimes occurred that contracts between builders and owners have been made for amounts greater than those provided in the permits and when these contracts have been considered by the courts, they have been held to be tainted with illegality and this has, on occasion, had the effect of depriving one party of rights which he might otherwise have exercised against the other. Sometimes, the excess amount has been the result of a rise and fall clause in the contract and such a clause is, of course, now commonly included in building contracts. One of the difficulties of the existing provisions is that the Act provides for a sum to be specified in the permit and no provision was made for the variation of the amount. Sub-clause (3) of clause 9 provides that, if a con-

dition as to amount is included in a permit, the condition may relate to a specified sum or may relate to a sum which is computed or approved in manner provided by the permit. Thus it will be competent for the permit to provide, in effect, for a rise and fall clause in the cost of the building. In order to deal with past permits, subclause (4) provides that where a sum has been specified in a permit issued after January 1, 1949, the permit is to be construed as if it provided that the cost specified in the permit is to be the amount actually specified together with such further amount or amounts as may from time to time be approved in writing by the Prices Commissioner.

Clause 12 re-enacts the provisions of section 14 of the existing Act which was enacted for the protection of building owners. The clause provides that where a builder accepts a deposit from a building owner, the deposit is to be paid into a special purpose account. Clause 25 provides for the duration of the Bill and, in accordance with the policy which has been followed with this legislation in the past, it is provided that the Bill is to continue in force until December 31, 1953. As the existing Act provides that it is to continue in operation until December 31, 1952, the effect of this provision is to extend the control of building operations for a further 12 months. At the end of this period it will be necessary for the matter to be referred again to Parliament if it is considered that control should be continued. The remaining clauses deal with various administrative matters which are necessary in legislation of this class. These clauses are substantially similar to sections contained in the existing Act.

Mr. O'HALLORAN secured the adjournment of the debate.

#### ADJOURNMENT.

At 9.20 p.m. the House adjourned until Wednesday, August 13, at 2 p.m.