

HOUSE OF ASSEMBLY.

Wednesday, August 13, 1952.

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

BUILDING OPERATIONS BILL.

His Excellency the Lieutenant-Governor, by message, recommended to the House the appropriation of such amounts of the general revenue of the State as were required for the purpose of clause 22 mentioned in the Building Operations Bill, 1952.

GARDEN SUBURB (REPEAL) BILL.

His Excellency the Lieutenant-Governor, by message, recommended to the House the appropriation of such amounts of the general revenue of the State as were required for the purpose of clause 4 mentioned in the Garden Suburb (Repeal) Bill, 1952.

QUESTIONS.**SITTINGS OF THE HOUSE.**

Mr. O'HALLORAN—Is the Premier in a position to indicate the Government's intention regarding the future sittings of the House, particularly in view of the proposed visit of inspection by Parliamentarians to the Leigh Creek coalfield and also the fairly close proximity of the Royal Adelaide Show?

The Hon. T. PLAYFORD—I have not considered this matter yet, but I will go into it this afternoon and advise the Leader of the Opposition. In fact, I shall be happy to consult with him to ascertain his views. As far as possible the wishes of honourable members will be accommodated with regard to both the Royal Show and the visit to Leigh Creek.

SUPERPHOSPHATE CONTENT.

Mr. PEARSON—It has been reported that the phosphate content and the synthesis of the superphosphate to be supplied by the manufacturing companies this year will be somewhat different from that supplied in previous seasons. Farmers are anxious to know what the change will be and whether the Department of Agriculture is able to make any recommendations to farmers on the use of the new superphosphate. Will the Minister bring down a report on these matters?

The Hon. Sir GEORGE JENKINS—I am aware that the companies have lowered the water soluble content of the superphosphate being

supplied this year, but there is no control over the companies so far as that is concerned, so long as they give information in advance of the actual content of the superphosphate, which I understand is being done. I think the honourable member is concerned about whether the acid content of the superphosphate will be of any value to the average person engaged in agriculture. I do not know what information is available in the department, but I will get from the Director of Agriculture a full report and bring it down for the information of the House.

BUTTER FREIGHT RATES TO RIVER AREAS.

Mr. STOTT—Storekeepers in the Murray areas of Waikerie, Loxton, and nearby parts pay freight to the railways of 7s. 2d. a box on butter bought at Murray Bridge, whereas if it is freighted from Mile End the freight is only 3s. 1d. per box, less than half the other charge. It may be the same butter from Murray Bridge or Balaklava freighted from Mile End to, say Waikerie, a distance of 171 miles. The Railways Department states that the special rate is granted only from Mile End and Port Adelaide because they are the main freight depots, and that it is unable to extend the concession to consignments from intermediate stations as there is not sufficient loading and additional costs are involved. Such a state of affairs does not encourage decentralization, which has been stated on frequent occasions to be the policy of the Government. If the Government wishes to encourage decentralization will the Minister discuss this matter with Cabinet with the idea of getting this anomaly rectified?

The Hon. M. McINTOSH—I will take up the matter initially with the Railways Commissioner to ascertain the facts and, if necessary, bring it before Cabinet.

BARMERA WINERY.

Mr. MACGILLIVRAY—When I asked the Minister of Lands a question yesterday about a lease held by a winery company at Barmera the Minister replied that "that company does not hold any land in the town of Barmera." I ask him now whether the company holds the lease of an area within an extension of the township? The Minister further stated that "the department has no knowledge of the company's intentions" about erecting a winery. Is it not the department's duty to know the intentions of this or any other individual or

company having a leasehold in an irrigation area so that the land shall be put to the use for which the lease was granted, especially in this case when the company said some years ago it had plant available to establish the winery? There should have been no question of any hold-up through lack of materials and supplies. In view of that is it not the department's duty to find out the intentions of this company, or else make the land available to someone else possibly in a position to develop it?

The Hon. C. S. HINCKS—The department was aware years ago that the company required the land in order to build certain premises, and as far as is known it still wishes to hold the land for that purpose. As far as I am aware there has been no other applicant within recent months, or perhaps years, and during that period the department has received very substantial rents from the firm. However, if the honourable member desires I will get further information as to its intentions.

EDILLILIE-KYANCUTTA ROAD.

Mr. PEARSON—Some time ago a public meeting was convened in Cummins to discuss the condition of the Edillilie-Kyancutta road, and other roads in the district, and it was decided that a deputation should be arranged to wait on the appropriate authorities with a view to having a sum of money or a number of men allocated for work on this road. I was informed by the Highways Commissioner that he had arranged for the gang on the Tumby Bay-Lipson road to be transferred temporarily to the road south of Cummins, but the public meeting was not entirely satisfied with that arrangement because it felt that a more permanent labour force should be supplied to improve that road which, in my opinion, was at that time the worst in the State. Since then a rumour has been current that the department intends to leave the Tumby Bay gang intact and to bring another over from the mainland for work on the Cummins road. As the deputation is awaiting instructions on this point can the Minister make inquiries from the department and let me have the information as early as possible?

The Hon. M. McINTOSH—I shall be glad to do that. By Act of Parliament the Highways Commissioner has certain very definite powers for the maintenance of roads which Parliament, in its wisdom or otherwise, prescribed should be his prerogative. That being so he

does not consult me or the Government on questions of maintenance, but only on the reconstruction or alteration of a road from one type to another. I will ascertain the facts and bring them before the House.

WEST BEACH AIR PORT.

Mr. FRED WALSH—Much to my chagrin the Commonwealth Government decided to construct an air port at West Beach and the work was commenced in 1949. The first strip was to be ready for use in 1950, but the work is not yet completed. At present, when the Parafield air port is out of commission, passengers are required to travel to the Gawler airstrip and anyone who has experienced the conditions there on a cold winter's day will have some idea of the inconvenience passengers suffer. Air travellers consider it absolutely essential that the West Beach air port should be completed as early as possible. Will the Premier make strong representations to the Federal Government with a view to hastening completion of the work, at least sufficiently to allow its use by next winter?

The Hon. T. PLAYFORD—Yes.

ACCOMMODATION FOR MIGRANTS.

Mr. STEPHENS—In his speech at the opening of Parliament in 1947 the Lieutenant-Governor said:—

Under arrangement between the Commonwealth and the States, the Commonwealth has undertaken to find ships to bring migrants from Great Britain to Australia, and the States have agreed to provide accommodation and employment for migrants on their arrival. My Government has completed its preparations for carrying out this arrangement . . .

Has that part of the contract under which the State Government was to supply accommodation been altered? If so, when, and why is the Commonwealth Government now providing accommodation such as at Rosewater and Finsbury?

The Hon. T. PLAYFORD—The statement by the Lieutenant-Governor was correct, and the agreement has been carried out. The arrangement at that time was that persons were to be nominated from Great Britain to come out here, and the State Government was to be responsible for their accommodation on arrival and pending their getting accommodation with their nominators. In accordance with that arrangement two hostels were set up by the State Government with some Commonwealth financial assistance, and those hostels have been

maintained in operation ever since. When migrants come to South Australia under that scheme they are accommodated at the hostels pending dispersal to accommodation previously arranged for them. One of the hostels almost adjoins this building and was originally built by the Cheer-Up Society, and it has been occupied by migrants coming in periodically. I believe the other hostel is near Semaphore, and that has also been successfully maintained.

Mr. STEPHENS—Have the Finsbury and Rose-water hostels anything to do with the State?

The Hon. T. PLAYFORD—They are the same type of hostel as at Gepps Cross, being permanent housing hostels. It was not the intention to provide such hostels under the original agreement referred to. Migrants are met by officers of the Tourist Bureau and taken to one of the hostels for accommodation for various periods until permanent accommodation is arranged. These hostels have been quite successful, and I can recall no friction in their management.

COUNTRY PRE-SCHOOL KINDERGARTENS.

Mr. RICHES—People interested in the establishment of pre-school kindergartens at Port Augusta and Woomera have approached the Kindergarten Union, which is the organization recognized by the Government in allocating grants for this work. The system of forcing organizations to apply for Commonwealth assistance through metropolitan bodies is not working out to advantage, not only in these but in other instances where applications have to go through the parent body in the city. The Kindergarten Union will not be associated with the establishment of any kindergarten unless the services of a fully qualified teacher are available. It has advised that no such teachers are available nor are any likely to be in the near future, and consequently country towns are denied any help. The residents of Woomera have formed a committee and established a kindergarten under the supervision of suitable women folk from the village, and Port Augusta would do the same. Will the Treasurer have an investigation made as to the possibility of giving the same subsidies to these towns as are granted similar organizations elsewhere, even if they are conditional upon obtaining the services of qualified teachers when they are available?

The Hon. T. PLAYFORD—I will ask the Minister of Education to communicate with the Kindergarten Union and ascertain what the

difficulty is in connection with providing assistance to country schools and let the honourable member have a report in due course.

WATER LIFTS FOR IRRIGATION.

Mr. STOTT—Has the Minister of Lands read the article in this morning's *Advertiser* relating to irrigation operations on the property of Mr. L. G. Heading at Murtho? Mr. Heading has successfully lifted water 180ft. and has disproved the theory of departmental officers that water cannot be economically lifted above 100 to 120ft. In view of the success of Mr. Heading and other settlers, will the Minister take this matter up with officers of the department in order to ascertain whether it is economic to lift water above 120ft.?

The Hon. C. S. HINCKS—Yes.

RIVER DISTRICT WINERIES.

Mr. MACGILLIVRAY—During the grape season there is much feeling about thousands of tons of grapes having to be carted from the river areas to the Barossa Valley. I believe a number of wineries are prepared to erect distilleries in the river areas to treat the fruit on the spot, which would obviously represent a great economic saving in every sense, not only to South Australia but to the Commonwealth. It has been stated that wineries have not been erected because of shortages of materials, but in view of the Building Operations Bill introduced yesterday can the Premier say whether it will be possible for these wineries to obtain the necessary materials in order to treat grapes grown on the river *in situ*?

The Hon. T. PLAYFORD—Yes. As a matter of fact the position has been that permits far in excess of the storage required have already been granted to the wine-making industry. Recently before an important application was granted an inquiry was made to see if there were any outstanding applications with a long standing priority, because if they were to be considered for permits consideration had to be given in the order of priority. As far as I know, there are no outstanding applications at present.

SEEPAGE AT LOXTON.

Mr. STOTT—Has the Minister of Irrigation any further statement to make following on the question I asked on June 25 regarding the seepage position at Loxton and the bursting of certain pipes conveying water from the main channel?

The Hon. C. S. HINCKS—On June 25 I gave the honourable member a full reply in regard to the seepage problem. I have now received a report regarding the other matter. The pipeline referred to is apparently No. 3 line. The Engineer-in-Chief reports that originally 30 lb. test pressure pipes were used, and where these have failed they have been replaced with pipes of 80 lb. test pressure. It is not proposed to use 120 lb. pressure pipes. The fracturing of the pipes has been due to water hammer, resulting from the sudden operation of the float valves which regulate the flow of water to the blocks, and it is therefore intended to convert the line to a closed system by installing "Helix" meters as soon as the required equipment, which has been on order for five months, is received.

ROAD TRAFFIC ACT AMENDMENT BILL.

Mr. SHANNON (Onkaparinga), having obtained leave, introduced a Bill for an Act to amend the Road Traffic Act, 1934-1951.

Read a first time.

EARLY CLOSING ACT AMENDMENT BILL.

Mr. SHANNON, having obtained leave, introduced a Bill for an Act to amend the Early Closing Act, 1926-1945.

Read a first time.

DECENTRALIZATION OF INDUSTRY.

Mr. O'HALLORAN (Leader of the Opposition)—I move—

That in view of the alarming concentration of population in the metropolitan area of South Australia, an address be presented to the Lieutenant-Governor praying His Excellency to appoint a Royal Commission to inquire into and report upon—

- (a) Whether industries ancillary to primary production, such as meat works, establishments for treating hides, skins, etc., and other works for the processing of primary products should be established in country districts; and
- (b) what other secondary industries could appropriately be transferred from the metropolitan area to the country; and
- (c) what new industries could be established in country districts; and
- (d) Whether more railway construction and maintenance work could be done at country railway depots; and
- (e) what housing provision should be made to assist a programme of decentralization.

It is time some positive steps were taken to deal with the problem of centralization in South Australia to stop the alarming drift from the country to the metropolitan area as mentioned in my motion. This afternoon I propose, firstly, to set out the case for an inquiry and, secondly, to deal briefly with some points which it is suggested should be inquired into. The population figures of South Australia show that this drift to the metropolitan area has been continuing for years. It is a feature of settlement in Australia generally, with the possible exception of Queensland, but is much worse in South Australia than in other States. Of a total State population of 599,000 on December 31, 1939, 323,000 (54 per cent) resided in the metropolitan area and 276,000 (46 per cent) in the country. Of a total population of 730,000 in 1951, 442,000 (60.5 per cent) resided in the metropolitan area and 288,000 (39.5 per cent) in the country. Of the increase of 131,000 over the 12 years, 119,000 became resident in the metropolitan area and only 12,000 in the country, an increase of ten to one in favour of the metropolitan area. That represents an alarming state of affairs over a period during which the Playford Government was in power with a majority in both Houses and had the opportunity to do something about it if it wished.

Another aspect of this question has been brought prominently before our notice as the result of a recent article by Gil Wahlquist which was published in the *News* and which states:—

With the problem of decentralization in Australia remaining largely static and unsolved, more than one-half of the continent's population crowds the capitals—creating jangled nerves for the individual, uneven national development, and a defence hazard.

He summarizes the arguments contained in a pamphlet published by Professor S. M. Wadham, professor of Agriculture at the Melbourne University. Those arguments are the same as we, on this side of the House, have used for many years, and one of them in particular merits serious consideration:—

From the defence point of view, the question is clear-cut. A few well placed bombs on the intersections of our radial railway services in each State would immobilize the entire network. Key industries located in small areas make fine bomber targets. Decentralization is essential for national safety.

If honourable members will consider those points in an unbiased way they must agree that steps are urgently needed to bring about

the decentralization of our population. The following table accompanies the article:—

The Number of Centres of Population of Certain Sizes in Each State.

	N.S.W.	Vic.	Qld.	S.A.	W.A.	Tas.	Total	Percentage of total Population
Over 100,000	2	1	1	1	1	—	6	51.2
Under 100,000								
Over 50,000	—	—	—	—	—	1	1	1.0
Under 50,000								
Over 10,000	18*	3	8	1	1	1	32	8.7
Under 10,000								
Over 5,000	15	11	6	2	2	2	38	3.4

* Including Canberra.

Those figures show that South Australia is the worst-placed State both with regard to concentration of population in the metropolitan area and the fact that it has few sizeable towns. In fact, we have only four centres with a population of over 5,000—Adelaide, Whyalla, Port Pirie, and Mount Gambier.

There is some relation between land settlement, the development of primary production and this concentration of population in our metropolitan area. In 1939 there were 31,280 landholdings in South Australia. In 1951 the figure was 28,248, a reduction of 3,032. While the population of the State increased by 131,000 the number of landholdings decreased by 3,032. Members will agree that that warrants the use of "alarming" in my motion, because if we are to have a well-balanced economy it is obvious that the population on the land should bear a better relationship to the total, otherwise we shall have the spectacle in the not far distant future of overloaded cities dependent for their food supplies upon imports. I have previously stated in this House that our distribution of population suits our political opponents under our present electoral boundaries. No doubt it is because of this that they are reluctant to do anything to bring about a decentralization of population. I have obtained statistics of enrolments for the House of Assembly during the years approximating those of population and land holdings I have just quoted. Single electorates were introduced in 1938, and the following table shows the enrolments for the House of Assembly in that year and in 1951:—

	1938.	1951.
Total State enrolment . . .	366,000	440,000
Metropolitan enrolment . . .	213,000	272,000
Country enrolment	153,000	168,000
Highest metropolitan enrolment	18,600	26,000
Lowest metropolitan enrolment	14,200	14,000
Average metropolitan enrolment	16,200	20,900
Highest country enrolment	7,200	10,500
Lowest country enrolment	4,100	3,500
Average country enrolment	5,900	6,500

The 1951 figures are the last available. It will be seen that the highest metropolitan enrolment increased from 18,600 to 26,000. The average metropolitan enrolment increased from 16,200 to 20,900, and this increase was greater than the individual enrolments of four country electorates. The average country enrolment increased by only 600, whilst in the metropolitan area it increased by 4,700. The result of the further concentration of population around Adelaide has been an accentuation of the bad political and undemocratic set-up of 1938.

The matters to be inquired into under my motion are many and varied. To carry out a policy of decentralization we must have more farms and farmers. In effect, we must have a closer settlement policy to increase the numbers of people directly gaining their living from the land and, in doing so, increasing food production. I deplore the fact that there is no sign of any concrete move or the development of any real policy by the Government, which has had the opportunity since 1938 to do anything it wished in this regard. Instead of improving the position it has allowed it to drift to an alarming extent. Under a balanced development we should have secondary industries as close as possible to the primary industries on which they depend. Other secondary industries should be established in country areas in order to provide employment for the surplus population that cannot be accommodated on the land rather than forcing these people, as the Government does today, to transfer to the metropolitan area in order to obtain employment. For instance, meat works should be established in some country centres. The Hon. R. S. Richards, when Leader of the Opposition, moved on several occasions for the establishment of country meat works. Although on one occasion an inquiry was granted, so far nothing concrete has been done.

Mr. Heaslip—Country meat works do not work too well in Victoria.

Mr. O'HALLORAN—I obtained information from that State about 12 months ago that the abattoirs at Bendigo had functioned satisfactorily and that they have also worked well for many years in New South Wales.

Mr. Heaslip—They have resulted in increased killing charges.

Mr. O'HALLORAN—That is only one side of the picture. I think the honourable member will admit that we can afford to pay increased killing costs if the stock are killed near the point of production. The increased price due to the prevention of the deterioration which now takes place during the long journey to the central killing depot will more than compensate any increase of killing costs. It was considered in the north, when I was in the business not so many years ago, that we lost at the average price of lamb at that time about 1s. 6d. a head through deterioration of lambs between Carrieton and the Abattoirs. If that is multiplied by three to bring it into line with present-day values, it represents a very considerable figure. Of course the loss on mutton is not so great.

Mr. Heaslip—Who worked out that loss?

Mr. O'HALLORAN—We did ourselves, but it was also worked out by some experts who gave evidence before the Select Committee that investigated the position some few years ago. The honourable member will not argue that there is not some considerable loss in travelling stock long distances to a killing centre, and it should be possible to develop efficient killing units in the form of abattoirs at certain selected centres for killing meat both for local consumption and export. It would remove the continuing difficulty in country districts about butchers' slaughtering facilities and the cost of maintaining them, particularly in the smaller communities, for the meat could be killed at the central depot and delivered to a considerable number of towns within a radius of 20 or 30 miles. In addition, meat could be killed for export in the export season.

I see no reason why we should have to send all our skins and hides to the metropolitan area for treatment, as it should be possible to establish treatment works in country areas for this purpose. This is one of the points which a Royal Commission should investigate and advise upon.

Works for the processing of primary products should be established in country districts. Already this afternoon we have heard the statement by Mr. Maegillivray that large quantities of grapes have to be transported by

road from the river areas to the Barossa Valley and the metropolitan areas for processing. A considerable economic waste must be associated with this practice in addition to the considerable damage to the roads from the heavy traffic involved. I understand there is not a cannery in the whole of the River Murray fruitgrowing areas, except a fruit juice factory at Berri. Here is an opportunity to establish an industry in a great and expanding fruit producing area as should have been done years ago.

As to other secondary industries that could appropriately be transferred from the metropolitan area to the country I will offer no opinion because it is a question for inquiry and report by a competent authority. I suggest, however, that if we adopt the attitude of the member for Rocky River (Mr. Heaslip) who looks at everything from a hard and fast economic basis we will abandon any attempt to populate the countryside of this State and concentrate everything in the metropolitan area until the third world war breaks out and the first A-bomb or H-bomb solves the problem finally and completely.

Mr. Quirke—We would never have built any railways under that principle.

Mr. O'HALLORAN—Of course not. This worship of the idol of pure economics left me cold many years ago and it leaves me colder with the passing of time; do we live only to be the slaves of a grinding, grudging economic system, or have we some right to a human existence in which we can develop our minds, souls and bodies with some regard to life's amenities and the hereafter, and to the making of the lot of our fellow citizens as happy as possible during their short sojourn in this world.

Mr. Heaslip—What do you advocate to that end?

Mr. O'HALLORAN—I am advocating an inquiry by a competent authority to make recommendations to the Government. It may be done by way of subsidy or by the encouragement of co-operation; I am not tied to any particular system, but I am of opinion that something should be done, and done quickly.

Mr. Heaslip—It all comes down to economics. The money has to come from somewhere.

Mr. O'HALLORAN—Of course we must not have any happiness except the enjoyment we get by gazing with adoring eyes on our bank balances.

Other secondary industries could appropriately be transferred from the metropolitan area to the country. In this respect two things could be achieved. In the fruitgrowing areas,

particularly along the River Murray area, we have difficulty each harvest in finding enough fruitpickers. We should therefore do everything possible to encourage the establishment of industries in those districts which could be closed down during the harvest period to enable their employees to become available for fruit picking. I understand that this practice is widely used in the U.S.A. and is being extended because many of the great industrial concerns realize the affinity between primary and secondary production. We have got over the difficulty in recent years by the use of migrant labour, but that will not always be available, and if we had a permanent labour force established by the means I have mentioned it would solve our problem for all time. Mr. Heaslip, with his pure economics, voted on one occasion in this House in favour of the establishment of a satellite town near Smithfield. Here was an attempt to develop something along the lines I am now suggesting, although it was not to be a true satellite town, but simply a northern suburb of the metropolitan area. But the honourable member voted against the motion which condemned the proposal. If he is satisfied with that kind of plan, I suggest that he cannot very logically now vote against my motion, which visualizes something being done on properly co-ordinated lines to establish industries in country towns and thus help to attract the population from the city.

The next point I suggest should be investigated is what new industries could be established in country districts. In this regard there must be a field to be exploited. During the war when it became necessary, we found a Federal Labor Government establishing munition industries throughout country districts in the various States. In 1939 there were five Commonwealth munition factories, but by 1943 this number had increased to 47, of which 36 were away from metropolitan industrial areas. As a result of that decentralization of this industry there sprang up new industries which took over the old munition factories, and so a considerable amount of decentralization of industry resulted. Similar action could be taken in South Australia.

The next point is whether more railway construction and maintenance work could be done at country depots. I am definitely of the opinion that it could. I live in Peterborough, a railway town with a fairly large railway depot, and I know that fewer types of work are being done there today than 20 years

ago, much of it now being sent to the metropolitan area. The reason this was so until recently was the shortage of labour at Peterborough to do the work. The men were working considerable overtime. I do not blame the Government or the Railways Commissioner for the conditions which existed until recently, over which they had no control, but conditions are changing rapidly, and so more workers should be encouraged to go to Peterborough and other railway depots, such as at Gladstone, Port Pirie and Tailem Bend, rather than the work should be done at Islington. If such action meant an increase in the labour force of only 15 or 20 men in some of those towns it would be of considerable economic value to them.

The next point is, "What housing provision should be made to assist a programme of decentralization?" Linked up with housing is the question of other amenities such as schools, water services, and sewerage. I am firmly of opinion that we will not get people to reside in the country permanently until we give them amenities somewhat comparable to those enjoyed in the metropolitan area. Members on this side of the House have attempted time and time again to have something done in this regard, but have been frustrated by the solid opposition of the Government and its supporters. Take the question of a standard wage for rural workers. All metropolitan workers have the right to appeal to the court to have their wages and conditions fixed. The Opposition suggested that the same privilege should be accorded to rural workers. However, members opposite with one voice gave a thunderous "No" and of course nothing can be done about it.

Mr. Heaslip—Do you want to place primary producers in the same category as secondary industries?

Mr. O'HALLORAN—I am not suggesting what primary producers can or cannot do, but they can afford to pay their workers on a basis comparable to that paid to those engaged in secondary industries.

Mr. Heaslip—And they do.

Mr. O'HALLORAN—Of course they do at the moment because the law of supply and demand has forced them to do so, and in most cases to pay more than a comparable wage. However, that law is a pretty rickety structure on which to base natural justice. I can remember the time, and that not very long ago, when the law of supply and demand permitted some primary producers to pay their employees as low as 5s. a week and their keep. I admit

that at that time there were many thousands of primary producers who could not afford to pay any more and their position was just as bad as that of their employees, but conditions have changed as a result of the adoption of the Labor Party's policy of stabilization. As a result we now have guaranteed prices for all forms of primary production.

Mr. Heaslip—What about wool?

Mr. O'HALLORAN—It is not the fault of the Labor Party that there is no guaranteed price for wool, but of the woolgrowers themselves, when they had the opportunity to put their industry on a stable basis by adopting a stabilization scheme, refused to do so. I think it can be said to the credit of Mr. Heaslip that he supported that scheme, and it is a pity there were not more people thinking like him at the time. Members of my Party believe that the primary producer is entitled to a living standard, based on the cost of production plus a reasonable margin of profit. All the policy we have been advocating for years, most of which has been adopted recently in Australia, is designed with that objective. There are other little questions. Take that of the extension of the Scaffolding Inspection Act to the country. When my Party set out to do that, our friends opposite again said "No". Also consider the extension of the Factories Act throughout the country. At present it is limited to a few proclaimed towns, but again our friends opposite said, "No". Evidently they want the population of South Australia to be regarded in two separate categories—one in the metropolitan area having certain set conditions, and the other in the country having a haphazard come day-go day set of conditions determined according to the exigencies of the time.

I said earlier I would have something to say about co-operation. There are one or two points in this little pamphlet I have before me which I think are worthy of being placed before the House. It shows that the idea of decentralization is not a new one so far as the Opposition is concerned. It contains a statement on rural reconstruction submitted by the Hon. R. S. Richards to a commission appointed by the Federal Government in 1942. In presenting his evidence Mr. Richards stated the views of the Labor Party. The concluding part of his statement reads:—

As a practical approach to rural problems, it is suggested that the committee give consideration to the following:—Co-operative marketing and control through a national authority. (The Primary Producers and Marketing Act of 1926 of Queensland is suggested as a guide.)

Primary producers in Queensland are organized on a district basis and the districts elect a primary producers council which is the guiding authority in the many co-operative movements which exist for the processing and marketing of primary products. The statement continues:—

(1) Producers of every primary commodity be registered. (2) Production areas to be divided into district, each appointing a district committee. (3) State Board representative of all primary production and elected by and from producers. (4) An Agricultural Council for Australia with equal representation from all States; State representatives to be elected by the producers. (5) The Agricultural Council to advise the Commonwealth authorities on all problems of costs and to recommend each year a just price for all production.

Decentralization of secondary industry should form part of a reconstruction scheme. The promotion of secondary industries in country areas should aim at providing employment for those members of rural families who are unable to be permanently employed on the land. It must be apparent that it is not possible to be continually subdividing land to accommodate all the members of rural families. Those who wish to enter industry should have ample opportunity to do so without swelling the population of capital cities. If provision were made for local industries, reasonable amenities would be available in rural areas; thus tending to prevent the concentration of population in congested areas which has been found so undesirable and dangerous in time of war. This close association of industrial and rural interests would ultimately break down the existing prejudices between the city and country, and promote a wider knowledge of the total dependence of a nation upon the productive capacity of the land. Those points admirably illustrate the case for the inquiry that I suggest so that we may have an authoritative investigation and reliable advice as to how this policy, which I believe is absolutely necessary, can be pursued for the future welfare of the State. We must face the fact that the position has drifted to an alarming extent and steps must be taken quickly to correct the position. I will admit that a great deal of psychology is associated with this problem. An atmosphere has been created by the press, radio, and other public activities that it is more classy to live in the metropolitan area than in the country, and we all remember the jokes of by-gone days about hayseeds who come to town, which are still being perpetrated in new and more subtle forms. That is one of the things I aim at correcting. As Mr. Richards said:—

This close association of industrial and rural interests would ultimately break down the existing prejudices between the city and country, and promote a wider knowledge of the total dependence of a nation upon the productive capacity of the land.

That is an ideal sentiment to endeavour to inculcate into the minds of the people. We should try to get away from the idea that everything must be based on pure economics and, for instance, that a fat lamb must be dragged from the north to the abattoirs in order to save one-hundredth part of a penny on the killing costs. If some of the industries congregated in the metropolitan area were established in country centres, it would result in better educational facilities for those centres and better opportunities for providing the amenities that are so readily available in the metropolitan area. We would thereby establish the right psychology as suggested by the previous Leader of the Opposition. When I mentioned something along these lines the other day the Premier retorted that he was not in favour of compelling people to go to or live in certain places. I am not in favour of regimentation of that nature, but I do suggest that if we improved conditions in the country people would voluntarily leave the metropolitan area to establish their homes and work in the country. I commend the motion to members, believing it will be carried. If the suggested inquiry is inaugurated much good will result to the State.

The Hon. T. PLAYFORD secured the adjournment of the debate.

ROAD AND RAILWAY TRANSPORT ACT AMENDMENT BILL.

Mr. MACGILLIVRAY (Chaffey), having obtained leave, introduced a Bill for an Act to amend the Road and Railway Transport Act, 1930-1939.

Read a first time.

Second reading.

Mr. MACGILLIVRAY—I move—

That this Bill be now read a second time.

I thank members for giving me the opportunity to move the second reading this afternoon. I would not have asked for the concession except that this is the last item of private member's business on the Notice Paper, and I want to help other members with their private business by taking mine as far as possible today. This is a simple Bill, with only one clause, which exempts members of any naval, military, or air force of the Commonwealth from certain provisions of the Road and Railway Transport Act. At present a number of youths from the river districts are trainees at the Woodside camp. I think these districts are unique in so far as the lads cannot take

advantage of their long leave every month to visit their homes owing to the lack of public transport. A few months ago the father of one of the lads, finding that the lad could not get home for the week-end from Woodside, took his truck to the camp to take the son home. When he arrived there he found to his astonishment that not only his own lad was looking for transport, but 20 to 30 other boys. The man's son asked if the other lads could be taken home on the truck, and the father agreed to take them. He told the boys to get aboard and when he was about under way an inspector of the Transport Control Board told him that he would be breaking the law if he took the boys on the truck. He told the inspector he did not want to break the law, and had not intentionally broken any law in his life. He pointed out that he did not intend to charge fares and was merely carrying out a good neighbourly act. He said he would be unable to go home and face the mothers of the other boys if he left them stranded at the camp. After some discussion the driver offered to pay a fine immediately. He did not think it would be decent to leave the lads stranded, or that in a so-called free country there should be any restriction of that kind. The boys got on the truck and they drove off. At Barmera a policeman cross-examined the father as to what he had done and the number of lads he had taken home. He admitted taking the boys, and said he felt he had no option but to do so. He emphasized that he had made no charge for fares, and that nothing had been paid to him. Then he saw me about the matter. He was upset because he had never previously been charged with an unlawful act and he had never appeared in court. He felt that he had done nothing that a law-abiding citizen would not do. He asked me to take whatever steps I could in the matter. I told the Premier the story and suggested that he get a report, and it is from a report by the chairman of the Transport Control Board that I read the following relevant parts:—

The secretary to the Premier communicated with me on Monday last regarding the checking by inspectors of this board of vehicles transporting trainees at week-ends to and from the Woodside camp. The particular case under review was the movement of between 20 and 30 National Service trainees on a truck owned by . . . of Barmera. The trainees were observed by the inspector on this vehicle at Woodside camp on May 3, and the owner who was driving the vehicle was informed that as no special permit had been issued by the Transport Control Board for the movement of

the personnel by road from Woodside to Renmark an offence under the Act would be committed if the troops were taken as intended. The inspector suggested to the owner that even at that late stage an application could be made by telephone to me at my home address. However, no application was made and it has been ascertained through the Commissioner of Police that the owner conveyed between 20 and 30 personnel on May 3 from Woodside to Renmark. The matter was considered by my board at its meeting on May 12 and it was decided that the owner should be given an opportunity of stating why he should not be prosecuted.

The Hon. M. McIntosh—Why didn't the owner do the courteous thing, knowing it was the law, and lodge an application?

Mr. MACGILLIVRAY—He never had any suspicion that he was doing anything contrary to the law. It was my opinion that Mr. McMillan was in Victoria inquiring into railway matters at that time.

The Hon. M. McIntosh—The owner didn't try?

Mr. MACGILLIVRAY—No.

The Hon. M. McIntosh—He put himself above the law and said, "Why should I observe it?"

Mr. MACGILLIVRAY—He frankly said he would pay whatever fine was ordered.

The Hon. M. McIntosh—Has he paid any fine?

Mr. MACGILLIVRAY—After the Premier was asked for a report the owner was asked to explain why he should not be prosecuted. No prosecution took place.

The Hon. M. McIntosh—Did he explain?

Mr. MACGILLIVRAY—I imagine that he did.

The Hon. M. McIntosh—So no injury has been done.

Mr. MACGILLIVRAY—A serious injury was done.

The Hon. M. McIntosh—He did not telephone; he could not have been so perturbed about it.

Mr. MACGILLIVRAY—He was a man from the country and only did what any country man would do.

Mr. Pattinson—Did he deny that he carried the boys without fee or reward?

Mr. MACGILLIVRAY—He told the inspector that there was no fee or reward attached to it. It was only a common or garden gesture that anybody would make. I doubt if any member knows under what section of the Act he was charged.

The Hon. M. McIntosh—He was only questioned by the inspector; he has not been charged so far.

Mr. Stott—He was told by the inspector that he was breaking the law.

Mr. MACGILLIVRAY—I do not blame the inspector. Investigations were made by the police.

Mr. Stott—It was not so much whether he was charged, but whether it was legal.

Mr. Pattinson—The honourable member is keeping us in suspense about the section.

Mr. MACGILLIVRAY—It is section 27c. of the Road and Railway Transport Act Amendment Act, 1939, the marginal note of which is "Restriction on carriage of passengers on trucks, etc." The section states:—

For the purposes of this Act a vehicle shall be deemed to be a vehicle on which passengers are being carried for hire if—

- (a) it is constructed or adapted wholly or mainly for the carriage of goods; and
- (b) without the written consent of the board the vehicle carries on a controlled route any passengers except—
 - (i) the owner, driver, and one other person employed by the owner or driver in the working, loading, or unloading of the vehicle;
 - (ii) the wife, child, mother, or father of the owner;
 - (iii) any other relatives of the owner who usually reside with him.

Provided that this section shall not apply in relation to a vehicle constructed or adapted partly for the carriage of goods and partly for the carriage of passengers and weighing, when unladen, less than thirty-two hundred-weights, but shall apply to such a vehicle if driven by the holder of a hawker's licence or a hide, skin, and wool dealer's licence.

Had the truck been less than 32 cwt. he could have taken the whole population of Woodside, but as it was more than 32 cwt. he could not do so. A proviso in section 27d. states:—

Nothing contained in the last two preceding sections shall be held to restrict the power of the Governor to make regulations under section 15 of this Act.

Unless a person comes within the range of wife, child, mother or father of the owner, or any other relative who usually resides with him, no man with a truck weighing 32cwt. or over has the right to pick up anybody.

Mr. Stott—If he does he breaks the law.

Mr. MACGILLIVRAY—It is a rotten piece of legislation. I want to add to the list of exempted personnel—

Any member of any local military or air force of the Commonwealth wearing the uniform of any such forces.

The Hon. M. McIntosh—Do you know that many trucks are at the camp, making a feature of taking these men up and down?

Mr. MACGILLIVRAY—No.

The Hon. M. McIntosh—Your amendment would give them an open go, and the railways, which are asked to take a few, would lose many.

Mr. MACGILLIVRAY—These young men are forced to give their time to train for the defence of Australia and should be helped.

The Hon. M. McIntosh—How can you prove that these men do or do not get a free ride?

Mr. Stott—If they were forced to wait for the train they would not get back home until Monday.

Mr. MACGILLIVRAY—An inspector from the Transport Control Board could easily find out whether a driver was a private person or a person plying for hire. If a person travelling to the upper Murray settlements misses the train leaving Adelaide at 7.30 a.m. on Saturday, he must wait until 7.30 a.m. on Monday.

Mr. Stott—Would he arrive there in time to be back in camp by Monday evening?

Mr. MACGILLIVRAY—No.

The Hon. M. McIntosh—One telephone ring would have settled this matter on which you have spent an hour this afternoon and on which Parliament might spend many hours.

Mr. MACGILLIVRAY—The person I have mentioned might not have been given permission by the board, and this anomaly should be cleaned up, for the same trouble is bound to occur again. Frankly, if I had my way this section would be struck out altogether, for I cannot see why any man travelling along a country road should not be able to pick up a fellow traveller if he so desires, but as I do not wish to make our National Service trainees an excuse for altering the Act in that way, I merely move to add to the list of exempted persons, "Any member of any naval, military, or air force of the Commonwealth wearing the uniform of any such forces." I ask members to support the Bill.

The Hon. M. McINTOSH (Minister of Railways)—The honourable member for Chaffey was singularly unimpressive. He only said that an inspector, acting in accordance with his duties, asked a man whether he had a permit to carry passengers, that the man replied, "No," and that the inspector said that he would probably get one if he rang the

Transport Control Board. The inspector was carrying out the provisions of the Act as intended by this Parliament, and the fact that the man mentioned by the honourable member was honest does not prove that there are not other drivers who wait to pick up these fares notwithstanding the fact that the Railways Department, in conjunction with the military authorities, has tried to provide a service which will meet the trainees' requirements. As Minister of Railways I am doing my best to see that the trainees get the best possible service, as I have every sympathy with them. I will get a report on the Bill from the chairman of the Transport Control Board. I ask leave to continue my remarks.

Leave granted and debate adjourned.

LOAN ESTIMATES.

Grand total, £29,019,000.

In Committee.

(Continued from August 12. Page 361.)

Mr. QUIRKE (Stanley)—I am not at all happy about the position with regards to the whole financial set-up upon which these loan moneys come to South Australia and upon which these Estimates are based, knowing that we are practically mendicants depending at present upon Federal bounty which is not really bountiful and that the restrictive policy adopted by the Federal Government has had, and will continue to have, dire effects upon the economy of this State. I understand from Sir Arthur Fadden's Budget speech and from the reply of the Federal Leader of the Opposition, Dr. Evatt, as reported in today's *Advertiser*, that £135,000,000 of Central Bank credit is to be used to finance the States' works programmes and that Federal works will be financed from revenue. The *Advertiser* reports Dr. Evatt as saying:—

It would be quite possible to finance part, or even all, the Commonwealth programme from credit.

Of course we all realize that that is possible, but whether it is advisable depends on other factors. After all the levity, interjections, and denial that has taken place in this House over the last 12 years during which I have represented the district of Stanley, it is interesting to note this straightout admission by a Federal authority of the use of Central Bank credit. Only as recently as last month members heard almost hilarious references to this so-called capacity to get something for nothing, but here is tangible proof that national credit is to be used. Indeed, if it is not used,

the evidence proves that neither this nor any other State would be able to carry out a works programme this year. The member for Chaffey and I have been hammering away at this subject for over 12 years, and today we see in part the realizations of our dreams, but, as is nearly always the case, the principle is applied in the wrong direction. I am grateful for this public acknowledgment of the use of deliberately created credit, but I am afraid that to use Central Bank credit for capital works without using it to arrest price and wage rises is the point on which both Federal Government and Opposition members are hopelessly wrong. In other words, the first attack should be made with the use of Central Bank credit upon the price structure of Australia, and, once having stabilized prices and wages, it would be perfectly safe to use bank credits on public works, for, if prices and wages are stabilized, the amount necessary for public works is automatically reduced. As is usual, the principle is accepted, but its application is wrong.

Mr. Brookman—Where has it been used?

Mr. QUIRKE—In Australia throughout the war, and every penny coming to South Australia for its works programme this year will, according to Sir Arthur Fadden's Budget speech, be Central Bank credit money. The extraordinary thing is that, although the Federal Treasurer has made a statement to that effect, other Liberal and Country Party members know nothing of it.

The Hon. M. McIntosh—Is it not intended to raise loans for State public works?

Mr. QUIRKE—Yes.

The Hon. M. McIntosh—Then how can you say that the whole Budget is based on bank credit?

Mr. QUIRKE—I said that every penny that will be received by the States from Federal sources will be drawn from bank credit, unless Sir Arthur Fadden does not know what he is talking about. I will not say that that is not beyond all reasoning, either.

The Hon. M. McIntosh—Don't you think any loans will be raised?

Mr. QUIRKE—If the Minister had read Sir Arthur Fadden's Budget speech he would know that the Federal programme will be financed from revenue and loans.

The Hon. M. McIntosh—How can you place the programme in pockets? All the works are pooled.

Mr. QUIRKE—They are not. The Minister wants to side-track me because my argument tears the foundation from under everything he

has believed, and that applies to all members opposite. If the member for Prospect were in the Chamber he would be interjecting now. If ever a man's second name should be Didymus his should be. The whole structure upon which members opposite have based their reasoning in regard to fiscal policy has crumbled from under them. The member for Chaffey and I say that Central Bank credit is a direct creation brought into existence for an express purpose. If it is possible to create credit to finance public works it is possible to subsidize those items which cause the perpetual spiralling of prices.

The Hon. M. McIntosh—Do you say there is no limit to be placed on the creation of credit?

Mr. QUIRKE—No. The Minister wishes I would say that, but I am not so stupid. There is a limit to everything. The point is that bank credit should be used to stabilize prices, and it was used for that purpose by the Chifley Government, although in a moment of pique it discontinued the practice.

Mr. Macgillivray—It is being used by the Churchill Government in Great Britain today.

Mr. QUIRKE—Yes, and by every Government that has had to finance a war. In his magnificent language Mr. Churchill, in his "Memoirs", said of the end of World War I. that at the eleventh hour of the eleventh day of the eleventh month the armistice was signed, but at 4 p.m. on the same day the bank magnates of Great Britain stopped all monetary advances. As a result hundreds of thousands of people were put out of work. So catastrophic was this action that immediate steps had to be taken to countermand the banks' action. People were returned to employment in the manufacture of armaments for which there was no longer any need. Churchill said, "For my part I have never been able to understand" (and he still cannot understand) "if it is possible to build aeroplanes, guns, battleships and thousands of tons of shells in time of war, why it is not possible to use the same method for building houses and meeting the requirements of peace." For the first time we are now being told that bank credit is being used in time of peace.

Mr. Pattinson—Does the honourable member suggest any limit on bank credit?

Mr. QUIRKE—Of course, but the only limit necessary is that of the requirements of the people. If there are men and materials available and a requirement for roads, bridges, reservoirs, schools and houses, there is no earthly reason why they cannot be constructed

without any incumbrance of debt. The £135,000,000 proposed for Australia's works programme will not be issued free of debt and the people will be taxed to pay interest on it, although it will cost nothing to produce. We have built an interest burden in Australia running into millions of pounds for which there was never any need. If bank credit were properly administered we could get away from all the bogies of sound finance which today are crippling the nation. In addition to stabilizing internal prices it is possible to subsidize essential imported goods. The price of tea has been kept down by subsidy, but so could the price of imported galvanized iron. Locally produced iron costs about £80 a ton, whereas the imported product costs £180, but there is no need for any disparity. The internal economy of this country should not be related to overseas prices. We have to use a certain quantity of wool each year to clothe our people and manufacture blankets and other goods. However, the price the Australian consumer is charged for wool is based upon the tremendously high prices paid for it overseas, but because France, England, America and other countries are prepared to pay such high prices it does not follow that we should do likewise here. The result has been that a great part of the woolgrowers' revenue has been torn from them by taxation. A special price has been placed on wheat for home consumption, and the same should be done with wool. This is another way to reduce prices in this country without hurting anyone. A scheme for taxing primary producers' returns at different rates for home consumption as against export values would ensure equitable treatment for the producer, who must of course also benefit from lower prices paid for his requirements.

Mr. Pattinson—I do not think the member for Ridley would support your scheme.

Mr. QUIRKE—Let him speak for himself. I do not agree that he is doing a fine service to wheatgrowers by asking that the highest world prices be paid for wheat consumed in Australia.

Mr. Whittle—How could you differentiate between growers exporting wool to the most profitable markets and those selling it in Australia?

Mr. QUIRKE—How is it done in the dried fruits industry?

Mr. Whittle—There is no wool pool.

Mr. QUIRKE—The scheme I am propounding does not exist. To make it work we

should have to bring about the necessary conditions first.

Mr. Shannon—It will never come into existence if the woolgrowers are given a chance to vote for it.

Mr. QUIRKE—It will come into existence: it must. Has any member opposite yet shown how the economy of Australia can be stabilized? The Federal Treasurer admitted in his Budget speech that bank credit would be used, but he has not yet decided to use costless credit. His successor will get to that stage. I do not think the present Federal Treasurer will because the people of Australia have "had" him. Today a state of war exists between the Commonwealth and the States and the sooner the State obtains control of its revenue-raising sources again the better. In the Federal Parliament both sides of politics are antagonistic to the States; the Labor Party's policy is the abolition of State Parliaments, so we know where it stands.

Mr. Shannon—I am not so sure that we do.

Mr. QUIRKE—We know at least that it is on the Party platform, but it is changing a little. I remember when I was seriously taken to task for saying that the abolition of the Upper House was a mistake, but I have been proved right on that. When Sir Arthur Fadden was giving his Budget speech he bitterly reproached the States for their attitude—and all the applause came from his own side. Even Mr. Menzies hammered the States. All parties in Federal politics would like to wipe out the States, and they have attempted to do it by restricting advances to the States. We must get our taxing powers back and if we do we should promptly make our own State Bank a bank of issue, which it is not today. As soon as the New South Wales Government became aware that Mr. Chifley proposed to nationalize the trading banks it made the New South Wales Rural Bank a bank of issue, knowing full well the power that lay in that move. Our State Bank, on the contrary, is dependent upon money voted by this Parliament, whereas it could do all those things about which we are squabbling and haggling with the Federal Government today, just as all private banks have done it in the past when they financed the development of Australia.

Only this morning the member for Chaffey and myself were out in the district of Prospect—and it is a pretty huge one now. Incidentally, I hope that the member who represents it can find his way about. If he can, I think he must be the only man besides

the postman who can. I do not know what plan the Housing Trust is following, but one is likely to run into a dead-end at any turn; I have never seen such a maze in all my life.

Mr. Whittle—Where is that?

Mr. QUIRKE—In Kilburn.

Mr. Whittle—That is not in my district.

Mr. QUIRKE—Then I congratulate the honourable member. The only way to get out of the maze is to fire a Very light and signal for help.

Mr. Whittle—Town planning, like other new-fangled ideas, has its disadvantages as well as advantages.

Mr. QUIRKE—I hope that someone will bring me face to face with the planner so that I may see what sort of individual he is. Coming back to the point I was discussing, I hope that soon we will be given the opportunity to resume our Sovereign powers because until we have them we are going to be dragging the knees out of our pants begging our way, and as a citizen of South Australia I am not prepared to accept that. Another important question is that of the security offered by Federal loans. Today 1964 and 1965 stock are quoted at £89 10s. and £88 10s. respectively, and they have been even lower. Recently I was called on to administer an estate in which these loans formed part of the security. In order to distribute portion of the estate it became necessary to sell them and the net loss to the estate was £500.

Mr. Macgillivray—That is the price of loyalty.

Mr. QUIRKE—Exactly. That is the price these people have to pay for answering the call to find money to finance the war. Protection should at least be afforded in the case of deceased estates if there is none elsewhere.

Mr. Macgillivray—The Commonwealth Government should buy those bonds in order to stabilize them.

Mr. QUIRKE—They should never have been allowed to deteriorate by that amount for their price is being forced down only by speculation. They are being used as a medium of gambling and it is time we took a stand against it. We are told there is poor support for Government loans, but why should people support them under these conditions? What compelling force is there to make people invest their money in Government loans when they can see their security disintegrating under them and allowed to do so. The member for Burnside has given evidence of the capacity of the people to subscribe; he says there is plenty of money and so there is, but the people

will keep it where it will not deteriorate as rapidly as if they put it into Commonwealth bonds. I do not blame them either. I do not disagree with the principle of the Government's using the surplus money of its people, but I do disagree with inflated interest charges. It has been said that the poor support for loans has caused the curtailment of public works, but that is absolutely drivel. If it is possible to get it in one place, through national credit, it is possible to finance any works. In other words, the restriction policy is deliberate—part and parcel of the policy known as sound finance. In a time of war enormous sums come into the hands of the people and into the Savings Banks because the people are employed in the manufacture of non-consumer goods that are blown up and destroyed. Nobody has to buy them and therefore the full wages earned in their manufacture compete for, or are stored against the time when it is possible to spend them on, consumer goods. The policy of sound finance is to get that money out of the hands of the people as quickly as possible. That was the policy of the depression days. It was world-wide and very successful, but too many people know too much about it now so that it will not be so successful this time, thank God! However, we are never lacking in people prepared to try it. Such people are traitors to the Commonwealth. I would arraign for treason people who endeavour to subjugate the lifeblood of this country to the interests of finance because that is a treasonable act. I have been very disturbed lately to see Labor and union leaders publicly boost the Government's borrowing of its own credit. Let them look where they are going, for they are certainly not on the right path: they cannot criticize and support at the same time.

Mr. Pattinson—The honourable member does not suggest that there should be no Government loans?

Mr. QUIRKE—Not at all and I have already said so. My disagreement is with the statements that these people are making when supporting those loans. One statement is that we are going to have unemployment.

Mr. Pattinson—I do not think they are very far from the truth.

Mr. QUIRKE—Let us have a look at what Mr. Menzies said on the Budget debate in 1946 when he was Leader of the Opposition. The *New Era* of June 27, 1952, published the following:—

The weight of direct taxation is therefore unquestionably the greatest deterrent to pro-

ductive effort, and reduction of direct taxation would afford the greatest incentive to such effort.

And this is what Sir Arthur Fadden said on September 21, 1948, in criticizing the Chifley Budget:—

What of the inflationary course pursued to raise the money (*via* high taxes), the high sales tax and other indirect taxes which force up the price of goods? . . . It would be far sounder economic planning for social security and national welfare if the price of goods came down through alleviation of sales tax; if basic wage rates remained stable through pay roll tax remissions, and other reductions in indirect taxation, and if lowered income tax raised the volume and value of production.

The paper added^a this comment:—

We repeat, these men are political apostates and should be voted out of office at the first opportunity.

These were the people who advocated reductions in direct taxation, the payroll tax, and the sales tax. If it were Sir Arthur Fadden's policy then, why is it necessary for him to change it now? While we have adherents of orthodox finance we will always get this kind of thing. People have short memories and do not remember that, and so these politicians consistently get away with it.

Mr. Macgillivray—They did not get away with it this time.

Mr. QUIRKE—It was the pressure of public opinion which prevented that and it is a good sign that the people are awakening to their responsibility. When we have a more direct approach to the people of South Australia through our financial policy they will take a greater interest in the South Australian Parliament, which will all be to the good. When organizations wish to purchase primary commodities for manufacturing purposes and approach the banks they are told, "We cannot let you have the money." Possibly on other occasions money was made available without question, but now, because of Federal policy dictated by dud economists in Canberra, to whom political leaders evidently lean, they are told, "We must restrict advances." The result is that honourable business men are compelled to tell the people from whom they usually purchase primary goods, "We are unable to pay you as we thought we would be able to." Because of that they have to pay interest on the amount outstanding. That is what this restriction policy has done. The effect is that money is just dribbling in over the whole 12 months and payments to primary producers are extended over a period longer than is necessary. That is bad policy and

completely inexcusable. No-one can truthfully say that that policy is necessary. It is doing incalculable harm to industry in this State. Every honourable member knows of one big South Australian organization which handles large quantities of primary producers' products which was refused £600,000 by the banks, but it was eventually provided by the State Bank. Has anyone found out why the banks refused the money? If that is the banks' policy, why is it that the State Bank was able to do it? Every other bank approached could have found the money if it were not for the restrictions placed upon them. The Industries Development Committee had to step in and handle the problem. It was a disgraceful episode which smelt very badly.

I shall now deal with the question of road maintenance by councils. The council of which I am a member has increased its rates to 4s. 3d. in the pound. Even if councils increase their rates to the maximum allowed by Statute they will still be unable to keep their roads in proper repair. The Minister of Local Government twits councils when they apply for advances. "Why don't you put up your rates and get some money?" is his response. Perhaps he has some ground for making that suggestion, but as a result of the financial position of councils roads are falling to pieces, and I do not know how they are going to tackle the job to get them back into proper repair. The position is that the more machinery a council has the worse its roads, because so much of its rates has to be used to pay for the machinery that insufficient remains to do all the work required on the roads. There are roads in my own district on which no metal has been used since the council bought roadmaking machinery. I know of councils with roadmaking machinery which has cost £40,000, but they have no finance available for metalling their roads. It therefore becomes a question of grading and regrading dirt tracks and placing small quantities of gravel on the surface. These roads have no proper foundation, and during this winter have been cut to ribbons and are useless. The result is that the councils are unable to handle the position, therefore, we must have a policy for roads other than main roads. Recently I travelled over the Hill River road. It was more comfortable to walk in the paddocks than on the road, because there was from 2in. to a foot of water on the roadway, which had eroded to such an extent that now it is more like the bed of a creek. Heavy

subsidies are necessary to enable councils to tackle the job, as it can no longer be done from their rates. If the Clare Corporation approaches the Highways Department for a grant for road work it is told that the type of metal to be used for sealing must be hard stone. No stone in Clare is of suitable quality and therefore it has to obtain metal from Lochiel which costs £2 a yard landed at Clare. Before the Lochiel supplies were available metal had to be carted from Red Hill. The metal actually costs 15s., and the cartage the remainder, therefore a grant of £200 does not go very far and in the circumstances it is impossible for councils to keep their roads in proper order. Millions of tons of 2½ in. metal are needed for various roads in South Australia and yet it is impossible to buy a ton if it under £1 a yard.

Why financial restrictions should be placed on people desiring to purchase a home is beyond apprehension. That is a suicidal policy if ever there was one. There is no need to enlarge on it; it is here and is an established fact. No member can condone such a state of affairs, and yet it is a matter of Federal policy and we slavishly subscribe to it. Many people are finding it difficult to raise money to purchase a home; that is all wrong.

I am glad that the Treasurer has introduced a Bill to remove some of the restrictions on house building because some people were developing their wishbones instead of their backbones. They would come to members and say, "I want a Housing Trust home," and when asked, "Why don't you build or try to get a house?" their replies would be, "It is a bit difficult. I don't know how to go about it." Every member has had experience of such persons until he feels like throwing them out by the scruff of their necks. They should be obliged to get out and do something for themselves. Spoonfeeding is having a bad effect on the people of this country; a person should be obliged to use his personal initiative and only in the direst circumstances become a mendicant. I do not want assistance given to people as a handout; they should try to help themselves and retain their self-respect.

This afternoon the Minister of Works implied that it was the democratic will of Parliament that gave away the Ministerial control over departments. If that is the will of Parliament we can change it, and a change is overdue. There are the Housing Trust, the Electricity Trust, the Tramways Trust, the

Commissioner of Highways, the Commissioner of Railways and boards of every description; we vote huge sums of money for these organizations and have nothing to say about its expenditure. The sooner we revert to Ministerial control the better. If a member wants information the Minister cannot give an answer straight away. What control has he, for instance, over the spending of money voted to the Commissioner of Highways? I do not make a personal criticism of the Commissioner of Highways but he has been given power which should be vested in the Minister.

Sometimes I criticize the Treasurer but he deserves praise for his part in the change in regard to spending. He is more responsible for that change which was forced upon the Federal Government than any other person in the Commonwealth. He stood up for the change but unfortunately there were too many who did not persist in doing likewise. I would like to see Government members rely more on themselves than on the Treasurer. It is all very well to praise the Treasurer all the time, but, as the honourable member for Chaffey said, the Premier is carrying a good deal of dead weight, due to the mistletoe activities of members of his own Party.

Mr. Macgillivray—Don't you think they are parasitic growths?

Mr. QUIRKE—Call them what you like, it is still the Treasurer's own fault. He is a bad executive because, having such a great capacity for work, he tries to do everything himself. Perhaps his followers are not to be fully blamed. He should parcel the work out to them and if they cannot do the work they should be sacked. I offer this advice as a friendly warning because he will not be able to stand the wear and tear of his many activities much longer and if he collapses it will mean the end of his outfit. I trust that these Loan Estimates are the forerunner of a saner approach to the financial problem in South Australia, but we shall only get full satisfaction when we control our own Ministerial policy and that cannot be too soon.

Mr. LAWN (Adelaide)—What a remarkable change has taken place in our Loan Estimates in the last 12 months! During the last session various members questioned the Minister of Works about water supplies and inevitably he gave the same reply. The member for Glenelg asked him a question on November 20, 1951, and quoted a letter from one of his constituents. Portion of the letter read:—

Sink water heaters have to be turned off all the week-end, buckets of water placed near the

lavatory because the water is too tired to climb into the cistern.

The Minister's reply concluded:—

If we could get more men and materials we would do the work at Helmsdale more quickly. A number of members made complaints about water supplies and the Minister always replied that we had the money but not the materials or labour. Unfortunately this year we have the highest number of unemployed for years; there were 2,146 unemployed in Adelaide as at July 25. Evidently we now have the labour, and in that regard I quote from the Treasurer's introduction of these Estimates:—

For the greater part of the year materials and labour were in short supply, but during the latter part of the year materials were more plentiful and more labour was available. During this period departments were able to make greater progress with various essential works.

They were able to make progress because materials and labour were more readily available, and I take it that during this financial year that position will continue. Twelve months ago we had plenty of money and did not spend the amount allocated to us by the Loan Council, but now we have a shortage of money. I fail to understand the Liberal Party's financial policy. Later in his introduction the Treasurer said:—

Members will have noticed that this year both the Housing Trust and the Electricity Trust will have to get some of their money by means of semi-governmental loans. That became inevitable when the Loan programme was curtailed. It also means that the State is departing from its traditional policy of borrowing only through the Loan Council.

Instead of the normal procedure being adopted, certain instrumentalities will now have to raise their own loan moneys. Since his speech, the Treasurer has visited various parts of the State and, in reply to a request, stated that if a certain area liked to raise the money in its locality its public works would be carried out by the Government. It seems as though the Commonwealth policy of making allocations to various States has now broken down. According to the member for Stanley, the Federal Treasurer said we are getting some money from the Commonwealth Bank as from national credit. Semi-governmental instrumentalities have been advised that they must raise their own money and the Premier has told people in Mount Gambier that they will get public works if they raise the necessary money. This does not make sense to me. I cannot visualize the Commonwealth Treasurer telling people that if a third World War broke out we would

not have enough money for defence. I find it hard to swallow the statement that more money for public works cannot be made available this year. In previous years Liberal supporters have always said that it would be useless returning the Labor Party to power because it would not be able to get money for developmental purposes. There was a time when it was said that the Scullin Labor Government would be unable to pay pensions.

Today Australia is facing an economic crisis similar to that of 1930. Between 1941 and 1949 the Curtin and Chifley Governments paid off £100,000,000 of our overseas debt and did not borrow any money overseas, but during 1950 and 1951 there was an increase in the overseas debt. There has been a considerable rise in borrowings from America and at times it has been difficult to find enough dollars to pay the interest on money borrowed from that country. We all know how exports to America have been encouraged, even the selling of crayfish tails, in order to earn dollars. Our financial position is due to the policy adopted by the Liberals. The Premier said that the State had been authorized to raise an overseas loan of £3,883,000 to finance the capital works and operating expenses of uranium development. There is no need to go overseas for money; we found it here in war time and we could find it now. According to the March, 1952, quarterly summary of Commonwealth statistics, Bulletin No. 207, the public debt of the Commonwealth and States to America, repayable in New York in dollars, was as follows:—

	£
1939	44,178,000
1948	40,704,000
1949	40,462,000
1950	40,171,000
1951	41,594,000

Recently, following on his return from a visit overseas, the Prime Minister said at Brisbane that he had raised an American loan of 50,000,000 dollars. This was bad enough, but he made the position worse by saying he hoped it would be an annual affair. I protest against such a loan and I hope it will not become an annual affair. Why should we spend money overseas in order to get goods in return when we have men in this country who could produce them? One big manufacturing firm in Western Australia had to dismiss 1,000 employees because under the 50,000,000 dollar loan Australia got from America tractors and earth moving equipment which the company could manufacture. The annual interest payments to

America on the loans I have mentioned, and they must be made in dollars, were as follows:—

	£
1939	2,219,000
1948	1,614,000
1949	1,606,000
1950	1,597,000
1951	1,658,000

Interest will have to be paid on the recent 50,000,000 dollar loan and on the American loans the Prime Minister hopes to raise in the future. Although our Premier referred to the £3,883,000 to be borrowed overseas he did not indicate where it would be raised and what materials would be purchased. It looks as though happenings in connection with Radium Hill and Rum Jungle are the same. We do not know the details of the agreements. All we know is that money is to be borrowed overseas and that our uranium ore is to be sold to a joint United Kingdom and American organization, the ore being delivered in America. One cannot be blamed for being suspicious that America is getting a hold on Australia's uranium. It will be used so long as America wants it, and probably when uranium can be obtained elsewhere the agreements with Australia will be forgotten. In the meantime, we will have borrowed American money, which we will have to repay. These dollar loans are being raised in America following on a visit to Australia by an official of the International Bank. Again there is a suspicion in my mind, and in the minds of a number of other people, that we are approaching a position similar to the one we had prior to 1930, when we had a large number of unemployed people and wages and pensions were reduced. About that time Sir Otto Niemeyer visited Australia.

Following on the visit of this International Bank official American loans are being raised, our programme of public works is being curtailed and there is an increase in unemployment. I wonder whether all these happenings are not linked together. It may be that the money is not available from America unless certain things are done in Australia. The official must have been satisfied with his investigations because he recommended the loan. We know what happened following on the visit of Sir Otto Niemeyer, and it is likely that the same purpose was behind the visit of Mr. Black of the International Bank. Apparently we are to implement the policy of Professor Hytten, which is the policy of the Liberal Party in Australia, and have a large army of unemployed people. It was on those conditions

that American dollars were made available. It is not sound finance.

Mr. Riches—Work will only be done in the wealthy districts.

Mr. LAWN—Public works will be carried out only in districts where the public raise loans. The Government has lost the confidence of the people and if the present position is not rectified before, the electors will see that it is next year. The Premier told members that the Housing Trust and the Electricity Trust would have an opportunity to raise their own money.

Mr. Geoffrey Clarke—Do you mean that if a Labor Government is returned it will repudiate the uranium agreement with America?

Mr. LAWN—I was referring to the State Government, which has lost the confidence of the people.

Mr. Whittle—How do you know?

Mr. LAWN—Next year the people will show the honourable member.

Mr. Geoffrey Clarke—You said that the people had lost confidence in the Government and that the position would be changed. Does that mean you would repudiate the uranium agreement?

Mr. LAWN—I do not know what the agreement contains. How can I repudiate something of which I know nothing? My Party does not believe in repudiation as a general principle. The electors will show the member for Burnside that this Government has not got their confidence.

Mr. Geoffrey Clarke—You read about it in *Hansard* next year.

Mr. LAWN—I think the honourable member is trying on a big bluff. It is well-known in Liberal circles that the Government is worried about being returned next year.

Mr. Whittle—That sounds like a bed-time story.

Mr. LAWN—There is a growing tendency for unemployment to increase, but I sincerely hope it will not. The Government's objection to the Prime Minister's policy is based solely on its fear of the result of general elections next year. The Government's policy of endeavouring to keep as many as possible, if not all, employed on Government works can again be traced to a fear of next year's elections.

Mr. Whittle—That is a joke.

Mr. LAWN—It is not; I am quite frank about it. The Government is not supporting the employers in the Arbitration Court for a reversion to the 44-hour working week, freezing wages, and a reduction of the basic wage because of that fear. It is a complete reversal of form of our Liberal Government, which sent

officers from the Crown Law Department to the Federal Arbitration Court in an endeavour to prevent the workers from obtaining a 40-hour week. Wages in this State were always below those fixed by the Commonwealth Court and because of that the Government has been able to attract industries to this State and keep them from going to other States.

Mr. Whittle—Isn't that good policy?

Mr. LAWN—If the member for Prospect claims that the Government's past policy was good let him deny that it is a complete reversal. The Government has changed its policy simply because Mr. Whittle and his colleagues have to face the electors. He knows that the electors of Prospect lack confidence in the Government and that Government supporters know there is grave doubt about its being returned next year. Our next Premier will be the Leader of the Opposition, Mr. O'Halloran. Members of the Labor Party are looking forward with confidence to next year's elections. Let the Premier's supporters ask whether he is looking forward to them with any confidence. I am certain that as Premier and Treasurer of this State he is not too happy about the position. When a racehorse shows a complete reversal of form punters cry "Rub him out," but they have no say as to whether it should be rubbed out. In this case, where there is a complete reversal of form by the Government, the electors will rub it out; they have the say.

Mr. Teusner—The honourable member will be the next Minister of Propaganda.

Mr. LAWN.—I could do a better job than the member for Angas. The Premier is the only man in the Liberal Party who is any good at propaganda. We never see any announcement of policy of the Liberal Party unless it comes from him. The members for Chaffey and Stanley referred to the dead timber and white ants amongst Government supporters. I referred just now to the sad position in which a large number of unemployed men find themselves today. I deplore the fact that, because of unemployment, soup kitchens must be set up in our northern towns. That a Minister of the Playford Government must tell members of the Commercial Travellers' Association to preach confidence in the Playford Government to their customers is a shocking indictment of the Government and indicates that we are not far from the conditions of the early 1930's.

Mr. FRED WALSH (Thebarton)—I am perturbed with regard to the amount of loan money available to this State and regret to hear

Government members suggesting a curtailment of expenditure on various works, particularly schools, hospitals, and housing, for those things are necessary in a growing community. To a great extent we depend on the Commonwealth Government for funds to carry out such projects, but insufficient money has been forthcoming because of the way in which the Menzies Government has bungled the administration of this country since it came into office. Prior to the 1949 elections Mr. Menzies promised to put value back into the pound and assured Australians that they would live in an earthly paradise, but he has carried out none of his promises except to find petrol—at a price! Restrictions on imports, which had been imposed by the Chifley Government to protect the Australian economy, were eased by the Menzies Government with the result that within a very short time our overseas credits had fallen from about £800,000,000 to less than £200,000,000, and, if the present policy is continued, it is reasonable to assume that before the next general Federal election they will have disappeared.

While I do not agree with all his statements, I agree with the reasons given by the member for Stanley for the recent lack of public support for Commonwealth loans. People will not subscribe because they are afraid they will not get their money back, and it is only reasonable for people putting money into a loan to expect all of it to be returned to them at the time of redemption. Not only the wealthy have subscribed to Commonwealth loans, but also the middle and worker classes, who, prompted by patriotic rather than profit-making motives, have lent their money to be used in the defence and development of this country.

It is the responsibility of the Commonwealth Government to maintain full employment and, by co-operation with the States, to see that a full works programme is carried out so that that objective may be attained, but I ask whether full employment is the policy of the present Government and big employers. Professor Hytten has suggested that a sound economy could be based only on the maintenance of an 8 per cent pool of unemployed, and that principle, under the title of "frictional unemployment," has been preached in Great Britain. It is claimed that this principle creates in the mind of the worker a complex of fear that he is likely to lose his job with the result that he becomes more amenable to direction and obeys the urge to produce more. The members for Rocky River and Flinders

claimed that workers were being told by trade union officials that they were fools to work hard, for they were working for a boss. Such a claim is ridiculous, for there is no desire on the part of trade union officials for under-production. Indeed, the President of the Australian Council of Trade Unions has repeatedly appealed to workers to produce to their fullest capacity so that the Australian standard of living might be retained, for if all workers were to loaf on the job, the resultant under-production would lower our standard of living. The agenda for the special congress of the A.C.T.U. to be held in Melbourne on September 1, 1952, contains the following item:—

Congress condemns all policies, from whatever source they may originate, which have led to under-production or wasteful consumption of locally produced raw materials—iron, steel, coal and cement in particular.

That statement is indicative of the feelings of most trade unionists, and I believe it will be accepted by the congress, which is the controlling authority of the Australian trade union movement. When some people claim that the worker is not giving his all to the job, I am reminded of the employer who, whilst operating under a cost plus system during the war, received a margin of profit based on the cost of labour and materials. In those circumstances it suited him if the employee loafed on the job, for that meant a higher profit. We must also remember that during the war years, and those immediately after, aged and infirm workers and married women were engaged in industry in large numbers. An old worker cannot give the same output as a young man and married women have domestic obligations; all these factors retard production to some extent. I do not think many members would like to see a system introduced, similar to that in Russia, where the skilled man is made the pacemaker. The member for Flinders, during another debate, referred to the high rate of production to be found in North America and, as he said, the low rate in Australia. He said:—

In America, massive strides in production have been made over the last decade. In Britain and Australia, advances in production have been, by comparison, meagre.

Is it fair to compare Great Britain with America over the last decade? England has had to contend with all sorts of tribulations whereas America was almost as far removed from the war zones as was Australia. Further, many sources of raw materials have been

denied Great Britain. The honourable member said that Australia, per head of population, could not compare with America in production, but that showed he did not know what he was talking about.

The ACTING CHAIRMAN—The honourable member is out of order in quoting from a debate in the House. We are now in Committee.

Mr. FRED WALSH—The member for Flinders said that a miracle had been performed in development in America and that that country became a nation out of a few bands of Indians and the Pilgrim Fathers. I consider that it has been miraculous how Australia has been developed with less than 8,000,000 people, although I do not think the American Indians contributed to the development of that country any more than our aborigines did here. Australia compares quite favourably with America, especially as our resources have not yet been fully tapped. Many people bracket Canada with the United States, but I do not know why. Canada is in a position similar to Australia in regard to development. In 1949 the average income in the United States was \$1,453, equal to about £647. The average in Canada was \$870, in Great Britain \$773, and in Australia \$679. I am quoting from figures issued by the statistical office of the United Nations. The average earnings in about 70 countries were listed, the lowest being in Indonesia, \$25. The average in New Zealand was only \$14 less than in Canada, namely, \$856. In Switzerland it was \$849. There was a steep drop in the average income after Australia, and this gives the lie to the statement that Australia does not compare favourably with other countries. Many members still blame what they call our high standard of living for our economic problems. Australia has always enjoyed a high standard by comparison with other countries. In the years following World War I. we had a standard probably higher than that of any other country, but that position was not maintained.

The pet subject of the member for Rocky River is the 40 hour week, but I point out that Australia was not the first country to introduce it. Employees' organizations, and even some Governments, in the 1930's said that its introduction was essential to alleviate unemployment. In 1935 an I.L.O. conference passed a resolution favouring a 40 hour working week. The only employers' representatives attending that conference who supported a 40 hour week were delegates from the United

States and Italy, the latter country being the first to adopt a 40 hour week, this being in 1933 under Mussolini's regime. Australia was the first country to introduce a 48 hour week and, I believe, a 44 hour week. Although technological practice in Australia was just as good as in other countries we were 14 years behind the United States in adopting the 40 hour week, 15 behind Italy, 12 behind New Zealand, and 10 behind France.

Sitting suspended from 6 p.m. to 7.30 p.m.

Mr. FRED WALSH—The member for Victoria referred to the working week. Every time he speaks he gives the impression he is imbued with the idea that the worker has too many social benefits and that they should be curtailed. It has become an obsession with him. He expressed the view that there was no likelihood of any unemployment in the near future. The following is the official unemployment figures for South Australia for the week ended July 26, 1952:—367 males and 81 females receiving unemployment benefits, a total of 448. The totals for Australia for the same period were 10,375, 3,105, and 13,480, and the total for the previous week was 12,015, an increase of about 1,500. That gives an idea of the trend in the unemployment position. The International Labor Conference, among other things, considers the question of unemployment and at its last conference in June this year the Director-General, Mr. David A. Morse, warned member nations to begin making plans to prevent unemployment when present rearmament orders started to slacken off. Recalling that he had predicted sharp price increases a year ago, he said that in many countries prices had risen even more rapidly than during the war and immediate post-war periods. He added:—

In many countries today the economic situation is dominated by the fact that they are trying to do more than their resources will permit. Rearmament, economic development, and the maintenance and raising of living standards are competing for scarce supplies of labour, material, and equipment. The result, too often, is harmful price rises and a tendency for these different objectives to get in each other's way.

At the same time there had been a fairly widespread recession in consumers' demands, resulting in unemployment in consumers' goods industries at a time when there was an acute labour shortage in heavy industry. Energetic measures are needed to change the picture—increased mobility of labour, pressing on with economic development plans, maintaining adequate levels of effective demand, temporary or permanent migration where needed, increased productivity, placing of orders in countries

with unemployed resources, and the provision of materials, capital equipment, and technical assistance to under-employed countries.

Countries should seek to adjust their total demands for rearmament, economic development, and improved living standards so as to avoid both inflation and the overshadowing of socially urgent objectives by others which are less urgent. It is not too early to urge that serious and responsible thought be devoted over the next two years to ensuring that when expenditure on rearmament is reduced the result will be not a cruel return of mass unemployment, but an expansion of economic development and a raising of living standards.

I suggest that there is no authority better able to express an opinion on such matters than Mr. Morse with his long experience in an organization which is in a position to ascertain the facts concerning the different countries. It will be agreed that the position he outlined applies not only in Australia, but generally throughout the world. We are fast reaching the stage where we are heading for a position similar to that which confronted us in the early 1930's. It is only by statesmanship that we will be able to defend ourselves against any possible effect of recession that may commence in other parts of the world and which in turn may have repercussions in this country.

Despite what some may say to the contrary, I am one who believes that we are just as dependent upon other countries and are just as much affected by happenings overseas as any other country. Therefore, it is the duty of the Commonwealth and the State Governments to see that steps are taken to prevent the effects of any world-wide depression. When it was in office the Chifley Government had in mind the possibilities of such a happening. It was not foolish enough to believe that the boom we experienced in post-war years would continue, and it set aside £600,000 to be used for developmental works during periods which are likely to confront us in the not far distant future. Mr. Menzies a couple of years ago predicted that we would again be at war within three years. Now he has a tendency to hedge on that, because war appears to be a little further away. I think that the fear of aggression is more imaginary than real because I do not believe that the people we are afraid of commencing a world war have the necessary industrial potential. They may by infiltration and other methods annexe certain countries within their sphere of influence, but I do not think another world war is possible. It appears that America is now appreciating that fact, and as a result there is a falling off in armament

orders, which in turn is reflected upon its economy. It will in turn be reflected upon our own economy. Only last week Mr. Meazies said that 6s. 6d. in each pound of our taxation was being paid towards the cost of World War II. and in preparation for another possible war. I think he can forget about preparation for the next war, although I am not unmindful that there is always the possibility. My prophecy might be wrong and I would not like the Commonwealth Government to act on it and not undertake preparations.

Mr. Michael—Don't you think that preparations for war by America, England and Australia in the last two years have lessened the dangers of an outbreak?

Mr. FRED WALSH—That may be true.

Mr. Michael—You would not say that our preparation for defence in the last year or two was wrong?

Mr. FRED WALSH—No. I am trying to show that as the result of the likelihood of war falling into the background there will not be the same demand for armaments, and this will be reflected in industry generally, and instead of producing armaments industries will be engaged in the production of consumer goods and goods for the development of the country. This will be reflected in the unemployment position. Although much has been said about the possibilities of another war I, as much as any honourable member, appreciate our obligations under the United Nations Charter. I regret that the majority of Australians do not appear to appreciate these obligations.

It is to be regretted that the League of Nations was a complete failure, chiefly because it was dominated by one or two countries. Although the United States of America was really responsible for its establishment, it never actually came into it, and when it was suggested during the time of Italy's aggression against Abyssinia that sanctions should be applied against Italy, the United States of America was the first to refuse to agree, and therefore upset that proposal. Towards the close of World War II. people were looking for the establishment of such an organization to prevent another world war. Russia and some of its satellites joined the United Nations and agreed to comply with its Charter, but unfortunately some of these countries are not living up to it. Under it Australia has to meet certain obligations and commitments, and it is only right that we should do so. The people of this country have to be educated

to these obligations and shown that only by the successful operation of such an organization can another world war be prevented. America has supplied the preponderance of men and money in the Korean conflict, but surely Australia is entitled to representation at the Peace Conferences. Armistice talks have been continuing for about 18 months but, so far as I know, no Australian has been consulted about the terms. It is time this Government brought pressure to bear on the Federal Government to take an active part in the settlement of the Korean war. What is the objective in Korea? Is it to set up an independent Government in South Korea? If a Government is set up in North Korea and another in South Korea and the United Nations vacate the country North Korea with the aid of Communist China will soon have such an influence that a general republic will be established over the whole of Korea.

Mr. STEPHENS (Port Adelaide)—It is not my intention to say much at this stage; I shall leave most of my comments until the discussion of the individual lines. Australia should be in such a position that it does not need to borrow so much money. The Loan Estimates provide for the expenditure of about £29,000,000 this year as against £31,000,000 last year. This year people have not subscribed freely to Government loans, and the Treasurer admits that because of the poor support accorded those loans and the inability of the Commonwealth to find even nearly as much money as last year, the works programme will have to be curtailed. A few years ago people subscribed liberally to Government loans, but they have lost confidence in the present Federal Government and will not subscribe now. I do not know what interest rates we shall have to pay on loans, nor the period of repayment. As a matter of fact this building that we meet in is not paid for and we are still paying interest on the money that was borrowed to erect it. I would not mind if we borrowed money within Australia, but most of our borrowing is done overseas and we are obliged to pay heavy interest. Some years ago the South Australian Government started an insurance office, which made a profit that was paid into revenue, but that work was passed over to private enterprise. The money the Government was receiving from that enterprise would have been sufficient to pay for this State's social services. We should know the period of the loans, the interest charges, and to whom the interest is paid. I hope the day

is not far distant when we shall borrow the money that is required from Australians and not from overseas.

Mr. WHITTLE (Prospect)—The honourable member for Port Adelaide suggested that nothing had been done to wipe off the debt on this House, but I recall that as a result of a surplus in the State's finances some years ago that debt, together with other debts, was liquidated. That was done during the regime of the present Treasurer. I recall that incident because there was a £20,000 debit in the books for the undergrounding of water on the Main North Road at Prospect and that amount was also wiped out. I suggest that the honourable member for Port Adelaide has a poor recollection of the actual facts.

Mr. Stephens—I knew the facts.

Mr. WHITTLE—The fact is that there is no debt on this House now.

Mr. Stephens—When was it liquidated?

Mr. WHITTLE—I cannot give the exact date, but no doubt the Treasurer can. According to the Opposition, the present Government will not occupy the Treasury benches long, but it will do so long enough to prove that what I say is correct. That is an instance of good Treasurership and represents good accounting.

Mr. Stephens—Was the debt paid off or converted?

Mr. WHITTLE—It was a book debt and it was wiped out with money that was available. That money was not raised in any fanciful way. I was considering leaving the remainder of my remarks until we were discussing the various lines, but I find that the matters I am most interested in do not appear in the Loan Estimates. Certainly there is the heading "Education," and I consider that the district I represent has been harshly treated as regards education, because insufficient money has been obtained under the loans. I refer particularly to the Nailsworth boys technical school, where an unfortunate series of incidents occurred. The Education Department realized that it was necessary to have another school to house students from Nailsworth, and after negotiations land in Rakes Road was transferred from the Hospitals Department to the Education Department. Plans were prepared for a substantial building and placed before the Public Works Committee, but the educational authorities considered they were not quite suitable. They were formulated on the ideal of small classes, but smaller classrooms necessitated more teachers and as more teachers were not

available it was considered advisable to enlarge the classrooms and the plans had to be redrawn. Had that not been necessary, in all probability tenders would have been called and accepted and this school would have had some priority, which unfortunately it has not at present. The need for that school is greater than ever because a great number of homes have been erected in that area. The honourable member for Port Adelaide has already instanced the increase in population in his area and the tremendous programme of house construction there, but the Housing Trust will erect between 1,500 and 2,000 homes in my electorate within the next two years. The need for the school will become greater, but the building cannot be proceeded with until loan money is available. I stress the importance of this school because no matter what Government is in power it must realize that that school should be completed as soon as possible. In some directions my district has been fairly well catered for by the erection of prefabricated aluminium school buildings. The Enfield school is practically completed and the foundations are down for an aluminium building at Northfield. For 11 years we have been asking for a school at Hampstead. Hundreds of private homes have been built in the area, as well as a number of Housing Trust homes. Because of a move to change the site of the school there has been a delay. The Commonwealth Government acquired land for its housing scheme and it was only after much negotiation between the Federal member, Mr. K. C. Wilson, M.H.R., and the Commonwealth Works and Housing Department that it was decided to revert to the original school site, which is about 100 yds. from the military depot. The department held the view that the school should be built on land next to the Infectious Diseases Hospital, but that was an absurd suggestion, and unrealistic when considering the needs of the people. Because of this difficulty over the site there has been a delay in the preparation of plans for the school. I think its erection should be given a No. 1 priority next year. I do not suggest an aluminium building: there should be a more permanent building.

Mr. Shannon—Do you think that an aluminium building will not be permanent?

Mr. WHITTLE—Yes. The aluminium building at Enfield is not so ornate as a brick building. The chief consideration is to have a school within easy walking distance for the children. It should not be as far as 1½ miles away. I had to walk about 1¼ miles to school

and it did me no harm, but in these days people expect a school to be much nearer than that. I hope both the technical high school and the Hampstead primary school will remain before the Government as urgent projects. I was surprised to hear Mr. Lawn play Party politics as he did when he suggested that the Premier was not sincere in his remarks. About 90 per cent of the people, whether Liberal or Labor, agree that the Premier is sincere in all his statements. Because the Premier said he would not oppose the move of the unions to retain the 40-hour working week Mr. Lawn said he would not do so because of the State elections to be held next year, but that is too silly for words. I was surprised that Mr. Lawn should make such partisan remarks. Even some of his constituents would not be a party to it. I regret that loan works have to be curtailed. We cannot look back with pleasure on the days from 1930 to 1936 and recall the period of doles. In those years the council in my district tried to keep men working and to pay them for what they did instead of giving them the dole. A great number of people in Australia who are supposed to be working a 40-hour week are not doing the fair thing.

Mr. Macgillivray—You support the Premier simply because he said it.

Mr. WHITTLE—No. I have always said that if we had a shorter working week there would be repercussions so far as prices were concerned. Some awards are made in such a way that men have not the opportunity to work as they should. Some transport awards, for instance, should be reviewed. The man working on the road is always subject to criticism. Tramway workers have been criticized and I presume that the criticism was based on the work done on King William Road near Parliament House. I have had experience on Tramways Trust affairs and I know that tramway workers are continually under the eyes of some official.

Mr. Lawn—Give me one instance where the workers are not working an effective 40-hour week.

Mr. WHITTLE—It applies to some workers in the building trade.

Mr. Lawn—Give me another.

Mr. WHITTLE—I do not want to particularize. The tramway workers on King William Road were criticized. Some passers-by said they had been there a long time and it was suggested that they had been there nine months. As a matter of fact, they were there

only a few weeks. They did their work piecemeal and were continually on the move on account of the passing traffic, but were always under the surveillance of some of the public. Council workers are criticized also because they do not work solidly eight hours each day, but it is impossible to do it without a spell. Mr. Lawn said the Premier was not willing to oppose the 40-hour working week only because of the approaching State elections. I think that was playing Party politics as low as it was possible to get.

The ACTING CHAIRMAN—Grand total, £29,019,000.

Mr. STOTT—Mr. Acting Chairman, if we agree to these Loan Estimates totalling £29,019,000 shall we be prevented from discussing the individual lines?

The ACTING CHAIRMAN—If honourable members desire it I will put the lines individually.

Mr. STOTT—I would like them taken seriatim.

State Bank, £2,037,000—passed.

Highways and Local Government, £300,000.

Mr. MACGILLIVRAY—The voting of £3,050,000 for the railways and only £300,000 for roads and bridges shows that the Government is not seized with the importance of country highways. The amounts should be reversed. I refer particularly to the district of Chaffey through which runs the Sturt Highway, one of the most important trade routes in the Commonwealth. I doubt, notwithstanding the Hume Highway, if any other road carries a bigger percentage of trade between one State and another than the Sturt Highway, which is the link between Newcastle in the east and Perth in the west. The railways are not competent to shift all the goods offering and shipping is constantly being held up by strikes. Road haulage has developed greatly since World War II, and today heavy trailers carry up to 40 tons. The argument has developed that because road hauliers have taken advantage of modern vehicles they should be stopped. Liberal Governments are placing all kinds of restrictions on hauliers in the interests of the railways and it appears that private individuals are not to be allowed to operate. It is claimed that they are ruining our roads, but they pay for using them.

The total taxation—what I would call a super tax—received from those engaged in the motor industry is £70,000,000 per annum. Of the £70,000,000, sales tax on motor vehicles and replacements totals £16,000,000, petrol tax

£24,000,000 and customs tariff collected on motor vehicles for 1949-50, £11,698,141. Fees paid to State transport boards in addition to annual licence and registration fees is estimated at £2,000,000, covering all States. In 1949-50 State motor registration fees totalled £12,000,000. This year Queensland has increased registration fees by £1,000,000, and in New South Wales. Increased revenue from a greater number of motor vehicles must be taken into account. The total revenue from this source is estimated at £15,000,000. The tariff on rubber used by the motor industry is shown as £400,000. Road users are paying for the roads, yet are being penalized. The Highways Department is financed by them.

Mr. Michael—Should there be any restriction on the weight of loads?

Mr. MACGILLIVRAY—There are far too many restrictions now and we need a proper understanding of the responsibilities placed on road users. When the Government is up against it road users get all the licences they require, but when conditions return to normal, perhaps a week later, the same men are charged in court and fined for doing work which the Government asked them to carry on a week earlier. I object to this revenge complex that has grown up against road users. It would appear that they are the pariahs of our road system and are looked upon with suspicion and not as respectable members of the community. Nothing is further from the truth than to say that, while taxpayers as a whole are paying for the roads, the road haulier is destroying them, for he pays his proportion of the cost of their upkeep by way of excise duty and petrol tax.

Mr. Geoffrey Clarke—Doesn't the road haulier pass on his costs to the consumer?

Mr. MACGILLIVRAY—Possibly, but that is also true of the railways which pass on as much of the cost as they can to the people who use them, the deficit being met by the taxpayers as a whole. The road haulier must make his business pay or go out of business, whereas the railways need not pay their way. These road hauliers are young men imbued with a spirit similar to that of the early Australian pioneers. Our young people are told by the Government to leave the cities and develop the wide open spaces, but soon after they go out they find that they have contravened some State regulation which says they can do certain things at only certain times in only certain circumstances, and contravention of that law puts them into court. If Australia as a whole,

and South Australia in particular, is to be developed, a responsible committee should be set up by this Parliament to find out which works can be best carried out by our transport systems, for obviously, while the railways are suitable for certain jobs, they are not fitted for some other functions. Our coastal vessels could carry certain types and quantities of cargoes, but every member knows the condition of our coastal trade today. Only about a quarter of a million South Australian wage earners must stand the burden of £3,000,000 capital expenditure on our railways and a probable further expenditure of £5,000,000 to offset the losses made on them.

Our roads should be developed, for the advent of the first internal combustion engine sounded the deathknell of the railways. The motor vehicle gives a fluidity of transport and a sure protection against theft that is not possible on the railways. Whilst limiting the development of our roads and bridges, we are wasting millions on our railways.

Mr. STOTT—Parliament must consider the position of our interstate haulier who gives the merchant a far speedier service than the railways can. Today goods transported by rail from Mile End cannot be delivered in New South Wales within six weeks of dispatch, whereas goods carried by the interstate haulier are delivered within a week.

Mr. Whittle—Goods from Sydney are delivered here within a fortnight.

Mr. STOTT—Perhaps, but my statement referred to transport in the other direction. If delivery by rail takes so long, Adelaide business people will lose custom in other States. When the railway again serves Glenelg, will city members shut the carriers off the Anzac Highway so that all goods to that district will be carried by rail? Of course not, and it is just as absurd to deny country people modern transport facilities. Another point overlooked by city members is that country people must pay freight to and from Adelaide, whereas city people do not make that double payment.

Mr. Pattinson—I agree, but the honourable member must realize how generous are the city taxpayers who subsidize country railways.

Mr. STOTT—The honourable member is not generous enough to recognize that country people are carrying the greater burden notwithstanding the fact that city people are helping to meet railway losses. The country people pay both ways. Better roads are needed on Eyre Peninsula as well as in the river

areas; in fact, better roads in country districts would contribute greatly towards the food production programme.

Line passed.

Lands, £115,000—passed.

Irrigation and Drainage, £511,000.

Mr. STOTT—Is the £8,600 for the erection of houses and buildings at Loxton and other settlements the only amount that will be allotted for settlers' homes?

The Hon. T. PLAYFORD—That amount has no relation to the repatriation scheme at Loxton, which is covered by the War Service Land Settlement Scheme. It is to provide houses for officers of the department.

Mr. MACGILLIVRAY—Last year £10,000 was voted for a separate supply pipe main from Loveday to Nookamka and for raising the supply basin at Loveday, but I see no line for this work on these Estimates. What was done with the amount provided last year?

The Hon. T. PLAYFORD—I cannot say, but the lines under "Irrigation and Drainage" this year are those submitted by the department in accordance with its allocation of loan money.

Mr. MACGILLIVRAY—The Treasurer's answer does not satisfy me. Perhaps he cannot give me the information I want, but I always understood that certain Ministers were in charge of certain departments. The Minister concerned should be in his place to answer questions. We are here to protect the taxpayers. It is disrespectful to the Committee that there is not one Minister, apart from the Treasurer, in his place. I do not know whether that is the result of instructions from the Treasurer in order that he may take charge of the whole of the Loan Estimates. I am asking for information of vital importance to my district and to settlers on the Murray who have done so much to develop the State. I do not think one stroke of work was done last year on the Loveday-Nookamka main.

Mr. Geoffrey Clarke—The sum of £12,000 is provided for drainage works and pipelines.

Mr. MACGILLIVRAY—That has nothing to do with the matter. The Loveday-Nookamka main was approved by the Land Settlement Committee five or six years ago. This scheme was to provide a direct supply line from the Loveday pumping station to Nookamka, by-passing the Loveday area. I have asked the Treasurer what has been done, but he does not know. It is an

insult to the Committee when the Minister in charge of the department is not in the Chamber to answer questions. Surely the Minister of Lands and Irrigation would know whether any work has been done on this scheme. If the Treasurer does not know will he find out from the Minister of Lands what has happened about the pipeline approved years ago by the Land Settlement Committee for the purpose of overcoming the difficulty of supplying water to the Nookamka settlers—a line which was on the Estimates last year and is not on this year's Estimates? I have a letter from the settlers at Winkie who are desirous of establishing a township so as to attract there a reservoir of labour on which they can rely without having to resort to itinerant labour each season. They have approached the Minister of Lands and he approved of the suggestion. However, in a 10in. rainfall locality there must be a permanent water supply and their suggestion was to erect a tank to supply the new township. However, I can find no mention of this work. Where is the sense of talking about decentralization, of giving amenities to the country people if it is not carried out. I know we are short of money, but if the Government is desirous of developing our food production projects, settling our country areas, and giving the people in those areas a reasonable standard of living, it can be done only by spending money in the country. Are we going to give electric light and power and new roads to all the new suburbs around Adelaide or are we going to let them go for another year without those amenities and spend the money in the country instead?

I feel it my duty to ventilate these grievances. I know there is much propaganda warning country people that there is a possibility of the Government's losing certain seats in the metropolitan area, so it therefore behoves all true country men to come to the aid of the Party.

The ACTING CHAIRMAN—The honourable member must confine himself to the item before the Chair.

Mr. MACGILLIVRAY—I am illustrating my point that it is futile for the Government to give lip service to the country people and expect them to support it unless it does something for them. The Government will lose seats not only in the metropolitan area but in the country as well unless it does something about giving country people better amenities.

The ACTING CHAIRMAN—The honourable member must confine himself to the line—Irrigation and Drainage.

Mr. MACGILLIVRAY—With all respect, can you, Sir, tell me where I am going wrong? All I am trying to do is to show that the Government is making promises that it is not fulfilling. I have shown the Premier that last year £10,000 was voted for a certain project of major importance to my district; it would not only affect the amenities and the lives of the people, but the possibilities of my district supplying food and vegetables to the city. Where is the sense in the Government sponsoring the plea for more food production if it does not support it with hard cash? I repeat that I consider it a reflection on this Committee that responsible Ministers of the Crown are not in their places to give information when members seek it. The Treasurer cannot do it and I do not blame him, for he cannot possibly know all the departmental intricacies.

The ACTING CHAIRMAN—The honourable member should not continue in that strain. There is no mention in the three items of the line the honourable member is talking about.

Mr. MACGILLIVRAY—I accept your ruling, Mr. Chairman, but what I am complaining about now is that the Ministers of the Crown are not here to answer my queries and I would like to hear the Premier say whether or not he thinks it is just that his Ministers should be present to inform members about what is taking place in regard to the year's expenditure.

The Hon. T. PLAYFORD—I am happy to answer the honourable member. The Treasurer has always been responsible for the Loan Estimates, and when I introduced them I said that if there were any details which members desired I would willingly supply them. Obviously in a programme involving £29,000,000 it is very difficult to have all the details mentioned in a document capable of being dealt with by Parliament. The honourable member complains that my colleagues are not present. It is not their duty to be present. On occasions the honourable member is not here, but we do not get up publicly and say so. I pointed out in my original statement that the line "Loveday-Nookamka comprehensive drainage scheme"—

Mr. Macgillivray—That is not the line.

The Hon. T. PLAYFORD—If the honourable member is dealing with a line not on the Estimates I cannot give an explanation of it.

I said that if there were any line not mentioned and members would let me know I would get information for them. The honourable member has just brought up this matter and I will have the information for him tomorrow. At least I am pleased to see that the honourable member is taking an interest in the affairs of his district.

Mr. MACGILLIVRAY—I object to the Treasurer's saying that I am seldom in my place because I think there are few members here more often than I.

Mr. Geoffrey Clarke—He did not say that. He said you were sometimes not present.

Mr. MACGILLIVRAY—Now the little dogs are barking. I do not accept the Treasurer's statement that he is the only one who knows about the Estimates. If I were a Minister I would feel I would be remiss in my responsibilities if I could not come before this Committee and tell members why money was or was not spent. This is not the first occasion that Ministers have been absent from the Chamber when they should have been present. The practice seems to be to get rid of them and for the Treasurer to be left to answer all questions.

Line passed.

Woods and Forests, £1,110,000.

Mr. O'HALLORAN—An amount of £106,000 is provided for plant and machinery. Does this indicate that a new sawmill is likely to be established, or is the money to be expended to purchase plant and machinery for existing mills? I am impelled to ask that question because according to the Treasurer's figures the quantity of log timber expected to be provided by the forests this year is about 40,000,000 super feet less than that obtained last year. Any increase in marketing capacity which can be accomplished with available resources is not only necessary but desirable when we are importing considerable quantities of expensive timber from overseas.

The Hon. T. PLAYFORD—The item mentioned is not for the new mill recommended by the Public Works Standing Committee to be erected at Mount Gambier, but to provide for increased production at existing mills. For instance, case production at Nangwarry mill will be increased considerably. There will be no curtailment of work at existing mills, but the Government has not enough money to go ahead with its complete programme. The position now is that more labour is available whereas previously this was the bottleneck.

The overall production position is that there will be a big increase this year, including additional log supplies to private mills.

Mr. FLETCHER—An amount of £10,500 is provided for the purchase of land. Has that any relation to land required for the Cave mill or does it refer to land to be purchased for planting? For the erection of employees' homes and other buildings, improvements, maintenance and water supplies an amount of £47,000 is provided under "forest establishment," and under "sawmills" £50,500 is provided for the erection of employees' homes, other buildings, improvements, maintenance and water supplies. These two items total £97,500. I heard this week that there were a number of empty homes at Nangwarry and also the possibility of a few more forestry men becoming unemployed. I should therefore like to know where the proposed homes are to be erected, whether there have been any dismissals and any homes have become vacant.

The Hon. T. PLAYFORD—There are two branches connected with house building in this department. One operates on behalf of foresters and the other on behalf of those engaged in the saw mills. There have been no retrenchments; actually the Government is anxious to increase the number of employees. It has always been the Government's policy to buy suitable land ahead for forestry purposes. This is necessary to meet its planting programme of 5,000 acres annually.

Line passed.

Railways, £3,050,000.

Mr. O'HALLORAN—Is the £433,500 for cottages and other dwellings sufficient to carry out the total railway housing programme or has it been found necessary to curtail expenditure on this item? I am keenly interested because of the condition existing in Peterborough. There is an acute shortage of houses, and the result is that work is sent to Islington that could be done at Peterborough if accommodation were available. The Railways Department has carried out a good building programme in Peterborough during the last 12 months and I hope it will not be curtailed.

The Hon. T. PLAYFORD—Although the sum is less than last year it does not involve a diminution in the number of houses to be erected this year. Last year 253 houses were completed and 124 were in the course of erection. That meant that of the £669,000 voted last year an amount was spent on 124 houses from which no benefit was received in the way

of accommodation because they were not completed. This year provision is made for 433 houses and the programme will be much the same as last year. This item has grown from one which was practically non-existent. We are now pursuing substantial housing programmes and the policy in future will be to provide funds for such purposes.

Mr. MACGILLIVRAY—I question the amount we are to spend on railways. I doubt whether there is any other organization in the world that would keep on paying such huge amounts into a business which is obviously returning less income each year. For 1950-51 the railway deficit, excluding Treasury contributions, was £3,771,568. From statements attributed by the press to the Premier it appears that a greater deficit occurred in the last financial year and that taxpayers will be asked to pay between £5,000,000 and £6,000,000. We have about 300,000 wage earners in this State but even if there were 750,000, how long could they be expected to pay astronomical amounts to maintain one Government department which mulcts the public in such deficits?

Mr. Stott—Those deficits do not include the debt charges.

Mr. MACGILLIVRAY—No. Referring to debt charges the Auditor-General's report for the financial year ended June 30, 1951, reads:—

The total loss for the year to the State on railways was greater than the amount shown in the railway accounts because the Railways Department has been exempted by Parliament from including in its Revenue Statement for the year the annual debt charges on £4,467,000 of loan funds representing accrued depreciation on rolling stock and certain expenditure on the relaying of permanent way up to the 30th June, 1927.

It might be said that the railways are a social service for which the taxpayer must pay. Possibly there are certain functions the railways can carry out better than anything else. They can probably transport certain goods better than road hauliers or shipping companies, but if that is so the railways should be limited to those things, leaving other avenues of transport to other organizations. There are passenger services which could provide cheaper transport than the railways but because of restrictive Acts of Parliament private enterprise is not allowed to compete. If the debt were to be reduced there might be some substance in the argument for providing £3,000,000 on these Loan Estimates, but the railways are getting deeper into debt each year. The sooner we regard other forms of transport as not

being pariahs and permit them to compete with the railways the better it will be. I do not want the abolition of the railways but want to give them a reasonable chance to pay their expenses. This year railway losses in Western Australia, a large State, are about £500,000, and in New South Wales, another large State, about £2,500,000.

The Hon. T. PLAYFORD—The honourable member has raised probably the most difficult question facing State Governments, and the only answer is to increase fares and freight rates. So long as they are cheap railway deficits will occur. On one occasion at a public meeting at Mount Gambier the matter of the heavy cost of getting superphosphate on to the farm was raised. One person said he had to pay 24s. 8d. to get it from Adelaide on to his farm. On inquiry it was found that to take it 300 miles the railways charged 12s. 8d., and to take it 12 miles by motor lorry to the farm the charge was 12s. It is true that the New South Wales railways this year will show a reduced loss as compared with the South Australian loss, but in that State the freight charge on wheat was increased by 166 per cent, whereas here it was only 25 per cent. In New South Wales there is a road tax of 3d. per ton per mile, which is imposed on every road user. In South Australia any person can cart his own goods without being controlled, but in New South Wales that is permitted only as far as the nearest railway station.

The Government believes that cheap freight rates and fares will assist decentralization. The one thing that makes country living dear is high freight charges, and they also prevent industries from going to the country. We are justified in having fares and freight rates in line with those charged in other States, and from time to time adjustments have had to be made. All heavy goods cannot be carried by road and it is therefore necessary to have a railway system. Most of the railway expenditure this year is related to the transport of heavy goods, such as the bringing of ore from Broken Hill to Port Pirie, handling the wheat crop on Eyre Peninsula, bringing coal from Leigh Creek, providing additional trucks in the South-East and rolling stock to bring pyrites from Nairne to Port Adelaide. Road hauliers could do this work, but not as cheaply as the railways. Railway losses would not be so heavy if we increased freight rates by 50 per cent.

Mr. Quirke—Would that make the railways pay?

The Hon. T. PLAYFORD—It probably would. From memory, railway revenue this

year will be about £12,000,000. A 50 per cent rise would probably mean an increase of £6,000,000 which, I think, would cover the loss unless, of course, we have severe Arbitration Court adjustments of the "C" series cost of living index.

Mr. MACGILLIVRAY—I cannot accept the Treasurer's argument. If democracy means anything it means competition. Statements have appeared in the press that thousands of bushels of wheat have been eaten by weevils because the railways have fallen down on the job, as always, and road transport is asked to solve the problem. In Western Australia road hauliers are licensed and shift the major proportion of that State's huge wheat crop. The Government there does not concentrate on its railways. We are facing terrific railway losses and should not allow the Government to fritter away millions of pounds on an obsolete system. Why must the railways have this protection? If they can give cheap freights why place all these embargoes on private competition? It cost me 9s. to send a small parcel by rail to Adelaide which road carriers would have taken for 4s. I am seriously concerned with the growing loss on our railways. How can we build roads and bridges if this hungry department is allowed to absorb such large sums?

Mr. Riches—How much superphosphate could road hauliers handle?

Mr. MACGILLIVRAY—One hundred per cent of what is produced. The railways charge ridiculously low fares and cheap transport to cut out road carriage. The taxpayers are paying for cheap transport to Mount Gambier, for instance. The practice is typical of the way Government departments operate everywhere. They have closed down river transport and will close down road transport, unless people are prepared to fight for private enterprise. If we are to support Government and Government subsidized departments irrespective of cost, as we are asked to do in this case, why do we not embrace Communism or Socialism? If a Socialist Government had ever made a success of a Government undertaking, private enterprise in that line would have closed down long ago. I bitterly oppose this attack on road hauliers and the continual building up of a railway system which is bankrupt of ideas and which must periodically call on taxpayers to make up its tremendous losses.

The Hon. T. PLAYFORD—I cannot follow the arguments of the member for Chaffey. Every year an enormous loss is made on our

irrigation schemes, and the Auditor-General's report for 1950-51 discloses, at page 91, that, although the working expenses with regard to irrigation in that year were over £298,000 its earnings were only £193,000. Considering the additional capital debt charges, members will realize that £250,000 was lost on our irrigation schemes in 1950-51, and the same thing applies with regard to water reticulation and other services, but in all these instances national assets are being provided. We have never put our water supply on the basis that it should pay an immediate return. In fact, I believe that, on the water pumped from Morgan to Port Augusta, the excess rate at Port Augusta works out at 3d. a ton. No country water supply pays, but no member ever says that for that reason it should be discontinued.

Mr. Pattinson—They pay indirectly as State utilities.

The Hon. T. PLAYFORD—Yes; so do the railways and irrigation services, and I remind the member for Chaffey that he wanted more money spent on the latter. Every member knows the dislocation and loss that occurred on Eyre Peninsula when an effort was made to shift part of the wheat crop by road transport.

Mr. O'Halloran—Hear, hear! I was there.

The Hon. T. PLAYFORD—On my last visit to Eyre Peninsula the first request I received was for more railway facilities, and, incidentally, the roads had been open to motor transport for the carriage of that commodity. If we are to depend on road transport for the carriage of our heavy bulky commodities, our costs will rise steeply. Only recently a firm, which had publicly and repeatedly announced its support of road transport, indicated when offered a permit for road transport of its goods, that road transport was too expensive and that it would prefer transport by sea, although it had published a letter in the press the day before on how necessary it was that road transport of its goods should be maintained. Each form of transport has its use, and road transport can do a magnificent service in its own way, but it cannot take the place of the railways in hauling heavy tonnages over long distance. In those circumstances, as this country is one of great distances and as I believe it will in future produce large tonnages of commodities, I say definitely that this increase in the railways assets is justified and, indeed, overdue.

Mr. STEPHENS—Our railways have done a wonderful job and I shudder to think what might happen if some people had their way

and allowed the road hauliers to do just what they wanted, for they would cart only the type of cargo that suited them and leave the rest to be carried by the railways. Where would this country be today if it had not been for our railways? Many parts of the State have been opened up by the railways and then, after good roads have been constructed, the road hauliers take the cream of the traffic. Some of the increased land taxation received as a result of the opening up of districts by the railways should be paid to the department to assist in meeting its losses. I do not wish to see the railways looking for a profit; if they continue to render good service to the country they are doing a good job. If we discontinued the railway services to country areas for a few months the people concerned would soon be crying out for their return. The member for Chaffey said that the railways have a monopoly, but there is no greater monopoly than that of the road hauliers.

Mr. Macgillivray—Nonsense!

Mr. STEPHENS—Consider what road hauliers charge for delivering goods, say, to Melbourne. Many Government departments would not operate at a loss if it were not for the heavy interest bill.

Mr. MACGILLIVRAY—The Treasurer drew an analogy between the operations of one inefficient Government department and another, but I cannot accept it. He said that the Irrigation Department's activities in my district are showing a loss, but I remind him that where irrigation has been carried on under private enterprise, namely, by the Renmark Irrigation Trust, it has made a profit although imposing lower charges than the Government department. Instead of refuting my argument about allowing private enterprise to compete and, if necessary, meet any losses, he has supported my argument. Unless we allow private enterprise to compete fairly with Government-controlled monopolies the sooner we cease talking about the freedom-loving democracies and making other highfaluting statements that seem to mean a lot, but mean nothing, the better.

Line passed.

Harbors Board, £900,000; Engineering and Water Supply Department, £3,580,000; Architect-in-Chief, £2,117,000—passed.

Miscellaneous, £15,224,000.

Mr. MACGILLIVRAY—Has the £400,000 proposed for the Municipal Tramways Trust already been advanced? How will this loan

affect the negotiations taking place between the Treasurer and the Lord Mayor of Adelaide?

The Hon. T. PLAYFORD—Under the Municipal Tramways Trust Act it is provided that the Treasurer may advance moneys freed by Parliament by way of loan to the trust for capital works. He takes a debenture over the assets of the trust as a security against the advance and ever since its inception the capital works of the trust have been financed in this way. Each year it has a line on the Estimates to cover its capital works. Last year I think it was about £800,000. This year, owing to the shortage of loan funds, the amount has had to be cut down. I think its original request was £700,000.

Mr. Macgillivray—Is there enough security to cover this £400,000?

The Hon. T. PLAYFORD—The security is a charge over the assets of the trust, as well as the obligation on the part of the metropolitan councils to rate to make up any deficiency. Whether any agreement will be reached with the councils over the future control of the tramways remains to be seen. At present the councils have different views and as the asset nominally belongs to the councils the Government has not tried to force a decision upon them, but has been hoping for unanimity among them. It is certainly not a question of any arrangement between the Treasurer and the Lord Mayor, because at present the Lord Mayor is on the side of the majority of councils, and only today I gave them an answer that the Government was not prepared to accept a majority decision.

Mr. Pattinson—In the final analysis it will be a decision of Parliament.

The Hon. T. PLAYFORD—Quite so. The Government believes that it is necessary to assist the trust which has got into a flat spin, and it seems likely to be unable to pay its way for some years until the tramways have been rehabilitated. If we can reach an agreement I think it will be necessary to submit legislation to this House for the purpose of assisting the councils, both by way of money for capital expenditure and by way of a grant, and I have informed them that the Government would be prepared to sponsor such legislation provided unanimity can be reached by the councils. If this £400,000 is advanced to the trust it will be under the provisions of the present Act.

Line passed.

Grand total, £29,019,000, passed and resolution agreed to by the House.

PUBLIC PURPOSES LOAN BILL.

The Hon. T. PLAYFORD moved—

That the Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole for the purpose of considering the following resolution:—That it is desirable to introduce a Bill for an Act to authorize the Treasurer to borrow and expend moneys for public works and purposes and to enact other provisions incidental thereto.

Motion carried.

Resolution agreed to in Committee and adopted by the House. Bill introduced and read a first time.

Second reading.

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

That this Bill be now read a second time.

The Bill is based on the Loan Estimates, which have been dealt with by this House. Clause 3 defines the Loan Fund, and the moneys that shall be paid into that fund. Clause 4 authorizes the Treasurer to borrow £27,019,000. This amount, together with repayments to the Loan Fund, estimated at £2,000,000, is the amount required to finance the carrying out of the works set out in the first schedule to the Bill. Clause 5 authorizes the issue of moneys from the Loan Fund and their application to the purposes set out in the first schedule. It also authorizes the Treasurer to vary the amount shown for any work or purpose if the amount indicated in the first schedule is insufficient, but imposes the proviso that total expenditure must not exceed the total money mentioned in that schedule.

Clause 6 authorizes the Treasurer to borrow moneys required to repay advances from the Loan Fund which have been authorized by the Governor pursuant to the Public Finance Act and which are set out in the second schedule. Clause 7 authorizes the borrowing and issue of such moneys as are required to meet discounts, charges and expenses incurred in connection with loan raisings. Clause 8 provides for the use of other moneys held by the Treasurer to finance the cost of works if at any time there is insufficient money in the Loan Fund for that purpose, provided always that money so used must be repaid as soon as there is sufficient money in the Loan Fund to make the repayment.

Clause 9 represents a departure from the normal form of Loan Bills. At the Loan Council meeting this year the council approved a borrowing programme of £247,500,000. The Commonwealth Government, however, was firmly of the opinion that this amount could not be

raised. It undertook to support public loans with funds from Commonwealth sources to an extent which would provide loan funds to a total of approximately £180,000,000. Speaking from memory, the Commonwealth Government agreed to put into the States' Loan programme about £133,000,000, and it was expected that the States would raise another £50,000,000, and on that basis we are being paid our monthly share of the presumptive total of £180,000,000. This is the amount which may reasonably be expected to be raised and the programme of works set out in the first schedule is based on this State receiving its share of a total loan raising of £180,000,000. If, however, the loan market does recover to any material extent, then it is possible that more than £180,000,000 may be raised, and it is necessary, should that situation eventuate, that authority of Parliament be given for the State to accept its share of the additional raising and for such additional moneys to be applied to works.

If the whole of the £247,500,000 approved by the Loan Council was raised, South Australia would receive £8,190,000 more loan moneys than is available to it as its share of the £180,000,000. Clause 9 therefore authorizes the Treasurer to borrow further amounts, if available, up to £8,190,000, and to apply such moneys to any or all of the works and purposes named in the first schedule. The responsibility for allocating such extra moneys is imposed on the Treasurer. I assure honourable members that if that money becomes available it will be used for the most urgent works. Clause 10, too, represents a departure from the standard form of these Bills. Under the present arrangement, the Commonwealth Government makes monthly advances of loan moneys to the States, and between July, 1952, and June, 1953, will make available the whole of our share of the £180,000,000, or such other amount as it raised. It is essential, therefore, that the period during which this total sum is authorized to be spent should coincide with the period during which the money will be available. That is to say, the period of operation of this Bill must coincide with the period covered by the Loan Estimates, viz., from July 1, 1952, to June 30, 1953, and clauses 11 and 12 provide for such a period. This means that the authority to borrow and to spend loan funds ceases on June 30, 1953. Under the present arrangements, however, the Loan Council will meet before the end of this financial year and will approve a borrowing programme and, if there is no substantial

alteration to the loan market situation, will no doubt authorize monthly payments to the States for 1953-54 similar to the present arrangement. The Treasurer must have authority to receive these instalments and to apply them for authorized purposes, and accordingly clause 9 authorizes the Treasurer to borrow, subsequent to June 30 and pending the passing of the 1953 Loan Bill, a further amount of £6,000,000. This further amount may be issued by the Treasurer to meet the costs of carrying on the works and purposes mentioned in the first schedule. Honourable members will see that under the new procedure adopted by the Loan Council the previous practice whereby we got our money in a lump sum and spent it according to how we wanted to spend it is departed from. We are now tied down to monthly advances, and unless these authorities are available next May or June the Treasurer of the day, when he goes to the Loan Council meeting, will find himself without approval to borrow money that would be necessary to carry him over July of next year.

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

MINISTER OF AGRICULTURE INCORPORATION BILL.

Second reading.

The Hon. Sir GEORGE JENKINS (Minister of Agriculture)—I move—

That this Bill be now read a second time.

The object of this Bill is to confer upon the Minister of Agriculture the legal status of a body corporate. The Bill is in the same language as the Act by which the Minister of Lands was incorporated in 1947. The immediate need for the Bill arises from the fact that the Minister of Agriculture wishes to obtain land at Loxton for use as a horticultural and viticultural research station. The more general purpose of the Bill, like that of other Bills incorporating Ministers, is to provide a more convenient method by which the Minister may hold and deal with any lands. If a Minister is not an incorporated body he can only hold land in his individual name; and whenever he ceases to hold the Ministerial office by virtue of which he owns any land, or interest in land, the title must be transferred into the name of his successor. If a Minister holds any appreciable amount of land in his public capacity, as some do, this involves a great deal of work. If, however, a Minister is incorporated he can hold the land in his corporate

name; and, as a corporation is deemed to continue to exist notwithstanding any change in the person constituting it, the necessity of transferring the land on each change of office will cease. The only effect of this Bill, therefore, will be to simplify the holding or transfer of land by the Minister of Agriculture. It will not otherwise affect his powers.

Mr. O'HALLORAN (Leader of the Opposition)—I am heartily in favour of creating the Minister of Agriculture a body corporate. He has an air of substantial solidity which will no doubt, during the short remaining time he continues to occupy his office, ensure that it will function efficiently and adequately. Of course, when the change of Government takes place next year and the new Minister of Agriculture is appointed from this side there will be no difficulty to surmount as regards the transfer of the land which the present Minister has to hold in the interests of his department by virtue of his office. This procedure has already been followed in the case of the Minister of Lands, and is desirable that the property of the department should be vested in the department rather than in the individual who for the time being happens to be the ministerial head. I offer no objection to the second reading. Indeed, I offer none to the Bill being passed through all stages, for I am a firm believer in the words attributed to Macbeth:—

“If it were done when 'tis done then 'twere well it were done quickly.”

Mr. MACGILLIVRAY secured the adjournment of the debate.

THE SOUTH AUSTRALIAN GAS COMPANY'S ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from August 7. Page 328.)

Mr. TAPPING (Semaphore)—As this is a hybrid Bill and will have to be referred to a Select Committee I feel I should offer some comment before it reaches that stage. I believe that the restriction placed in the Act in 1861 is now outmoded and that this measure will give more latitude in borrowing and thus facilitate the company's progress. It is pleas-

ing to learn that the Gas Company proposes to spend about £420,000 annually for the next three or four years and if any enterprise is prepared to do that it behoves every member to give it undivided support in order that the State may benefit. Obviously the expenditure of this large sum will create more employment and provide better services for consumers. Furthermore, I believe the company has planned to build a new retort house at Port Pirie. I am informed that many people in that town who desire gas services cannot be supplied and the new retort house will enable those who desire gas in preference to electricity to be catered for. For some years Port Pirie has suffered a dearth of firewood and as all the electricity has been provided by the B.H.P. Company some people have been bereft of fuel for obvious reasons. I believe, too, that the company has plans for the construction of a new purifier at its Brompton works which will enlarge services to gas consumers. Without doubt the Gas Company has been a most progressive concern and it is pleasing to note that there has been an almost non-existence of industrial strife associated with it. In that connection I pay a tribute to the Secretary of the Gasworkers Union, Mr. Terry Keane, who has by his diplomacy and tact brought about an excellent understanding between employer and employee, which I trust will continue. A perusal of the share market quotations reveals that the Gas Company's shares are quoted at about 20s. 6d. buyer which indicates that there is not much inducement for investors to buy its shares. Consequently the company realizes that it would be unwise to go on the market, whereas the issue of bonds would provide the solution. I have pleasure in supporting the Bill.

Bill read a second time and referred to a Select Committee consisting of Messrs. Geoffrey Clarke, Hutchens, Pattinson, Tapping and Whittle; the Committee to have power to send for persons, papers and records and to report on September 2, 1952.

ADJOURNMENT.

At 10.41 p.m. the House adjourned until Thursday, August 14, at 2 p.m.