

HOUSE OF ASSEMBLY.

Tuesday, October 21, 1952.

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

ASSENT TO ACTS.

His Excellency the Lieutenant-Governor intimated by message his assent to the following Acts:—Fruit Fly Act Amendment, Port Augusta Sub-Branch R.S.S. & A.I.L.A. (Purchase of Land), South Australian Gas Company's Act Amendment, Supreme Court Act Amendment, Public Officers' Salaries, and Health Act Amendment.

QUESTIONS.**LOAN COUNCIL AND INTEREST RATES.**

Mr. O'HALLORAN—A meeting of the Loan Council was held at Canberra on Friday and Saturday of last week. I find that there is a good deal of public misgiving because no authoritative statement has been made, following on the meeting, as to the future of interest rates and of the States' loan programmes. In this place the Premier has expressed views with which I entirely agree regarding the competitive system that has grown up, particularly with semi-Governmental borrowings. Can he say whether any agreement was reached as to a firm rate of interest to be offered in future for Government and semi-Governmental borrowings, and what are the prospects of the loan allocations, made as the result of a Loan Council meeting some time ago, being fulfilled?

The Hon. T. PLAYFORD—I think the only two decisions made at the Loan Council meeting have been announced by the chairman (the Prime Minister). The first decision was to the effect that on behalf of Governmental bodies a public loan for £20,000,000 would be floated towards the end of November. The second decision was to approve a number of semi-Governmental loans, for which the States had asked approval and which had been deferred pending the meeting of the council. On the general subject of interest rates I can add nothing except to say that South Australia is strongly of the opinion that it is necessary to stabilize the rates—that competitive borrowing will be detrimental to investors and the general public as well as to borrowers. These views were supported generally by all States and the Commonwealth, but when it came to putting the views into effect the States in general were not prepared to forgo the offers they had made, nor to rationalize their demands on the

market. Under these circumstances no conclusive results were reached in regard to further stabilization. I think the States and the Commonwealth agree that it is necessary to stabilize, but the means of achieving it were not put into effect.

SUBSIDIES TO SCHOOL COMMITTEES.

Mr. PATTINSON—It has been reported to me, I hope incorrectly, that the funds allotted by the Treasurer to the Education Department to subsidize moneys raised by school committees for improvements and amenities at public schools is already nearly exhausted for this financial year, and that funds now being raised, or to be raised during this financial year, will not be subsidized pound for pound by the Government. Taking Glenelg as an illustration, a high school and several primary schools are in course of construction and large sums are being raised by school committees. It is impossible to put a monetary value on the honorary services rendered by the school committees, quite apart from the moneys raised. Can the Premier give an assurance to members and to the school committees that the reports are unfounded?

The Hon. T. PLAYFORD—Speaking from memory, I think the amount provided on the Estimates for this line is £44,000. The vote for this purpose has increased in six years by about 100 per cent: it was about £26,000 in 1946. Exceptionally heavy commitments have been made on this line, although it has not been exhausted, and I understand that the Minister of Education is at present collecting further information for me on it.

Mr. Moir—Some schools have been notified that they have received their full amount this year and will not be subsidized any further.

The Hon. T. PLAYFORD—The Minister certainly does not take that view. He said there had been heavy commitments on this line and that he would send me additional memoranda on it so that I could see whether additional moneys could be made available.

HOUSING OF AGED IN COUNTRY.

Mr. McALEES—Last week, in reply to my question as to whether any houses had been erected by the Housing Trust for old people in the country, the Premier said that so far as he knew there were a couple and also that two blocks of flats were being erected in the city. Since then I have made inquiries in the country, but can find no place where such

dwellings have been erected. Can the Premier say where such houses have been erected in country districts?

The Hon. T. PLAYFORD—If I gave the honourable member the information he said I gave him, it was certainly incorrect, but I am not conscious that I gave him that reply. The Housing Trust, when it builds houses, in most instances does not know who the tenant will be, but sets out to meet the general housing shortage by building houses for people of all classes and not one particular class. I certainly may have said that the Housing Trust has erected or is erecting in the city two blocks of flats designed for couples without families which would be particularly suitable for aged people with no family connections.

CONTROL OF TALLOW PRICE.

Mr. HEASLIP—At the end of September the contract between the British Ministry of Food and the Commonwealth Government, under which tallow was sold for about £105 per ton, expired. The Australian controlled price is £46 a ton. In view of the fact that export licences will now be open and practically all tallow will be exported, will the Premier consider decontrolling the price in South Australia, as has already been done in New South Wales, for under section 92 of the Constitution tallow may be sent from South Australia to New South Wales to bring the higher prices, thus causing a shortage in this State?

The Hon. T. PLAYFORD—This matter was considered at the Prices Ministers' Conference held in Perth a fortnight ago, and it was decided that the price would not be decontrolled then, but that the matter would be further considered at the next conference, to be held in Tasmania about the end of this month. Since then, without consulting the other States, New South Wales has announced that it has decontrolled tallow, because, I understand, the Minister found that it was being sold on the black market. I would have thought, however, that that would be a reason for keeping it well under control, and this Government will adhere to the decision of the conference.

HOSPITAL AND MEDICAL BENEFITS ORGANIZATION.

Mr. FRANK WALSH—Earlier this session I asked questions regarding certain hospitals and medical benefits organizations, mentioned an organization which was registered as a com-

pany under the name of "Ajax," although it was not registered under the Commonwealth Health Act, and referred to the serious position which could arise because of misrepresentation by salesmen to prospective members. I now find that that company has changed its name and address to "Atlas Hospital Medical and Benefits Company Limited," of Angas Street, Adelaide, and that it is still not registered under the Commonwealth legislation. I do not dispute the company's right to register as a private company under the Companies Act, but is the Treasurer aware that the company has changed its name and can he say how soon his Government will introduce legislation either to amend the Companies Act to deal with this particular case or to bring all such companies into line with the Commonwealth Health Act?

The Hon. T. PLAYFORD—The honourable member raised this question some time ago and advocated the introduction of legislation similar to that which had been provided in Victoria. The Government promised him then that it would examine this matter, and it has procured information from Victoria. The most recent report I had from the Parliamentary Draftsman is to the effect that the Victorian legislation had proved to be unsatisfactory and that steps were being taken to amend it because of the various ramifications of this matter. Since then, the Commonwealth Government has also taken some action with regard to the registration of certain assurance companies which come under its legislation. I assure the honourable member that a very close examination of this matter is being made by the Parliamentary Draftsman, and as soon as the Government arrives at some conclusive method of protecting the public, if such protection appears to be necessary, appropriate steps will be taken. I point out that we are trying to legislate in a Commonwealth matter as it is a Commonwealth scheme and there are difficulties in the way. I did not know there had been a change in the company's name, but I will make further inquiries in that regard.

PORT LINCOLN FREEZING WORKS.

Mr. CHRISTIAN—Can the Minister of Agriculture make any statement as to the shipment of meat from the Port Lincoln Freezing Works? I understand a ship was to have loaded frozen meat there this week but was diverted to Port Adelaide, and that unless the shipment can be undertaken this week slaughtering at the works is likely to be suspended.

The Hon. Sir GEORGE JENKINS—The *Pipiriki* was to have loaded frozen meat at Port Lincoln this week, but as both berths were occupied by other overseas steamers it was not possible for that boat to get in, so it was diverted to Port Adelaide, where it is loading frozen meat. It will leave for Port Lincoln at the end of the week. There has been considerable difficulty at Port Lincoln owing to priority having to be given to boats which come in first and berths having to be made available for them. Some difficulty has been found in arranging for the *Pipiriki* to get in, but I understand most of the trouble has now been smoothed over and it is hoped that provided nothing unforeseen happens the vessel can start loading lambs on Monday. The Port Lincoln works are now operating a three-quarter chain regularly and killing about 7,500 lambs a week, and up to the present about 30,000 have been slaughtered there this season.

YONGALA SCHOOL.

Mr. O'HALLORAN—For some years the Education Department has been requested to improve the sanitary conveniences at the Yongala school. In August last I asked the Minister of Works, representing the Minister of Education, whether it was the department's intention to provide septic tanks for the school and the reply was, "Not at present." Over the week-end I was approached by a number of people who pointed out very indignantly that the sanitary conditions at the school were in very bad shape and they implied that as a result some sickness had been caused to scholars in recent months. They also pointed out that some workmen from the Architect-in-Chief's Department were now repairing the school and the residence, and they strongly suggested that immediate consideration be given to the provision of septic tanks at the school, particularly as the work could be done while the workmen are still there. If this were done, the transport involved in bringing them back later would be eliminated and costs thus considerably reduced. Will the Minister take the matter up with his colleague and see whether something can be done to relieve the position which, I am assured, is very serious?

The Hon. M. McINTOSH—I shall be glad to do that, but I point out that simply because a gang of maintenance men happens to be in the area that is no reason why they should be concentrated on carrying out the work mentioned, as similar work throughout the State, which would cost thousands of pounds, is waiting to be

done. The money for this work would have to come out of Loan funds, and because of the shortage of these funds the State is faced with a grave problem. Many areas are clamouring for septic tanks, and if we were to use money, materials, and manpower to provide them we would be neglecting the essential part of education in order to take care of the sanitary requirements. We also have teachers asking for housing accommodation, and if we were to engage workmen on these various jobs other work would have to be neglected. As regards septic tanks, many of the areas requesting their installation have not the necessary water facilities available. I do not think the job mentioned by the honourable member is any exception to the general rule. However, I will take it up with the Minister of Education and see whether it is a case where an exception could be made.

PENALTIES FOR DRUNKEN DRIVING.

Mr. HUTCHENS—In view of the almost monotonous reports of arrests of motorists driving under the influence of liquor—six last week-end and seven the previous week-end—and the recent comment of the Commissioner of Police, namely, "I agree with the suggestion of the New South Wales Traffic Superintendent that motorists who commit serious offences should have their cars impounded," will the Premier include in the Road Traffic Act Amendment Bill now before the House a provision for imprisonment without the option, or the impounding of the vehicle during the period of the driver's suspension, as prevails in England, and thus help to discourage this type of offence and reduce the appalling number of road accidents? In answering a similar question previously the Premier said that more severe penalties were included in the amending law last year, but it is obvious that they have not had the desired result, as these potential killers still roam our highways.

The Hon. T. PLAYFORD—As a fairly important matter of policy is involved I ask the honourable member to place the question on the Notice Paper.

COMPOSITION HOUSES.

Mr. RICHES—Has the Premier a reply to the question I asked recently concerning the possibility of importing house building materials from Holland?

The Hon. T. PLAYFORD—The chairman of the Housing Trust reports:—

The office of Bierlee Altena of Amstelveen, Holland, wrote to the South Australian Housing Trust in April, 1951, setting out some details

of a method of construction of houses being carried out in Holland and asking the trust to bring their architect, Mr. Hensbergen, to South Australia, to co-operate by financing the proposal and setting up an organization to produce the components to organize the building work and to provide a mutual guarantee for the success of the enterprise. A reply was sent to the effect that the trust could not undertake such liabilities. The information so far supplied to the trust is not sufficient to enable it to assess the merits the system of building may possess but, as a general comment the experience of the trust has been that the local conventional methods of building are usually cheaper and more satisfactory than unconventional methods of building.

RAIL TRANSPORT: DAMAGE TO TREES.

Mr. MACGILLIVRAY—Has the Minister of Railways any further information to give in reply to the question I asked recently about the destruction of young trees that had been forwarded by the Loveday School through the railways?

The Hon. M. McINTOSH—I told the honourable member that I had asked the Railways Commissioner for the complaint to be investigated. The Deputy Railways Commissioner reports:—

Due to the various points at which investigation had to be made, it was necessary to allocate a special officer to its investigation, as the points where inquiries had to be made were considerably removed one from the other, being as far apart as Barmera, McLaren Vale and Bruce.

It is rather remarkable that the writer of the letter who, I understand, is the Headmaster of the Loveday School, did not get directly in touch with the Railways Department before he took the responsibility of writing to the press. The Deputy Commissioner enclosed the investigating officer's report which states, *inter alia*:—

Mr. Vickery advised that no complaint had been made by him to the railways of any damage to these consignments, and it is respectfully pointed out that in the absence of such complaint, and as a result of the lapse of time, it is not unreasonable for the inability of railway employees who were responsible for handling these consignments to now remember such handling.

How unright it is for a man to wait for a considerable time and then make statements in the public press without, in the first place, having made them direct to the department. Notwithstanding that, he said that his letter contained the following paragraph, which was not printed:—

I would like to pay a tribute to railway employees, particularly on the south-eastern and

Murray lands lines. Our trees have been treated with great care and consideration and have arrived in excellent condition.

He said there were three exceptions, but really there were only two. A clean receipt was given in at least one instance by the people who took delivery thereof. He is not complaining about the system but of fellow civil servants, but the lapse of time prevents the department from ascertaining who is responsible in this matter. However, it was not necessarily the railways, as the damage could have happened after delivery.

The Hon. S. W. Jeffries—What time elapsed?

The Hon. M. McINTOSH—I do not know. There have been about 30 transactions from May until now, and the writer has now elected to make a complaint. A great deal of cost has been involved in trying to find what actually happened. However, if there is anything further to be investigated I am still prepared to follow it up with the railways, who are anxious to do the right thing. The member for Chaffey has always espoused the cause of other people and will not do justice to the system he is a party to, namely, to the State which is carrying out a good service, in both the Railways and the Education Departments. It is an unhappy fact that a person employed in the Education Department has publicly denounced another department without first giving it the right of reply.

MOORLANDS COALFIELD.

Mr. O'HALLORAN—Has the Premier any further information to convey to the House in reply to the question I asked a fortnight ago regarding the possibility of further developments at the Moorlands coalfield?

The Hon. T. PLAYFORD—I told the honourable member that the Electricity Trust was carrying out investigations. The chairman reports:—

Reports received from the Mines Department indicate that there is sufficient coal at Moorlands for a regional power station. The capacity of such a station has not yet been determined. A station at Moorlands would form part of the trust's general system and the decision on capacity is one that has to be planned relative to the requirements of the whole system. Preliminary inquiries have been made regarding the methods of open-cut coal mining which might be adopted, but because of the nature of the deposits much detailed investigation is necessary before dependable estimates of costs can be made. The trust is convinced that there are greater advantages to the State at present in the further development of the Leigh Creek coalfield, with the extension of power generation at Port

Augusta, and the trust proposes to proceed along these lines before attempting the development of the Moorlands field. Investigation into mining methods at Moorlands, plant to be used, and capacity of station, will be continued.

CONTROL OF THALLIUM SALES.

Mr. FRED WALSH—Has the Premier a reply to the question I asked last week about the control of thallium sales?

The Hon. T. PLAYFORD—The Director-General of Public Health reports:—

Thallium compounds as salts of thallium are included in the poison regulations, made under the Food and Drugs Act. The retail sale of these compounds is restricted by the regulations to chemists and in the case of preparations for vermin destruction; these may also be sold by licensed storekeepers. The special restriction of entry in the poisons book applies when retail sale is made. These restrictions are similar to those applying in Great Britain and in most other States. Poisons legislation in New South Wales is not modern and it is understood that its revision has been under consideration for some time. Thallium compounds are available as, and have a small sale in, proprietary rat poisons; these precautions are not popular in this State. The compounds are not now used in medicine; they are used to a small extent in industry mainly as analytical reagents, for the manufacture of special glass for optical purposes and in artificial gems. The matter will be referred to the advisory committee appointed under the Food and Drugs Act with the view to considering whether any further restrictions on the sale of thallium compounds are necessary or desirable.

WASHING MACHINES.

Mr. HUTCHENS—Has the Premier anything further to report following on the question I asked on October 14 regarding the provision of a laundry when a washing machine is installed in a dwellinghouse?

The Hon. T. PLAYFORD—Last week I told the honourable member that I did not think it was necessary under the regulations to have a laundry. I have now received the following report from the Assistant Parliamentary Draftsman:—

Apart from residential flat buildings, in respect of which the Building Act requires the provision of laundries, there is no legal requirement to provide a laundry in a dwellinghouse.

STAMP DUTY ON CHEQUES.

Mr. FRED WALSH—Last week, in presenting his Financial Statement, the Treasurer said, among other things, that a proposal would be submitted to Parliament to increase the stamp duty on cheques. According to a report in the *Advertiser* of last Saturday, in a weekly

broadcast the Premier said, among other things, that the stamp duty on cheques would be raised from 1½d. to 2d. to bring in an extra £20,000 for the balance of the financial year. If the report of the broadcast is correct, will the Premier indicate the basis of his assumption that Parliament will agree to the proposed increase in the stamp duty?

The Hon. T. PLAYFORD—The broadcast was correctly reported, and I assumed that Parliament would approve the proposal. The 1½d. stamp duty in South Australia is lower than the duty in other States, and unless an alteration is made here the Commonwealth grant to South Australia will be adversely affected. The most recent Budget in Tasmania increased the duty on cheques to 3d. In other States it is 2d. It used to be 2d. here for cheques over £2 and 1½d. on those below that amount, but commercial houses said that having two rates was confusing, so the Government recommended to Parliament that the duty be 1½d. on all cheques. As that is below the duty in other States it is necessary for Parliament to review the position and to raise the duty to 2d. on all cheques.

TRANSPORT PERMITS.

Mr. Michael for Mr. MOIR: (on notice)—

1. Is the Minister of Railways aware that the Transport Control Board can refuse a licence without giving any reason and without right of appeal?

2. Why has the Tourist Bureau been given a monopoly of day and half-day tours within a 25-mile radius of Adelaide, and a firm, whose chairman of directors and two sons were all returned soldiers, refused a permit to do this work which they had been doing prior to World War II?

3. Was it ever intended that the Transport Control Board should give a Government department a monopoly of one particular line of tourist transport in South Australia?

4. Why was the recommendation in Judge Paine's report not carried out, that the Road and Railway Transport Act should be amended so that applicants for permits should be able to appeal to a court or tribunal at a public hearing as in Victoria?

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

1. Although the Transport Control Board could refuse a licence without any reason and refuse to hear an appeal, in actual practice this is not done. The board has never refused any applicant a personal hearing and invariably hears an appeal against a decision.

2. and 3. The Government Tourist Bureau has been granted by the board a special tourist permit to enable it to organize day and half-day tours. In granting the bureau this special permit it was clearly indicated that the bureau, in chartering vehicles, should distribute the charter business over as many proprietors as possible, whose vehicles are suitable for this type of traffic. The firm referred to in this question applied to the Transport Control Board in 1945 for a special tourist permit which would enable it to convey day and half-day tourists on tours organized by the Government Tourist Bureau. This and one other firm signed a contract with the Government Tourist Bureau which gave these two firms a monopoly of the Government Tourist Bureau's day and half-day tourist business. This contract was terminated by notice as from June 30 last, since when nine different proprietors have participated, as compared with the two operators under the old scheme. The objector in question did not reply to the Tourist Bureau's request to discuss the new arrangement until six weeks had elapsed, and in the meantime, the other original operator having signified his acceptance of the new arrangement, the bureau offered second and fourth preferences to the complaining operator, but he declined the business and since then has been actively operating half-day tours in direct competition with the bureau within the metropolitan area.

4. The honourable member is referred to the reply by the Premier to a similar question on September 23, 1952, *vide Hansard*, page 614.

COUNTRY OLD FOLKS HOMES.

Mr. DAVIS (on notice)—

1. Does the Government subsidize old folks' homes in the country?
2. If not, has a subsidy ever been considered?
3. Is it the intention of the Government to give consideration to assisting old folks' homes in the country?

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

1. No.
2. Yes, but reports received by the Government up to the present do not recommend subsidizing such homes.
3. *Vide* No. 2.

SAVINGS BANK ADVANCES.

The Hon. S. W. JEFFRIES (on notice)—

1. What are the names of the "statutory bodies" to which the Savings Bank of South Australia has advanced £12,280,122?

2. What was the amount advanced to each "statutory body"?

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

1. (1) Electricity Trust of South Australia.
(2) State Electricity Commission of Victoria.
(3) Metropolitan Water, Sewerage and Drainage Board (Sydney).
(4) Brisbane City Council.
(5) Broken Hill Water Board.
2. (1) £1,967,122.
(2) £4,402,900.
(3) £3,615,064.
(4) £1,469,000.
(5) £826,036.

Since May, 1951, no advances have been made to any of these authorities, except the Electricity Trust of South Australia.

LEIGH CREEK COAL.

Mr. MACGILLIVRAY (on notice)—What items made up the landed costs per ton of £3 10s. 3d. and £3 8s. 10d. respectively, of Leigh Creek coal at pumping plants at—(a) Berri; (b) Loveday?

The Hon. C. S. HINCKS—The replies are:—

	Per Ton
	£ s. d.
(a) Berri—	
Cost of coal f.o.r. at Berri	2 16 10
Cartage to pumping station, hire repairs and running expenses of conveyer at railway station	0 13 5
	£3 10 3

(b) Loveday—	
Cost of coal f.o.r. at Barmera	2 16 11
Cartage to pumping station and hire, and running expenses of conveyer	0 11 11
	£3 8 10

WATER PRESSURES.

Mr. TAPPING (on notice)—

1. Is the Minister of Works aware that low water pressure being experienced in the Seaton Park and Albert Park areas is having a detrimental effect on poultry farmers?
2. If so, can he indicate if an early improvement can be expected?

The Hon. M. McINTOSH—During recent years thousands of houses have been erected in areas served by the trunk main from Happy Valley Reservoir, *i.e.*, in the southern, western

and north-western suburban areas, including LeFevre Peninsula. This inevitably results in lower pressures during periods of heavy consumption and, while everything possible is being done to maintain satisfactory pressures, the difficulty will not be entirely surmounted until new trunk mains have been brought into the metropolitan area, and this cannot eventuate until the Mannum-Adelaide supply is connected with the Adelaide system. Pressures have not fallen low enough to deprive poultry farmers of drinking water for their poultry and presumably the detrimental effect to which the honourable member refers relates to the irrigation of green feed. The reticulation system was never intended to provide water for extensive commercial irrigation, and those who require considerable quantities of water for this purpose would be well advised to make use of the artesian basin by sinking and equipping bores.

SOOT FROM POWERHOUSE.

Mr. TAPPING (on notice)—

1. Is the Treasurer aware that residents adjacent to the Electricity Trust powerhouse at Osborne are being menaced by soot emitted from it, and which causes danger to health and damage to property?

2. If so, is it his intention to ascertain whether some process could be introduced to prevent such emission of soot?

The Hon. T. PLAYFORD—The Chairman, Electricity Trust of South Australia, reports:—

The Osborne "A" powerhouse has been in operation since August, 1923, when there were few, if any, houses in the vicinity, at which time all practical devices as then known were included in the design of the boiler plant to prevent emission of soot from the chimneys. In recent years the poor quality of New South Wales coal has possibly caused some emission of soot. The Government has taken up the matter of poor quality New South Wales coal with the Joint Coal Board on several occasions, and has now arranged for representatives of State authorities to meet the Joint Coal Board to discuss improvements in the coal quality, particularly with regard to lowering its ash content.

PERSONAL EXPLANATION: HOUSING OF AGED IN COUNTRY.

The Hon. T. PLAYFORD—I ask leave to make a personal explanation.

Leave granted.

The Hon. T. PLAYFORD—In *Hansard* of October 14 I am reported to have stated, "I know of two homes that have been built in the country for old people." I point out to the honourable member for Wallaroo, who asked

me a question on the matter earlier this afternoon, that when I made that statement I had in mind, not homes built by the Housing Trust, but a home built by the Lutheran denomination for aged people in the Barossa Valley and a home which had been provided at Riverton.

URANIUM MINING ACT AMENDMENT BILL.

Returned from the Legislative Council without amendment.

BUDGET DEBATE.

In Committee of Supply.

(Continued from October 16. Page 970.)

Legislative Council, £8,314.

Mr. O'HALLORAN (Leader of the Opposition)—In the concluding stages of his remarks on Thursday last the Premier commended the officers of the various departments, particularly the Treasury, for what they had achieved in spreading the money available in the Revenue Estimates wisely over the widest possible field. He also got out the rake and gave himself and his Government a good back-scratching on the way the revenue and loan funds for the current financial year had been handled. I find myself unable to disagree with those sentiments, much as I would have liked to, particularly in relation to the Government's point, for I consider the Treasurer has done a reasonably good job with the material at his disposal, although later I may have something to say about the shoddy nature of that material and the fact that the Treasurer may have had something to do with its manufacture. I do not share the Treasurer's confidence in the future, although I wish I could. When I consider everything in its true perspective I cannot believe that his statement that production and development are proceeding at a high level is correct. Compared with conditions 10 or 12 years ago development and production may be proceeding at a relatively high level, but in the interim this State's population has increased enormously and that increase has necessitated a substantial increase in production and development which is not evident at present. The Treasurer also referred to primary production and claimed that the position in this regard was happy, but unfortunately that statement is not demonstrated by the figures available. He referred to the solid achievements of recent years and commended the people on their part in those achievements. That is another section of the Treasurer's speech which I heartily endorse, for the people have been responsible

for some solid achievements in recent years, but if they had had a better lead from the Government with regard to more widespread development their efforts might have produced happier results.

The Treasurer mentioned the high prices ruling for our primary products but did not mention that this State had been blessed over the last eight years with the longest run of good seasons in living memory. I have discussed this matter with some of the oldest inhabitants in various country districts and they all agree that during their lifetime—and some of them can remember the position over the past 70 years—there has never been such a long run of good seasons as this State has been blessed with during the past eight years. That is why I say I do not share the Treasurer's optimism as to the future. Our history shows that we have periods of good and bad years. If we accept the theory of weather cycles, which is largely subscribed to by many people who have considered this question, I am afraid that the cycle of good seasons may be approaching its end and that a cycle of leaner years is not very far ahead. However, I hope I am wrong, because I shudder to think what will happen to South Australia if we run into some of the disastrous drought conditions that characterized the period from 1925 to 1932, and also the late 30's and the early 40's. If bad seasons should return, then the position not only of the Treasurer but of the people will be serious indeed. I make that statement because figures indicate the staggering increase in Government expenditure in recent years. In considering the over-all financial position of the State we must take cognizance not only of revenue expenditure but also of loan expenditure. The following table indicates how they have increased since 1938-39:—

Year.	Revenue	Loan	Total.
	Expenditure.	Expenditure.	
	£	£	£
1938-39 .	12,701,000	421,000	13,122,000
1952-53 *	49,089,000	29,019,000	78,108,000

Increase £36,388,000 £28,598,000 £64,986,000

* Estimated.

That is a staggering increase and I question whether it can be maintained in the same ratio in the years to come; and when the time comes for expenditure to be reduced, then my prophecy of a few moments ago that the Treasurer and the people of the State will find themselves in difficult circumstances will unfortunately have been proved true. I shall deal briefly with the Treasurer's claim that primary production in South Australia has increased. The Statistician's figures which I have obtained and which must be considered reliable do not bear that out, as is indicated by the following table:—

Wheat Areas.
(Nearest 1,000 acres.)

Year.	Acreage.
1947-48	2,375,000
1948-49	2,063,000
1949-50	1,896,000
1950-51	1,847,000
1951-52 (estimated)	1,530,000

Those figures show a progressive reduction every year during the past five years, and that is something about which I am not at all happy. I know some of my friends on the other side will say there has been a considerable increase in the area sown to pastures over that period, but I am concerned about foodstuffs for the people, not only those in Australia, but those overseas who look to us to help sustain their starving millions. If we consider the year 1944-45 we can easily see what can happen in a dry year, for then the area sown to wheat in South Australia amounted to 1,623,000 acres, but the total yield was only 9,000,000 bush. That is something we should seriously consider when we have a tendency to become over-optimistic about this branch of primary production. I know it has been said that in recent years some of the reduction in the acreage sown to wheat is due to a shortage of artificial fertilizers, and there was some reference to this in the Treasurer's speech. However, for the moment it is wise to look at the over-all position relating to the use of artificial fertilizers in recent years. The following table gives the position at a glance:—

All Fertilizers.
(Mainly superphosphate.)

	1939-1940.	1949-1950.	1950-1951.	1951-1952.
Crops (acres)	4,281,000	3,122,000	3,252,000	3,173,000
Fertilizer (tons)	179,000	148,000	154,000	154,000
Pounds per acre	94	106	106	109
Pastures (acres)	1,095,000	1,792,000	1,859,000	2,150,000
Fertilizer (tons)	56,000	96,000	102,000	116,000
Total area	5,376,000	4,914,000	5,111,000	5,323,000
Total fertilizer (tons)	235,000	244,000	256,000	270,000

The figures reveal that although the acreage sown to crops was reduced, the quantity of superphosphate used to the acre increased. I have never claimed to be an agricultural expert, as my life has been spent in, or in association with the pastoral industry, and in dry areas where superphosphate cannot be used because of the natural conditions prevailing, but I know that in recent years there has been a feeling amongst practical men that we may be using too much superphosphate in certain types of cropping in South Australia. The figures quoted also reveal that whereas the area sown to pastures almost doubled over the four-year period the quantity of superphosphate used more than doubled. That may be a healthy sign, but the question arises whether we are not using too much superphosphate in some areas for pasture development.

Mr. Quirke—We are.

Analysis of Fertilizer Used, 1951-1952.

	Area fertilized. Acres.	Superphosphate used. Tons.	Other fertilizer. Tons.	Total per acre. lb.
Wheat for grain	1,556,000	70,000	100	101
Other crops	1,617,000	74,000	9,900	—
Total crops	3,173,000	144,000	10,000	109
Pastures	2,150,000	115,000	1,000	121

That bears out what the member for Onkaparinga said a few moments ago—that there may be some justification for the contention that too much superphosphate has been devoted to pasture improvement and not enough to assisting crops. The total number of acres fertilized last year was 5,323,000. About 259,000 tons of superphosphate and 11,000 tons of other fertilizer were used, the average being

114 lb. an acre. Despite what the Treasurer said about the growth of primary production and the strong position in which we find ourselves today, I come to another section of primary production with a sorry story to tell. The following table shows the decline in production in the dairying and associated industries in South Australia:—

Year.	Milk. Galls.	Butter. Lb.	Cheese. Lb.	Bacon and Ham. Lb.
1947	93,950,000	22,043,000	28,601,000	11,355,000
1948	92,500,000	21,537,000	25,827,000	10,941,000
1949	91,300,000	20,809,000	26,106,000	8,460,000
1950	89,400,000	19,626,000	23,715,000	7,430,000
1951	83,550,000	17,402,000	20,007,000	6,786,000

Despite the increasing demand for dairy produce in South Australia and, indeed, throughout the world, the table shows that production has seriously declined. The Government must immediately take steps to correct this position. The newspapers show that many people are greatly concerned about falling primary production. A report in the *News* of October 3 quotes some figures released by the Government Statist, Mr. Bowden. Under the heading 'Fewer engaged in rural work' it states:—

The drop in recent years in the number engaged in rural work continued in 1951-52. Figures released today by the Government Statist (Mr. Bowden) revealed that 42,012 were employed on rural production. This was a drop of 1,049 on the number in 1950-51. It was also 2,351 fewer than the number of workers in rural production in 1938-39.

Nothing more is required to prove my statement that we have no reason to be complacent about the present position of our primary industries. Early this month Dr. Ian Clunies Ross, chairman of the C.S.I.R.O.,

referred to the attitude of people generally to primary production and to looking to the land as a way of life. According to the *Advertiser* of October 2 he said that Australians have lost faith in the land. The report states:—

Nine-tenths of the people who went to shows were interested only in sideshows, motor cars and the Hall of Manufactures, and the "wonders of the land" meant nothing to them, the chairman of the C.S.I.R.O. (Dr. Ian Clunies Ross) said tonight. Dr. Clunies Ross was speaking to a meeting of the Royal Empire Society on "The Role of Australia as a Food Producer." Australians had to grasp the conviction that it was by the land they lived, he said, and if the land languished—whatever else our resources—the nation would become basically unsound. Over the past 20 years Australians had lost their belief in the land, and the land had lost belief in itself. But there was a colossal potential for increased production. The old gloomy prospects of the past were completely unjustified. The reason for the decline of the land was that agriculture did not thrive in competition with secondary industry unless it was regarded as being of prime importance.

The remarks of Dr. Ross bear out what I have been saying in this House for some time, namely, that whereas 20 or 30 years ago we were off balance because we placed too much emphasis on primary production, as the result of developments over the past few years, and particularly as a result of the guiding hand of this Government, we have gone off balance the other way. We now have a tendency to forget that in the final analysis we are dependent on production from the land for our very existence. There is nothing in the Budget that will correct the alarming drift of population from country areas; there is nothing that will restore the appropriate balance between primary and secondary production which is so essential to the maintenance of a healthy community.

I now come to another section of the Budget having some relevance to the superphosphate position. The Treasurer referred to guarantees under the Industries Development Act and created the impression that this was purely a Government matter, but applications under the Act have to be investigated by a Parliamentary committee which is representative of all sections of the House. That committee is entitled to commendation for what it has done in assisting industries, so the Government cannot take all the credit. I am getting tired of hearing many people all over the country talking about what the Government has done. It seems to me that, without knowing it, we have become a totalitarian State. Has Parliament been by-passed and have the people been placed under a dictatorship known as the Government? I object to dictatorships, no matter by what

name they are called. In a democracy Parliament has its proper place. It may not be a democratically elected Parliament; it may be like our Parliament, in which the people of this democracy are not able to effectively express their voices, but it is still a Parliament and still carries within it the germ of democracy. If it is by-passed and forgotten we cannot blame a future generation if they completely eliminate it and establish one of those dictatorships which I think all people of goodwill abhor. I abhor them with the full intensity of my being.

The Treasurer said that under the Industries Development Act a guarantee of £800,000 has been provided for the development of the pyrites industry at Nairne. Here again we find a peculiar anomaly. If the project is successful the companies involved in developing the project in association with the Government will reap the benefit, but if it is a failure the Government will be the loser. I am wondering whether it was necessary to go to the extent of guaranteeing £800,000 to develop this project, for it will not have any great effect upon the production of superphosphate for some time. We have many copper deposits, some of which were worked extensively in the past and some of which were not, in which there are large quantities of pyrites. Further, there is a great shortage of copper throughout the world. Consideration might have been given to the expenditure of money on developing these copper fields rather than the Nairne deposit. Further advances have been provided to assist those engaged in brick making, but the Treasurer gave no details of how production has been increased as a result of Government assistance. He said:—

The purpose was to ensure the development vital to the State, protect employment and hasten the time when the assisted industry is fully self-supporting.

That is largely Labor policy, but it would be useful for us to know the extent to which the brickmaking industry has discharged its obligations to the community as the result of Government assistance in recent years. Mr. Hutchens, who represents a district where red bricks are made, can throw more light on this subject, so I will content myself by saying that the overall picture regarding the production of red bricks is not bright.

I come now to the development of Leigh Creek coalfield, the further development of the Electricity Trust, the development of uranium mining, assistance to the Municipal Tramways Trust, and the general development of State resources, and it is proper for us to consider

the remarks made by the Premier on these matters. Dealing with Leigh Creek coalfield, he said that the Government proposes to reduce the price of this coal to commercial consumers as from November 1, 1952, by at least 2s. 6d. a ton. Again, "the Government" proposes to do it. I cannot see how the Government comes into the picture. I understood that, following on legislation passed in 1947 or 1948, the field was handed over to the Electricity Trust for development and control, and I assume that it is still in charge of the field and that it is the body, apart from the Prices Commissioner, to fix the price of Leigh Creek coal. I fail to see where the Government has any standing in the matter. Of course, the Premier claims standing for the Government, whether or not the Government is entitled to it.

The Hon. T. Playford—If you look at the Leigh Creek coalfield legislation you will find that the Government does fix the price of Leigh Creek coal.

Mr. O'HALLORAN—I have looked at it, but I cannot find anything of that nature. The Prices Commissioner fixes the price and bases it on a formula referred to in a recent broadcast by the Premier. I understand that the price is half the price of New South Wales coal, less a certain amount, and that the most recent price will be reduced by 2s. 6d. a ton for general consumers, and 10s. a ton for the trust's own requirements. For the trust, if it controls the field, it is merely a matter of bookkeeping. The Premier justified the larger concession to the trust by saying that it was the best way to spread the reduction over the greatest number of people. What will happen if the price of New South Wales coal suddenly falls? There are distinct possibilities of this occurring in the not too distant future. On what basis will the price of Leigh Creek coal then be determined? Considerable optimism is expressed as to what will happen when the second large power house is completed at Port Augusta, but it will be a long time before that power house is ready. The Premier said that the development of our uranium deposits was providing directly and indirectly a considerable volume of employment, and adding to the business prospects of the State. If the development is proceeded with to the fullest possible extent, it is likely that a source of power will be available to industry in the not too distant future. Present development has taken a considerable quantity of labour and material from other forms of development. Therefore, the uranium development is somewhat inflationary in its incidence, but it is a necessary expenditure, which has always had my full support.

I do not desire to say anything about the proposal to assist the Municipal Tramways Trust, except to say that the estimated deficiency for the year ending January, 1953, is about £750,000. I do not know whether the £500,000 provided in the Estimates will be sufficient to meet in the first year the needs of the new form of control. In any event, it represents a reversal of policy on the part of the Premier. I should like to know what principle is involved in the extension of the activities of the Mines Department, the development at Radium Hill, and the other items to which I have referred. Is it Liberal principle, private enterprise, or the type of socialism in which we on this side of the House believe, and which members opposite continually criticize and abuse? It is about time there was some firm decision on Liberal principle in this matter. Last Thursday afternoon, in his Budget speech, the Treasurer claimed credit for activities that do not represent true Liberal policy. They are very close to Labor policy, and they may have been better conceived under a Labor Government. Those activities are related to principles for which we on this side have stood for many years. In the *Advertiser* of October 17, in connection with the by-election to be held for the district of Stirling, there was a Liberal and Country League advertisement urging the people to vote for the endorsed Liberal candidate, and, among other things, it was said that he would do all in his power to oppose Socialism and Communism and to serve the best interests of the people. That is an extraordinary statement, in view of the long record of socialistic efforts by the Playford Government. I have referred to a number, but I could add to them *ad infinitum*. Things condemned when propounded by the Labor Party are eulogized when given effect to by the Liberal Party.

In connection with railway administration, for the year 1951-52 gross earnings were £9,511,000. Working expenses were £13,555,000. There was £1,090,000 for interest on capital, £60,000 for interest on loan funds in stores, and £165,000 for interest and sinking fund (accrued depreciation). Total expenses were £14,870,000, leaving a deficit of £5,359,000, and the contribution to the railways from general revenue was £5,050,000. In his 1951-52 report the Auditor-General said, in connection with the railways, that to meet deficits and finance current operations from general revenue, July 1, 1927, to June 30, 1952, £24,199,000 was needed. That is a stupendous sum in any language. Some years ago I suggested, because of the high prices being obtained for

certain primary products that were being carried by the railways at low rates, that the freight rates on them should be increased. If that advice had been taken the figure of £24,199,000 would have been considerably reduced. In his 1950-51 report, the Railways Commissioner said:—

It is obvious therefore under such conditions that not only are heavy subsidies from the Treasury necessary to balance the railway accounts, but that such subsidies will have to materially increase unless railway charges are increased in line with costs, which still have a pronounced inflationary trend.

Annual deficits in the last six years have ranged from £1,612,000 in 1946-47 to £5,359,000 in 1951-52. The Premier said that railway operating costs cannot and in fact should not be covered by continual and large increases in freights and fares. He said the railways were available to give a service to the public and to assist in the general development of the State. There should be a proper co-ordination of our transport and the railways, road hauliers, airways and other forms of transport should have their places, but we should decide the places they occupy. Some forms of competitive services should be eliminated without loss of convenience to the public. I do not propose to develop the argument because I have made lengthy references to it in other speeches, but nothing has yet been done to carry out such a policy. We cannot go on subsidizing railways to the extent we have out of Treasury funds. If we run into the difficult period I mentioned earlier it will be impossible to increase freight rates and fares to secure more revenue. I sometimes wonder whether it would not be wise to transport all freight within a certain distance of the metropolitan area by road because it may be more economic to run fully loaded trains over longer distances than to persist in the shunting so frequently involved in short distances. There should be some co-ordination between road and rail transport and road hauliers should deliver freight to railway depots, where trains could be provided to bring it to the metropolitan area. We are losing on wool freights each year.

The Hon. T. Playford—Wool is being brought to the metropolitan area in private vehicles.

Mr. O'HALLORAN—Yes, but I wonder if that type of competition is fair. The private vehicles which carry freight to Adelaide are wearing out roads which have to be used and maintained by the community.

Mr. Macgillivray—The road users pay for the roads.

Mr. O'HALLORAN—If that were so there would be no objection to this type of competition, but they never have been paid for by the road users. The Commonwealth Government uses the petrol tax as a means of raising revenue for its own purposes, and petrol is classed as a luxury, although it is an absolute necessity. The Commonwealth Government made it a vital issue in a recent election campaign and secured its own return by promising people that petrol rationing would be removed, but it receives about £20,000,000 from petrol users and does not return it to the States to assist in maintaining their roads. When we run into the difficult period we will be faced with a tremendous problem despite the better financial position referred to by the Treasurer. The proposed subsidy for 1952-53 is to be £200,000 less than last year—a reduction of about 4 per cent.

Taxation is a vital part of the Budget and merits serious consideration. In the course of his remarks the Treasurer said that his Government had continually pressed the Commonwealth Government to restore the income taxation power to the States but I am suspicious whether this pressure was strongly applied and whether it was continuous. I do not think it was anything in the nature of a third degree on the Federal Treasurer—it may have been desultorily mentioned once or twice, as it was here on a few occasions. The Federal Government took the initiative in threatening to return taxing powers to the States and we are now faced with the difficulty of determining what will be the ambit of the States' taxing powers and what the ambit of the Commonwealth's. In the past the Treasurer has used uniform taxation as an excuse for not doing certain things, but he never anticipated its abolition. Actually, uniform taxation has been the means of bringing about development in this State which the Liberal and Country League Government would never have undertaken if it had had to levy its own taxation. The Treasurer said, "The taxation field for the State must be reasonable and adequate," but what is to be regarded as reasonable and adequate? Will disagreement on this prevent the restoration of State income taxation? He also said that before the uniform tax was applied the State received 72 per cent and the Commonwealth 28 per cent of total income tax levied in this State, whereas now the figures are 19 per cent and 81 per cent respectively. It would have been better had the Treasurer shown how he arrived

at those figures, because I cannot discover any which would indicate what the State received in the old days or what it receives now. Another assertion difficult to understand is that the State could meet its revenue necessities with taxation rates very much below pre-war rates. I would have preferred more enlightenment on that aspect because if South Australia could meet its commitments with a lower scale of taxation there must be some wilful waste of money at Canberra by the Menzies-Fadden Government. The Premier also said, "I support the principle of the spending

authority raising its own financial requirements in its own way." Does this mean that the State should get no financial assistance from the Commonwealth at all? At the moment, in addition to the recoup of income tax and the fixed grant, we are deriving no less than £6,000,000 as a result of special assistance recommended by the Grants Commission. Figures of the taxation levied by the State and the grants received from the Commonwealth make interesting reading and it is wise to record them, including the year 1941-42 when the State levied its own income tax:—

Taxation—State—Levied and Grants from Commonwealth.
(Nearest £1,000.)

Item.	1941-42.	1950-51.	1951-52.	1952-53.*
	£	£	£	£
State Income Tax	2,819,000	—	—	—
Other State Tax	1,923,000	4,052,000	4,793,000	5,274,000
Total State Tax	4,742,000	4,052,000	4,793,000	5,274,000
Commonwealth—				
Financial Agreement Act	704,000	704,000	704,000	704,000
Section 96	1,150,000	5,332,000	4,558,000	6,343,000
Tax Reimbursements	—	7,269,000	10,200,000	11,600,000
Total Commonwealth	1,854,000	13,305,000	15,462,000	18,647,000
Other Revenue	8,526,000	16,315,000	22,383,000	25,168,000
Total Revenue	£15,122,000	£33,672,000	£42,638,000	£49,089,000

* Estimated.

Those figures of tax reimbursements and Commonwealth grants are not to be lightly disregarded for they represent nearly £18,00,000 of this year's revenue. In 1941-42 the State revenue was £15,122,000, of which State income tax plus Commonwealth contributions totalled £4,673,000 or 30.9 per cent. It is estimated that the total State revenue for 1952-53 will be £49,089,000, including Commonwealth contributions £18,647,000 or .38 per cent. Over this period, therefore, despite what the Premier has said to the contrary the difference between the Commonwealth contribution of 1941-42 and that estimated for the current year represents an increase of 7.1 per cent. The Treasurer referred to the proposed increase in succession duties and the following table shows the revenue from this source during various years:—

1941-42	587,000
1947-48	583,000
1951-52	1,082,000
1952-53 (estimated)	1,200,000

That shows a progressive increase over the past few years, at least partly due to the inflationary tendency in the last two years which has resulted in the increased value of estates submitted for probate. The Treasurer said the proposed increase will yield £50,000 this year. I assume that legislation providing for the increased duties will be passed before Christmas so as to be effective for at least half of the

current financial year, yet he said that £250,000 increased revenue from this source would be provided in a full year. That figure requires some explanation. Surely he has not arranged to kill off a number of people next year to provide the increased revenue, for I would not wish him to be charged with that. No information has been provided with regard to the proposed raising of the exemption and increases in the rates or as to what particular schedules will be provided in place of those which are now embodied in this legislation. It is interesting to note from a study of the history of probate and succession duties that as far as I can see the primary exemptions of £500 in one case and £200 in another appear to date from the year dot, for I went back 30 years and could not find where the primary exemption had been changed during that period, although I found an alteration in the rates. Apparently this is a field which might have been exploited earlier and with the changing value of money it may be necessary to change these exemptions more frequently than has been done in the past. Further, we must realize that if all the predictions now being made as a result of the fact that the last basic wage increase was not as great as the previous one prove correct we may have to scale down more of these things instead of raising them.

The Premier said that the increase in the amount of interest estimated for 1952-53 is due to increases in borrowing and in the rate of interest. It is interesting to note that the State public debt has increased from £110,000,000 to £173,000,000 in nine years and increased £26,000,000 last year. We face the difficulty in the future of carrying these various burdens, for instance of meeting from revenue railway charges and increased interest commitments as the result of the expenditure of money on developmental works. I understand it is proposed that very small land holdings are not to be subjected to land tax in the future, and so far as that applies to the smaller residential blocks on which homes are erected I see no objection to it, but I do not know that it is desirable that those thousands of people who are holding vacant land for speculative purposes throughout the metropolitan area should entirely escape their obligations in this regard, and it might be wise to consider something in the nature of an undeveloped land tax which would have the effect of causing these blocks to be offered for sale at reasonable prices to genuine home builders, for I am appalled at the lack of development of such blocks. Along well developed transport routes throughout districts which are served by water and sewerage schemes and in which footpaths have been constructed vacant land is not available because owners want a higher price than prospective purchasers are prepared to pay. Because of this the development of many suburbs will not be completed for a long time, although in order to build homes for people the Housing Trust has to buy paddocks to which the services which now pass vacant blocks in other districts must be taken.

Earlier I said that to some extent the Premier was the architect of the difficulties which now face South Australia and which include the interest load and the shortage of loan funds which I am afraid will make itself more severely felt before the end of this financial year. Prior to 1948 this State and the Commonwealth experienced stable financial conditions and had a cost of living which compared more than favourably with that in any other country having comparable social conditions. We had a rate of interest for public borrowing, which was fixed on the basis that the necessary developmental works in the Commonwealth would be provided without a crushing burden of interest being imposed on the States or semi-Governmental authorities responsible for the provision of those works,

and a financial policy of which the late Prime Minister of Australia (The Right Hon. J. B. Chifley) was the architect and in which production and development took precedence over finance and investment. Unfortunately, when the testing time came we found the Premier of this State stumping the country haranguing the people into defeating Chifley and returning Menzies and Fadden to power. The difficulties of this State began to grow with that change of government. They are still growing and will continue to grow with regard not only to the State Government but also to many worthy people within the State, particularly those of moderate means who during the war were exhorted to invest their money in war savings and did so for patriotic reasons believing that after the war when they wanted to build or extend their homes the money would be available for them. Now, however, as a result of the uncertainty created by the Federal Government's financial policy the bonds of those people in some cases are worth nearly £19 a hundred pounds less than the amount paid for them. Is it any wonder that financial uncertainty exists today and that semi-Governmental bodies find difficulty in getting their loans filled? Last week the Premier went to the Loan Council meeting in Canberra hoping to get something positive done with regard to financial policy, but on his return he had to admit that very little had been achieved.

On October 10 in speaking at Milang the Premier made some remarks which should be placed on record for they represent a welcome change of policy. He was on sound lines when he made a strong plea for the judicious use of central bank credit for major developmental works. According to the *Advertiser* of October 11, he said:—

Lack of money was hampering every Government in Australia today. It was closing down Government works and, in every State except South Australia, was causing Governments to sack thousands of men.

The *Advertiser* report continued:—

Mr. Playford said he did not know to what extent central bank credit should be used for amenity works. "Probably we have to be cautious there," he added. "I am certain, however, that the use of central bank credit is justified in every way provided it is directly associated with works that are immediately productive." The Premier said that farmers or private individuals could obtain bank credit to develop land or a business and there was no reason why the Government should not also do so. He instanced land development, irrigation and transport among the projects for which a Government should be able to obtain bank credit.

I entirely agree as the statements represent the financial policy of the Labor Party which, as I said earlier, was given effect to by the former Prime Minister, Mr. Chifley. Had that policy not been reversed by the Government which the Premier helped to elect, South Australia's Budget would be in a much more healthy position than it is today. I hope that the Premier's opinion represents the beginning of a change in him, and in members who sit on that side of the House with him—that they will not continue to tolerate what is happening at Canberra today. The development of the country and the very future of our people is being endangered at the moment. Not many years ago the Commonwealth Bank Board was telling the Government of the nation and the Sovereign Governments of the States that they could not spend money to provide employment for hundreds of thousands of worthy Australian workmen who were travelling along the roads and by-ways of the country seeking employment. It said that we could not spend money on keeping farmers on their land and that they would have to go to the wall. That was the beginning of the flight from the land in Australia, and was also the beginning of the disturbance in the distribution of population that has not been arrested since. If we are to continue as a white country we must have more people, and one sure way of sustaining that is to see that they are firmly established in primary production. Secondary industries will flow in the natural course of events, and these amenities which the Premier said could be provided from national credit—and I agree—will be made possible by a great increase in the production and resources of the country. They will be unleashed as a result of this development. I am not happy about the Budget, but I look with some confidence to the future, particularly when I anticipate what is going to happen early next year.

Mr. GEOFFREY CLARKE (Burnside)—I was intrigued to hear the plea of the Leader of the Opposition to regard legislation as being passed by this House. I hope he will always be prepared to say that Parliament did this or that, rather than that the Government did it. If I recall rightly, when we passed legislation some time ago to tax betting, the Deputy Leader of the Opposition called it the "Playford tax," but I think it should have been called the "Playford-O'Halloran tax" because it was passed by this House.

Mr. O'Halloran—No, I do not want any of of the credit.

Mr. GEOFFREY CLARKE—Let us call it the "Playford-Walsh tax" and be consistent. The Leader of the Opposition has fallen into the very trap which he accuses us of setting. I did not hear any suggestion when he referred to the policy of the Menzies-Fadden Government that they were the acts of the Federal Parliament. I have yet to hear Dr. Evatt say that these things were done by the Commonwealth Parliament, that they were not the acts of the Prime Minister nor of Sir Arthur Fadden, but were acts of the Commonwealth Parliament in which we all share.

The Hon. T. Playford—When things are different they are not the same.

Mr. GEOFFREY CLARKE—Exactly. We are hardly consistent if we say that Parliament did this, or the Government did that, according as it suits us. I have heard it said that there is nothing in the Budget which can give cause for satisfaction. When we look at the prime purpose of Government, apart from the fundamental things of proper law and order, we find it is to provide the conditions for prosperity. There is ample evidence in the Budget that the conditions for prosperity have been fostered and encouraged. In the first place we can look with much satisfaction at the activities of the Electricity Trust. Apart from a stoppage which was beyond the trust's control, this State has been singularly fortunate in having a consistent and adequate supply of electricity, which is fundamental both to industry and to the domestic happiness of this State. The foresight of the trust in providing additional generating machinery in expectation of a steadily increasing demand must be commended by every citizen. In no other State has that foresight been exercised and members know, from their travels in other States, that sections of suburbs and whole suburbs themselves are blacked out without notice, not because of lack of coal, but because of lack of generating equipment or the breakdown of obsolete machinery that has not been replaced.

Let us look to the encouragement of industry, which Mr. O'Halloran rather disparaged. The encouragement of industry has been along the line of first things first. The assistance given to the pyrites industry is of fundamental importance. Only today we heard about the unbalanced distribution of superphosphate, a commodity of prime importance to our land industry. There have also been loans for the production of cement, another fundamental that is essential to both country

and city as well as to primary and secondary industries. There have been loans, too, for brickmaking.

Mr. Frank Walsh—Were those things not investigated by a certain committee?

Mr. GEOFFREY CLARKE—Yes.

Mr. Frank Walsh—Wasn't that committee responsible to Parliament?

Mr. GEOFFREY CLARKE—Yes.

Mr. Frank Walsh—And didn't the Leader of the Opposition link up his remarks with that?

Mr. GEOFFREY CLARKE—Yes. I am prepared to say that this was done by Parliament if Mr. Walsh will say that the betting tax was imposed by Parliament.

Mr. Frank Walsh—So it was.

Mr. GEOFFREY CLARKE—I like to say that the Government does these things, and we should be consistent. Let us look at the extension of electricity into the country—a basic need. The development of superphosphate is also a basic need and so is cement production. One can do nothing except commend the Premier and officers of his department for the enthusiasm and energy they are throwing into the production of uranium, which will transform our whole economy within a few years. At the same time there are fairly long established functions of Government which the man in the street has come to accept as of right and something which continues from day to day without any thought on his part, such as hospitals, schools, law and order and so on. This achievement is perhaps the more remarkable when it is remembered that a very large proportion of the State's revenue comes from a source beyond the control of the Treasurer or Parliament. I think it was Sir George Reid who once asked "What is a million?" A million is the difference between the total of the State's Budget this year and £50,000,000. Of that £50,000,000, as the Leader of the Opposition said, about £18,000,000 comes from the Commonwealth in one form or another. The tax reimbursement amounts to slightly more than £11,500,000 and the Commonwealth grant to £6,343,000.

I desire to mention the principles on which the Grants Commission worked in arriving at this year's grant of £6,343,000. I spent much time in studying the Commission's 19th report, and it was not easy to read; indeed, I would excuse any member from voluntarily embarking on a study of it. I feel, however, that we should occasionally examine some of the prin-

ciples which stand behind the figures affecting our Budget. I propose shortly to make an analysis of the methods adopted by the Commonwealth Grants Commission and endeavour to apply these principles to the figures which the commission uses in arriving at the grant to be paid this year. There seems to be a doubt in the minds of people in other States—and I was surprised to hear the Leader of the Opposition express doubt on the point this afternoon—whether, when the States resume their taxing powers, the Commonwealth grants will continue. The payment of special grants results from section 96 of the Federal Constitution, which provides the authority for payment of grants to the States. I have heard no suggestion that there should be a referendum to remove that section from the Federal Constitution, and therefore the only way by which the Commonwealth could avoid paying the special grants to a State would be by failing to appropriate the necessary revenue, but that would be political suicide for the Party in power. To be perfectly fair, every Federal Government has scrupulously honoured the recommendations of the Commonwealth Grants Commission and I do not think that any Federal Government, of whatever political colour, could continue in office if it avoided accepting and paying the amount recommended by the commission in pursuance of section 96.

During the early period of its work the commission considered disabilities arising under Federation as the basic measuring stick upon which its recommendations were made. There were, indeed, very apparent disabilities in the smaller States which arose through the tariff policy which, until that date, favoured the "infant industries" of the older States. But in 1936 the commission moved away from disabilities as a measure of compensation to a new basis—that of financial need, and in its last report, at page 53, it said, in defining the principle of financial needs:—

Special grants are justified when a State through financial stress from any cause is unable efficiently to discharge these functions as a member of the Federation and should be determined by the amount of help found necessary to make it possible for that State by reasonable effort to function at a standard not appreciably below that of the other States.

This principle has remained unaltered since that year, although the methods of applying it have varied. It is this principle of taxation according to ability to pay and expenditure according to need that I have endeavoured repeatedly to establish as the only sound basis of public

finance, a principle which has been adopted by the commission in the very wide field of review in which it works, but the principle is sound, and if that is understood then the details can be worked out. This basic principle is perfectly clear in local government as well as in the Commonwealth and State financial relationships expressed in the payment and receipt of a special grant under section 96 of the Constitution. The commission points out that in 1946 and the following years difficulties arose because of the time lag between the year of review and the year of payment. To be precise, I would say that the year of review on which the 1952-53 grant will be based is 1950-51. The year of review is the year on the experience of which the grant is primarily based and the year of payment is the year in which the grant is actually recommended and paid. These difficulties, the commission points out, were accentuated by the deterioration of the finances of the claimant States. The need for a changed method involved consideration of the grants in two parts—a final adjustment of the total grant paid in the year of review and a tentative estimate of the “assessed grant” for the year of payment less a margin of safety to cover contingencies. The procedure is not simple to follow, and I am naturally indebted to the text of the report for the material which I now attempt to summarize:—

1. The Commission examines the audited accounts of the non-claimant States and after making adjustments to bring the figures of these States into a comparable form, a standard budget is prepared.

2. After the examination of the audited statements of the claimant States for the year of review, the Commission seeks to arrive at the amount of financial assistance which would be necessary to enable the claimant State to reach the budget standard. In this comparison adjustments are made to preserve the comparability of budget results of all States, and adjustments are made for differences between the efforts of claimant States and non-claimant States in raising revenues themselves and the levels of expenditure incurred in providing certain social services.

3. In the light of the grant measured under the last paragraph, and after taking into account that portion of the grant received in the year of review which was available to meet the need of that year, the first part of the grant to be paid in the year of payment is determined. This first part of the grant is intended to be applied towards extinguishing a deficit in the

year of review. Normally this will be the published deficit or the adjusted deficit in the case of a State with a net unfavourable adjustment.

4. If that part of the grant received in the year of review which was available to meet the financial need of that year exceeds the amount of financial need measured by the comparative budget standard, the first part of the grant recommended will be a minus.

5. An estimate is then made of the total assistance which will be justified in the year of payment.

6. From this is deducted a margin of safety—(a) to cover differences in receipts or payments not anticipated in the year of review; (b) adjustments not made in the year of review in levels of revenue and expenditure found necessary when the year of payments becomes the year of review; and (c) unpredicted changes in the finances of the claimant States. This year being the year of payment, in two years it will become the year of review and certain adjustments and contingencies which may arise now and were not provided for will be recognized when the year of payment becomes the year of review. The balance of the estimate after making this deduction is the second part of the grant recommended to be paid in the year of payment and this will become the first part to be taken into account when the year of payment becomes the years of review.

7. The total grant recommended is the second part plus or minus the first part. Applying these principles to the grant recommended to the Federal Government, the following position is revealed:—

Detail.	South Australia. £
Published Budget surplus (+) or deficit (—), 1950-51	+ 230,000
Correction on account of special grant received in 1950-51	— 4,858,000
Other corrections to published Budget result	+ 55,000
	<hr/>
Amount required to give Budget standard in 1950-51	4,573,000
Adjustment (+ favourable, — unfavourable) for—	
Scale of social services (paragraph 118)	+ 623,000
Severity of taxation (para- graph 119)	— 195,000
Differential impact of financial results of State undertakings on the Budget (paragraph 119).	
	<hr/>
Total	£5,001,000

Detail.	South Australia. £
Amount of financial assistance deemed necessary for 1950-51	4,573,000
Less amount available from special grant received in 1950-51	4,830,000
Balance	— £257,000
First part of grant recommended for payment in 1952-53	— 257,000
	£
Estimate of financial assistance justified for 1952-53, after allowing for a reasonable margin of safety (second part of grant recommended for payment in 1952-53)	6,600,000
Total grant recommended for payment in 1952-53	£6,343,000

This table read in conjunction with the step by step process which I have outlined shows that the total grant recommended for 1952-53 is £6,343,000. This is after two particularly important adjustments have been made, and they are of great significance in any consideration of the Budget. One of these adjustments provides for an addition to the grant of £623,000, the other for a reduction of £195,000, the net effect being a plus of £428,000. The addition to the grant is referred to in the table as "favourable adjustment for social services." This at least is some cause for satisfaction. The simple average of the costs of social services in the non-claimant States in 1950-51 was 199s. 10d. This covers education, health, hospitals, charities, law, order, and public safety, the highest cost a head being 236s. in Tasmania and the lowest 179s. 5d. in Victoria. The standard of expenditure is increased for each claimant State by adding a special allowance for greater difficulties in providing comparable services in that State. When allowance has been made for this extra difficulty in providing the services, the adjusted standard for the claimant State is then compared with the actual expenditure for that State and according to whether the figure is above or below the standard the State is penalized or not penalized. Applying this principle to South Australia we find that costs of social services affect the grant favourably. At the time the review was made there were 711,007 persons at 199s. 10d. a head, which equals £7,104,000, plus an allowance of 4 per cent for our extra difficulties amounting to £284,000 giving the State an adjusted expenditure of

£7,388,000 whereas our actual expenditure was in fact less by £623,000, which is the amount of our favourable adjustment.

Looking now at the other side of this adjustment, we find here one of the points which has prompted the Treasurer to introduce some new tax measures. It may be said very generally that the Grants Commission helps those who help themselves, a very sound principle. Therefore, if we do not tax ourselves with the same relative severity as the non-claimant States we suffer. We are short of revenue by the amount to which we do not tax ourselves, and because of this failure to do our utmost ourselves we are penalized by the commission, which will not make this shortage good. Just as the commission prepares a comparative statement of the relative costs of social services, it also compiles a table of relative weights of taxation. This table, which is set out at page 65 of the report, shows that we get pluses for land tax and racing tax, but minuses for motor tax, estate duties, stamp duties and liquor tax, the unfavourable adjustment over these taxes being £195,000. As the level of land taxation is appreciably higher in South Australia than in the non-claimant States, one might have been excused if it were asked why the Treasurer decided to increase land tax instead of the liquor tax, in which we were appreciably below the level of the other States.

Mr. Frank Walsh—He has no right in regard to the liquor tax.

Mr. GEOFFREY CLARKE—I have been informed that in the other States the liquor tax is based on the consumption of liquor in hotels, but there is some question as to the constitutional rights in this regard, as it goes dangerously close to the definition of "excise." Possibly the Treasurer had in mind that such a tax might be regarded as unconstitutional. The only taxation we receive from liquor is from licensing. The other States also receive substantial revenue from licensing but it is levied on a different basis, and that basis comes very close to the definition of an excise because the weight of the tax is measured by the turnover in quantity, and it may be for that reason that the Treasurer has not embarked on an increase in this form of taxation.

Mr. Frank Walsh—Don't you consider that an excise of 7s. 2d. on beer is enough?

Mr. GEOFFREY CLARKE—This is not a question of excise, which is the sole prerogative of the Commonwealth. All I am saying is that the Commonwealth Grants Commission rates our weight of taxation on liquor very low

indeed compared with that of other States, and I am simply asking why the Premier should have sought to obtain increased revenue from land tax when we are already above the level of the other States, whereas the Grants Commission is penalizing us for not collecting more revenue from liquor.

Mr. Davis—Don't you think liquor is taxed heavily enough already?

Mr. GEOFFREY CLARKE—I cannot make the position more clear than to refer members to the report of the Grants Commission where they will see that the level of land tax in South Australia is already higher than in other States. The figures are given as plus 82 per cent for land tax and minus 80 per cent for liquor tax.

Mr. Frank Walsh—What about increasing stamp duty?

Mr. GEOFFREY CLARKE—I am coming to that, but all that I am saying now is that we are penalized for failing to tax ourselves heavily on liquor while already we have a credit for our high rate of land tax.

Mr. Frank Walsh—How does our betting tax compare?

Mr. GEOFFREY CLARKE—I will come to that. That is what I call the Playford-Walsh tax.

Mr. Frank Walsh—I want you to understand that the Industries Development Committee—

Mr. GEOFFREY CLARKE—I am not referring to that committee, but simply dealing with the point raised by the Leader of the Opposition, namely, the severity of taxation on certain things. The Commonwealth Grants Commission, at page 65 of its report, shows how we are penalized for our existing rates of taxation by comparison with the non-claimant States, and this brings me to my point: in all other items we have an unfavourable adjustment because our rates are lower than those of the non-claimant States, and the Treasurer is proposing to do something about it with the solitary exception of motor taxation, where we have a small unfavourable adjustment of 1 per cent. However, that does not come into the Budget because it is earmarked for roads. In estate duties we have an unfavourable adjustment of 17 per cent and in stamp duties 5 per cent. It is proposed to remedy that position so that the Grants Commission will not be able to penalize us for failure to tax ourselves at the average rate for the Commonwealth.

It may be that the need for the raising of additional revenue is not apparent to the taxpayer generally, when we will receive this year a record high grant. An examination of the

Auditor-General's report will soon disclose a position of State finances which should have the closest possible review by this Parliament. If the policy which these figures represents is to be continued, and all through it there is evidence that successive Governments have looked particularly to the development of primary industry, then attempts which we have seen recently to divide country and city interests are doing a disservice to the State. City members are aware as all members should be aware that the interests of country and city are indivisible. The city is prepared to continue to finance the developmental work which is still going on in the State. We must insist, however, that some of the mistakes of the past are not repeated.

Like the Leader of the Opposition I wish to conclude with a few words about railways finance. We learn from the Treasurer's speech that the contribution from revenue this year will be £200,000 less as the result of extra traffic and the raising of freights and fares. The loss on the railways last year was the record high of £5,358,946, an increase of £1,384,000. This matter should be of the greatest concern to everyone, yet it seems to be accepted with complacency; I do not find any great body of public opinion concerned with the fact that £5,000,000 of revenue needs to be injected into the railways in order to keep them "on the rails." It is true, as the Treasurer points out, that the railways constitute a public service and are a direct aid to primary production, but I would like to see an impartial examination of the economic implications of this position. One does not know whether the State gets commensurate value for that £5,000,000 grant to the railways. Looking at it another way the railways now take from revenue a sum equal to the whole of the projected new revenue from land tax of £610,000, the whole of the stamp duty revenue for the current year estimated at £1,020,000, the whole of succession duty estimated at £1,200,000, the total of motor taxation, which does not go into general revenue, £1,650,000, and the total of betting taxation, £530,000. This makes a grand total of £5,010,000, or almost exactly the figure granted to the railways from general revenue. The question I ask is are the railways worth this vast sum above their earnings? The taxpayers would like to see a plain statement of the benefits, both direct and indirect, which they receive in return for this grant.

I do not propose to cover the Budget line by line, but I support it believing that the

best use has been made of the resources available to the State. I commend the Treasurer for his skill in presenting us with a well balanced Budget—his fourteenth—and hope he will be here next year to present his fifteenth. I have heard the Commonwealth Grants Commission commend the fashion in which the South Australian Treasury figures are presented; they say that, from an accountancy point of view, they are prepared better than in any other State. Members will agree I am sure that the figures set out the position of the State lucidly and clearly, and I have pleasure in supporting the Budget proposals.

Mr. HUTCHENS (Hindmarsh)—I have listened to all the speeches to date and cannot help but be impressed by their quality. The Treasurer gave us a very clear and lucid explanation of the State's financial position. His experience in preparing 14 successive Budgets naturally must have been of great assistance to him, but, like the Leader of the Opposition, I feel that this perhaps was one of the most difficult he has had to prepare. With the material available I feel that he has done a reasonably good job. The Leader of the Opposition, I think, covered most of the important ground, and the member for Burnside, with his training in accountancy, made an enlightened contribution. With my limited experience I do not hope to reach the standard set by previous speakers, but I shall endeavour to the best of my ability to make a worthwhile contribution to the debate, for the Budget covers every aspect of the State's life.

The Treasurer expressed confidence in our future and I hope that he is right when he says that he believes that the State, in the immediate and the distant future, will progress steadily and continue to give to the people that standard of living which they have enjoyed in recent years. The Leader of the Opposition emphasized the fact that much of the legislation giving benefits to the people of South Australia was made possible only by the co-operation of the Opposition. During my short term in this place I must admit that the Government has introduced progressive legislation. The Opposition has supported it and will continue to support such legislation, but the member for Burnside drew attention to Commonwealth affairs and suggested—I think acknowledging the failure of the Menzies-Fadden Government—that we should be consistent and agree to the Opposition there sharing in that failure. I believe that if the Menzies-Fadden Government was capable of bringing down progressive legislation the Labor Opposition would support it.

I do not know whether the member for Burnside implied that members on this side of the House did not appreciate the work of State Government officers, but as I have many constituents I often find it necessary to approach many Government departments. I believe our public servants cannot be surpassed for courtesy, efficiency and their desire to co-operate with members of Parliament to further the interests of the people. I was sorry to learn this afternoon that one of our senior officers (the Commissioner of Police) is in hospital. I hope that he will soon be restored to good health so that he can resume his important duties. I shall co-operate in any move to restore this State to the prosperity it has enjoyed until recently. Our people should be provided with a standard of living giving happiness, good health and engendering a spirit to co-operate for the welfare of the State. It was recently announced that, after many disappointments, we shall receive a visit from Her Majesty Queen Elizabeth II. and I hope that at that time we shall be a happy and prosperous people.

The activities of the South Australian Housing Trust have been used for political purposes. I represent an industrial district and am often called upon to consult trust officers on behalf of constituents. I have found them to be courteous, efficient and just in considering applications and in allotting houses. They have a most difficult task because some applicants are living under difficult conditions but others are in even more unfortunate circumstances, but the trust has always allocated houses in accordance with the highest principles of justice. Some people try to create the impression that all is well with housing in South Australia, but it is still a big problem. Only recently a motion in this House was amended to give a pat on the back to the Government. According to figures released by the Government Statist and in the Lieutenant-Governor's Speech, for the six years ended June 30 over 26,000 homes were built. That sounds a colossal figure, but when one considers the great shortage of housing he wonders whether it is not deplorable that only 26,000 homes have been built. It is at least a most unsatisfactory state of affairs for during that same period, according to the Government Statist, there were 40,000 marriages. When I was speaking on this subject before a Minister said "Haven't some of our people died?" but despite deaths, according to the Quarterly Summary of Australian Statistics, our population has increased during the past six years by about 94,000. Prior to

1938 there were not more than three persons to a home, on the average, in European countries. If that average is acceptable to South Australians we find our housing lag has increased over the past six years by 5,000. If the number were four persons to a home the lag has worsened by 2,500. In 1950 there were 22,000 applications for rental accommodation with the Housing Trust; in 1951 there were 27,000; and in 1952 about 30,000, in addition to 9,000 applications for emergency accommodation. No one can rightly say that our housing problem has eased, but those members desiring to pat the Government on the back suggest that this State has done more than every other.

Mr. Pattinson—Surely you agree with that?

Mr. HUTCHENS—I should like to, but I bow to the facts. The *Bulletin* of October 15 published a schedule showing the number of houses built in the various States per 10,000 of population. Tasmania has had a Labor Government for a considerable time and heads the list with 376.

Mr. Teusner—Over what period?

Mr. HUTCHENS—For the four years ended June, 1952. Queensland, also with a Labor Government, was next with 323; then Victoria with 281; and South Australia came fourth with 263. Western Australia was next with 258, and then New South Wales with 218. I recently read some comments from an impartial person in New South Wales that due to the efforts of the Government there prior to 1939 the housing problem was not as acute as in other States.

The Hon. C. S. Hincks—South Australia would have a higher percentage of stone construction houses.

Mr. HUTCHENS—I will come to that later.

Mr. Teusner—In Tasmania only about 22 per cent of the houses are of brick or stone.

Mr. HUTCHENS—Yes. In Queensland there there is a smaller percentage.

Mr. Teusner—Queensland has 12 per cent brick and stone, and Western Australia 43 per cent.

Mr. HUTCHENS—In considering this matter we must have regard to the type of building most suitable in each State. In some localities houses of solid construction are not suitable. For years the standard in South Australia has been the solid construction type. We have the necessary materials to make that possible. In his report for 1951-52 the Auditor-General said:—

Two applications from brick manufacturers for additional loans, up to £32,000, making a

total of £94,000, were approved during 1951-52, and advances made to these manufacturers to June 30, 1952, were £80,000.

This made a total advance of £174,000. It is important that the Government should see that money advanced is not wrongly used. If it is, Government brickyards should be established to compete against private manufacturers. In 1928 when we had only two-thirds of the present plant in operation and most of the work was done by hand, about 86,000,000 bricks were produced. In the metropolitan area in 1951 the production was 42,000,000; in the previous year I think it was 52,000,000. The Government has already advanced to brick manufacturers £174,000 and if something is not done to improve the operations of the brick industry some of that money will not be repaid. In a previous session I drew attention to the activities of brick manufacturers. One company operating in my district, and with a Government representative on its board, was advanced £50,000, but I believe there is something amiss with its activities. It secured a Government advance to buy machinery. Now, under the pretence that the machinery will not mix local clay, it uses imported clay to make texture bricks, which are being sold for £25 a thousand. It needs only a schoolboy detective to see that something is amiss. The Prices Commissioner fixes the price of bricks, and the highest price for bricks made of local clay is £14 17s. 6d. a thousand. By using imported clay on the pretence that the machinery will not mix local clay, the company has obtained an increase of £7 a thousand. The position needs investigating. The standard of home is an important matter to everybody and is always brought forward when an attempt is made to get kudos for the Government. In the *News* last year there was a statement by a member of the Victorian Housing Commission, who was in South Australia for the purpose of inspecting our housing activities, that the houses in this State were not of the same standard as those built by the Victorian Housing Commission. Any unbiased person will agree with that statement. In South Australia, to the discredit of the Government, we are erecting many imported prefabricated houses, when we should be building houses of solid construction.

Every right-thinking person in the Commonwealth, and particularly in South Australia, must be concerned about our rural production. It is said that a metropolitan member should not interest himself in such production, but such statements are made by people in a state of fear. Although the metropolitan member

does not live on the land, he knows that the State depends a great deal on primary production. South Australia must pay more attention to her rural production. When we look at our position we must be alarmed. The world is now celebrating the seventh anniversary of the formation of the United Nations Organization. Under the charter we have pledged ourselves to provide the highest possible standard of living for all people. Our higher standard of living is spreading to more parts of the world. Millions of people to the north of Australia are improving their standards, and are rightly demanding a still further improvement, and to get it they need the assistance of other countries. If we desire to maintain peace throughout the world we must see that sufficient food is available for all. Certain ideals cannot be suppressed merely by the use of weapons. The provision of food is a far more important factor. I have previously said that only one-third of the world's population is properly fed. It is incumbent upon us to supply the remainder with food. I admit that there has been an increase in the production of many rural commodities in the last 14 years but our population has increased considerably in that time. In 1939 the population was 597,048, but in 1951 it was estimated at 729,836. If we are to obtain a true perspective of the rural production we must examine the figures on a per head of population basis. There has been a decline of 13 bushels per head in cereal foods, and, though the Government has claimed credit for supplying a number of milking machines to the country, the dairy herds have only increased by one cow per milking machine. Since 1938-39 butter has declined 18 lb. per head of population, cheese 10 lb., milk 60 gallons, and wool 34 lb. In 1940, 770,190 sheep and lambs were slaughtered for export but by 1951 the number had decreased to 145,621. The overall figures for export and home consumption reveal that in 1940 the number of sheep and lambs slaughtered was 2,164,288 but by 1950 it had decreased to 1,546,508. A similar story could be related concerning pig slaughtering, but the figures already quoted prove that our rural production has not increased with our population. The Treasurer referred to the increase in secondary industries, and the member for Burnside suggested that the Opposition should be consistent in giving credit.

Mr. Geoffrey Clarke—I suggested that you should accept responsibility.

Mr. HUTCHENS—We will next year, and we won't ask anyone to share in our mistakes. There has been considerable development in our secondary industries and the number of factory employees in the metropolitan area has increased from 36,000 to 72,000 and in the country areas there has been a 50 per cent increase—or 4,128 more employees. However, from 1940 to 1948 there was an increase from 650,000 to 848,000 in the number of employees in secondary industries throughout the Commonwealth. Because of the Federal Labor Government's decentralization policy South Australia was awarded a greater share of industries than any other State in proportion to its population, and credit for our increased industrialization must go, in part, to the Labor Government. While the Premier was anxious to indulge in political window dressing in his presentation of the Budget he was not gracious enough to give credit in the way the Opposition does. In a recent Current Affairs Bulletin it was stated that in comparison with other States South Australia was the least active in decentralization, and one may wonder why the Government has not been more active in the decentralization of industry. When a Government has a stranglehold upon Parliament through effectively gerrymandered electoral districts it will endeavour to retain that hold. If the population of rural districts were proportionate to that of the metropolitan area the Government might lose its stranglehold and it is in its interest to encourage a drift to the city. According to the most recent figures the average enrolment for metropolitan districts is about 21,000, whereas the average enrolment for country districts is 6,500. There are as many as 26,000 electors in one metropolitan district and as few as 3,500 in one country district. The 13 metropolitan members are elected by 272,000 electors, the 26 country members by 168,000.

Mr. Teusner—Which district has the smallest number of electors?

Mr. HUTCHENS—Frome, and the Government of the day will never change that, because if it did the representation of adjoining electorates would be changed. In 1938, after the gerrymander, the average number of electors in metropolitan electorates was 16,200 and in country electorates 5,900; therefore during the life of this Government the position has worsened considerably. The Budget contains no provision to improve the various conditions I have mentioned, nor does it provide greater encouragement for primary and secondary industries. The obligations of this

country with respect to the United Nations charter have been ignored by the Government, and I believe that strenuous efforts in this regard will be made only when the Government is changed.

Mr. HAWKER (Burra)—In supporting the first line of the Estimates I wish to refer briefly to the death of King George the Sixth, as I was prevented by sickness from speaking in the Address in Reply debate, during which members in general referred to that subject. The monarchy of the British Commonwealth has been a wonderful institution, and though many other monarchies have fallen ours has increased in prestige. Returned servicemen have always been proud of the fact that our late King was an ex-serviceman, having served in the Battle of Jutland. They are also pleased that the Duke of Edinburgh is an ex-serviceman, he having served in many theatres of war in the Royal Navy. We can look forward with great hope to the reign of Queen Elizabeth II., who, in a message broadcast from South Africa on her 21st Birthday, said:—

We must not be daunted by the anxieties and hardships that the war has left behind for every nation of our Commonwealth. We know that these things are the price we cheerfully undertook to pay for the high honour of standing alone in defence of the liberty of the world.

We are still paying for that privilege. Many of our troubles today were caused by the second world war. The Queen's message continued:—

If we all go forward together with an unwavering faith, high courage, and a quiet heart, we shall be able to make this ancient Commonwealth, which we all love so dearly, an even grander thing—more free, more prosperous, more happy, and a more powerful influence for good in the world—than it has been in the greatest days of our forefathers. To accomplish that we must give nothing less than the whole of ourselves.

That is a message of hope and optimism which the Premier, in the concluding words of his Budget speech, followed. I do not agree with present-day calamity howlers. South Australia is definitely a primary-producing State. The Treasurer said:—

Our primary industries are particularly efficient and make a very large contribution to the high and increasing value of our national income.

It is interesting to note that during 1951-52 South Australian exports totalled £97,251,000 and imports £93,017,000, making a favourable trade balance of £4,234,000. Eighty per cent of those exports were primary products and even after deducting the value of those which

are processed such as flour, wine, dried fruits, and condensed milk, the remaining primary products constitute a total of 71 per cent of our exports. During that year the Commonwealth exported £674,840,000 worth of goods and imported £1,053,410,000 worth, so that it had an unfavourable trade balance of £378,570,000. A comparison of State and Commonwealth trade balances speaks very highly for South Australia's productive efforts in recent years.

The Leader of the Opposition referred to the area of land that has gone out of wheat production. Much of that land may never go back to wheat and that will be a good thing, for, as a member of the Agricultural Department said at an agricultural bureau meeting that I attended, the best thing that ever happened for South Australia was the high price of wool, which turned farmers away from cultivating the soil to using it for grazing, thus giving it a rest and a chance to rehabilitate itself. That fact should be borne in mind by those who criticize the fall in wheat acreage. In the early days of the State our soil was abused, and it will be a slow process to get it back to full production. I commend the staff of the Department of Agriculture, particularly its Soil Conservation officers, for the work they have done on rehabilitating our farming lands.

Mr. Frank Walsh—What will be the position if the price of wool falls?

Mr. HAWKER—If the price of wheat remains at its present level there will be a reversion to wheat, but in the meantime while the land is being used for grazing it is going through a process of rehabilitation, for there is nothing better than the clover used in grazing to improve the quality of the soil. From the latest figures available, in 1947-48 about half the sheep in South Australia were being carried on wheat farms, and that is where the increase in our sheep population has been brought about. The Leader of the Opposition also expressed doubt about the advisability of using fertilizers. He implied that some farmers could not grow wheat because they could not get the fertilizer, and I agree with him in that regard. In the past farming has been carried out by using artificial rather than organic fertilizers, but that is a bad practice. Modern farming uses both types of fertilizers, but large areas recently opened up, including the Ninety-Mile Desert, Upper and Lower South-East, and Kangaroo Island, could not have been opened up had it

not been for the use of superphosphate. I know of farmers in the Keith area who have successfully worked the land by using superphosphate alone, without adding copper or zinc.

Mr. Macgillivray—The Minister of Works who is interested in that country has found that superphosphate plays an important part in its development.

Mr. HAWKER—Yes, that is in the area of which I am speaking. We are largely dependent on superphosphate and if we can get all that we want our primary production will increase. Because of the lack of superphosphate in the past our primary production has been restricted.

Sitting suspended from 6 to 7.30 p.m.

Mr. HAWKER—Mr. Hutchens quoted figures to show that, notwithstanding a large increase in the number of milking machines, there has been a very small increase in dairy herds. He should look at the matter in a different light because, if he expects the country to keep on producing, people living there should be given more amenities. Dairy farmers find it extremely difficult to obtain sufficient labour because of conditions which are fixed largely to a tune set by the metropolitan area. Mr. Hutchens should remember that there is no 40-hour five-day week in the dairying industry, as a cow produces milk seven days a week. I have never yet heard how we can produce a 40-hour week cow. Dairymen are entitled to an easing of the strain of milking, even if production has not increased by the use of milking machines. There is no reason why a dairyman's life should not be made easier. South Australia is essentially a primary-producing State. During the Premier's second reading speech the member for Goodwood interjected "City versus country!"

Mr. Frank Walsh—You indicated that before.

Mr. HAWKER—No. It is time city members looked at this question in its proper perspective. I also referred to Princess Elizabeth's speech in South Africa, when she said, "We will progress if we all work together."

Mr. O'Halloran—Not on the basis of 26 to 13.

Mr. HAWKER—If the Labor Party think the country will be helped by the electoral system they are always advocating they had better look at the position in France, where not only the rural population is bled for Paris but also for the urban industries. In 1937 I visited several cities in France a lot bigger than Gawler, and they had only one or two kerosene lamps. If

that is the type of reform which the Labor Party wants to give everybody in South Australia the country will soon be bled in favour of the city.

Mr. O'Halloran—The country is fading away now.

Mr. HAWKER—Only to a certain extent. New South Wales and Queensland, two of the biggest primary producing States in the Commonwealth, have had Labor Governments for years. Returning to the member for Goodwood's argument, our biggest problem is not so much the drift to the metropolitan area as the drift from the land to urban industries. If the motion which Mr. O'Halloran has before the House is carried it will make it easier for our rural population to enter secondary industries. In an article in the *Advertiser* of October 11 the Professor of Human Physiology and Pharmacology at the Adelaide University (Professor Sir Stanton Hicks) said:—

The present-day cause of indifference to food production problems lay in the ignorance of our over-urbanized population. Expert information appeared to be available on all matters except the conservation of organic waste.

Mr. O'Halloran—I think I can agree with that.

Mr. HAWKER—The only reason why Adelaide ever started was the productivity of the land surrounding it and the efforts of people prepared to work it.

Mr. Macgillivray—It is a change to hear that from the Government side of the House.

Mr. HAWKER—Adelaide depends on the produce of the land surrounding it. Notwithstanding the talk of hidden subsidies, the basic fact remains that although these subsidies have been paid and money spent on railways and waterworks, which are helping the country, the metropolis has waxed fat and prospered. Successful secondary industries in South Australia would have been impossible had it not been for labour available from rural areas and rural people who were prepared to render service to the country. We have built up most successful industries because of the availability of labour which has a long history of rural background. Every time there are high or low prices and droughts or good seasons the position is reflected in the city. If we are to progress metropolitan people must not forget that we are all one people.

Mr. O'Halloran—One vote, one value.

Mr. HAWKER—That takes me back to France once more. Certain members say that

we must not pit the city against the country, yet they begin it by pointing out that water supplied to the city returns a profit, whereas water supplied to country areas shows a loss. In his Budget speech the Premier said that it was the Government's policy to provide services essential to the country and that the Government considered the provision of water, transport and electricity to country areas was the best method to ensure production. I agree. Mr. O'Halloran's motion could only result in turning the population in our rural areas into secondary industries. Since I have been a member of Parliament we have had several most interesting and instructive Parliamentary visits to different parts of the State. Members have been to Leigh Creek twice, the Osborne power house, Radium Hill, Islington railway workshops and the Mines Department and laboratory. I pointed out earlier that our economic stability depends on our primary produce. Members have visited Roseworthy Agricultural College and the Loxton settlement, and I am glad that the Government is arranging a Parliamentary visit to Kangaroo Island to view some of the work being done to increase rural production. It would be an education if we could visit Turretfield Experimental Farm, Parafield Poultry Station and the Waite Agricultural Research Institute. Some members have produced figures to show how our wheat production has decreased, but let us take the area of pastures top-dressed, plus crops. Between 1946-47 and 1951-52 the areas increased by 326,300 acres. That is one indication of how we are increasing our primary production. Mr. O'Halloran did not mention stock. From 1946-47 to 1950-51 the number of sheep increased by 3,208,000. In 1947-48 half these sheep were being carried on farms. It means that the land has been given a rest by being used for grazing instead of being "mined" for wheat. For the same period cattle increased by 8,586, showing that our production was advancing. The Treasurer mentioned the reversion to the States of their taxing powers. I fully agree with this. Unlike the Leader of the Opposition, I believe the Treasurer has always been sincere in his advocacy of these taxing powers being handed back to the States. It will be a great help to South Australia. I have even heard it mentioned by constituents that "Canberra will pay for what we want." If they ask for something and a tax is levied by the State, it will bring people much nearer the actual facts. As it is now, some mythical body in Canberra supplies the money.

Mr. O'Halloran—You would not suggest that any of your constituents would ask for something they were not entitled to?

Mr. HAWKER—I have not suggested that.

Mr. O'Halloran—That has been the basis of your argument.

Mr. HAWKER—If the honourable member thinks so, I will try to disillusion him. The basis of my argument is that if a person wants something to which he is entitled he pays for it. The Leader of the Opposition thinks that if he asks for something for his constituents Canberra pays for it, but actually they are taxed for it. The sooner the people of Australia learn that they cannot get things without being taxed, the sooner we will progress. I am not worried about the lack of loan money, as I believe we will eventually get more done with less loan money than was the case before. It was a bad thing when the Government and private enterprise were competing for labour and materials. It will be much better for Australia if as much of the taxing as possible is done by the States, because the people will then realize that if they ask for something they will have to pay for it. They are not doing that now. I commend the Treasurer for his stand over the years concerning the rights of the States in the taxation field, and I also commend Mr. Menzies and Sir Arthur Fadden for what they have done.

Mr. O'Halloran—Have you seen the Flinders result?

Mr. HAWKER—Yes, and I have seen the result of nine years of socialistic Government in Australia and I do not like it. The Labor Government took over in the Federal sphere on a sound financial footing and with a foundation for our war effort, but Australia finished up bankrupt. The start of the landslide of inflation was when Labor depreciated the pound. The war effort of Labor was based on what Mr. Menzies had already done. Ever since the war there has been a crescendo of inflation, which is hard to stop; it hurts some people and they do not like it.

Mr. O'Halloran—Have you ever heard of the special wool levy or the provisional tax?

Mr. HAWKER—I do not object to them and I did not appeal against the provisional tax. I think that many people were pleased both with the provisional tax and the wool levy, and I believe it was a great help to Australia that the wool levy was imposed, because the growers then paid the tax in the year in which they could afford to pay it. Control from Canberra became too unwieldy. A Minister must be dependent on the information

given by his civil servants, although he has to make the final decision. I have read some of the advice given to Mr. Menzies by these officers and it has been completely wrong. He was advised that the price of wool would not go so high as it did and that it would not decline as far as it did, that imports would dwindle, and then he was suddenly advised that our trade balance in London was dwindling and something had to be done immediately. He acted on the advice given by his civil servants. Our set-up in Australia in the appointment of civil servants is unlike that in America, where they are changed every time a new party comes into power.

Mr. O'Halloran—Do you say that Mr. Menzies was incompetent because he was guided by his civil servants?

Mr. HAWKER—I am not saying that. I say that a Minister depends on the information given him by his civil servants, and they can give wrong information. I contend that Mr. Menzies was badly advised. The position at Canberra is quite different from that in South Australia, where we have an excellent set of civil servants. They were highly praised by the Treasurer in his speech. That is the difference between those who have been working under a Liberal Government in South Australia and those who worked under a Labor Government in Canberra. The high standard of our civil service here is largely the result of our Treasurer. I am at a loss to understand the Labor Party's policy on the question of unemployment.

Mr. O'Halloran—Full employment.

Mr. HAWKER—Full employment, no overtime and more leisure. We cannot progress if we have no overtime and much leisure unless there is a pool of labour. The unions are continually striking against overtime. What we have had lately is not full employment but over-full employment, and this has had a bad effect upon Australia, especially upon its young people. A boy leaving school during the past few years has been able to get high wages for unskilled work. Now with a little recession the first people to be put off are the unskilled. We want skilled men. Their absence is one of the worst features of full employment. I am pleased the Queen has appointed a man from the Mother Country Governor of this State. This is a link with the Mother Country, and one which should always prevail. South Australia has had a series of excellent Governors, who have kept us bound to the Mother Country as we should be bound, and I hope that that practice will be continued. I support the first line of the Estimates.

Mr. McLACHLAN (Victoria)—I take this opportunity to express my satisfaction with the Budget, for which the Treasurer is worthy of congratulation. I do not think he has overlooked anything. I notice that the expenditure this year is expected to be £6,500,000 greater than last year. Unfortunately, this state of affairs is a problem confronting everyone. The cost of everything is moving up and this makes it necessary for us to rearrange our finances to meet that trend. I was pleased to read in the Treasurer's speech of the contribution being made to the State's finances by the Leigh Creek coalfield. We are all proud of his achievement which has been made possible by the initiative and hard work of the Treasurer. Undoubtedly, it has resulted in a useful bulwark to industry. The Treasurer anticipates that increased rail freights will result in increased railway earnings, but I am not quite as optimistic as he is in this regard. Increased rail freights result in some resistance from primary producers. For instance, the number of sheep being carried from drought stricken and pastoral areas to the better areas is not as great as in the past. I do not wish to complain regarding the rail freight charges because I think the Government has treated primary producers very well, but I remind the Treasurer that at present it costs 7s. or 8s. to convey sheep from Peterborough to the South-East, and that is certainly a lot of money, particularly on store wethers. I feel that there will be a big falling off in the earnings from that source this year. The Treasurer considers that the railways are an amenity which should not have to show a profit; that they are in operation for the development of the State. That may possibly induce him in the very near future to give some consideration to a reduction of rates. He expects more revenue from motor registrations, but this seems very doubtful. One repeatedly hears that to own a motor car and drive it only 10 miles a week costs about £350 a year taking into consideration registration, insurance and depreciation. During the inflationary period, when primary producers were earning big money, they had a tendency to own more cars than they were entitled to have and I think that many of those vehicles are now coming on to the secondhand market, or finding their way back into garages so that it would not be in the least surprising if motor registrations fell off.

Mr. Hutchens—Evidently the honourable member hasn't the confidence in the future that the Treasurer has.

Mr. McLACHLAN—I think possibly I have a financial sense which my friend lacks; to meet one's commitments one has to spend less than one earns. When the winning bets tax legislation was introduced it came in for much criticism. The press gave it a great deal of publicity and many believed that it was a retrograde step. I feel, however, that many of the racing people who opposed it then have realized that it has been a godsend to the State and to racing generally. As a person interested in racing I believe that it has done much to provide amenities for racing people in the country and to increase stakes in the metropolitan area, with the result that we are getting a much better type of horse in South Australia, and our horses are finding their way in the eastern States and performing very creditably.

Mr. Fred Walsh—What about the punter?

Mr. McLACHLAN—I think the punter is doing fairly well. There is no doubt that if it were not for the amenities on courses and the bookmakers the poor punter would not have much of a go. I was influenced to speak in this debate by a statement by the member for Hindmarsh. I appreciate very much his interest in the primary producer and am quite certain that he is sincere; he realizes the benefits to the city deriving from primary production and he made some references to the United Nations. Doubtless what he said was true; that if we are to combat Communism and foster peace in the world we must do everything possible to utilize our natural resources to the full to bring about greater food production. To get that there are two sets of circumstances to be considered and two sections of the community who must play their part. They are represented by the two sides of this House, and I feel that if the honourable member directed his efforts in the right direction he could do much to help us increase our primary production. The member for Burra said that there were 3,500,000 more sheep in South Australia that there were four years ago. I think our sheep population is as high as it has ever been. Mr. Hawker said that in 1940, 2,164,000 sheep were slaughtered and in 1952, 1,546,000—that is, about 600,000 fewer this year than 12 years ago, yet possibly we have 6,000,000 more sheep than we had then, showing that the sheep are here to be killed if people will kill them. The member for Eyre on two recent occasions has asked the Minister for Agriculture if something cannot be done to help the slaughtering of lambs at the Port Lincoln abattoirs, and every year since I have

been in this House I have drawn attention to the fact that we have stoppages and trouble at the abattoirs, when stock are not killed. Although there has been some signs of a dispute arising again this year I am glad to learn that the men have decided to resume overtime work. Nevertheless I venture to say that this year there will be tens of thousands, possibly hundreds of thousands of sheep which will not be killed because we have not sufficient slaughtermen.

The member for Hindmarsh quoted primary industries—sheep and dairy farming—where the percentage of employees has fallen, but I would say that the same applies in his own walk of life. I maintain that we are not getting as much production anywhere. When motoring to the city one sees lots of fellows working on the highways and I am positive that we are not getting anywhere near the percentage of production in this work that we did in, say, 1940. I was very amused this morning when travelling to the city to observe the vehicles carting gravel and spreading it on the road. With each vehicle there were two men, one a New Australian and one a native of this country. What the native does I do not know for I have never seen him do anything but sit on the roadside and smoke. I presume the New Australian is a tally clerk and the other man checks up on him. Between Murray Bridge and Callington I saw a notice on the road "Tar spreading going on here," with a man standing alongside of it. I drove on about four chains and there was another notice with the same legend and another man standing beside it, but no tar was being spread between the two notices. I quote those two instances to satisfy my friend opposite. No doubt there is much that is wrong with all sections of the community, and we would be wise if we each concentrated on his own section: if he would concentrate on getting greater effort from the people he represents and I continued to tell the people I represent that they should produce more possibly we would both achieve our objectives.

Mr. Stephens—The first thing you do when they give of their best is to try to get rid of them.

Mr. McLACHLAN—Speak for yourself. I have a good conscience and an appreciation of a good man, but unfortunately that type of propaganda continually comes into the House. It does not get us anywhere. Indeed, I think it brings discredit to the House and I deprecate it. I have much pleasure in supporting the first line.

Mr. FRED WALSH (Thebarton)—I feel I must reply to statements by members opposite, particularly the last two speakers. Every member on this side regrets any attempt to set up country *versus* city. We are just as appreciative of the work done by the farming community as any member opposite, but in turn we who represent city electorates would like a little appreciation by the country folk of the work done by people in the metropolitan area. The member for Burra spoke of the prosperity of those in the metropolitan area, but I think he will admit that the prosperity of many people in the country, particularly some of the older families, arises from the fact that they took up land at practically no cost. I am reminded of the story of a landowner in the district of Angas whose grandfather was wont to stand on the top of a hill and say, "All the land you can see belongs to me, and all that you cannot see belongs to my children." I think that could be said of a lot who went out into the country in the early days, and the Land Settlement Committee is appreciative of the fact that it is necessary to break up the big estates acquired in that way in order that the country may become more productive. I feel sure that Mr. Hawker was not desirous of creating the feeling that he spoke so much about when he referred to the city *versus* country. I do not profess to know much about dairy farming, but from the little I do know I honestly believe that this is the hardest job in the rural areas. The dairy farmer has to work from before daybreak until well after dark and there is no let-up, but I would also remind members that his employee is entitled to some consideration as well, and I cannot see why the proposals which have been made from this side from time immemorial in regard to the amendment of the Industrial Code to provide for the inclusion of rural workers have never been conceded. Victoria has in the last few years accepted that position and made provision for good wages and conditions to be afforded to employees in the dairying industry. The only way to recompense the dairy farmer for having to pay better wages is by raising the price of the commodity. The consumer must pay, and no-one on this side of the House would object to paying a fair price for the product if employees obtained decent wages and conditions.

Mr. Macgillivray—The product could be subsidized.

Mr. FRED WALSH—Yes, if necessary, which was done in the past, particularly during the war years. The member for Burra spoke

of over-full employment, but that is a term I have never been able to understand. Perhaps he means that there have been more vacancies than people to fill them, but I cannot see anything wrong with that. All members, particularly those living in industrial areas, can remember that in the last depression one-third of our people were out of work and living on the dole.

Mr. Macgillivray—The depression also affected the man on the land because wheat was down to under 2s. a bushel.

Mr. FRED WALSH—Of course, but in spite of pleas to build up an export market, I point out that we have a home market, and the better the home market the less we have to worry about the overseas. I suggest that we should retain an objective of full employment rather than seeking to create a pool of unemployed, because in the depression the workers were living under a fear complex, for an employer could dismiss a man if he did not exactly suit him. I am sure the honorable member for Burra was sincere when he said he desired to see everyone prosperous, but the only way that that can be achieved is by having everyone employed. The member for Victoria referred to the amount the Government has received from winning bets taxation during the last 12 months, which far exceeded the sum the Government expected to get. The people who patronize the sport are entitled to protection from the Government. I have recently asked several questions about horse racing and I am pleased to see that the police are taking up a case where, in my opinion, there was a deliberate conspiracy to defraud the public. I have also asked questions about the swabbing of race horses. Details were released after race meetings concerning horses that had been swabbed. I think that the swabs were positive on two occasions, but in one case the authorities were not able to pin the blame on the person responsible. In the last six or seven months there have not been any reports in the press on the results of the analyses of swabs taken, yet according to an answer I received from the Premier swabs have been taken as late as September 27. The Government should take action whenever there is any suggestion of malpractices. As the Government receives much money from people who patronize horse racing they are entitled to know the results of tests to see whether a horse has been allowed to race on its merits or been given a drug to assist its speed or stamina. The Treasurer should take up this matter with the

racing clubs with a view to their giving the same publicity that they used to give about the results of swabs.

The member for Burra seemed to be opposed to the granting of better conditions to workers in industry, particularly in the metropolitan area. I take it that members opposite would support the application made by employers to the Federal Arbitration Court for a reduction in the basic wage, an increase in working hours, and the abolition of quarterly adjustments to the basic wage. The principle of awarding quarterly adjustments has been in vogue for over 30 years. The member for Burra should appreciate the effect that the granting of the employers' application would have on the nation's economy. I believe that the court will reject all of the applications. Quarterly adjustments do not bestow any advantage on the worker, but recompense him for the rise in the cost of living during the previous three months. In order to protect employees against rises in the cost of living Judge Powers granted an extra 3s., I think in 1919. It seems that the basic wage, if the employers' application were granted, would have to be adjusted following on an inquiry, as the Board of Industry used to do here. Much evidence about the movement in the prices of foodstuffs and clothing was adduced and the board would then determine how much the cost of living had increased or decreased, and adjust the wage accordingly. Members on this side of the House believe that a fair basic wage should be established and anyone trying to break down that principle is not acting in the best interests of the country.

The figures supplied by the Treasurer show a serious trend towards unemployment developing in this country. The position may not be alarming just yet, but unless something is done soon we shall be faced with a serious situation. Under our existing economic system it seems that we have to be prepared to suffer periodic booms and depressions. That is not in the best interests of anyone, but as long as those conditions operate, in my opinion, wars will continue to occur. History shows that before 1914 we were on the verge of a depression. The war saved us from that, but we certainly suffered a serious depression following it. We had hardly got over that before another war broke out in 1939 and saved us from another depression. It now seems that if we are not involved in another war we may be involved in another depression.

Mr. Quirke—If we go to war again we will not have any worries afterwards.

Mr. FRED WALSH—It seems tragic that we can only be saved from depressions by going to war. All the international conferences do not seem to be able to get us out of our difficulties. My experience of international conferences is that they are not attended by supermen. One delegate is not much more advanced than another in thinking and working out things. Some countries profess to believe in free trade, but none practise it. I remember attending an international trade conference in Geneva in 1947, and at the time countries were accepting trade agreements. Everything was going along smoothly at that conference when we got word from Australia that America proposed to increase the duty on Australian wool by 50 cents. It seemed that there would be a reduction in the quantity of wool going to America from Australia because of the increase in the duty. The leader of the Australian delegation went into the matter with the Australian Government of the time which gave instructions to stand pat. The result was that President Truman vetoed the action of Congress and the duty on wool was not altered. We impose restrictions by way of tariffs to prevent our market from being flooded by goods produced overseas and it is difficult to argue against that because if it is not done goods manufactured cheaply in other parts of the world are imported to the detriment of Australian manufacture, and there is consequent unemployment. If trade agreements are on a fair and just basis there can be no objection to them.

Our migration policy will have a detrimental effect on the economy of this country in a year or so. The Labor Party subscribed to an expanding policy of migration, and a Commonwealth Labor Government was the originator of the scheme to increase Australia's population by natural increases and migration to 20,000,000 within a certain period. By agreement with the International Refugee Organization there was a big plan to bring migrants to Australia and it was agreed to accept a number of Europeans who were regarded as displaced persons. We were committed to assisting in their settlement in Australia in the same way as displaced persons were being assisted to settle in Canada and other places. We carried out our part of the pledge, but unfortunately we went a little too far. Because of changed circumstances today we on this side of the House feel that migration should be completely stopped for a time except for the families of migrants

already here. We should do all possible to allow members of families to be reunited. It is unfair to bring to Australia migrants whom we cannot house or employ.

Mr. Quirke—Isn't that more a matter of wrong policy?

Mr. FRED WALSH—If a policy is found to be wrong and not meeting present day circumstances it should be changed.

Mr. Macgillivray—There should be ample developmental work in Australia to absorb all workers.

Mr. FRED WALSH—I agree, but the present Commonwealth Government has bungled matters to such an extent that many migrants cannot get work. Members in this House who are employers of labour would employ Australians rather than migrants. It is only natural that the Australians should be employed. As time goes on we will find our unemployment pool filled with people who have been brought to Australia under false pretences. It can only have one result. We shall have risings that can be suppressed only by police action, and we do not want that in Australia. The State Government should take up with the Commonwealth Government the matter of completely stopping migration for a while. I hope the matters I have mentioned will receive the consideration of the Government at the first opportunity.

Mr. PEARSON (Flinders)—I do not propose to make a lengthy contribution to this debate, and I hope that what I have to say will be confined to matters mentioned in the Budget and that I will not indulge in a peroration on politics, both Federal and State. The Budget this year has a greater significance for Parliament, and for electorates generally, than has been the case for a number of years, because for the first time since uniform taxation became the law we are beginning to see the time possibly when the State will again control its own financial affairs to a large degree. Many years ago someone wisely said that finance was government and that government was finance. I well remember in my younger days, in the early days of wireless, listening to policy speeches by State Premiers and would-be State Premiers. They spent most of their broadcasting time in expounding financial proposals that they proposed to put into effect if returned at the subsequent election. That sort of thing has been strangely absent from policy speeches by Premiers and would-be Premiers for a number of years. I regret that

the work of the State Parliament has been to a large extent emasculated by the effects of uniform taxation. I subscribe sincerely to the principles laid down by Mr. Hawker in this regard. He said it is proper for the person who is to spend money to first earn it. That is the principle for which the Party on this side of the House stands, and if it is lost or submerged in the spate of other legislation it will spell the economic and moral disruption of the community. It is a first principle that the person who desires to have money spent on him should make a proper contribution to its production. When the time comes, if it does, when our State Treasurer will once again fulfil his proper and full function of raising and spending money we will return to complete responsible government. Some Governments in the Commonwealth have ceased to be fully responsible for the expenditure of their money.

The Budget is a triumph for our Treasurer, because of the work he has put into it and the difficulties he has overcome. It goes to show what experience and sound commonsense can do to overcome difficulties that arise. The preparation of this Budget has been difficult, particularly as it has been compiled at a time when, to a certain extent, rising costs have caught up with rising returns and in the affairs of private individuals and Governments a financial crisis has arisen. The fact that some States and some people are toppling at the first breath of a chilly financial wind shows how insecure are these days of inflation and upward spiralling costs. The Budget reveals two things—firstly, the wise and valuable economic atmosphere that prevails here, and secondly that this State is beginning to reap a harvest from the sound development that has taken place in the last few years. It is an acknowledged fact that the attitude of the majority of citizens is towards thrift, and that attitude is more soundly developed here than in other States.

Mr. Davis—Your Government is not claiming credit for that?

Mr. PEARSON—I will endeavour to show what effect a Government has on this attitude of mind. I have attempted to discover why more people in South Australia own their own homes, why there are more savings bank depositors per head of population, why each of those depositors has a greater amount to his credit than depositors in other States and why there are less industrial troubles and less general dissatisfaction and disturbances in our economic and social life. The economic atmosphere of the State is responsible for most of those

advantages. The 104th report of the State Savings Bank makes illuminating and gratifying reading and figures contained therein confirm my statement regarding the number of operative accounts. At June 30 there were 544,426 ordinary accounts, an increase of 13,314 over the previous year. The total of all classes of operative accounts was 672,456, or an increase of 21,931. In the ordinary accounts there has been an increase of £3,356,473 and the average amount standing to the credit of each depositor was £146 6s. 2d., an increase of £1 6s. 11d. over the previous year. Another interesting fact relates to the percentages of accounts, and reveals that for every 100 persons in the State there are 91 accounts, either ordinary, special purpose, or school bank accounts. In the dissection of accounts there are some interesting figures. For the year ended June 30, 1941, there were 373,317 accounts and the average amount to the credit of depositors was £63 2s. 3d., but at June 30, 1952, as I have already said, the average amount was £146 6s. 2d., an increase of well over 200 per cent. Since 1942, in the classification of depositors for the group not exceeding £50 there was an increase of 17 per cent, for the group £50 to £100, 25 per cent, £101 to £150, 33 per cent, £301 to £400, 100 per cent, £401 to £500, 150 per cent, £501 to £750, 215 per cent, and £751 to £1,000, 333 per cent.

Mr. Macgillivray—There would not be many depositors in the last group.

Mr. PEARSON—In the group £501 to £750 at June 30 there were 25,391 depositors with a total of £15,062,534, an average of £593 4s. 6d. per depositor. That table seems to indicate that the prosperity of the State has increased enormously in the past 10 years.

Mr. Macgillivray—Money values have depreciated in that time.

Mr. PEARSON—Yes, and £500 does not represent as much now as it did in 1942, but even after making allowances for considerable depreciation in money values the fact remains that the prosperity of the State, as evidenced by those voluntary savings figures, must be sound, and that its economic atmosphere and structure during the period of unprecedented prosperity and when this Government has been led by the present Treasurer, has improved. We are often accused of playing the same violin and singing the same song, but a good song will always bear repeating and a good tune can be often played to advantage, and the

people are not tired of hearing what has been done in the past 13 years. We are beginning to reap a harvest as a result of the sound basic planning which has been a feature of this Government for a long period. That is also an old but jolly good story. In his speech, the Treasurer made one or two comments which members were glad to hear. He envisaged a credit balance of £12,000 for this financial year, and closed last year's finances with a credit of £89,000. The only items where taxation has been increased are those where he has taken up some of the slack which has been let slip by the Federal Treasurer in the field of land tax. I remind members that the rates of tax to be paid by landowners will still be considerably less than they would have been had dual land tax continued. The Treasurer also proposes to make increases in other minor matters, but it is worthy of comment that, at a time when other Governments are at their wits' end to make ends meet, the Treasurer has been able to introduce a balanced budget with only slight increased charges on the community.

The financial position of our railways has presented a problem over a number of years, and they are now losing about £5,000,000 annually. I note with a good deal of satisfaction that the Treasurer expects that his payments on behalf of the railways will during the current year be probably less by about £200,000 than last year, and no doubt the inevitable increases in freight rates and fares are at least partly responsible for that decrease, but I wish to sound a note of warning with regard to rail freights. The journal of the N.S.W. Graziers' Association of September 25 draws attention to the disastrous results of the policy of the New South Wales Government with regard to its rail freights and lists comparative figures showing increases in average freight rates charged in the various States in 1945-46 and 1951-52. The average freight rate paid in New South Wales on a bushel of wheat to its terminal was 5.511 pence in 1945-46 whereas it was 21.793 pence in 1951-52, the latter figure representing an increase of 16.282 pence or 293.6 per cent. The figures for Victoria over the same period show an increase of 90 per cent, South Australia 100.45 per cent, Western Australia 115.44 per cent, Queensland 99 per cent, and the average for the Commonwealth shows an increase of 156.5 per cent. The article which is headed, "Rail Freights Discourage New South Wales Wheat Production," shows that

there is a limit to how far we can go in pushing freight rates upwards before we experience what has already been referred to by the member for Burra. Production is discouraged because so much of its return is absorbed in extraneous costs, or people revert to other methods of getting their produce to the sea board, in which case the increased rail freights defeat the object for which they were imposed. It is significant that in speaking of decreasing wheat production we find that New South Wales is the State which has experienced the greatest falling off, and that is due to a large extent to the long haulages which the wheat has to undergo in that State to reach Glebe terminal and the high rates thereby incurred. Rural production cannot be encouraged unless regard is had to the transport costs on commodities supplied to those industries and on the primary products. It is no use talking on the one hand about encouraging rural production while on the other adopting a policy which is constantly forcing up freight rates, for that is neither realistic nor practical.

In the concluding paragraph of his Budget speech the Premier somewhat modestly reminded members of the achievements of his Government and the fact that today South Australia is able to meet its budgetary responsibilities without undue strain, without resort-

ing to the sacking of men and the creation of unemployment pools, and without imposing heavy burdens on any one section of the community or on the community as a whole. I believe that, because this State has been soundly developed, in the future it will be able to emerge from any slight financial difficulties which may arise in a very much more favourable position than most of its sister States. The Premier said:—

The inflation has brought with it many problems, particularly in Government finance, and the prospective cessation of inflation will likewise pose problems. However, the economy of the State is particularly sound. Production and development are proceeding on a relatively high level, and there is an obvious real need for them to continue upon a high level.

I believe that if honourable members are prepared to study the Premier's speech they will concede that a fine job of work has been done in the preparation of the Budget and in conditioning the circumstances which have enabled such a Budget to be presented. I have much pleasure in congratulating the Premier on his Budget and in supporting the first line.

Progress reported; Committee to sit again.

ADJOURNMENT.

At 9.7 p.m. the House adjourned until Wednesday, October 22, at 2 p.m.