

HOUSE OF ASSEMBLY.

Tuesday, October 28, 1952.

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

ASSENT TO ACTS.

His Excellency the Lieutenant-Governor, by message, intimated his assent to the Municipal Tramways Trust Act Amendment Act and Supply Act (No. 3).

APPROPRIATION BILL (No. 2).

His Excellency the Lieutenant-Governor, by message, recommended the appropriation of such amounts of the general revenue of the State as were required for the purposes mentioned in the Appropriation Bill (No. 2).

NEW MEMBER FOR STIRLING.

Mr. William Wilfred Jenkins, to whom the Oath of Allegiance was administered by the Deputy Speaker, took his seat in the House as member for the district of Stirling in place of Mr. H. C. Dunn, deceased.

QUESTIONS.**WESTBOURNE PARK BUS SERVICE.**

Mr. FRANK WALSH—Will the Minister of Works make recommendations to the present Tramways Trust in regard to certain tramway and bus routes and fares? A bus runs from Springbank Road to the Hyde Park tram terminus. The fare is 4d., and I understand that the proprietor is subsidized 2d. a mile for the service, and that the passengers have to pay another 8d. to travel to Adelaide on the tram. On the other hand, people boarding a tram at the Colonel Light Gardens terminus at Springbank Road can journey to Adelaide for 10d., and another bus from Daws Road, Daw Park, was to connect with the Glenelg tram, but runs direct to Adelaide, the fare here too being 10d. Will the Minister ask that the fare on the Westbourne Park-Hyde Park to Adelaide service be reduced, or that the bus be permitted to run right into the city on a route different from that of the Hyde Park tram in the interests of the public?

The Hon. M. McINTOSH—The honourable member asks whether I will be prepared to make a recommendation as to charges for respective routes, but that has never been the prerogative of a Minister in regard to railways or tramway matters, particularly the latter. If we started that, the next thing would be a request for a recommendation that services cease to run on some routes. That

would put the Minister who is in charge of the Tramways Trust to the extent that Parliament gives him that power in the position of a dictator. No Minister has any power to make a recommendation in regard to routes or the charges on any routes. I will address the question to the Tramways Trust and bring down its reply, but I emphatically state that no Government that I know of has ever had the opportunity or the desire to dictate to any municipal authorities what they should do in any matters under their control.

PRICE OF MEATMEAL.

Mr. MICHAEL—According to information given to me, some time ago, by direction of Prices Branches throughout the Commonwealth, the price of meatmeal in South Australia was raised considerably—from about £18 to £30 a ton. Since then, amongst poultry breeders and pig producers a buyer resistance has been built up, resulting in stocks of meatmeal accumulating. My information is that today the Abattoirs has a large stock of meatmeal on hand and, in addition, firms which previously did not make meatmeal are now making it. I understand that experiments have taken place in regard to the value of whale soluble as a food for pigs and poultry, with satisfactory results. I point out that because of the high price charged for meatmeal at present production by pig producers particularly, and also poultry breeders, has fallen off. Will the Minister of Lands have an investigation made to see if it is possible for the Prices Branch to reduce the price?

The Hon. C. S. HINCKS—I shall be very pleased to take up the question with the Minister concerned.

BOAT HAVENS AT WALLAROO AND MOONTA BAY.

Mr. McALEES—This morning's *Advertiser* reports that the proposal to build a boat haven at Glenelg was rejected at a big meeting last night. As it is not wanted at Glenelg, and other places, and as boat havens are badly needed at Moonta Bay and Wallaroo, where they have been promised, will the Minister of Marine consider using the material for constructing boat havens there?

The Hon. M. McINTOSH—As I understand the position, in the area referred to by the honourable member the proposals of the Harbours Board did not meet with the approbation of those asking for something more. The habit today is to ask for more than circumstances will permit. As far as I know the meeting did not

reject a boat haven at Glenelg. All it has rejected up to the present is the proposed scheme, which was thought to be quite inadequate, and it asked for more. I believe the same thing applies to Moonta Bay and Wallaroo. Before the honourable member came into this House his predecessor put forward a similar proposal and I think Port Hughes was then favoured by the Government, because on the face of it that seemed to afford the best opportunity to construct an up-to-date and reasonably economic boat haven, but that proposal was rejected by the fishermen. Up to the present time everyone has been trying to please them, within the limits of the money made available by Parliament towards that end. The same thing applies at Glenelg. The people in neither place are satisfied with what is offering, so I am afraid I have nothing else to offer either, except to say that we will do our best to please the people in both places.

KIRTON POINT POWER STATION.

Mr. PEARSON—Has the Minister of Lands, as Acting Leader of the Government, an answer to a question I asked a few days ago with reference to the railway line and supply of coal to the new Kirton Point power station?

The Hon. C. S. HINCKS—The report from the General Manager and Chief Engineer of the Electricity Trust states:—

Arrangements are being entered into with the South Australian Railways to make use of their existing coal depot as a central distributing point for the coal to be used in this power station. At the time the steam station is placed in commission the coal requirements are expected to be about 20 tons per day, which can be easily and unobtrusively handled by motor lorries from the coal depot. During the design of this station alternative methods of coal handling were considered, but the quantities of fuel required for a considerable time would not warrant the installation of a railway line and separate storage depot at the station. If, in the future, an increase in the fuel demand beyond that at present envisaged necessitates further consideration of a railway line, no action to construct this would be taken without due consultation with the local authorities.

GARBAGE AS COMPOST.

Mr. MACGILLIVRAY—Has the Minister of Lands a report which was promised to me by the Premier regarding the possible conversion of city garbage into compost for the benefit of agricultural and horticultural areas?

The Hon. C. S. HINCKS—The report from the Director of Agriculture states:—

The use of garbage for the production of compost has been practised for many years

in overseas countries and appears to present no insuperable technical difficulties. Various patented processes are used by municipal and Governmental authorities in some overseas countries. Highly mechanised plants are expensive and the demand for the resultant compost must be sufficient to justify the costs involved. In a bulletin issued by the University of California (Institute of Engineering Research) on "Disposal of Organic Refuse by Composting" a figure of 2,600,000 dollars for a composting plant at Miami, U.S.A., is quoted. If large scale composting were contemplated in this State it would be very advisable to send an engineer and a microbiologist overseas to study garbage composting units in operation. While competent engineers and microbiologists are available in this State, it is pointed out that the problems of garbage disposal as compost are highly specialized and require specific study which can best be done on garbage conversion plants already in existence. The microbiological aspects are important as far as the retention of various nutrient elements and the expeditious conversion of garbage into a harmless and innocuous substance is concerned, while the engineering aspects have to be studied to work within economic costs. Pilot investigations of composting garbage have been undertaken in New Zealand and the following extracts are taken from an article on "Large Scale Composting" which appeared in the *New Zealand Journal of Agriculture*, volume 82, No. 6, 1951:—

"After representations had been made to Parliament in 1946 by the New Zealand branch of the British Medical Association and other bodies requesting investigation into the utilization of organic wastes a Government inter-departmental committee was formed. In an interim report prepared after hearing evidence, the committee made suggestions about future investigational work. Among these were that one or more municipalities be encouraged to organize pilot plants for composting of organic waste, that arrangements be made for processes at the pilot plants to be studied experimentally, and that large-scale agricultural and horticultural trials with composted materials be arranged. The Government accepted these recommendations and agreed to assist investigational work by the Auckland City Council and the Dannevirke Borough Council. Work is being undertaken at both centres to determine the most economical method of utilizing town organic waste to make an effective economical material of high fertilizer value under New Zealand conditions. The investigation will involve long-term experiments but it is hoped that it will be possible for the Government inter-departmental committee to publish interim reports as knowledge is accumulated. Until more is known it would be unwise to attempt to evaluate locally made composts, the composition of which varies enormously compared with other known fertilizers."

It should be pointed out that many extravagant claims have been made about the value of compost as a fertilizer and it must be realized that the chief virtue of compost is its source of minerals and slowly available

nitrogen together with its ability to loosen stiff soils, and not to any other mysterious properties ascribed to it by various schools of thought. Compost will find its greatest use in the various types of horticulture where the maintenance of fertility is a problem of considerable importance and orchardists and market gardeners would probably welcome a good source of organic manures provided costs were sufficiently low.

PURCHASE OF J.O. WOOL STORES.

Mr. HEASLIP—Has the Minister of Agriculture a reply to the question I asked on October 15 regarding the disposal of J.O. wool stores?

The Hon. Sir GEORGE JENKINS—I referred the honourable member's question to the Federal Minister for Commerce and Agriculture, who has replied:—

I refer to your letter of the 17th October, 1952, conveying the text of a question asked in the South Australian House of Assembly on 15th October regarding the Commonwealth Government's policy on J.O. Wool Stores. I should mention that these stores number approximately three hundred. They were built by the Central Wool Committee during the war and, subsequently, became the property of the Joint Organization. The Australian and United Kingdom Governments thus have a half-interest in them. It was contemplated that, if a Reserve Price Plan had been brought into operation to succeed the Wool Disposals Plan operated by the Joint Organization, these stores would have been handed over to the new controlling authority. However, when the referendum on the Reserve Price Plan was not carried these stores, like the other assets of the Joint Organization, had to be realized as part of the liquidation of the Joint Organization. The Commonwealth Government has been considering a proposal that the stores should be retained for use in the event of an emergency. To this end, and with the knowledge of woolgrowers' organizations, negotiations have been in progress with a view to purchasing the United Kingdom's interest in the stores. These negotiations are now approaching finality. The Government has yet to make a final decision on whether the stores should, as has been suggested, be retained in Governmental ownership or whether they should be disposed of subject to certain assurances regarding their use by the purchasers. There has been some difference of views on this point among woolgrowers' organizations. If the stores are to be retained, it will be a matter for Cabinet decision whether the monies used for their purchase should be paid out of Consolidated Revenue or out of monies held in trust by the Commonwealth for the benefit of the wool industry. I can state quite definitely, however, that the money will not be drawn from the J.O. profit monies. On the contrary, the Government has decided that whatever amount the Australian Government, as a shareholder in the Joint Organization, receives as a result

of the sale of the stores by the Joint Organization should be added to the profits which are to be distributed to growers, who submitted wool under the wartime wool acquisition scheme.

COMMUNITY HOSPITALS: COUNCILS' POWERS.

Mr. TAPPING (on notice)—

1. Has a municipal council power to make a donation to a community hospital?
2. Has it power to remit rates to a community hospital?

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

1. The matter is not entirely free from doubt and would require investigation in each particular case. The question that would have to be investigated would be to what extent the hospital derives its funds from public subscriptions and to what extent it makes accommodation available free of charge, or at reduced charges to indigent members of the public. The matter was raised recently by the member for Glenelg (Mr. Baden Pattinson) and the Government is considering whether an appropriate amendment can be included in the Local Government Bill to provide for this type of hospital.

2. No.

UNEMPLOYMENT BENEFITS.

Mr. Tapping, for Mr. LAWN (on notice)—How many persons in South Australia were in receipt of unemployment benefits on April 28, 1950, and April 27, 1951, respectively?

The Hon. C. S. Hincks, for the Hon. T. PLAYFORD—The Regional Director, Commonwealth Employment Service, reports as follows:—

As at April 29, 1950, 7.

As at April 28, 1951, 4.

POULTRY HUSBANDRY.

Mr. BROOKMAN (on notice)—

1. Is the Minister of Agriculture aware of the "Henyard" system of poultrykeeping which has been practised in the United Kingdom for nearly five years and by which over a million birds are being husbanded in that country?

2. Is it his intention to take steps to promulgate information on this system to South Australian farmers?

3. Is it his intention to take steps to speed up the dissemination of new information on poultry husbandry?

The Hon. Sir GEORGE JENKINS—The replies are:—

1. Yes.

2. The poultry section of the Department of Agriculture is in close touch with the majority of poultry farms in South Australia, both through medium of individual visits for advice to the poultrykeepers and also per medium of the Agricultural Bureau, poultry and specialist clubs. In addition, many visits are made by organized bodies to Parafield Poultry Station. In addition, the Department of Agriculture has an excellent range of publications dealing with practically all matters of importance for the benefit of poultrykeepers.

3. The department is endeavouring to keep poultry producers well advised on all matters connected with the development of the poultry industry.

PENALTIES FOR DRUNKEN DRIVERS.

Mr. Tapping for Mr. HUTCHENS (on notice)—Is it the Government's intention in order to give effect to the reported suggestion of the Commissioner of Police, to consider amending the Road Traffic Act to provide for the imprisonment, without option, and the impounding of the vehicles, of motorists who are arrested for driving whilst under the influence of liquor?

The Hon. C. S. Hincks, for the Hon. T. PLAYFORD—Power now exists for the courts, where circumstances merit it, to imprison for a first offence without the option of a fine. The Commissioner of Police has advised that the question of impounding of vehicles is being referred to the State Traffic Committee for report.

FEDERAL AND STATE INCOME TAX.

Mr. O'HALLORAN (on notice)—How much income tax, levied in respect of income received in South Australia, was collected in the years 1941-42 and 1951-52 by—(a) the South Australian Government; and (b) the Federal Government?

The Hon. C. S. Hincks, for the Hon. T. PLAYFORD—The South Australian Government collected income tax amounting to £2,818,846 in 1941-1942, and £780 in 1951-1952, the later being arrears of tax due prior to uniform taxation. The Commonwealth Government collected through its South Australian Income Taxation office £3,472,475 in 1941-1942, and £41,481,000 in 1951-1952. In addition the Commonwealth Government collected through its central office

further taxation upon South Australian income, which is not recorded separately, but which is estimated to have been about £1,250,000 in 1941-1942 and about £7,000,000 in 1951-1952.

DEATH OF Mr. H. C. DUNN, M.P.

The DEPUTY SPEAKER—I have to inform the House that, in pursuance of the resolution passed on September 16, I wrote a letter of sympathy to Mrs. H. C. Dunn, expressing deep regret at the death of her husband, the late member for Stirling, and that I have now received a reply from Mrs. Dunn, acknowledging with sincere thanks the kind condolences offered in her bereavement.

PUBLIC WORKS COMMITTEE REPORTS.

The Deputy Speaker laid on the table reports of the Parliamentary Standing Committee on Public Works on the Salisbury North Primary School (progress), Hope Valley Reservoir Inlet Works (Enlargement), and Enfield High School (progress), together with minutes of evidence.

Reports ordered to be printed.

LOCAL GOVERNMENT ACT AMENDMENT BILL.

Introduced by the Hon. M. McIntosh and read a first time.

The Hon. M. MCINTOSH (Minister of Local Government)—I move—

That the Bill be now read a second time. This is largely a machinery measure, and more suitable for discussion in Committee. It makes a number of amendments to the Act, most of which are based on recommendations of the Local Government Advisory Committee. As is usual with amending Bills of this class, the amendments deal with a variety of disconnected topics and it is therefore convenient to deal with the clauses as they appear in the Bill rather than in the order of their importance. Clause 2 inserts a definition of "vehicle" in the interpretation section of the Local Government Act. It provides that the term is to include motor cycles and bicycles. This amendment arises out of a suggestion of the Renmark Corporation which has received legal advice to the effect that it is doubtful whether "vehicle" includes bicycle. Under the by-law-making powers of a council, by-laws may be made regulating traffic in various ways and it is obviously necessary that bicycles and motor cycles should be subject to these by-laws

to the same extent as other traffic. Clause 3.—Subsection (2) of section 7 of the Act provides that a new local government area is not to be created by severance from another area unless the new area would have a general rate revenue of more than £3,000. Under present day conditions a rate revenue of £3,000 is insufficient to enable a council to operate efficiently, and clause 3 provides that this minimum for a new area is to be increased to £5,000. In addition, the clause provides that, where it is proposed to create a new area by severance from an existing local government area, the new area is not to be created unless the old area left after the severance will also have a general rate revenue in excess of £5,000. Several years ago a committee headed by Mr. Bean said that £3,000 was the very minimum that would justify the creation of a separate council. The value of money has so far deteriorated since then that I think the House will agree that even £5,000 today would not be equal to £3,000 in those days. We have occasionally had applications from townships within a district council area for the creation of a municipality, and it has been submitted that revenue from electric light and power and other sources would be sufficient to maintain a council. However, on inquiry the potential revenue has been found to be quite inadequate to maintain modern facilities necessitating the best available plant in order to cope with present day costs of labour and materials. I ask the House to treat this matter very earnestly because it is not desirable to split up areas into groups smaller than they are today. Victoria, a much smaller State than South Australia, prescribes larger covering areas in relation to the size of the State, and about three times as much rate revenue, as a minimum (about £15,000), as that provided for in this amendment.

Clause 4.—Part IV. of the Act makes provision under which a proclamation can be made declaring that a municipal council shall include aldermen in its members. Under sections 74 and 75 such a proclamation can only be made where the population of the municipality exceeds 20,000. It is proposed by clause 4 to remove this limitation and to provide that the Governor may make a proclamation declaring that a municipal council shall include aldermen in any case thought fit and irrespective of the population of the municipality. The inclusion of a suitable number of aldermen in a municipal council can be of substantial benefit to the council. In particular, it often happens that a person who has served

as mayor for a number of years and has a fund of useful experience, on his retirement from that office cannot find a suitable vacancy in the council and must therefore leave the council and deprive it of his knowledge and experience. If the office of alderman exists in the council, the opportunity is often offered to the retiring mayor to retain his membership of the council by filling an aldermanic vacancy. I commend this amendment to the House. In my own electorate a mayor who has rendered very useful service will have to oppose in his own ward either the councillor who took his place, or some other member of the council who has performed meritorious service. As the House has already agreed to a lower minimum population for a town to be recognized as a city, I think it naturally follows that we should adopt the same principle in regard to aldermen.

Section 104 of the Act provides that the nomination day for annual elections is to be the second Saturday in May. In very many instances, council officers now work a five-day week and the council offices are closed on Saturdays. For the sake of convenience, clause 5 therefore provides that nomination day is to be the second Friday in May instead of Saturday. I think this will be accepted as a democratic move. Clause 6 provides that where a town or district clerk resigns his office, he is to give two months' notice to the council. The purpose of this amendment is to provide that a council will have reasonable notice of the impending resignation of its clerk and thus be able to take steps to secure the appointment of his successor in time to prevent a period elapsing during which the council will be without a clerk. This amendment, to the credit of the clerks, is sponsored by the Clerks' Association.

Mr. Moir—A council will still have to give its clerk six months' notice?

The Hon. M. McINTOSH—Yes, but at present a clerk does not have to give any notice. The association suggested two months, but if the honourable member moves to make it six months the Government will have to consider it. However, I point out that another council wanting the clerk's services would have to wait six months to get him. Under the Act ratepayers have certain rights of appeal against the assessments of their properties. Clause 7 makes it clear that, where ratable property is owned jointly by two or more persons, each has the right to appeal against the assessment without the other being obliged to join in the appeal.

At present owners have to join in an appeal. One of them may be absent and obviously one or both should have the right to appeal. Clauses 8 and 9 deal with the same matter. Appeals against assessments are ultimately made to a local court and there is some doubt as to the power of the court, on an appeal, to increase the assessment where it is satisfied that the assessment is too low. Clauses 8 and 9 set out that, on an appeal to the local court, the court may increase, decrease or leave unchanged the assessed value of the property the subject of the appeal. I think this would follow the ordinary procedure adopted in most appeal cases. At present it is a matter of "heads I win, tails you lose." I believe this provision will stop unwarranted appeals, and the council would only exercise its right to increase the assessment when the whole of the evidence justified it.

Clause 10 extends the purposes for which a council may expend its funds. It is provided that a council may expend money for public functions and entertainments to celebrate the centenary of local government in its area. As such an occasion can occur only once in a hundred years it is reasonable to give the council the legal power to celebrate it in an appropriate manner. It is also provided that a council may subscribe for the purposes of any organization having as an object the furtherance of local government or the development of any part of the State in which the area of the council is situated. This provision will give councils power to subscribe to the various local government associations in the State and to organizations such as development leagues. However, it is provided that the total amount which can be paid for all these purposes in any financial year is not to exceed £50.

Mr. Frank Walsh—That would not give councils the right to subscribe to community hospitals?

The Hon. M. McINTOSH—That is another question, and this Bill was prepared before it arose. However, that matter is still subject to discussion. If the Crown Solicitor is firmly of opinion that councils at present have not that right, the Government will endeavour to meet the position by introducing an amendment. The issue is, what purports to be a Government or community hospital?

Mr. Frank Walsh—When can we expect to have the information?

The Hon. M. McINTOSH—By the time the House meets again. There was much discussion

as to whether it would not be advisable to place the amount allowed on a percentage basis, but with some councils a percentage of, say, one per cent would be about £50, but with others it would be a vast sum, which would make them subject to much pressure from groups seeking financial support. Some councils want to subscribe to the Murray Development League, and the £50 will have to cover subscriptions for all purposes. I have enquired into the amounts subscribed to the League in other States, and believe that £50 would be more than ample in any one case in South Australia to provide for subscriptions to the League and to other worthy causes.

Clause 11.—Section 383 provides, among other things, that a council may acquire and operate stone quarries. Subsection (8) of the section, which was first enacted in 1934, provides that, if a metropolitan council operates a quarry, it cannot sell any of the products of the quarry except to the Commissioner of Highways, and except any rubble (other than road metal and stone screenings) or other products derived in the quarry. Thus, a council cannot sell any metal or screenings, except to the Commissioner of Highways, and this prohibition includes a sale to another council. It is considered that this provision should not be retained because in order to operate a quarry economically, it is necessary for a council to dispose of such part of the products of the quarry as are unsuitable for use by the council, or which are not required for use by the council. Clause 11 therefore repeals the subsection in question. We are advised that a council owning a quarry cannot sell the overburden to the outside public, or to another council, which makes it practically impossible to work the quarry economically. The House must decide whether or not the council should have the right to sell it. I am sure it was not intended originally to impose the restriction.

Clause 12.—Sections 550 and 550a of the Act provide that, before a hospital or maternity home can be established or extended in a municipality, notice must be given to the council, and an opportunity given to owners and occupiers of ratable property in the neighbourhood to present a petition to the council against the establishment or extension of the institution. The council is empowered to prohibit the establishment or extension of the hospital or maternity home if satisfied that the premises are unsuitable for the

purpose or that the existence of the institution would be likely to be injurious or detrimental to the health, welfare or comfort of inhabitants of the neighbourhood. Clause 12 enacts similar provisions as regards veterinary hospitals to be established or extended in the future in a municipality. Obviously, if control of the kind mentioned is justified in the case of hospitals and maternity hospitals it is even more justified in the case of veterinary hospitals.

Clause 13.—At present municipal councils have power to license hide and skin markets and stock sale yards, to establish markets, and to make by-laws for the regulation of these premises. Clause 13 provides that district councils shall have the same powers as municipal councils as regards these premises when situated within townships. It is obvious that control of these premises in townships is equally necessary in districts as in municipalities. Over the years the Act has been amended to cover one portion of the State without having regard to a corresponding situation in another.

Clause 14.—District councils now have power to make by-laws for regulating and controlling quarrying and blasting operations, but municipal councils have no such power. Again, it is obvious that it is equally necessary that both classes of councils should have the same power, and clause 14 extends the by-law making powers of municipal councils to include the power to make by-laws for regulating and controlling quarrying and blasting operations.

Mr. Frank Walsh—I am pleased with that one.

The Hon. M. McINTOSH—When the provision was applied to district councils it was thought that they alone would be interested. Now Burnside has many quarries in its area. Earlier Burnside was a district council, but today it is a municipality of considerable importance, and under the present law it cannot regulate and control quarries. Clause 15 provides that a council may make by-laws enabling the council to give notice to the owner or occupier of any land within a municipality or township within a district to remove from the land any unsightly chattels or structure, the presence of which is likely to affect adversely the value of adjoining land or which is prejudicial to the public interest. Any such by-law may provide that, on default by the owner or occupier, the council may remove the chattels or structure and recover the cost of so doing from the owner or occupier. Every by-law is to provide for an appeal to a local court from any notice given by the council.

It is not uncommon to see blocks of land in good urban areas disfigured by collections of junk or ramshackle structures, and it is desirable, in the interests of the surrounding community, that councils should be given some control over these conditions. The provision for appeal to a local court will, it is thought, prevent any arbitrary exercise by a council of the powers proposed to be conferred by the clause. Earnest representations have been made to me, not only by councils, but by private individuals, as to the prejudicial effect on their properties of unsightly structures. Although the position can be met to some extent under the Health Act there is at present no general power.

Clause 16.—Municipal councils have power to make by-laws as to taxis and to fix the fees for licences and the fares to be charged. The making of a by-law is a long drawn out business and, consequently, if it is desired to alter, say, the scale of taxi fares this must be done by another by-law and it thus takes up to 12 months to make an alteration of a fee or fare prescribed in a by-law. Clause 16 provides that, where a by-law prescribes these fees or fares, the council may by resolution published in the *Gazette* alter the fee or fare. This will enable any necessary alteration to be made without the delays inherent in the alteration of a by-law. This is in keeping with present-day requirements.

Section 840 sets out the persons who are "authorized witnesses" for the purpose of local government postal voting. The section provides that a town clerk or a district clerk is to be an authorized witness for elections in the area of his council. It is provided by clause 17 that a town or district clerk is to be an authorized witness for all local government elections, whether in his area or that of another council. Particularly in country districts this alteration will be of convenience to electors.

Clause 18 and the schedule make a number of drafting amendments to the Act. These amendments make such alterations as substituting "Minister of Lands" for "Commissioner of Crown Lands," striking out provisions which have ceased to have effect, remedying drafting deficiencies and so on. In no case does the amendment proposed affect the policy of the legislation.

Members will notice that the Bill contains no reference to the proposed alternative rating system which was expounded some time ago by the Local Government Advisory Committee, and in order that the House may have the

advantage of an analysis of the position I present the following facts. The question of a revised rating system has received earnest consideration by the Government and in particular by the Local Government Advisory Committee. The scheme originally propounded, which was applicable to all councils, together with an explanatory letter was circularized by me. The result was that out of a total of 143 councils only 51 signified themselves in favour of the revised scheme. This scheme was not given effect to in subsequent amendments of the Act, but alternatively the rating powers under the old system were considerably increased. Notwithstanding this fact the question was again put before the Local Government Advisory Committee as to whether the scheme should be modified and apply only to those areas which were assessed on annual values eliminating those now operating on unimproved land values.

A close analysis of the replies of such councils gives the following results:—Total number of councils so operating 117, those who signified in favour 45, in favour subject to adjustments 21, not in favour 29, undecided 3, no reply received 19. I then caused to be made a further analysis of those in favour in principle but subject to adjustments, and it was found that there was no uniformity in the requests for adjustment. An adjustment conceded in one case would automatically override the reply in another case. Further, it is obvious that if councils were in favour of the scheme as originally submitted, they could not necessarily be regarded in favour of amendments thereto. Consequently, there has been no acceptance of the plan by the majority of the councils affected thereby.

Mr. Macgillivray—Do you know of a case where a council has gone back from rating on annual values to unimproved land values?

The Hon. M. McINTOSH—I have not heard of any. The change has been in the other direction. To make it mandatory on all councils to adopt the revised system would in turn impose a duty upon all of them to make a new assessment. In effect the scheme provided three alternative methods of assessment and the councils were obliged to adopt that which gave the highest return. In making the assessment the councils would have to ascertain the rental value, the capital value, and the unimproved value of ratable property within townships and municipalities. At present a council is only obliged to ascertain the first two of these and has information only in relation thereto, so that

an additional burden would be cast upon the councils to make an assessment as applying to unimproved land values. In any particular property the amount of assessment on which the rate would be levied would depend upon which type of valuation produced the highest rate. As regards unimproved land in municipal areas and townships within a district, the basis of the proposed standard rating by the Local Government Advisory Committee is 15 per cent as against the present 5 per cent, so that in effect those who favour it favour an increase on unimproved land values from 5 per cent to 15 per cent. Many councils were prepared to accept the increased rate if it were reduced to 10 per cent and others if it were reduced to 7½ per cent, but it is considered that the difference between 7½ per cent and the present 5 per cent would be hardly worth while. I understand that the adoption of the committee's recommendation would have very little effect in the case of Adelaide. There has been no call for any amendment of the rate since the increase in rating powers granted to the councils last year. I have also conferred with the chairman of the Municipal Councils Association, Mr. Sutton, and suggested that as the greater number of councils which have agreed to the committee's proposals are in the metropolitan area they should take the matter up with their councils and try to get a basis acceptable to all.

Mr. Whittle—It does not affect the Prospect Council but only those councils going over to unimproved land values.

The Hon. M. McINTOSH—The particular council of which the honourable member is most conscious must be that of which he has been a member for so long and which was not in favour of the scheme as originally propounded. I make no apology for the exclusion of this matter from the Bill because members would not be prepared to support such an amendment when so many councils throughout the State are not in favour of it. I would merely be bumping my head against a stone wall, but the matter is worthy of further consideration and will possibly be considered when this legislation is next before the House.

The Bill presents a worthwhile contribution to the charter of local government in South Australia, and I pay a tribute to the fine work being done in this direction by so many people throughout the State in an honorary capacity. By and large we have no finer body of men than those giving a great deal of their time and ability, and in some cases making monetary

and other personal sacrifices, in this worthy cause. I hope the House will regard this Bill as an attempt to improve the position of local government bodies as far as possible in the light of present-day circumstances.

Mr. FRANK WALSH secured the adjournment of the debate.

BUDGET DEBATE.

In Committee of Supply.

(Continued from October 23. Page 1066.)

Legislative Council, £8,314.

Mr. GOLDNEY (Gouger)—When progress was reported on Thursday last I was dealing with educational matters. I commend members of school committees, welfare clubs and other organizations for their work. During the last few years the growth of such bodies has been very marked and in many instances, even in small country towns, considerable amounts have been raised. Members of such bodies heard with a feeling of dismay the suggestion that the sum set aside on the Estimates to subsidize their efforts was almost exhausted at an early stage of the financial year, but I was glad to hear the Premier say, in reply to questions by the member for Glenelg and other members, that additional funds would be made available. These committees and welfare clubs do much effective work and provide many amenities which otherwise would not be available to the schools. I hope the Government subsidy will be continued so that whatever moneys are raised will be subsidized, if not so heavily as previously, at least to a considerable extent.

During the post-war years many young people left school before they would normally have done because high wages were available. I deplore that so many of them went into unskilled jobs, for, because of a tightening in the employment market, they are the first to go. To some extent this has contributed to the extent of unemployment prevailing, although it is not very great in this State. The ordinary citizen often forgets that the Government supplies him with many advantages in the way of public utilities, which require large sums to maintain, and citizens should do something voluntarily to make themselves worthy of the facilities provided.

Mr. QUIRKE (Stanley)—I take this opportunity to congratulate the new member for Stirling, who was introduced to the House today. He will find many friends here; even if they differ with him in politics, they can agree to differ. In that regard his predecessor,

the late Mr. Dunn, was held in high esteem by the House, and I am sure that Mr. Jenkins will, by his activities here, be held in equally high esteem. The debate has produced many interesting speeches and I was particularly impressed by that of the member for Thebarton. I should like to hear more often from the honourable member when he speaks in such an interesting and educational way. Another speech of great interest was that of the member for Burra. Although one does not always agree with the honourable member, one can still find plenty of interest in his speech. Mr. Hawker spoke as he saw things, and drew down on his head some remarks which would have been much better unsaid.

Mr. Shannon—Hear! hear! We all thought that.

Mr. QUIRKE—I was disappointed. I thought, but evidently quite wrongly, that we had long ago risen above personalities of that sort, particularly in South Australia. Therefore, it is a matter of regret and uneasiness that such speeches can still be made. When such vituperative thoughts are voiced here we cannot help taking them seriously. I think the honourable member who made a personal attack on Mr. Hawker missed the point. Without reiterating what was said, it simply means that the old class conscious hatreds are still dominant when there is no reason why they should be.

Mr. Shannon—You don't believe they are? I don't.

Mr. QUIRKE—If I don't, then the speeches made here have no meaning. I think they were possible because some honourable members and some people have not kept themselves up to date in their thinking and are still living in the past. This is a Budget debate and concerns the expenditure of public money. I feel so strongly on the question of financial reform that I have not missed an opportunity of placing my views before the House. That is where some members on this side and definitely those on the other side miss the bus entirely. So many things which are objects of suspicion and which cause rancour and hatred can be overcome, not by pitting Party against Party and employer against employee, but by overcoming the trouble along lines of pure economics. Who is the man that we class as the worker? He is evidently an unprivileged person according to some people. There are some who have extra privileges and are bent upon the workers' destruction and subjugation; and there are those who are resolved to take

away from one and give to the other on the grounds that what the other man has, if distributed, would give everyone plenty. There is no greater fallacy than that. If all the dividends and profits made in Australia were divided it is doubtful whether they would buy one suit of clothes for each person at today's prices. There is nothing more ridiculous or wrong than hatred based upon that kind of hypothetical thinking; but there is a way of resolving these difficulties in such a way that the results accruing will remain permanently in the economic structure. For many years some members have made statements which have been condemned as being those of fanatics. Such people, including myself, were regarded as unorthodox, but today we are in good company. I cannot resist this opportunity to place before members further support for a principle which I have always maintained since I have been a member of this House—the principle that money is a matter of bookkeeping and that the amount available is determined by the financial institutions in this country. There is circulated among Commonwealth bank employees a small paper called *Currency*. I have two pages from the publication, one dated March, 1952, and the other April, 1952. This is not an economic text book, but carries the imprimatur of the Commonwealth bank itself. One extract is:—

In a stable economy the role of the note issue is a passive one only, and changes in the volume of notes are symptoms of the operation of expansive or contractive forces affecting the economy rather than basic factors causing the expansion or contraction. The note issue is only part of the total money supply, the greater part of which is represented by bank deposits. It is mainly through its control of bank lending which directly affects the volume of bank deposits that the central bank influences the volume of money available to the community. Bank lending operations are of particular economic significance, because they do not merely transfer existing purchasing power from one person or enterprise to another, as loans by individuals or other institutions do, but result in an actual increase in the total purchasing power. A bank is able to "create" credit because when the funds it lends are spent they return to it or to other banks in the form of new deposits.

Mr. Macgillivray—I hope the member for Burnside is taking particular notice.

Mr. QUIRKE—I hope all members will remember what has been said in this Chamber for 15 years, namely, that every loan becomes a deposit, and that every re-payment of a loan destroys a deposit. That is what the Commonwealth Bank is saying today, that "a bank is

able to create credit because when the funds it lends are spent they return to it or to other banks in the form of new deposits." The article then states:—

If a bank lends more freely than its fellow banks it will find itself losing cash to other banks as the money lent by it is spent. If banks move roughly together and the central bank imposes no controls on the process of credit expansion, the ultimate limit to it is set only by the need of banks as a whole to keep enough liquid funds against their deposits.

Now I come to the principal point that the member for Chaffey has been hammering for 15 years, and I for 12 years:—

If, for example, banks consider a cash deposit ratio of 20 per cent adequate, an additional £10,000,000 of cash deposits would permit them to expand advances by up to about £40,000,000.

Before the last war the ratio that was considered safe was 10 per cent. If a bank had £10,000,000 in liquid securities it could expand credit to nine times that amount. This may still be safe, but even a cash deposit ratio of 20 per cent would enable advances to be made up to £40,000,000 if the deposits were £10,000,000. That is why the cash intake of banks was taken over by the Commonwealth Bank during the war and is, in a measure, still controlled. That control has been exercised to prevent the banks using that cash as a basis for the expansion of credit. My point is that the £40,000,000 of advances is absolutely costless money, apart from the costs of administration. It is money that could be used to bring down the prices of commodities and check, once and for all, the upward spiral of costs that results in basic wage increases and higher prices of foodstuffs and clothing. It could be used for subsidies to bring down the price of consumer goods. This, in turn, would bring down the basic wage, which is adjusted quarterly on the movement in the price of consumer goods. That is the only way to do it, short of repeating what took place in 1930-1933, when credit was deliberately restricted. The depression then was implemented for the express purpose of taking out of the hands of the people excess purchasing power that was generated during the 1914-1918 war. It was done to put the nation in pawn. In those days the financial institutions had to lend money out on mortgage. If they did not have the people in pawn they would not make any profits. Before making profits by way of interest on loans there must be a demand for money. If the people have plenty of money there is no demand for it, so it is necessary to create that

demand. This was done in 1930 all over the world. It was deliberate financial policy and nothing has been done, under any ideology, worse than that.

Eternal credit must go to men like the late Mr. Chifley who gave power to the Commonwealth Bank to prevent such practices, and forced that bank to do it through Government policy; but they did not go far enough. They talked of nationalizing the banks, but that is where they failed. Why nationalize them without changing their policy? The people who proposed nationalizing the banks never indicated any change in the administrative policy of the banks. If they had, and if the Federal Labor Government had proposed using the Commonwealth Bank in the interests of the people, as it should be used, it would still have been in power today, but instead of getting down to the fundamentals it perpetuated class hatreds, for which there is no necessity. In a country like Australia there should be no unemployment. We shall go on developing the country for thousands of years, but today, because of our financial policy, some people find difficulty in obtaining employment, which is entirely wrong. There is no necessity for it, and to use it as an anti-inflationary measure only makes it worse. The only way to tackle inflation successfully is to bring down the cost of commodities by subsidy. We have built into the economic structure of Australia something that we cannot break down without destroying the Australian standard of living. There is no earthly reason why we should take any lower standard. We can maintain that standard, and the Commonwealth Bank has given all the evidence in the extracts I have quoted. Another extract states:—

Since relatively small changes in the amount of liquid assets held by the banks can have such important effects on the volume of their lending and on the supply of money, the central bank, by taking deliberate action to vary these assets, may influence considerably the demand for goods and services and the level of economic activity.

Is not that precisely what is happening today? Have members ever heard any words that more accurately reflected existing conditions than those? The publication continues:—

Central banks are, therefore, directly concerned with the amount of liquid assets—called “the credit base”—held by the banks, and the use the banks make of them. Different methods of varying the size of the credit base, and so of regulating the volume of bank deposits, are used by central banks throughout the world.

This article is available to all members. It was not written 50 years ago as part of a textbook in America, England, or the Continent, but was written this year and it appears in the official journal of the Commonwealth Bank of Australia. I considered it necessary for me to bring this publication before the notice of members. I trust that all members will realize the importance of what is possible under banking administration.

Mr. Macgillivray—I think they will realize it all right.

Mr. QUIRKE—If they do, but are not prepared to demand that the necessary action be taken, they are failing in their duty as representatives of the people. That applies to every member, irrespective of his political affiliation. I congratulate the Treasurer on bringing down his fourteenth Budget. In his Budget Speech he said that during the past 14 years he had budgeted for surpluses amounting to over £1,000,000. In 1951-52 the State public debt increased by £25,000,000, and in the last three years by £48,000,000. Where is the surplus of over £1,000,000? The total State debt now is £155,281,000, or £215 per head of population. This sort of thing is only possible with State Premiers. Since 1942 the State public debt has been:—

	£
1942	109,000,000
1943	108,000,000
1944	108,000,000
1945	108,000,000
1946	110,000,000
1947	116,000,000
1948	121,000,000
1949	127,000,000
1950	136,000,000
1951	155,000,000

It will be seen that during the war years the debt did not increase, but was reduced. Whilst we were going into further debt, our Savings Bank deposits soared. In 1940 the Savings Bank deposit for each man, woman and child was £39 3s. 4d. Five years later it had risen to £74 1s. 11d., and by 1949, because of shortages of consumer goods, to £98. In South Australia in 1940 Savings Bank deposits were £44 6s. 7d. per head. In 1942, the earliest figure I have, the public debt amounted to £179 per head of population. In 1945 the deposits were £90 per head, and the public debt £173. In 1951 the deposits were £107 per head, and the public debt £215. In the Commonwealth sphere Savings Bank deposits in 1942 totalled £1,549,000,000, and in 1951, £3,051,000,000, when the Commonwealth public debt amounted to £362 per head of population. The interest

payable on that debt was £90,000,000 a year. Fifteen years ago that amount constituted the total Commonwealth income. Of the Commonwealth public debt in 1951 short term debts and Treasury Bills amounted to £340,000,000. That represents Commonwealth Bank finance, which cost nothing, but which was a direct creation of money. Every Treasury Bill issued increases the amount of money available, and it is included in the national debt. The public were charged interest on the £340,000,000, which never had its origin anywhere but in Commonwealth Bank books. Yet, we wonder why we are in such a mess. It has been suggested that financial organizations should receive a high interest rate, but that only throws an intolerable burden on the public. An increase of 1 per cent in the interest rate on the national debt means that an extra £30,000,000 has to be collected from the taxpayer. The Premier has said that one of the first problems to be tackled should be our financial problem. I would like our Premier to say that at Loan Council meetings, where he is received as a man who has achieved many things. If he could be successful in getting the matter satisfactorily tackled he would leave an indelible mark in history.

It is extremely difficult to extract small sums of money for necessary improvements at country schools, and that should not be so. No school in a district where there is a reticulated water supply should have less than a septic tank system. When an application is made for such a system it takes many months to get the necessary approval. Then more months pass by whilst the tenders are called. Why tenders are not called in the areas where the septic tank systems are to be installed I do not know. Local plumbers and contractors could do the work, and the Central Board of Health must approve all such schemes, which, if not satisfactory, must be altered. We go on for months and years unsuccessfully trying to obtain these amenities for country centres. Schools are painted on the inside in drab colours and the best use is not made of natural light. Many of the buildings are archaic structures with windows which would have been more suitable for firing arrows from in the days when archery was in vogue. Members know the type of country school to which I refer. Some districts may have electric light, but it is not the policy of the Education Department to install fluorescent lighting, and only the ordinary bulb in the centre of the room is considered necessary. Although we boast of the

money we spend on education it is time to consider the money we waste on it through keeping schools in such a condition that they devitalize the interest of the children and place a tremendous burden on the teachers in trying to maintain that interest. The local committees do their best to assist in every possible way and the Government subsidizes their efforts in such directions as the department considers necessary. The members of those committees do a magnificent job, and what the Education Department would do without their efforts I do not know. Possibly the whole system would fall down in absolute chaos. In many country areas today school committees are maintaining schools and it is time we woke up to the position. I trust that, whatever Government is in office next session, there will be a change of attitude towards schools, particularly the country schools which I know so much about. I realize that in many cases timber-frame buildings have been erected to provide extra accommodation where schools have been overcrowded, but only after persistent pressure and visits by inspectors who have submitted voluminous reports. I trust that education will receive the consideration that is undoubtedly its due and that our children will no longer be called upon to study in ill-lit and in many cases ill-ventilated schools.

There are many matters on which I will speak when the Estimates come before the Committee line by line, and I trust that whatever members have to say on these matters will receive the proper consideration by the departments concerned. It must be recognized that members who represent their districts and travel through them from end to end attending all sorts of functions, particularly school and local government, have a wide range of experience, and their views are worthy of more consideration than they receive. I know that when a member is not a member of the Party in power he is definitely out, but surely his views should receive the same consideration as those of any other member. Time and time again it is claimed that his views do receive every consideration, but some members, including myself, have grave reason to doubt that. If some of us lose no opportunity to make our representations, sometimes in a rather forceful manner, we do so only to obtain the attention we think is necessary, and do it in the best interests of the people we represent and, through them, the people of the State who elect this Parliament. I support the first line of the Estimates.

Mr. TAPPING (Semaphore)—I endorse the sentiments expressed by the member for Stanley when he congratulated Mr. Jenkins, who was sworn in as the member for Stirling this afternoon. As secretary of the Parliamentary Labor Party, I sincerely congratulate him, for it is the policy of my Party to congratulate any new member elected under a democratic system, and last Saturday week the people of Stirling, under a democratic system, chose Mr. Jenkins to represent them. Members who have spoken in this debate have mentioned different aspects of the Budget and some fine speeches have been delivered. I refer particularly to that of the Leader of the Opposition, which was most illuminating and contained many fine thoughts. Harbours and shipping are important services in the life of this State, and Port Adelaide plays an important part in this regard, for it is there that goods produced in this State are exported overseas and imported goods received from other parts of the world.

The Auditor-General's report for the year ended June 30, 1952, disclosed a deficit on harbours and marine of £1,351 as against a surplus of £75,326 for the previous year. I do not complain about the deficit for I realize that in recent years the overhead expenses of the Harbors Board have increased as a result of its progressive and comprehensive policy to make Port Adelaide one of the best harbours in the world; therefore the deficit is only a minor consideration in view of the progress that has been made. Mention has been made of new wharves to be constructed at Port Adelaide and already one, Queen's Wharf, has proved to be one of the best in Australia. Although I desire to see more wharves constructed at Port Adelaide to provide for the increased shipping coming to this State, I contend more attention should be paid to the state of the existing wharves which should not only be maintained but also brought up to a state of modern construction. I refer particularly to the Birkenhead Wharf which was constructed about 70 years ago and which today can accommodate four large overseas vessels, but on which, because of its unsafe structure, I am afraid something serious may happen to some worker. About a year ago, whilst taking cargo to an overseas steamer, a lorry almost disappeared in the decking of the wharf, and that state of repair is typical also of other wharves in Port Adelaide. Before constructing more wharves we should maintain those which have given grand service to marine interests and make certain that they

are safe for those who work on the loading and unloading of steamers, for if a wharf is unsafe such work cannot proceed expeditiously.

I expect that the deficit for the Harbors Board for the current year will be greater than that accruing from the last financial year, for severe losses will be caused by virtue of the import restrictions which were introduced by the Menzies Government on March 8 this year and have caused a rift between Britain and Australia. A great burden has been cast upon Britain because of our refusal to take cargoes from her when we should have kept the trade going. In March the Menzies Government introduced two categories of import restrictions: one an embargo of 80 per cent and the other 40 per cent. These have proved a terrific blow to England. At the time the Prime Minister announced the imposition of the restrictions he said they were designed to remedy the adverse trade balance confronting Australia, but I remind members that at the end of 1949, when the Chifley Government was defeated, Australia had a credit trade balance, yet within three years that credit balance has almost vanished, and today we face an adverse trade balance. I agree that if Labor were in power it would have to restrict imports, but I maintain that the imposition of the restrictions was delayed too long. The Menzies Government imposed no restrictions between December, 1949, and March, 1952, whereas they should have been introduced gradually so as to avoid such a serious blow at our import trade almost overnight. Shortly after the restrictions were imposed Mr. Godfrey Nicholson, a leading member of the Conservative Party in Great Britain, urged the British Government to make representations to Australia on the highest level, pointing out the irreparable harm that the import cuts were causing Britain. He was quite right, for we have always advocated the retention of the tie between Britain and Australia and have been especially proud of it in war-time when, because of that tie, we have successfully waged war together. At the end of hostilities England has always found herself in very bad shape, unemployment being prevalent and money short, and she has been in need of help from overseas. Australia, as one of the links of the British Empire, has always come to her assistance. However, the Menzies Government failed lamentably by imposing such a heavy burden on Britain last March. It was predicted that as a result of the Australian import restrictions large-scale unemployment would result in the Lancashire

cotton, rayon and textile industries, which are expected to lose about £26,000,000 a year. It was also estimated that about 30,000 employees would be dismissed from those industries. Since March unemployment in Australia, including South Australia, has also increased.

The import embargoes, instead of creating employment, have had the reverse effect. I feel it is my duty to point out the repercussions this action has had on the waterside position. Last Saturday I had the pleasure of talking with Mr. Beitz, a South Australian, who is president of the Waterside Workers Federation of Australia and had just returned from the eastern States. When he was in Melbourne on Friday, 3,000 waterside workers were unemployed. It is true that whilst these men are not working they receive 16s. a day attendance money, but waterside workers, like other workers, have no desire to receive appearance money but prefer to work. They are denied this because of the import embargo imposed by the Menzies Government. In Port Adelaide last Friday 100 waterside workers were unemployed and on the previous day 400 were not wanted, a result of the reduction in imports. The excellent report issued by Mr. Bishop, Auditor-General, some months ago on the waterfront position agreed with much contained in the report of Mr. Basten, an English authority brought out to Australia to report on the slow turn-round of ships. Under the heading "Matters for the Consideration of the Waterside Workers' Federation (Port Adelaide Branch)" Mr. Bishop recommended:—

That favourable consideration be given to the elimination of undue delays in recruiting labour to fill and maintain the port quota as determined by the Australian Stevedoring Industries Board.

If members take their minds back over the last two or three years they will remember the board's agitation that the waterside strength at Port Adelaide should be increased. The Waterside Workers' Federation fought this strenuously and refused to increase the quota, and rightly so. If an industry is overburdened with manpower there will be men out of work. Appearance money amounting to 16s. a day does not reimburse a man who desires to work five or six days a week. The Waterside Workers' Federation fought the issue for about three years, but eventually agreed to increase the quota up to 2,000 men. Because of the import embargo resulting in fewer ships calling often between 400 and 600 men are unemployed. In Victoria and in New South Wales the Waterside Workers' Federation members

were not so wise as those in South Australia and accepted at random thousands of additional members. The result is that sometimes 3,000 men are unemployed in Victoria and as many as 4,500 in New South Wales. Although the Waterside Workers' Federation in South Australia was condemned for its attitude, it has been proved that its attitude was right. Having referred to the effect of the Menzies' Government's embargo on imports, I must be fair and say that the adverse trade balance is due in part to the rapid fall in wool prices. That was apparent some time ago, and it was then that the Government should have attempted to meet the position gradually, but not by introducing such a drastic embargo so suddenly.

For August and September, 1951, during which period there was no embargo, importations through Port Adelaide and Outer Harbour amounted to 289,460 tons and for the same period in the following year the figure was 168,086, making a total decline of 121,374 tons. By multiplying that figure by six to take in a 12-month period the drop in tonnage would amount to 728,244. This will result in less employment, and also have repercussions upon almost every business undertaking as a result of the depleted spending power. It will also have a very bad effect upon the South Australian Budget, because much less will be received by the Harbors Board than in previous years. This is obvious when it is remembered that a ship pays about £250 a day wharfage dues. Not only are these fees diminished but also storage fees. In the next 12 months I estimate that the loss to the State will amount to £100,000 from this source alone. If the Harbors Board's operations continue to show a loss, the State will find it necessary to prune some of its essential services. The object of the Commonwealth Government in enforcing the importation embargo was to produce a trade balance, but the figures to the end of June, 1951, do not show that that position was attained. Official figures from the Auditor-General's report indicate that to the end of June, 1951, 38,270 tons less were exported than during the previous financial year. That proves that the Commonwealth Government's action has not had the satisfactory results expected. I am very disappointed that because of the State's financial position the greater harbour scheme for Port Adelaide will be considerably delayed. The Government has already spent about £200,000 in acquiring properties on LeFevre Peninsula for the provision of a model suburb, and a storage area for petrol toward Outer Harbour rather than so close to Port

Adelaide as at present. I congratulate the Harbors Board on its progressive ideals and believe that in the years to come we shall be proud of the seaport provided as a result of its foresight. I expect it will be one of the best ports in Australia and one which will compare favourably with any other in the world.

Mr. MACGILLIVRAY (Chaffey)—I join with my colleague, Mr. Quirke, in congratulating the new member for Stirling on his election. Whatever our private views on politics, we are always prepared to help each other as far as possible. Although it is unlikely that the new member, a supporter of the Government, is likely to need much help from an Independent member, I should be prepared to give him all the assistance I can in carrying out his Parliamentary duties. I feel certain that he is fully seized with his responsibilities in having to be the spokesman for his constituents. That is no light responsibility. I also congratulate the Premier, not so much on his Budget, as on his decided views on the all-important question of finance. The Liberal Premier of South Australia is today saying big things which I believe caused a Labor Premier of New South Wales who made similar remarks to be thrown out of office. I am referring to Mr. J. T. Lang, who said in effect that finance should be based on a goods standard—goods brought into being by manpower and materials.

Mr. Pattinson—He was not thrown out of office for saying that.

Mr. MACGILLIVRAY—That is true, but he did say it. Had he not said it he never would have been thrown out of office. The foundation of the argument of the South Australian Premier is that so long as we have available manpower and materials and both these things are used in the development of the State, then money has to be found. With Mr. Quirke, I have a high regard for a Premier who takes that stand. I know as one who has kicked against the pricks for the last 15 years—and there are plenty of pricks in this place—the Premier in taking that stand endangers his political future. I hope he will not fall by the wayside, but I believe that great political pressure will be brought to bear on him to alter his views on finance. I know he is leading a Party which is not noted for its intelligence—a Party more interested in preserving the *status quo* than in progress. I realize the importance to this State of the Treasurer obtaining extra Loan money so that he can carry out essential public works, but his policy

is not an answer to the problem of inflation, our greatest difficulty today, even more so than that of maintaining full employment. Everyone in employment can pay his way, but inflation presents great difficulty to those on fixed incomes, those who have been described by many members of Parliament, and Governments, as the backbone of the country. They are the thrifty, hard-working section of the community who have provided for themselves in their old age. Some have paid weekly deposits into Savings Bank accounts, others have paid into superannuation funds, but they have found on retirement that the pound was worth only 12s. 6d., or 10s., or even less. That is legalized robbery. The Treasurer's action in getting extra money to carry out new public works will only put more money into circulation and thereby increase the demand for consumer goods. This will of necessity add to the problem of inflation. I have already stated what should be done to solve inflation and have referred to what the British Conservative Government is doing at present. Led by Mr. Winston Churchill, it is using millions of pounds to subsidize consumer goods so as to keep wages down. It is futile to keep on paying increased wages while the cost of living increases more rapidly than wages. We all know that this is like a dog chasing its own tail.

I regret that our Labor leaders do not show the unions and the public in general the futility of trying to help the workers by increasing wages. I give the member for Adelaide credit for saying that unless some system is evolved to bring down the cost of living increased wages will be of no use to the workers. The only way to reduce the cost of living is to subsidize the "C" series regimen so that in the next quarterly adjustment there will be an automatic reduction in wages. Now we are spending millions of pounds every year in higher wages, but if that money were used to bring down the cost of living the people would be no worse off. The member for Burnside said there was a catch in it. Last year when I was speaking on this subject he asked, "Tell me where the first pound will come from to subsidize goods?" That is not an unusual line of thought for people who think along orthodox lines. However, the very thing that I have suggested has been done *ad libitum*. Hundreds of millions of pounds were created for prosecuting a war, which is really a public work or undertaking because the whole community takes part in it, but the member for Burnside, and others who think like him, never asked then, "Where will

the first pound come from?" The problem of inflation is a direct result of the war. Prior to the war the primary industries of Australia owed more money to the banks than the banks could have got if they sold all the farms in the country. Prosperity always comes with war, and the prices of wheat, wool, dried fruits, wine and other primary products gradually rose. That was a good thing for primary industries and if the banks only had enough intelligence to stop inflation when those industries had liquidated their liabilities we should not be suffering as we are today. The cocky is often looked upon with a certain degree of disrespect. It is assumed that if he is a cocky he has not any intelligence, otherwise he would not be a cocky, but I wholeheartedly disagree. If a cocky had no more intelligence than an average banker everyone would starve. The banker has not intelligence, but a monopoly, which is a different thing. Anyone with a monopoly, whether in oil or money or anything else, does not need intelligence. The only solution of inflation that those advocating orthodox finance can think of is a "bust up." We have had it before, and we may have it again.

Mr. Whittle—You are not a very cheerful sort of individual.

Mr. MACGILLIVRAY—I like to be cheerful, but I do not like misleading people. Men in public life should not say that everything in the garden is lovely if it is not. Inflation is our greatest problem, big enough to put this country back where it was in the 1930's. I believe that the leaders of the Labor Party have been quite sincere in their banking proposals. We have been told what Mr. Chifley did in floating loans within Australia to meet the cost of the war, but he, and other Labor leaders, missed certain essential points. Over 25 years ago the Governor of the Commonwealth Bank was Mr. Denison Miller. He was trained in orthodox banking in the Bank of New South Wales, but he found £300,000,000 for the 1914-18 war. Further, he did not offer 4 per cent or 4½ per cent interest, but 5s. per cent.

Mr. Quirke—And £300,000,000 was a lot of money in those days.

Mr. MACGILLIVRAY—Certainly. I believe that Mr. Denison Miller made a great profit out of issuing that money at one quarter per cent. I think the actual cost was 3s. 4d. per cent, leaving the Commonwealth Bank with a profit of 1s. 8d. per cent. Since that time all sorts of bookkeeping machines, comptometers and other office equipment have been invented, thereby reducing the cost of creating money.

Before World War II, the Bank of England found that modern office machines enabled it to dispense with hundreds of employees. It wanted to be fair to its officers and retired some on an annuity or on the payment of a lump sum. They were no longer needed to create money. Further, miners did not have to go down into the bowels of the earth digging for gold because the money was made of paper. When new machines came in the Bank of England found that it no longer needed manpower, and provided annuities for the retired men. If Mr. Denison Miller could give £300,000,000 to the first world war effort at the rate of one-quarter per cent, it should have been possible to make money available in the last war at one-eighth per cent. When the depression years came to Australia a deputation went from Melbourne to interview Mr. Denison Miller. The members said that as £300,000,000 had been made available during the war they wondered whether money could be made available to assist the unemployed. He said it could be done, but despite this we still hear stories of public works being curtailed because of shortage of money. The primary producer suffers a great deal. I represent a district that gets 50 per cent of its income from the production of dried fruits. Costs have increased to such an extent that we cannot meet labour expenses from the income received. Inflation will drive the dried fruits man out of the industry. It is futile for Ministers of the Crown to come to the district and say that the growers have a moral responsibility to dry a percentage of their fruits in order to retain the export market. We know that, but our difficulty is to pay pickers £11 odd a week from our income. We have a basic wage of over £11 a week and our produce is sold on a market where employees are paid only about £5 a week. We must do all we can to solve the problem of ever-increasing inflation.

Mr. Quirke quoted from an article published by the Commonwealth Bank and that reminded me of statements I made myself a number of years ago that general facts on current affairs do not alter. It does not matter whether statements are made 20 years ago or today—orthodoxy is always orthodoxy. To prove my argument that money is largely a matter of bookkeeping I will quote from a series of addresses by the Rt. Hon. Reginald McKenna, who was chairman of the Midland Bank, the largest banking system in Great Britain. He was also Chancellor of the Exchequer. I know that when a member quotes from a book he selects the parts that suit his argument, and

the extracts I will quote cannot be taken as complete, but they will be valuable. The book contains a series of addresses given up to 1928 by the Rt. Hon. Reginald McKenna to the shareholders of the Midland Bank. The first deals with the all-important question of where money comes from, and what is money. On page 76 of the book, *Post-war Banking Policy*, he states:—

The amount of money in existence varies only with the action of the banks in increasing or diminishing deposits. We know how this is effected. Every bank loan and every bank purchase of securities creates a deposit, and every repayment of a bank loan and every bank sale destroys one.

We are told by Government members that if we work harder and longer we shall solve the problem of inflation. I am not opposed to working harder and longer, but I agree with Mr. McKenna that it has nothing to do with the amount of money in existence.

Mr. Michael—By working harder and longer a man can accumulate more.

Mr. MACGILLIVRAY—Under the present financial system that is not so. I have friends who put in an extra 500 or 600 acres of wheat in an attempt to meet their financial obligations, but they ruined their farms.

Mr. Michael—That is getting away from the point.

Mr. MACGILLIVRAY—No. The honourable member believes that production and finance are the same thing, but Mr. McKenna says they are entirely different. Any farmer with ability, and with good seasons, can produce crops, but only banks can produce money. It is the amount of money in the community that decides whether or not a man can meet his liability. In 1930, when the depression came overnight, thousands of people in America committed suicide. It did not matter what production they had or what were their assets. The banks did not deal in assets, only money.

Mr. Michael—Before a man can get money from a bank he must have assets.

Mr. MACGILLIVRAY—Yes. The bank advances money against assets, but in making repayments the bank does not accept truckloads of wheat. It is not interested in wheat, wool or dried fruits. The banking system is one of the greatest anachronisms the world has ever known. The ordinary man cannot produce money; only the banks can do it. A primary producer might put in a crop at today's costs, but by 1953 the market for his crops might have fallen, but because that has happened the bank does not say that it will

reduce his liability. No matter how hard we work or sacrifice, it is useless. On page 83 of the addresses there is the following:—

But no trade can stand up against a continued decline in the purchasing power of the public. Less money means lower prices or less production or both, and orders will be withheld so long as there is an expectation that prices will fall. We have deliberately to make up our minds as to what we want. If we mean to get rid of unemployment we must have more money in existence to take up the increased production; if we mean to reduce our present amount of money we shall not escape continued unemployment.

Has there ever been a more definite statement? Unemployment and production are related to the one thing. The Federal Treasurer has deliberately reduced the amount of loan money. There might have been some justification for it as an expediency. What good is it to argue against the rotten system that we have? The Federal Treasurer knows as little about the subject as the ordinary man in the street; he is simply following a system of trial and error. McKenna says that if unemployment is wanted money should be kept out of circulation, but if employment is wanted more money should be put in. I have another interesting statement, and if we read the words "citizens of South Australia" instead of "citizens of Great Britain" we will get a much better interpretation. McKenna said:—

I am afraid the ordinary citizen will not like to be told that the banks or the Bank of England can create or destroy money.

Mr. Geoffrey Clarke—I said that money was only a measure of value.

Mr. MACGILLIVRAY—It is not, because a measure, if it is worth anything, must be exact. We know what a yard is and that it does not vary, but money is the most elastic system of measurement we have ever known.

Mr. Geoffrey Clarke—It is a measure of value at the time.

Mr. MACGILLIVRAY—It is interesting to see that a fellow-Scotsman, Adam Smith, who propounded that theory over 100 years ago, still has supporters in this year of grace, 1952, but it is not true just the same.

Mr. Geoffrey Clarke—It was even a measure of value in Biblical times, and still is.

Mr. MACGILLIVRAY—It is simply a demand on goods or services.

Mr. Geoffrey Clarke—It is a measure of value.

Mr. MACGILLIVRAY—It is not. McKenna continues:—

We are in the habit of thinking of money as wealth, as indeed it is in the hands of the individual who owns it, wealth is in the most liquid form, and we do not like to hear that some private institution can create it at pleasure.

Private banks in England make money available just as their policy sees fit. No matter how Mr. Michael likes producing wheat or wool he will not alter the value of money in the community by one penny.

Mr. Michael—If you had to employ me or another fellow who did twice as much work you would employ the other fellow because you would make more money out of him.

Mr. MACGILLIVRAY—The honourable member should know, as he survived the 1930 depression, when Australia was producing more than previously, that production in itself is not enough. We have had years of depression when men could not obtain work and women and children were starving. Men were prepared to take 5s. or even 2s. a day. Apparently orthodoxy is always right. We should try to alter the system in the interests of suffering humanity and so that every able-bodied man can go into production. It is futile to ask people to work longer and harder, although I have no objection to that, if it is necessary. I worked 60 hours a week when I was young and I am none the worse for it.

Mr. Michael—A lot more did that, too.

Mr. MACGILLIVRAY—I worked for six days a week up to 6 p.m. and 7 p.m., but I will not ask my family to do so. That was the position at the time, but there were no tractors or multiple ploughs in those days. If it is necessary to work longer and harder because of war exigencies I would favour it, but we should not confuse the question of real wealth with the production of money. McKenna, dealing with speculative spending, states:—

After an outburst of speculation based upon monetary inflation, prices can be forced down again by a severe restriction of credit to the level, or even below the level, at which they stood before the speculative outburst began. Heavy trade losses and considerable unemployment will ensue, but these are the temporary though inevitable accompaniments of a healthy reaction.

What an orthodox banker calls "healthy reaction" is starvation, misery and want for thousands of helpless citizens. That is the difference between a banker and a man who has to earn his living under the system and is exactly what the ex-Chancellor of the Exchequer said would happen.

Mr. O'Halloran—What the banker wants is supremacy of finance.

Mr. MACGILLIVRAY—Exactly. McKenna's book is well worth reading. He explains his system of orthodox banking. The last quotation is at page 149, where McKenna says:—

Let me repeat that I speak of conditions as I see them today. Taking a view of the world as a whole it is evident that a great advance has been made since the time when gold was the main determinant of the direction of the price level. But we have still some way to go before we attain full understanding of the principles upon which the volume of credit should be regulated in relation to business demands. We know that the proper control of credit by the central bank in any country is a very important factor in trade prosperity and that a guiding principle in the exercise of this control should be the maintenance of a stable level of prices.

That is the whole story as I see it. McKenna says that we have gone a long way from the days when we were on the gold standard. He previously said that it was the only stable method of business, but now he says it is important that we should have a stable level of prices. We are working under a financial system that has no financial stability and has not had any for the past 12 years. Money is simply a matter of bookkeeping and can be adjusted in any way seen fit. That is the answer I give to people wandering about the country making speeches and asking us not to be pessimists. Until the Federal Treasurer closed down on the credits of Australia we did not hear any word of pessimism. It is only since he has taken definite action and people are fearing unemployment and do not know whether they should invest their money that we hear of these things. The point I want to make is that pessimism is a secondary factor, although it is very important and cannot be ignored. People are hanging on to their money because they do not know whether if they buy a tractor costing £1,500 today it will not be £1,200 or £1,000 a few months hence. Unless the bankers or their dummies first alter the financial system this pessimism, as I pointed out, is secondary.

I now want to say a few words about the department which affects my district most—the Irrigation Department. Firstly, I want to draw the Minister's attention to the question of the prospective Winkie township. The Minister knows that I have approached him time and again during the past two years asking him to take all possible steps to provide a water supply to the prospective township,

and the Minister has used every effort to forestall that request. He said first that he would have to know how many settlers were likely to use this water supply and asked that a list of prospective applicants for blocks be drawn up. I tried to point out that, in the first place, his request was not a fair one because the river areas have only a 10in. rainfall and it is not a fair thing to expect a man to spend his money in buying an allotment unless he knows he will get a water supply. Consequently, the water should have been taken there first, and there was a precedent for it in the neighbouring settlement of Glossop, which is a flourishing little township with some important industries established in it. After years of negotiation we eventually got a water supply for Glossop and the place went ahead by leaps and bounds. Had the Minister taken my advice instead of that of his departmental officers he could have put this tank in, for the money was then available. Now the men who had put their names down as prepared to build homes in the new township have dispersed all over South Australia; many have returned to Adelaide in disgust. Some of them have built on parts where there is no water supply and no hope of ever getting it, but they are no worse off than if they had gone to this problematical township. I ask the Minister, if he cannot give this water supply—as he says he cannot because of this important question of money—if he will see that the land is allotted immediately, for every week that he withholds this land from allotment the more people drift away from the district and the more who will have built on high lands, the very thing the Minister and his officers have said they do not want. This tank is estimated to cost only a miserable £7,000 which, in view of the wealth produced in these areas in the interests of the Commonwealth and therefore of the State, is a mere fleabite. As the member for Stanley reminds me, if the Government can make a free gift of £500,000 to the Tramways Trust surely it can at least expend £7,000 to keep primary industries going. I do not know how far I should pursue this criticism of the Irrigation Department, for in a sense it may be *sub judice* in the light of a certain motion before the House. However, like the mover of the motion, I feel that administrative expenditure could be considerably reduced, and for years I have been trying to get the responsible Minister to make alterations. At present the department sends out its accounts for various liabilities at odd times throughout the year, making it very difficult for a settler to know whether he has met all

his commitments. One would assume that it would be better to send out all accounts at the one time as is the practice in ordinary business. However, I was informed that this was not possible as it would involve an alteration of the Act. One would not think that an insurmountable difficulty for we alter Acts of Parliament every week of the session; that is what Parliament is for, and surely there would be no difficulty in making a minor amendment of the Act to provide that, say instead of rent falling due in June it should fall due in September, or as the case may be. This would cut down bookkeeping considerably.

A major cause of administrative cost is the centralization of power in Adelaide. The department has efficient district officers in charge of Berri, Barmera, Renmark, Waikerie and Loxton and these men should be made responsible for running their own districts as a complete going concern, referring to Adelaide only problems for which there was no precedent, or which they felt too big for them to accept the responsibility. But today every little problem has to be sent to Adelaide before any decision can be made, and in this connection I quote a concrete example. It must be two years since one of the settlers approached me to see whether I could assist him in getting a road to his property. He pointed out that seepage water had flooded the approaches he customarily used. I took up the matter first with the district council of Berri, then with the district officer and afterwards with head office. That was over two years ago and I should not be surprised if the man has not yet got his road; he had not a fortnight ago, although I understand that it is under way and he may get it at any time. In the meantime that man's wife was afflicted with polio and in order to get her to the hospital she had to be carried over half a mile to the ambulance. One would think that one was talking about some outlying part of Australia served by the flying doctor instead of a closely settled irrigation area. It is simply because the local officer has no power to take common sense action, but must refer it to the city. I could quote other concrete instances of the local officer making decisions and being rebuked by the department for doing so. That has only to be done once or twice and any officer will cease to take responsibility. To give another example: many people in the city have heard a lot about seepage and the settlers using too much water, but very few know that the prime mover in altering that state of affairs was not the

Irrigation Department but the settlers. At that time I happened to be a member of a committee of the Agricultural Bureau at Barmera when seepage was a growing problem. The chairman of that committee had met Mr. Lyon, the agricultural scientist attached to the Commonwealth Scientific and Industrial Research Organization at Mildura, who alone of the irrigationists throughout Australia, as far as I know, appreciated the danger of using too much water. The department's policy was to ask the settler how much water he thought he could use and tell him to keep on using it as long as they could pump it up to him. Mr. Lyon's policy was to use as little water as possible to keep the plants going. I had a 20-acre property at that time and was entitled to three hours' watering for each acre, and unless I kept water going for 60 hours I felt that I was not doing my property justice, not knowing that I was damaging it. Today I suppose my average watering would be 40 hours.

This change of view was brought about by the settlers themselves. We brought Mr. Lyon down to South Australia and all the State experts were sore about it. Our committee went around the district instructing their neighbours and telling them to keep down the amount of water used. Most of them co-operated, but one settler refused. I was a member of the committee who went to the district officer and asked him that when this man abused the watering at the next irrigation his gate be shut, and the district officer, being fully seized with the necessity, asked this settler to cut down his watering. He came straight to Adelaide and complained to the head office, whereupon the district officer was told to give him as much water as he wanted. If the responsibility of local officers be undermined in the way I have mentioned in those two instances—which I could multiply—it will be easily understood that they will not continue to take responsibility. These district officers are capable men and if they had the support of the head office we could get something done. In Victoria at one time there was a commission of three running the Irrigation Department, one of whom was a local irrigationist. We have advisory boards in each area whose duty mainly is to advise as to the time each irrigation should be started. If the Government is in earnest in its attitude towards decentralization it should give these boards more power to advise district officers on the problems arising in their areas. Should any member consider this to be too great a responsibility for common and garden fruitgrowers I remind them that one

business alone run by the growers last year had a turnover of more than £1,000,000. The growers also run community hotels, which are second to none in the Commonwealth. If these men can do these things they should be given a part to play in the development of these areas instead of directing the whole of the departmental activities from Adelaide.

Mr. Pattinson—Why not go further and follow the example of the Renmark Irrigation Trust?

Mr. MACGILLIVRAY—The honourable member knows as well as I do that the present Government is not imbued with the spirit of decentralization or the protection of the rights of a private individual but believes in building up Government departments; therefore I desire to work within the existing framework rather than sponsor a new system. The Renmark trust has done a job second to none in the Commonwealth. It has received a little financial assistance from the Government, but it has charged less for its water than the Irrigation Department has, although the department says that the lift of the trust is lower. The trust has been faced with the problem of seepage because of the low level lift, and that problem is greater than that confronting settlers in the high level lands. For years Government departments have been financed by means of the Budget, and the present Budget shows over £1,000,000 for Loveday alone. There are large areas where the land has been grubbed, cleared, and channelled prior to being put into production, but in one part the ground was so hard because the limestone was on the surface that men who were paid for planting the vines merely stood them up and stacked stones round their bases. Today sheep are grazing on country through which valuable irrigation pipes pass, and the paltry sum received as grazing fees represents only a very small return on the capital invested in those facilities for irrigation. That is an example of Government control under which all such costs are debited against the settler. The present system of control could be improved by giving the settlers some voice in it.

I will have something to say on our transport systems when we consider the Estimates line by line. In particular I consider the railways system is the last word in expense, and I hope to prove conclusively to any reasonable person that the country people are not responsible for their losses. From time to time I have heard members say that the railways are run for the benefit of country areas, but I can produce

evidence from responsible committees which shows that the failure in every instance can be attributed to the cities where transport controls do not operate within the 10-mile limit. City merchants need not patronize the railways in taking their goods from Port Adelaide to the city but may use their own trucks because it pays them better. It should be possible for country people to use whatever means of transport they desire. Transport is second only to finance as a factor in the Australian economy. In speaking at meetings of road hauliers Cabinet Ministers say that the Government is in favour of all forms of transport, including the road hauliers, but when it comes to action the Government pursues the vicious and vindictive policy of hounding the road hauliers off the road except when there is a railways or shipping strike, when they are told that they can come on to the road as the community then depends on them for the transport of its supplies. On those occasions the road haulier is thanked for supplying a necessary service to the community, but the next week he may be convicted and fined in the Murray Bridge court for doing exactly the same thing. Under those circumstances how can any responsible and reputable body of hard working citizens build up an industry? It may well happen that under these conditions a road haulier who takes a load to another State may not be able to get a load back. Instead of being hounded the road hauliers should be organized so that they can play their full part in the development of this great country. I have watched traffic flowing along the Sturt Highway and have been thrilled to see the big transports piled up to 10 feet high with freight. Some of them ply between Newcastle and Perth and are like argosies of old carrying their cargoes over the trackless ocean. To drive those vehicles is a young man's job, and these young men are pioneering Australia in the same way as the original pioneers, and are glad to do it. Instead of having to charge all the costs on the one-way load in case they do not get a back loading, the road haulier should be assured of a two-way loading. Instead of the Highways putting money into weighbridges along our main roads so that these drivers may be trapped and later fined, the money should be put into building roads to carry the traffic. The department would then be carrying out its proper duties and the Government would be doing more to develop this country. At present we are getting a little sugar in South Australia, but for a long time we could not get any here.

The storage of sugar is a problem in Queensland where it is produced, and that problem is typical of a greater one which will face the community when we get the greater production that is being called for. The solution to that problem lies in an efficient transport system. Let us not be vindictive but encourage people to do something to serve the community even though in doing so they make a profit out of it.

Mr. STOTT (Ridley)—This Budget of over £50,000,000 contrasts with Budgets introduced in this House some years ago, even in the days when this State had the taxing rights at present exercised by the Commonwealth Government. Members should consider its effect in the light of what is likely to happen when taxing powers are returned to the States. In his Budget speech the Treasurer indicated that the Government intended to enter the land tax field which has now been completely vacated by the Commonwealth Government. Although the exemption of properties under £10,000 in value will mean that a great number of people will not be affected at present, I warn members that this is only the start and we must expect that when the States take over the full field of taxation that figure of £10,000 will have to be amended. If the Government increases the stamp duty on cheques all people having current accounts will be slugged, and I feel sure that this is another field of revenue on which the Treasurer has his eyes fixed. The income tax field would no doubt provide the Treasurer with the most important source of revenue.

Mr. Pattinson—He might not need to exploit the other avenues you have mentioned.

Mr. STOTT—Although the income tax field would be the main source of revenue, it would not be sufficient. Almost £5,000,000 is being paid out in this Budget to the Railways Department and another £500,000 to the Tramways Trust, but unless Parliament alters its decision and lends money to the trust the amount of that grant may have to be increased. I do not altogether condemn the Budget, but I warn the Treasurer that if he is to embark on the fields of revenue vacated by the Commonwealth Government and impose on the taxpayers of South Australia I will not be very happy about the result. The State is passing through a transitional period, and its Budget has been increased from year to year until this year it is expected to reach about £50,000,000. I consider that as soon as the State's taxation rights are restored the Treasurer will have to adopt a somewhat similar procedure to that adopted by

the Commonwealth Government of using a portion of the bank credit available through the Loan Council. I have heard honourable members ridicule such an idea and say that the issue of bank credit is so much hokey, but £130,000,000 worth of Treasury bills is now being used by the Commonwealth. Yet, we are told that this is unreasonable and cannot be done, being unsound. When the State does return to the taxation field I visualize that some members opposite will be compelled to eat their words on this question of bank credit.

I favour the Government's embarking upon a wider extension of rural industries to encourage people to leave the metropolitan area and thus help to increase primary production. The Government has been too prone to extend secondary industries at the expense of primary expansion. It now has a tendency to swing back to the primary field, and I hope it will receive encouragement in this regard. I certainly intend to encourage this aspect. If people are to be induced to leave the metropolitan area and undertake primary production the necessary amenities, such as educational facilities, must be provided. The Minister of Education has been somewhat worried regarding the ever-increasing subsidy paid for school buses taking children to area schools. This policy was enunciated, I believe, by Sir Richard Butler. Some parents were opposed to the establishment of area schools on the ground that some of the children had to travel as far as 30 miles on the round trip, returning home late in the afternoon. They were also opposed to the expense involved; and that was years ago when buses could be run much more cheaply than they are today. Many parents are compelled to make a fairly high weekly contribution to have their children carried to area schools. If the Government's policy is to extend the establishment of these schools it is only right that it should consider providing greatly improved travelling facilities for the children. In years gone by there was no need to provide transport for school children, the parents themselves supplying either a sulky, horse or bicycle.

Mr. Pattinson—In a typical case, what would be the weekly contribution by a parent for transport?

Mr. STOTT—In one case it is 4s. for each child. Another worrying problem confronting the Minister of Education is the shortage of teachers. During the war years and immediately afterwards there was a pronounced shortage and that encouraged the Government

to establish area schools. I hope the Government will consider increasing the grant for bus services.

I now come to the hardy annual of bridges across the River Murray. I know that the Public Works Committee is considering the question and the people concerned are anxiously awaiting its report. I thought the Government would have anticipated the report and included an amount in the Budget, as some preliminary work will have to be undertaken if bridges are to be provided at Blanchetown and Kingston. The committee is also considering the question of bridges across the river at Cadell and Kingston in conjunction with the proposed extension of the railway from Morgan to Barmera. The Government seems intent on constructing this line, which has no hope of paying. The districts from Waikerie right through to Barmera on both sides of the river are against it. A big meeting was held at Waikerie last Tuesday and was attended by representatives from various district councils, country carriers, fruit carriers and other interests. A resolution was passed opposing the railway and another favouring bridges being provided at Blanchetown and Kingston. That should be sufficient to deter the Government from constructing the railway. I know its answer will be that the matter has been referred to the Public Works Committee and that Parliament will have to await its report. If the Government is intent on going ahead with the railway, I cannot understand why departmental officers cannot visualize that it has no hope of paying.

Sitting suspended from 6 to 7.30 p.m.

Mr. STOTT—It is most unfortunate that many pupils of the Glossop high school will be unable to continue their education because they cannot cross the river at Kingston. The punt there has been closed as a result of the high level of the river, which will probably last for some months, and this at a critical stage in the education of these pupils. Sick people living at Moorook and Kingston would normally go to the Barmera hospital, but as the Kingston punt has been closed they are now forced to go to the Loxton Hospital. This is taxing the capacity of that hospital. The question of providing bridges across the river goes back to the time the locks were constructed. Much criticism has been levelled at the engineers who designed the locks. Many people have said that the engineers were at fault because they did not provide foundations heavy enough to take bridges, but I have been

informed that the Government engineers who constructed them considered they would be capable of taking a bridge. However, the reports we have from the present engineers in the department indicate that the locks cannot carry a bridge. Ministers, and Parliament, must be guided to some extent by experts in these matters. I do not know whether we can blame the Minister in charge of public works at the time when the locks were designed or whether the authorities laid down that the foundations should be strong enough to carry bridges.

Mr. O'Halloran—Weren't the locks constructed as a result of a joint agreement under the River Murray Waters Act?

Mr. STOTT—I do not know whether the River Murray Commission designed the locks, nor whether it was the practice in those days for the Commonwealth to provide the money and use the State departments as constructing authorities. I do not know whether we are justified in blaming the engineers for the design of the locks because it may not have been specified that they should be designed to carry bridges. I am concerned about the conflicting reports on whether the foundations can carry bridges. This is the sort of thing that can occur again in the future. Our engineers may say that a structure has a certain capacity, but other engineers may subsequently say that it has not.

Mr. Frank Walsh—What is the purpose of the locks?

Mr. STOTT—Principally to lock the river so as to provide sufficient water for irrigation purposes. However, sufficient foresight should have been exercised, at any rate in regard to the Blanchetown lock, to enable the locks to carry bridges. When they were constructed it was well known that a main road came through the district from the upper Murray areas and the eastern States and that it would be only a matter of time before traffic would greatly increase.

Mr. Frank Walsh—When were the recommendations first made that locks be constructed across the river?

Mr. STOTT—About 1916. I cannot see why the locks could not be used to carry some of the weight of a suspension bridge, the rest of the weight being taken by cables. However, when such a proposition is put before our Government experts they always say "It will cost a lot of money." It has been suggested that a pontoon or Bailey bridge could be used, but I believe that a Bailey bridge would cost

almost as much as a modern one because such a bridge is built in short sections. Parliament must soon consider the question of providing adequate bridges across the river. I notice that the Government proposes grants for the Loxton and Waikerie hospitals, but not for the Karoonda hospital, which was built on the cottage hospital principle. The committee of this hospital is doing a magnificent job. It has raised much money to keep it going, but the costs of running hospitals today are increasing greatly. Local committees are not able to carry the burden without some help from the Government. I think the Minister considered a grant for the Karoonda hospital. I believe that before the Government will make a subsidy the local committee has to prove self-help. The Karoonda hospital should be subsidized. The population of the district is increasing, as is its production. When land was first taken up there in 1914 and 1915 it was found impossible to produce barley. The farmers had to sow oats to sweeten the land before it would grow good crops. There has been such a swing now to barley-growing that some producers have facetiously remarked that wheat is a noxious weed in that area. Some of the grasses grown with great success in our drier areas are doing very well in that district. The increased production has made it necessary for the Highways Department to consider constructing a better road. The present road is a poor one, portion of it being of a limestone base that would soon ruin a modern transport. The Transport Control Board should be far more liberal in its attitude towards private enterprise. A Minister should be appointed to control the State's transport system. The tramways, railways, omnibus services and country transport should all come under his direction. The Housing Trust and other authorities have been building many houses in the metropolitan area, but little has been done to solve the transport problem. We recently passed legislation for the appointment of a new board to control the tramways, but that will not necessarily alter the administration of the undertaking. Some of its services are run in competition with the railways. We visualize an electric railway system for our suburban areas, but is it to be administered by the railways, or by an authority handling all forms of transport? One form of transport must not be allowed to compete against another. Parliament should consider co-ordinating all transport. In many large capital cities trams have been scrapped in favour of buses and deficits have disappeared.

One day the tram lines in King William Street will have to come up. Who will deal with that—the Tramways Trust or a co-ordinating authority? In this Budget the railways are to receive a substantial grant, but instead of making one each year to the railways there should be a grant to one transport authority. The Transport Control Board issues permits to interstate hauliers and passenger service proprietors. It should be called a railway control board because it does not help the interstate people, but protects the railways. The permit system should be liberalized and the interstate people given a better go than they get at present. I know of a case where a business man in Wagga, New South Wales, had to wait eight weeks to get goods sent from Adelaide by rail, whereas they could have been there in a few days by road. In addition, pilfering takes place when goods are sent by rail. If South Australian business people are to be assisted in getting markets in the eastern States they should be allowed to make more use of transport. I hope that next session more consideration will be given to the transport position in South Australia. I think it can be best dealt with by having one co-ordinating authority. The present haphazard position must not be allowed to continue. It can only result in increased expenditure.

The Railways Department is doing a fairly good job in making our interstate services as modern as possible. The "Overland" service to Melbourne with the diesel-electric locomotive is a progressive step and the Minister and the department should be commended for showing such foresight. On Monday night I travelled to Melbourne on the express and I was impressed by all the modern conveniences in the coaches and the smooth running of the train. One improvement would be to again put the dining car on the train. It was taken off during the war years. The train to Port Pirie, in connection with the east-west service, is up-to-date, but our country services should be speeded up and the coaches modernized. The Government is faced with increased expenditure, but I think we have got through the transitional period of inflation very well. I do not think we will ever go back to lower wages and longer working hours. Probably there will be higher wages and higher prices, but when the economy of the nation becomes static we will not be any worse off. About two years ago it was said that we were approaching a financial disaster because of the high wages and prices, but we have not had one yet. I think the

present position has come to stay. I am disappointed that no provision is made in the Budget for the making of preliminary surveys in connection with the building of bridges over the River Murray, which must come.

Mr. MICHAEL (Light)—I join with other members in congratulating our new member, Mr. Jenkins, and trust his sojourn here will be a pleasant one. I feel that he will prove a valuable addition to this Parliament. I express my appreciation of the able speeches we have had in this debate, which presents members with one of the few opportunities to speak on all subjects. Although I strongly disagree with some of the comments which have been made it is interesting to hear the different points of view expressed by members. We have in this Parliament something which other Parliaments have not, where members with varying points of view can express them without any ill feeling. I regret that the members for Adelaide and Port Adelaide were carried away during their speeches and I think that in their calmer moments they will regret having made certain remarks.

The members for Stanley and Chaffey held forth, to some extent, on their pet theory on the use of national credit, or central bank credit, claiming it as a cure for all our financial worries. Although I listened carefully to their theories I was left unconvinced. Mr. Macgillivray, replying to interjections by me, attempted to show that money and production had little influence on the real financial position, but I absolutely disagree. Money, as the member for Burnside said, is the only basis for fixing values, and changes from time to time. My view is that production is the only way in which real wealth can be produced.

Mr. Macgillivray—A pound is still only 16ozs.

Mr. MICHAEL—Yes, and the more that is produced the more wealth will there be in the country. The honourable member pointed out this afternoon how Sir Denison Miller, when Governor of the Commonwealth Bank, produced £300,000,000 of costless credit during the war at 3s. 4d. per cent, but that did not save us from the worst depression in our history.

Mr. O'Halloran—But the Government was not permitted to use central bank credit in those days.

Mr. MICHAEL—The proponents of central bank credit hold that it must be used most carefully. I think that most people believe in the use of credit in order to effectively develop this country. I do not claim to be a financial

expert, but I believe I have a little more than the average amount of common-sense. The use of bank credit must be most carefully used, whether by the individual or the State.

Mr. Macgillivray—We all agree with that.

Mr. MICHAEL—I believe, too, that credit should only be used to get us out of difficulties and develop the State, and unless we are prepared to reduce the credit used during good times we will only get into further trouble.

Mr. Macgillivray—Then why not support the Treasurer in his views?

Mr. MICHAEL—I have consistently supported the Treasurer, but I cannot say whether I am prepared to go all the way with him. I believe that as a result of his occupancy of the Treasury benches and leadership we have got something which we could not have got from any other leadership. The implications of the 40-hour week have been mentioned during the debate. I do not deny to wage earners any benefits they have received through improved conditions. However, the 40-hour week has had an inflationary tendency. The member for Port Adelaide said that higher wages and the shorter working week resulted in higher costs. The shorter working week has meant fewer houses and amenities for the workers who have had to pay for it. Big businesses can pass on the additional costs, but the shorter working week has had a detrimental effect on small businesses and small primary producers, in fact, on any man who has attempted to do something for himself.

Mr. Fred Walsh—They did not reach that inflationary stage in New Zealand where the pound is worth 25s.

Mr. MICHAEL—I have never ceased in my belief, and I am more convinced as time goes on, that it was a golden opportunity which the Chifley Government missed, bringing our pound into line with the English pound. The Treasurer in the course of his speech, said:—

I consider that the extensions in water, transport and electricity supplies to country areas is one of the best methods of ensuring development of our rural areas.

The Playford Government has done a lot in providing amenities in the country and bringing about decentralization. Members of the Labor Party have said that the population in the country has not grown to the same extent as it has in the metropolitan area, but if it were not for the Government's policy the position would have been a lot worse.

Mr. Davis—How do you account for the ghost towns in the country today?

Mr. MICHAEL—Our marginal lands policy, although it has proved of great benefit to the State, is one reason why some country towns have gone back. There has been much criticism about our railways, but their position is greatly accentuated by the number of miles we have to maintain to serve our small population. Much of our country has a low rainfall and the population is more scattered than in the eastern States. I do not claim that there is no need for improvement in the railways, which are in need of a good overhaul. Take the train service from Robertstown to Adelaide, on which I frequently travel. There are two trains to Adelaide and two trains back daily. One train leaves Robertstown about 5.30 a.m., reaching Adelaide at 8.50 a.m., leaving on the return trip at 5.20 p.m., thus enabling travellers to do a full day's business in Adelaide. It is a steam train, with four coaches. The train is taken as far as Eudunda, where two coaches go on to Robertstown. With the exception of Fridays two coaches would be sufficient to carry all the passengers on that line, one coach carrying passengers from Gawler and the other proceeding to Eudunda. I have approached the railways with regard to this matter but have not been able to get anything done. The running of those four coaches to Eudunda and two on to Robertstown each day, when from Kapunda one would carry all the passengers, must result in considerable loss.

Mr. O'Halloran—Have you realized that you are asking that your people be deprived of the service they now enjoy?

Mr. MICHAEL—I am not asking for the running of fewer trains, but simply fewer coaches.

Mr. O'Halloran—Which would mean some of them having to change coaches three times.

Mr. MICHAEL—They now drop two coaches at Eudunda; all I am suggesting is that they drop two at Gawler and one at Kapunda, and I believe it could be done without curtailing the service. If the present practice is typical of what is being done elsewhere there is room for a good deal of saving. The same sort of thing applies to our waterworks and electricity supply. Because of our scattered areas and long lines of communication these services are more costly than in the better rainfall country, which is more closely settled. I believe the Government is tackling the job as well as it can be done, and although we could all bring up cases in which there may be room for improvement the Government is doing a pretty

good job towards bringing about decentralization. The Leader of the Opposition had something to say about the falling off of wheat production. I always listen to him attentively for I realize that there are not many on either side of this House who have had closer experience of our primary industries, particularly in the lower rainfall areas. I find myself very often in agreement with what he desires to bring about, although there are times when I cannot support the methods he would use.

I am not much concerned about the falling off of wheat production. Mr. O'Halloran suggested that it means we are not able to play our full part in producing food-stuffs so necessary in Britain and other parts of the world, but I am not so sure that it necessarily means less food. Superphosphate rationing, which we have had to suffer for a number of years, has now been lifted. It was inaugurated on the only basis which seems capable of being thought of, namely, by taking as a base the supplies which individuals used in the year prior to the commencement of rationing. At that time, however, wheat-growing was in the doldrums and many farmers were not in the position to purchase much superphosphate, so they started off at a disadvantage. The authorities decided also that preference for additional superphosphate supplies should be given to those who were developing pasture land, and at the time I do not think there was much to be quarrelled with in that; but in the years that followed wheat prices went up and there was a demand for more cereal growing, and wheatgrowers then found themselves at a decided disadvantage. As the result of representations from cereal-growing areas it was decided last year to refer the question of superphosphate distribution to Mr. W. C. Gillespie, S.M., for inquiry, and doubtless his recommendation would have been implemented but for the act that more sulphuric acid became available, making it possible to do away with rationing, for which we are all very thankful. It is now possible to purchase supplies, but unfortunately only at a higher cost with the result that many are not inclined to buy more. The point I am leading to is that the pasture development of recent years is to the great advantage of the State, as even if we face lower rainfall and perhaps lower prices in the years ahead, we have built up in this pasture development a most valuable potential. We now have in our better rainfall areas a great acreage of land under pasture in localities not so likely to be

affected by low rainfall, and this must prove most beneficial to the State. Barley-growing is becoming very prominent and is not so costly to the cereal grower. All the indications point to a steady world demand at profitable prices for barley for human consumption.

Mr. O'Halloran—Are you sure of that?

Mr. MICHAEL—The member for Flinders, who has had experience as a member of the Barley Board, says that two of every three bushels grown go into food. I believe there is a greater future for meat and dairy production than for cereals. It has been suggested that farmers have gone into wool production and neglected meat, but we have now reached the stage when our merino flocks are about as big as they can go unless we develop a good deal more land.

Mr. O'Halloran—They are over the danger point.

Mr. MICHAEL—Yes. From now on there must be increasing numbers of merino sheep coming on to the market, and they are good meat.

Mr. O'Halloran—And now we have no means of treating them.

Mr. MICHAEL—If that is so we must examine the position, but I do not know that the method of treating merino sheep is different from that of treating other types. There has been a disinclination on the part of the British people to take merino sheep because of caseous lymphadenitis, or lumpy gland, but I do not think it is justified. Such sheep are consumed here without detrimental effect, and I believe that if the British people could be induced to take them it would result in greatly increased meat supplies for them and be an outlet for our surplus.

Mr. O'Halloran—Even if they would take them we could not kill them.

Mr. MICHAEL—The member for Hindmarsh had something to say about the increased use of tractors and suggested that we were taking our pattern from Russia and going in for collective farming. I suggest, however, that the honourable member did not know much about his subject. Tractors are becoming popular mainly for two reasons. Firstly, the farmer, like any other individual, prefers the easiest means of doing his work and, secondly, he has found that because of the disadvantage under which he is placed by the high cost of living, brought about partly by the shorter working week, he must adopt cheaper methods, and this can best be done by mechanization. We have heard a good deal about bridges over the

Murray River and I have no doubt they will have to be built some time, although there seems to be much difference of opinion as to the best site. I would suggest something on which the member for Chaffey has supported me on some occasions, namely, that the road on the northern side of the river should be sealed. This could be done for a fraction of the cost of bridges. It would at all times give a good road to Adelaide for the people north of the river who would have to travel only a few miles further by that route than by crossing the river at Kingston and Blanchetown. It would also relieve the congestion at the punts and make a valuable contribution to the State transport services even after the bridges are built, because it would give the northern areas of the State where it is not possible to grow fruit a direct road whereby the produce of the Murray Valley could be taken to a ready market. The member for Chaffey told members of the pride he felt as he watched the big transports passing along Sturt Highway, but the proper way for goods to be transported from Newcastle to Perth is by sea.

The Hon. M. McIntosh—The sea does not wear out.

Mr. MICHAEL—Yes, and to take goods across the whole width of Australia by road transport is expensive. South Australia should levy more charges against road hauliers so that they will make an adequate contribution to the cost of maintaining roads. The Treasurer has done an excellent job in preparing such a Budget in these difficult times. Various reasons have been advanced as to why we find ourselves faced with financial problems and, although I do not profess to know all the answers, I suggest that the present economic drift commenced before the present Menzies Government took office and that it is certainly not responsible for all the economic problems facing Australia today.

Mr. FLETCHER (Mount Gambier)—I join with other members in congratulating the new member for Stirling, Mr. Jenkins, on his election to this House. I regret the passing of his predecessor, Mr. Dunn, who endeared himself to all members, irrespective of their political beliefs. It matters not what members may have to say with regard to the Budget for we must abide by it, but I regret some comments made by previous speakers in this debate, particularly with reference to the attitude of employers, most of which were made in ignorance. I have always maintained that a man should try to become his own boss and an asset to the State.

Every man does not get that opportunity, but many who are today accused of being wage slave drivers once started on the lowest rung of the ladder as workers and credit must be given them for launching out in their own businesses. Most employers know what the worker has to put up with and are reasonable in their attitude toward their men. I am one who in the past had to work on public works, shearing, and other hard tasks, and as soon as I got off the labour market and became an employer I became an asset to the State, more valuable than I was as an employee. Prior to coming here I paid £1,100 a year in wages to a number of employees, and I do not think there are many members who have had the privilege of doing that.

The Hon. M. McIntosh—It was real money then, too.

Mr. FLETCHER—Yes, for it was during the period between 1935 and 1938. It is not only the man on wages but also the man who has invested his money who suffers in a depression. I remember the time when men were walking the roads looking for work. Some came to me saying "I will do this for you if you will do that for me." We helped each other out.

Mr. Macgillivray—It was a system of barter.

Mr. FLETCHER—Yes, a good spirit prevailed and later, when better times came, I was able to employ more men, some of whom today are independent and own their own business or farms. Without co-operation that would not have been possible. Today there is a tendency for big businesses to take full charge of commerce. How many small men are today able to start out on their own as butchers, bakers, or storekeepers?

Mr. Fred Walsh—The big businesses are the employers about whom some members have complained.

Mr. FLETCHER—Amalgamation of some businesses has brought into being the big store type of business. What is the position of the baking trade today? In my own country town, where we had seven bakers, there are but three today and they complain that young men will not become interested in their trade, because there is no possibility of their starting on their own, for flour, yeast, and other necessary goods, would not be supplied to them. The same thing applies to butchers and most small businesses, for no encouragement has been given to these young journeymen to start on their own. Young men who have been reared on the land are today unable to get a five-acre block on which to start, and the Government has offered

little encouragement in this direction. Most country landholders come from families which originally went on to a working man's block, and today many members of those families are in sound financial positions and have made good citizens and, some, good statesmen. This method of land settlement has led up to the successful government and financing of our country. The co-operative milk factory in the district in which I live had the greatest number of suppliers of any factory in the country around Mount Gambier and most of its suppliers were farmers on blocks no larger than 15 acres. There was no falling off in the supply of milk to that factory because of any switching over to sheep, for such was not possible as the holdings were not big enough. Other factories, however, lost portion of their milk supplies because of that swing in production.

Much has been said about decentralization. The Premier said there had been some decentralization, but I consider it has made progress only where amenities such as electric light and power have been made available. Industry will go where power and water are obtainable and so long as such services are provided development will continue. For instance, Leigh Creek coal will mean much to the north in the establishment of industries, and the same will apply to the Murray areas if ever the Moorlands coalfield is developed. If power had been available in my district a number of industries would have been established. Offers were made from Victoria to supply electricity, but the demand had been so excessive that it became impossible to provide power to the South-East. The timber mills have been a great asset to the South-East and a scheme is now mooted to produce power from timber waste. Ever since I have been a member of the House I have advocated the search for oil in the South-East, but have got nowhere. Eventually, when it suits the right people they will suddenly wake up and punch a hole and we will have oil. Recently one of the best boring rigs in the Commonwealth was dismantled just over the border in Victoria and sold. I drew the Premier's attention to the fact that it was available and mentioned that it was a golden opportunity to get a plant which could drill below 7,000ft. Last week I was privileged to meet a man who was engaged in boring for oil on a property about 10 miles from Mount Gambier. I have in my possession an affidavit signed by him to say that he was present when oil was struck in

that particular bore. He told me who was present and what transpired and I am satisfied that it would be well worth while the Government's spending at least £10,000 to gamble on a drill hole to see if oil is there. What is £10,000 if we find oil? From what I have been told I am satisfied it is there and that those in charge deliberately set about seeing that it was not found. In fact one person boasted that it would never come to the top.

The Hon. M. McIntosh—Isn't there a huge fortune for anyone who can find oil?

Mr. FLETCHER—If that is so, why is the Government continually opposed to it? Nothing has been done with the leases the Government is supposed to have let in the South-East two years ago. It is like a lot of other things. When a certain party is ready the geologists will be sent down there in their hundreds, the correct spot will be found and up will come the oil, and then industries will be enticed to the South-East. The leaseholders were supposed to do a certain amount of work within six months, and yet after two years nothing has been done.

Mr. Hutchens—If oil were found would not the people be better off?

Mr. FLETCHER—They were from America. One admitted that he was here to find oil and not to produce it. I was interested to read in the press information given by the Minister of Railways when last Friday he opened the extension of the broad gauge railway to Kalangadoo. He said that the South-East railways handled 86,000 tons of merchandise in 1939 and this year 320,000 tons, an increase amounting to an average of about 16,250 tons a year over that period. That is a wonderful achievement. The *Border Watch* of October 25, in reporting a meeting of the district council of Mount Gambier, contained the following:—

Councillor C. L. Davis reported on a visit to Adelaide in an effort to expedite delivery of crusher parts. He had stressed the need for the machine and had received a promise that the work would be speeded up. The firm had since forwarded one of the elevators ahead of their promised schedule, but it had taken 11 days to get the elevator from Adelaide by rail. Work on the crusher had been almost at a standstill since last meeting through lack of necessary parts.

The Hon. M. McIntosh—There is a daily train and it could have got down there in 24 hours. As Minister of Railways I will accept any goods offering.

Mr. FLETCHER—That is one instance where delay not only interfered with the council's

work, but affected the construction of soldier settlement roads in the districts around Mount Gambier due to the delay in the transport of machinery. It is no use the Minister saying there are daily trains. I do not know where the fault lies. I have every respect for the Government officers down there and pay a high tribute to them. There is an outstanding officer in charge of the railways in the district. The councils should be highly praised for trying to complete roads in the wetter areas where soldier settlers are engaged in dairying and food production. The councils are working at a great disadvantage in that when the country becomes waterlogged it is almost impossible to get on it with machinery. Actually, the roads can be made only during a few months of the year and in the meantime the settlers have endless bother in getting produce off their properties.

Mr. Teusner—Have you any progress figures on the Mount Gambier loan?

Mr. FLETCHER—The honourable member is referring to the £1,000,000 loan mentioned in the press some little while ago. I can see no objection to the Premier adopting the suggestion submitted by the mayor of Mount Gambier. The mayor asked the Premier if loans could be raised locally for local works such as hospitals, schools and a sewerage scheme, and whether the Government would consider such proposals. The Premier said, "Supposing you raise £1,000,000. I could not accept that direct. You raise £1,000,000 on, say, an Electricity Trust loan and then I can easily divert the money for your hospital and other works." I was glad of that suggestion because I think that the credit of this State is as high as that of any other in the Commonwealth. I am putting to the Treasurer that when he goes to the Loan Council for millions of pounds to finance our public works he should suggest to the Prime Minister, "If I raise the money I require in my own State, can I have it?"

Mr. Hutchens—In other words, you believe in the old Biblical statement that to those that have it shall be given?

Mr. FLETCHER—I am sure that if the people of South Australia were asked to support a loan for public works in this State it would be over-subscribed, but that may not be the case in other States. I think it may be said that Australia is suffering from a recession. It behoves everyone, from the humblest citizen to those in high places, to pull his weight. I congratulate the Treasurer on bringing down his fourteenth Budget. He

must have been proud of this achievement, and must have the confidence of the citizens of this State.

Mr. BROOKMAN (Alexandra)—As members will be visiting a part of my electorate tomorrow and the following day I feel that I should make one or two comments. Agricultural production has been frequently discussed during this debate, but when members visit Kangaroo Island they will see another side of the picture that has not been given sufficient prominence. Many figures in regard to production have been quoted, but much capital development has taken place in the State in the last few years. We all know that the Government has developed a great deal of land, but that is not the whole story. Development by private people in areas with a rainfall of about 18 inches has been staggering. As far as I know there are no figures available to show just what has taken place. I have been in touch with the Government Statist about the matter, but apparently figures are not available to show how much land has been converted from scrub to pasture since the war. When members visit Kangaroo Island they will see a vast area of country that has been transformed in a few years. The production of this land is almost negligible at present, and the same applies to large areas in good rainfall parts of the State. The production from such areas will not be shown in statistical reports for some years. Even on Kangaroo Island the development has not been carried out entirely by the Government. There has been tremendous private development there on the eastern end of the island and around the north and east of the Parndana settlement. That country is just as suitable for development as areas on the mainland south of Adelaide and in the Upper South-East and in places nearer Adelaide. In many old districts considerable new development has taken place in the last few years. One place south of Yankalilla was almost entirely scrub country not long ago, but now it is largely under pasture. A good deal of clearing is still going on, but production there has not been recorded yet. The Upper South-East has come on astonishingly. Whereas formerly the roads leading east and south from Meningie were running through undeveloped areas, except for a mile or so from the township, now we see healthy pastures for miles. The Leader of the Opposition expressed some doubt on the advisability of using superphosphate. He suggested that too much may have been used in the

development of pasture, but I do not agree. Possibly the applications could be reduced, but I know of old pastures that have received over one ton of superphosphate in the last 15 to 20 years that still show a marked improvement when superphosphate is applied to them.

Mr. O'Halloran—I was only quoting the opinion of people of considerable experience.

Mr. BROOKMAN—There is considerable controversy on the matter. I think that most people of experience would agree with my view, but there may be some who would not.

Mr. O'Halloran—I was referring more to established pastures rather than developing pastures.

Mr. BROOKMAN—The honourable member said:—

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. O'Halloran—Exactly—pasture development on land formerly used for cereal-growing.

Mr. BROOKMAN—In that case I misunderstood the honourable member. He may have had in mind land north of Adelaide.

Mr. O'Halloran—I did.

Mr. BROOKMAN—I was thinking of land in areas of an 18-in. rainfall and over. I do not think we yet know how much superphosphate is required for them. I believe we must apply superphosphate annually or fairly heavily every two or three years. When visiting Parndana last year I was shown some land that had been treated with superphosphate annually for the past 10 or 12 years. I saw one small patch which had not received any superphosphate in the autumn and the pasture was barely growing, but nearby where the annual dressing had taken place there was much growth. I suggest that the Leader of the Opposition compare the two, if they can still be seen. I do not think it was intended to miss that patch when the top-dressing took place, but it was missed with a startling effect. I think about one bag of superphosphate was applied to the block annually. Experiments conducted by the C.S.I.R.O. in New South Wales indicate

that a heavy dressing of 4cwt. of superphosphate on an acre of land, and no dressing in the next two or three years, is better than an annual dressing with the same amount of superphosphate used. It cannot safely be said that we can do without superphosphate on any pasture land in this State. We will be able to say that only when we put superphosphate on land and see no improvement over land nearby where no dressing has taken place. The technique of farming has improved tremendously in the past few years, due not only to the activities of departmental officers but to farmers having more leisure time. Before the war they had to battle along, but since the war they have had more leisure. In 1930 a young farmer scarcely got through from one year to the next. Now he has more motor transport available and field days can be attended. There is a greater interest in farming technique. The other night I attended a lecture by an English dairy farmer, a Mr. Patterson. He is in a big way in England, farms 7,000 acres and has over 1,000 milking cows. He does not own the land, but rents it. He spoke of his dairying experiences and the conservation of fodder, and the interest in his remarks was pronounced and drew from Mr. Patterson a certain amount of praise for the farmers in this country. Although we may have had good seasons in the last few years, and there may be bad seasons in the next few years, I do not think we will fall so heavily in the next bad cycle as we have in previous bad times. We have become more accustomed to putting away fodder and preparing ourselves for bad times. I support the first line.

Progress reported; Committee to sit again.

LOCAL GOVERNMENT ACT AMENDMENT BILL (CITIES).

Returned from the Legislative Council without amendment.

ADJOURNMENT.

At 9.18 p.m. the House adjourned until Tuesday, November 4, at 2 p.m.