

HOUSE OF ASSEMBLY.

Tuesday, September 21, 1954.

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

ASSENT TO ACTS.

His Excellency the Governor intimated by message his assent to the following Acts:—Gas Act Amendment, Medical Practitioners Act Amendment, Public Finance Act Amendment, Wheat Price Stabilization Scheme Ballot Act Amendment, Wild Dogs Act Amendment, and Business Agents Act Amendment.

QUESTIONS.**PIG MEAT PRICES.**

Mr. O'HALLORAN—Some time ago I asked the Premier, as Minister controlling prices, a question relating to the disparity between the price of pig meats sold in Adelaide and the price of pigs sold at the Metropolitan Abattoirs, and he informed me that the Prices Department was watching the position, even though the prices of bacon and processed pig meats were not controlled. I have noticed from recent market reports that the price of pig meat on the hoof has remained at the low level established some time ago. Can the Premier say whether any further investigation has been conducted by the Prices Department since he replied to my question, or whether any action is proposed in this matter?

The Hon. T. PLAYFORD—Shortly after the honourable the Leader asked his question I inquired of the Prices Commissioner on this matter, and at that time he was not prepared to make any definite recommendation, because the bacon curers were discussing with the producers in the industry the possibility of a more or less permanent price. The bacon curers desire a continuity of supply, and, as high prices one week and low prices the next are not good either for the industry or for the consumer, they were examining the industry to see whether they could arrive at some arrangement that would be fair both to the producer and the consumer. I will get a report on the present position and advise the Leader in due course.

METROPOLITAN WATER SUPPLIES.

Mr. DUNNAGE—This morning's press contains a cartoon indicating that the newspaper does not expect that the metropolitan area will have adequate water supplies at the beginning of the summer, whereas I have been given to understand in this House that

water supplies from the Murray will be available at the end of this year. Can the Minister of Works say whether adequate supplies will be available then, or whether our water supplies will be controlled throughout the summer, as they have been in the past?

The Hon. M. McINTOSH—I expected a question on these lines, and I will read a prepared statement covering the points raised.

I am repeatedly in conference with the Engineer-in-Chief (Mr. Dridan) and the Engineer for Water Supply (Mr. Campbell) and the public can be assured that every step that can be taken and every safeguard that can be foreseen is being taken to ensure that an adequate supply for essential purposes will be made available. At the present time, the reservoirs contain nearly 62 per cent of their holding capacity and the supply can be augmented by bores at any time and within the next few weeks by water from the River Murray. The reason that the River Murray water has not reached Adelaide sooner is the non-delivery of steel for pipes, and of the pumps. Orders for pumps were placed four years ago, and to augment local supplies, steel was purchased from overseas at very much higher costs than the Australian article. During the days of prosperity, no contractor was prepared to undertake a specific date for delivery nor to accept a penalty clause for delays even beyond what might be regarded as a reasonable date. Development in every direction which increased the demand for water simultaneously deprived the Government and the department of the opportunity to meet it. Men and materials were in such demand for more congenial tasks than laying water mains and the mining of coal for steel, so that at no stage since the work began were we in the position to make greater progress than that achieved.

Having regard to the abnormally low run-off from the catchment areas, the reservoir position is relatively sound. Even now what might be regarded as nothing more than a good seasonal rain would fill Millbrook and Hope Valley and would greatly improve the position at Mount Bold and Happy Valley. The catchment areas are still responsive and streams are still running into the reservoirs but badly in need of rain to boost their flow, the intake being about 40,000,000 gallons a day, just about meeting the consumption. Our past records show that good flows in the rivers in September and October are the rule rather

than the exception, and on a number of occasions we have had enough intake in October to fill the reservoirs from their present level.

There are about 30 of the best bores ready for immediate use but in any case they will not be used until the new trunk main from Hope Valley to Findon is in operation, which will be in about a fortnight's time. The effect of this main will be to bring much larger quantities of reservoir water into the area in which the bores are located, thus diluting the water from the bores. Everything is in readiness for the installation of the pumps when received. The manufacturers of the pumps are working 24 hours of the day, seven days of the week, to ensure the delivery by the middle of October. The contractors for the pumps are also responsible for their installation and they will work around the clock, putting them into commission at the earliest possible moment. To those who have not seen the vastness of the work involved, it is hard to realize what has been achieved despite the many difficulties. Some conception of the magnitude of the task is reflected in the expenditure which to date is over £6,000,000.

Following a conference this morning and the closest check of all past records with the Engineer-in-Chief and the Engineer for Water Supply, it was decided that rainfall between now and, say, the middle of October will indicate what should be done either in the way of augmentation by bores and/or restrictions.

STEELWORKS AT WHYALLA.

Mr. RICHES—The announcement that the Premier was to confer with representatives of the Broken Hill Proprietary Company last Thursday on the possibility of establishing a completely integrated steelworks at Whyalla aroused considerable interest in the north and, I think, throughout the State. Can he say if the conference has been held and, if so, can he report on the outcome of the discussions?

The Hon. T. PLAYFORD—The conference has been held. It was lengthy and it traversed the main points that have been discussed in this House from time to time. Two questions emerged from it. One was that, owing to the change in the value of money, the company voluntarily signified its agreement to consider a basis for the royalty different from the one now existing under legislation. Details have not yet been worked out. The matter of establishing a steel industry is not

so easy of solution. At present the company is heavily committed to the development of a hot strip mill at Port Kembla, a project which is costing more than was anticipated at the time of its commencement, and which is taking to a large extent the resources of men and materials. I made a proposal to the company on development that I thought could be considered for Whyalla. It was not rejected, but it was pointed out that it would be examined in detail. Two or three weeks will be involved in getting more definite conclusions on the proposal. A further conference will be held in about a fortnight's time at the office of the company in Melbourne, when other directors will probably be present. Speaking generally, I believe the company is desirous of supplying an industry to assist in the development of Whyalla, and if some project capable of achievement is submitted it will receive consideration.

CIVIL DEFENCE.

Mr. WILLIAM JENKINS—My question deals with the dangerous situation in South-East Asia and the possibility of the development of this situation threatening the safety of Australia. Will the Premier consider taking steps to set up a competent committee to study modern warfare as related to our civilian population, which will be capable of making recommendations to the Government or Parliament to provide effective plans for the protection of our civil population and public works should a sudden emergency arise?

The Hon. T. PLAYFORD—I know the honourable member realizes that the defence powers of Australia are vested in the Commonwealth. In response to questions previously asked in this House the matter has been discussed with the Commonwealth and a Premiers' Conference discussed the matter with the Minister in charge of civil defence from the Commonwealth point of view, and certain appreciations by the higher commands of the Navy and Army have been made available to the State. Further conferences have been held. One was held in Melbourne last week. I assure the honourable member that the State has signified to the Commonwealth that it is prepared to assist in any way considered desirable by the Commonwealth for the protection of the civil population. In fact, our representatives are sitting in on conferences to decide what should be done in any particular area. Modern warfare will probably require, in the event of the unhappy occurrence of a major conflict in South-East Asia, that the

organization be capable of great mobility because no such catastrophe could be dealt with by a local authority. Under these circumstances it is, of necessity, a Commonwealth matter. It is proper for me to say that the appreciations I have received up to the present have not been at all alarming. I cannot release them because they are of military significance, but to me they are reassuring and I want to give this assurance to the public of South Australia.

CO-ORDINATION OF TRANSPORT.

Mr. FRANK WALSH—I understand that there has been a practice in all States of co-ordinating transport services. I further understand that a man named McCarter formed a company known as Automobile Transport Limited, and subsequently formed another company in Victoria known as Fast Road Freighters Ltd. It would appear that there is an unsavoury matter associated with Automobile Transport Limited. Can the Minister of Works say if Automobile Transport Limited has in any way been in touch with our Railways Department regarding co-ordination of transport services, and, if so, has the Railways Department any security over the amount of money which may be involved?

The Hon. M. McINTOSH—I have no knowledge of the circumstances, but I will take up the matter with my colleague and I am sure he will get a full reply from the Commissioner.

BLANCHETOWN FERRY.

Mr. STOTT—It has come to my knowledge that the ferry at Blanchetown was held up for a considerable period last Saturday and there were big queues of people waiting to cross the river. I understand that the engine on the ferry broke down—I believe an injector was faulty—and that the mechanic had to travel to Adelaide and dismantle an engine so as to get a part for a diesel engine and take it back to Blanchetown. Some people waiting in the queue had to go to a local cafe, and one man said he had to attend a wedding in the Upper Murray district, but that if the Government did not hurry up he would arrive in time for the christening, not the wedding. Will the Government take steps to see that spare parts are available so as to cut out unnecessary delays at the ferry?

The Hon. M. McINTOSH—I will direct the question to my colleague, the Minister of Local Government. I suppose the rarity of breakdowns has not necessitated the stocking of spare parts. The honourable member knows

that it is only eight or nine miles further to go along the road north of the Murray and by taking that route those waiting would have been saved that delay. The member for Chaffey has consistently advocated the construction of that road rather than the building of a bridge across the river.

BAROSSA AND WARREN WATER SUPPLIES.

Mr. TEUSNER—On July 29 I asked the Minister of Works whether the supply of water in the Barossa and Warren Reservoirs was likely to meet the requirements of the Barossa Valley and contiguous districts during the present financial year. The Minister referred to the supplies in those reservoirs and said:—

Generally speaking, unless we suffer a severe drought there need be no concern about the supplies in either reservoir.

Since then we have had a long period of exceptionally dry weather, and I ask the Minister what is the present position at those reservoirs and whether supplies will be adequate for the districts mentioned?

The Hon. M. McINTOSH—Having regard to the position and the intense interest taken, I have prepared a statement covering the various reservoirs. Despite the dry conditions in the north, the reservoirs there, *i.e.*, Beetaloo, Bundaleer and Baroota, are in a sound condition because of the augmented supply of the Morgan-Whyalla pipeline. On the West Coast, because of the augmentation from the Uley-Wanilla system, the supply there is likewise assured for the coming summer. There is sufficient water stored in the Barossa reservoir to make it extremely unlikely that any steps will have to be taken to restrict supplies in that district during the coming summer. The Warren, which under normal conditions is amongst the first reservoirs to fill is this year lower than it has been for the last 10 years, despite the fact that three mains, one of them being a large one, have been laid from the Morgan-Whyalla pipeline to augment the supply in the Warren district. A large main runs from Robertstown to Eudunda and two smaller ones link the Murray water with the Warren system in the Mount Mary district. With the continued dry weather, the possibility of getting substantial intakes in the Warren are considerably less than in the other reservoirs. No further augmentation can be given to this district from the Morgan-Whyalla pipeline as this main is loaded to capacity.

Other than a rain the only other possible supplementation is through a connecting link

from the Mannum-Adelaide pipeline to the Warren reservoir. This and other proposals for the enlargement and improvement of the Warren system on a plan prepared by the Engineer-in-Chief involves an expenditure of well over £3,000,000, consequently it would not be within the resources of the State either in money, manpower or materials to go ahead with such a vast undertaking at the present moment, neither would it be of any avail in the present crisis. However, with the early completion of the pipeline to Birdwood, the Government is giving earnest consideration to a proposal to lay a 10-mile connecting link from the Mannum-Adelaide pipeline to the Warren reservoir so that the Warren supply can be augmented as soon as sufficient pumping capacity is available. Apart from the cost involved, there is the other aspect to be considered, that of robbing Peter to pay Paul to the extent that 25,000,000 gallons a week from the Mannum pipeline would have to be diverted into the Warren system. However, this eventuality was foreseen in the designing of the Mannum-Adelaide pipeline and when all the pumps are in operation, there will be no difficulty in giving this supply. The whole matter is now before Cabinet for consideration and what steps will be taken to meet the situation will be decided upon within the next few days.

HINDMARSH BUS SERVICES.

Mr. HUTCHENS—Some time ago the tram service to Findon was replaced by a bus service and at the same time a private bus service that was running from North Terrace to New Hindmarsh was discontinued. These two services are run as one, which results in the bus from Findon going through Thebarton and failing to bring people residing in Findon to the Hindmarsh shopping area. As a result business activities in Hindmarsh have greatly decreased. Will the Minister of Works take up with the Tramways Trust the possibility of running alternate buses down Manton Street and along Port Road in order that Hindmarsh patrons may not suffer?

The Hon. M. McINTOSH—I will direct the question to the Tramways Trust and request an early reply.

SUBSIDY FOR DRIED FRUITS INDUSTRY.

Mr. MACGILLIVRAY—An article in yesterday's *Advertiser* headed "No Subsidy for Dried Fruits" pointed out that as well as dried fruits there have been requests for subsidies for the pigmeats and the poultry

industry. Evidently the Commonwealth Government was not in sympathy with the request of the dried fruits industry. Regarding the poultry industry, it seems that the Government was swayed by the fact that in other parts of the world there were about 3,000 head of poultry to each person engaged in the industry compared with only 1,500 in Australia. It also took the point that the pigmeats industry was geared overwhelmingly to the domestic market, but no explanation was given why the Commonwealth Government did not see fit to grant a subsidy to the dried fruits industry. No-one has ever suggested that this industry was not equal to any dried fruits industry elsewhere as far as production was concerned. We export over 80 per cent of our production, so the industry is not geared to the domestic market. Further, our conditions of growing our fruit are largely controlled by the Commonwealth Government, which lays down the terms and conditions of labour and of the export of the fruit. Will the Minister of Agriculture approach the Commonwealth Minister for Commerce and get a copy of the evidence on which the statement published in the *Advertiser* was based, for I think it is entirely divorced from reality?

The Hon. A. W. CHRISTIAN—I think I can get that information for the honourable member. I am not aware of the conditions on which the decision was based, but Mr. McEwen, Commonwealth Minister for Commerce, indicated that he would take up with the United Kingdom the question of honouring the agreement and other matters connected with the export of dried fruits.

AGRICULTURAL CADETSHIPS.

Mr. GOLDNEY—Has the Minister of Agriculture a reply to my question of September 8 regarding cadetships for agricultural science students?

The Hon. A. W. CHRISTIAN—I regret that I did not correctly inform the honourable member in reply to his question, but I now have further and complete information regarding the cadetships available in this State. The State Government provides cadetships to the value of £235 per annum for first year, £245 per annum for second year, and £255 per annum for third and fourth year courses for the degree in agricultural science. An additional £70 boarding allowance is available to students being away from home and £15 where the student's home is more than 10 miles from the University. On graduation students are

required to serve in the Department of Agriculture for at least three years. Students are required to hold the Leaving Certificate, and cadets are chosen by a committee of which Dr. Callaghan is the chairman.

ROAD CARTAGE OF CEMENT.

Mr. JOHN CLARK—I have been reliably informed that some time ago the Railways Department altered railway facilities to Angaston so that all the cement clinker could be carted by rail to the Brighton cement works for final treatment before distribution. Now that the whole of the process is being carried out at Angaston, road transport is, in the main, being used to carry cement from Angaston to the metropolitan area. A high percentage of the cement being thus carried is for Housing Trust contractors. Obviously the higher cost of road haulage must increase the cost of housing, and the unnecessary use of heavy transport must have an adverse effect on our roads. Can the Minister representing the Minister of Railways say whether it is a fact that most of the cement from Angaston is being carried to the metropolitan area by road, and whether some provision could be made which would ensure that contractors to Government and semi-Governmental undertakings and departments make the greatest possible use of the State-owned railways?

The Hon. M. McINTOSH—I will ask the Minister of Railways for a full reply. I know that negotiations on this subject have been in progress for some time, but I do not know what stage they have reached.

SOUTH-EAST DEEP SEA PORT.

Mr. CORCORAN—I have received a request from the Millicent District Council, prompted by Councillor S. S. Smith, to ask the following questions regarding the cost of investigations made into a suitable site for a deep sea port in the South-East. Firstly, what was the cost of the investigation into Robe as a harbour site, including ground and sea plan models? Secondly, what did the investigation by the Harbors Board into Cape Jaffa project cost apart from the Public Works Committee inquiry? Thirdly, why was not Rivoli Bay South investigated considering that Capt. Underwood stated it was the best and safest harbour between Encounter Bay and Portland included? Fourthly, does the Minister know that at one period the residents of Portland intended to petition the South Australian Government to open up South End as a port in preference to Portland? Fifthly, does the

Minister know that Capt. Weir of the Harbors Board always considered Rivoli Bay the only safe port in the South-East? Will the Treasurer obtain this information?

The Hon. T. PLAYFORD—The Chief Secretary, on my behalf, recently received a deputation from Millicent in connection with this matter, and I have made some preliminary investigation of it. I have had it placed before Cabinet, and Cabinet has decided that certain investigations shall be made. The matter of a South-Eastern port has been under discussion for many years, and at one stage an eminent overseas authority was brought here to advise on it. There were three alternative sites, and preliminary investigations disclosed that Robe seemed the best, but a survey made by the Navy on behalf of the South Australian Government disclosed that Robe had great limitations because there was a reef out to sea which went across the fairway; therefore that site had to be discarded. On the evidence submitted on the naval investigation an alternative site was selected for investigation and ultimately submitted to the Public Works Committee for consideration. The committee, however, did not recommend that site as a deep sea port. Cabinet has now decided that the Rivoli Bay site shall be investigated. It has a relatively sheltered position in the south of Rivoli Bay, but much dredging—about one mile of the fairway—would have to be carried out to enable ships to come in. I can get the details desired by the honourable member, but I point out that on a project of this type it is inevitable and necessary that expenditure be made before the State enters into a proposition costing many millions of pounds. Indeed, it will be just as expensive to investigate the new site as the preceding ones, but no member would say that the project should be turned down merely because of the cost of investigation.

BUDD CAR SERVICE TO MOONTA.

Mr. McALEES—For some time I have asked questions regarding the use of Budd rail cars between Adelaide and Moonta, but I have received little satisfaction by way of reply. On September 15 a trial run of the Budd car was made as far as Kadina, but my constituents are concerned that the trial was conducted only as far as the capital of my district and not completed as far as Moonta. Was the trial run a success and why did it stop without going the full distance?

The Hon. M. McINTOSH—I shall take up the matter with the Minister of Railways and let the honourable member have a reply.

FREE LIBRARY SYSTEM.

Mr. DUNSTAN—As the Minister of Education knows, last week at the annual meeting of the Institutes Association of South Australia a motion was carried, with only one dissentient vote, calling for the institution of a free library system subsidized by State and local government. Can the Minister say whether the Government intends to institute such a system?

The Hon. B. PATTINSON—The matter involves major policy. In due course after considering it, I shall discuss it with my colleagues.

DEVON PARK AND CROYDON PARK WATER PRESSURES.

Mr. JENNINGS—Last year the residents of Devon Park and Croydon Park were seriously inconvenienced because of low water pressures. Recently I have had correspondence with the Minister about a plan being devised to assist in overcoming the problem next summer. I understand the Minister of Works has made some examination of the position. Has he a reply?

The Hon. M. MCINTOSH—I am happy to say that the difficulty of low pressures will be overcome because of the new main that comes from the Hope Valley reservoir to Pindon. It will be connected with the existing mains at a point near the Hindmarsh Bridge and this should overcome the difficulty.

TRADE CONFERENCES OVERSEAS.

Mr. FRED WALSH—There was a statement in this morning's *Advertiser* that the Commonwealth Minister for Commerce and Agriculture (Mr. McEwen) would leave Sydney by air tonight to attend trade talks with representatives of Commonwealth countries in London, and later attend a meeting in Geneva. At his press conference Mr. McEwen said:—

Australia feels that the balance of advantage under the Ottawa Agreement between Australia and the United Kingdom has become unbalanced. Practically all United Kingdom exports to Australia enjoy preference, but the bulk of ours to the United Kingdom, represented by wool and wheat, do not lend themselves to tariff protection. Others, such as butter, dried fruit and wine, have only fixed preferential rates, determined when values of these were very much lower than today. This type of issue will be raised with the United Kingdom.

The Minister for Trade and Customs, together with a delegation, will link up with Mr. McEwen at the London conference and will go subsequently to the Geneva meeting. In view of the vital importance of the butter, dried

fruits and wine industries to South Australia, can the Minister of Agriculture say whether an arrangement has been made for a South Australian representative to attend the talks and, if not, will consideration be given for, perhaps, the Agent-General to be present to protect South Australia's interests?

The Hon. A. W. CHRISTIAN—Mr. McEwen was in Adelaide only a week or two ago and I took the opportunity to discuss the matter with him to a considerable extent. In regard to wine, it was pointed out that the Ottawa preference amounted to only 2s. a gallon, which, in view of the present-day U.K. tariffs, was an insignificant amount. It was in respect of these matters that Mr. McEwen informed himself. I think he understands our viewpoint and the situation clearly, and should be sufficiently *au fait* with the position to handle the matter. The Premier has just informed me that Mr. S. Powell of South Australia will be at the conference, so I think we will be adequately represented.

PORT PIRIE TRAIN SERVICE.

Mr. DAVIS—Has the Minister of Works a reply to the question I asked on September 7 regarding the number of vans attached to the Port Pirie passenger train?

The Hon. M. MCINTOSH—The Railways Commissioner reports as follows:—

It has always been the practice to handle perishables and urgent goods on the Port Pirie passenger train. Goods vehicles in which the perishables are loaded are all fitted with passenger-type bogies so that it is perfectly safe to haul them at passenger train speeds. The particular train referred to carried, among others, five bogie vans of peas consigned from Port Pirie for Mile End and for Melbourne. This traffic is an extremely important one to the pea growers of the Port Pirie district and the fast service which we give is of great value to the pea growers. The composition of the train did not exceed the allowable tonnage for the engine by which it was hauled and I can see no sound reason for Mr. Davis's objection when it is remembered that the practice is of mutual benefit to the primary producers of the Port Pirie area as well as to this department, and in no way affects the comfort of the passengers.

RAILWAY DERAILMENTS.

Mr. STEPHENS—On August 3 I asked a question regarding the derailment of trains. Since then I have had many letters and queries about an inquiry into the matter. Some people suggest that some of the accidents were caused as the result of the recent earthquake. Can the Minister of Works say if there has been a full inquiry into the accidents, and if so, can he give any information to the House?

The Hon. M. McINTOSH—A similar question was asked and answered in another House. I do not think I can add anything to the information given. As in each case nothing but departmental property was damaged there has been nothing but a departmental inquiry. That has been the universal procedure ever since the railways came into existence. There have been many causes and many reasons, but I do not know that the number of accidents is untoward, having regard to the millions of miles the railways have travelled. I admit that there has been a sequence of accidents recently, but the reasons have been given and I will show the honourable member the full reply. If he then wants any further information I will ask for it from the Minister of Railways.

URANIUM LABORATORIES.

Mr. O'HALLORAN—When he was at the official opening of Rum Jungle last week did the Premier discuss with the Commonwealth Minister for Supply, Mr. Beale, the question of establishing atomic research laboratories in South Australia?

The Hon. T. PLAYFORD—I had some discussions with him and with members of the Australian Atomic Energy Commission, which has decided to establish some laboratories in Sydney to do fundamental research. I believe that the Commission intends to ultimately establish a low temperature reactor there in connection with that research. I am not at all conversant with the details of the programme, but I was assured that developments in South Australia would not be interfered with or duplicated and that South Australia would be the State in which the first nuclear power reactor would be established. I am not in the position to state the extent of developments in Sydney, but I understand they are for the purpose of a long-term investigation rather than for an immediate proposition.

HORSE TRAM POSTAGE STAMP.

Mr. WILLIAM JENKINS—I understand that the Postmaster-General is contemplating the issue of a postage stamp to commemorate the first railway in Australia. Will the Minister of Works take up with the Minister of Railways the suggestion that the new stamp should portray the old horse tram as being the first public railway conveyance in Australia?

The Hon. M. McINTOSH—I shall gladly do that, for I appreciate the honourable member's

interest in the matter. I think it is of some historical moment, though there has been some discussion on which tramway came first—whether it was one here or one in Melbourne. I think the matter is worth following further.

WHEAT SCHEME BALLOT.

Mr. STOTT—Does the Minister of Agriculture consider that the pamphlet forwarded to wheatgrowers with the ballot-papers adequately explains the scheme so as to enable them to record an intelligent vote?

The Hon. A. W. CHRISTIAN—I received my ballot-paper this morning and carefully scrutinized the back which set out the main features of the scheme. They certainly impressed me sufficiently to vote "Yes" there and then. I think that most wheat-growers will be similarly persuaded to vote the right way on this important matter.

CHILDREN'S EVIDENCE.

Mr. DUNSTAN—Is the Minister representing the Attorney-General aware that recently a court of criminal appeal specifically drew the attention of the legislature to the fact that this is the only State where a conviction can take place on the uncorroborated and unsworn testimony of a child of tender years? The court pointed out that a conviction in such circumstances, which could not take place in any other State, Canada, New Zealand, or England, must lead to some uneasiness. Will the Minister consider bringing down legislation to give effect to the Court of Appeal's recommendation?

The Hon. B. PATTINSON—I read an abbreviated report of the case to which the honourable member refers, and I shall direct his question and his request to my colleague, the Attorney-General.

BREAD PRICE.

Mr. HUTCHENS—Has the Premier anything further to report in answer to my question of August 26 about the increase in the price of a 1 lb. loaf of bread delivered to homes?

The Hon. T. PLAYFORD—Consequent upon the increase of 15s. a ton in the price of flour it was considered by the price fixing committee that an increase of $\frac{1}{4}$ d. a 1 lb. loaf delivered was the most equitable basis of granting some relief to the baking industry, bearing in mind the overall interests of the consumer. The committee's recommendation was supported by the Prices Commissioner, who has the right

to submit a separate recommendation should he disagree. The voting of the committee was five to one, with the chairman abstaining. Two of the three consumers' representatives were in favour of increasing the price of 1 lb. loaves, delivered, by $\frac{1}{4}$ d.

SEWERAGE OF WESTERN DISTRICTS.

Mr. FRED WALSH—Recently I asked the Minister of Works whether it was intended to sewer the area east of the River Torrens and adjacent to and south of the Henley Beach Road, but he confused this area with one a little further west. Has he now a reply to my question?

The Hon. M. McINTOSH—I regret that I have not a reply though I mentioned the matter to my secretary, who took it up with the Engineer-in-Chief. There was some confusion; I thought, and they thought, it was an area similar to one in which the member for Hindmarsh was interested, but I will bring down a reply tomorrow, I think rather on different lines from what I gave before.

BORE WATER FOR METROPOLITAN AREA.

Mr. O'HALLORAN—In recent weeks I have received several complaints about the quality of water being delivered to certain districts in the metropolitan area. Is any bore water being injected into our supplies at present?

The Hon. M. McINTOSH—No. Despite statements to the contrary, no bore water whatever has been used, and I think that the public's complaint is largely psychological, because reservoir water is practically the same year in and year out. If bore water is used an announcement will be made. It will not be used surreptitiously.

IRRIGATION WATER RATES.

Mr. MACGILLIVRAY—Has the Minister of Irrigation a report on my request, made by way of question on August 18, that water rates in the river irrigation areas be reduced?

The Hon. C. S. HINCKS—I have made a preliminary examination of the honourable member's suggestion, but no final report is available. As soon as I have one I will let him know.

STATE BANK REPORT.

The SPEAKER laid on the table the report and balance-sheet of the State Bank of South Australia for the year ended June 30, 1954.

LOAN ESTIMATES.

Grand total, £27,295,000.

In Committee.

(Continued from September 7. Page 606.)

Mr. TEUSNER (Angas)—I rise with some hesitation to speak on the Loan Estimates, because I wish to make it quite clear at the outset that I will confine my remarks to one topic. Indeed, in view of its importance, I was considering whether I should raise it in this debate or refer to it on a motion for the adjournment of the House, for I consider that urgent attention should be given to the wine industry, both in South Australia and throughout the Commonwealth, and extra channels provided for the distribution of the product of the vine. Other members whose electorates contain many acres of vineyards have referred to this question, the importance of which to South Australia is illustrated by the following details of wine production in Australia in 1951-52:—

	Gallons.
South Australia	26,800,726
New South Wales	5,465,425
Victoria	3,472,352
Western Australia	619,296
Queensland	32,765
Total	36,390,764

These figures show that South Australia is first and foremost in the production of wine, but it has not always been pre-eminent in this industry, for until the late 1890's Victoria held pride of place. In 1898, however, the dreaded vine disease, Phylloxera, swept through Victoria, particularly the Rutherglen district, and thousands of acres of vines were literally annihilated. Victoria has not fully recovered from the effects of those ravages, but, because of the cultivation of Phylloxera-resistant stock, there has been an almost Phoenix-like recovery. South Australia has been fortunate up to the present in keeping our vineyards free from the disease. Between £35,000,000 and £40,000,000 is invested in the industry throughout Australia, and, on the basis that South Australia is producing 80 per cent of Australian-produced wine, it is estimated that about £30,000,000 of that capital is invested in South Australia. This is one of the great primary industries of this State and gives employment to many people; in fact, it is one of the greatest employers of labour in primary industry in South Australia and the Commonwealth. It has contributed much towards the decentralization of population in this State. It can be truly said that the wine industry is functioning

in those areas where the grape is growing, for wineries have been established in or near the vineyards and in small country towns, and the processing, bottling, packing, and dispatch of the wine in those parts has contributed greatly to decentralization in South Australia. Further, many prosperous towns and closely settled localities are to be found in such districts as the Barossa Valley and the Murray, Clare and Reynella districts where the grape is grown.

A further factor that must be considered in studying this industry is the colossal contribution it makes annually, by way of excise, to the coffers of the Commonwealth Government. In the financial year ended June 30, 1952, £8,890,000 was paid in excise on spirits, and in the following year £8,129,000, and this State benefits indirectly from the receipt of such levies. It is apparent that we are approaching a crisis of over-production in the industry. This situation has not arisen suddenly: because of various factors it has developed gradually over the past few years. Firstly, during the post-war period the acreage planted to vines has increased; not only have many existing vineyards been extended, but soldier settlement blocks have been developed, particularly in the Murray districts. In the next few years we will feel the full impact of the colossal harvest on those blocks, and this will tend to increase considerably the quantity of wine available for marketing in Australia and overseas. In 1942-43 an area of 35,947 acres of vines was planted, whereas in 1951-52 the area was 47,539 acres. A further increase has taken place, until I understand that now the acreage is about 50,000 acres. A further factor contributing to over-production has been the succession of favourable seasons since the war.

Mr. Macgillivray—Is it a question of over-production or under-consumption?

Mr. TEUSNER—It could be called either, and I will consider under-consumption during the course of my remarks. I do not complain about the succession of favourable seasons, but it must be considered. Further, for some years there has been a diversion to the wineries of a large tonnage of dried vine fruit grapes, particularly from the River Murray districts. A fair argument may be made out in favour of that diversion, because it was prompted in the first instance by the damage done to grape harvests by adverse climatic conditions. Indeed, had the wineries not accepted those grapes many Murray settlers might have suffered extreme financial hardship; but it

cannot be gainsaid that a large tonnage of dried vine fruit grapes was diverted during those years.

Mr. Macgillivray—The wineries needed the grapes.

Mr. TEUSNER—During those years they had the sales, and the position was not as acute as it is at present. In 1938-39 this State produced 11,147,046 gallons, and in the following year 11,179,644 gallons of wine. The average for the five years prior to 1942-43 was 11,933,028 gallons. I shall quote later figures to show the increase in wine production. In 1946-47 it was 25,422,474 gallons, in 1951-52 it was 25,494,574 and 22,733,369 in 1952-53. The average for the five years to 1952-53 was 22,698,705. Production in South Australia has more than doubled between 1942 and 1952 and I have given some of the reasons for this. Mr. Macgillivray referred to the lower consumption of wine and it is apparent that the present consumption is considerably lower than it was two or three years ago, when this State was able to market practically all the wine produced. In 1946-47 the consumption per head of population was .96 of a gallon. Between 1947 and 1952 it rose to 1.43 gallons. This took place in the peak years of production and consumption.

Mr. Quirke—The figures need not represent actual consumption. They have something to do with releases from bond.

Mr. TEUSNER—I think they give a good picture of the position. Since 1952 there has been a considerable decrease in consumption. No doubt in the years referred to the increased consumption was due to an acute shortage of beer, particularly in the eastern States. Large quantities of wine went from South Australia to those States. In 1944-45 Australian consumption was 8,700,000 gallons and in 1948-49 it was 10,305,136. By 1951-52 it had increased to 13,432,885 gallons, the peak year, but by 1952-53 there had been a reduction to 9,371,583. Another factor contributing to the present position of over-production is the reduction in overseas exports from South Australia. In the pre-war year of 1938-39 exports were 3,440,509 gallons of wine and 95,833 gallons of brandy.

Mr. Fred Walsh—Can you separate exports to South-East Asia? That is important because of the big market there.

Mr. TEUSNER—I have not dissected them, but I know there was a big market for brandy in South-East Asia and some firms suffered considerable losses because of consignments reaching Malaya at the time of the Japanese

invasion. In 1952-53 overseas exports were 988,150 gallons of wine and 86,789 gallons of brandy. To a large extent these decreases were due to the high import duties in the United Kingdom. I understand the pre-war duty was 4s. a gallon. For some years now it has been £2 a gallon.

Mr. Hawker—On bulk?

Mr. TEUSNER—Exports have been chiefly in casks. The pre-war prices for reasonably good ports and sherries in the United Kingdom were 3s. and 4s. a bottle, but I understand they now range from 15s. to about £1.

Mr. Fred Walsh—About 12s. 6d.

Mr. TEUSNER—It depends on the quality, but much of our bottled wine is priced above 15s. There has also been a reduction in the preference margin for Empire wines from 50 per cent to 20 per cent. Another contributing factor in the reduced consumption was the high excise duty on brandy. Reference to the matter has already been made in this House. Before September, 1942, the excise was £1 6s. a gallon. In various stages it was increased to £4 4s. a gallon in 1951. Then it was reduced to £3 3s. 6d. in 1953, and recently there was a further reduction of 30s. to £1 13s. 6d. a gallon. The recent reduction was greatly welcomed by the wine industry and I am certain that it will be instrumental in boosting sales of brandy.

Mr. Quirke—In regard to brandy, you are talking of proof gallons?

Mr. TEUSNER—Yes. Other members in this House are interested in wine production in their electorates and they know that the future prospects for the wine industry are exceptionally gloomy unless further markets can be found. It is impossible to recapture the pre-war U.K. market so long as the high import duty continues. The price of wine is so great that the average Englishman cannot afford to purchase it. It is interesting to note the effect of the high duties on consumption in the U.K. In 1938, when the low duties prevailed, the United Kingdom imported 1,532,400 gallons from South Africa, 3,577,574 from Australia, 998,466 from France, 4,029,880 from Portugal, 3,330,871 from Spain, other countries 2,456,052, and nil from Italy—a total of 15,925,243 gallons. For the year ended June 30, 1953, the imports had reduced considerably. They were 1,207,929 gallons from South Africa, 647,466 from Australia, 1,594,458 from France, 1,280,556 from Portugal, 2,148,325 from Spain, other countries

454,538, and 474,647 from Italy—a total of 8,699,866 gallons. There was a reduction of about 7,000,000 gallons from 1938 to 1953. Australia, and particularly South Australia, has suffered greatly as a result of the decreased importation of wine by the United Kingdom.

Mr. Hawker—Would the different taste of the English wines have any bearing on the question?

Mr. TEUSNER—I do not think so. I think the position is that the average Englishman cannot afford to pay the prices being asked for our wines, not on account of prices charged here for them, but on account of the high import duty of £2 a gallon. The figures I have quoted show that British wine consumption is now only about half what it was in 1938. British wine imports from all countries, except France, are down considerably. Britain imported from Portugal nearly 3,000,000 gallons less in 1953 than in 1938. I agree with the member for Stanley that we must concentrate on the Australian market. I think that the English demand will remain down while high import duties prevail. The recent reduction of the excise on brandy of 30s. a gallon will help the industry, but will not solve the entire problem. The industry should launch a national advertising campaign with a view to educating people to drink and enjoy wines with meals. I know the industry has down much in the past, and I feel sure that the advertising campaign will be continued, perhaps with greater vigour. Provision should be made to permit the consumption of wine with meals at restaurants till 9 p.m. instead of until 8 p.m.

The chief distribution channel should be through our grocery stores. At present there are over 2,000 grocery stores in this State but only 130 licences, 44 of which are for the sale of not less than one dozen bottles at a time. The demand is for single bottles, and I believe that if grocers were licensed most of the difficulties that the industry is encountering would be surmounted. In Victoria recently legislation was passed enabling a judge to authorize retail outlets in any part of the State. Provision is also made there for the consumption of wine with meals until 10 p.m. and, what is most important of all, wine can be sold through grocers' stores in that State. On August 18 the Assistant Minister for Commerce, Senator McLeay, referred to the steps taken by the Commonwealth Government for the reduction of the excise on brandy. He said that the States would have to play their

part in providing additional channels for distribution. In the *Advertiser* of August 18 he is reported to have said:—

Increased publicity should increase wine sales, but it was important that there should be no impediments to potential purchasers in Australia obtaining wine at the most convenient points and in the quantities they wanted. However, this was not a matter in which the Federal Government had any say or responsibility, he added. A real need existed today to increase the popularity and consumption of Australian wines, both overseas and in Australia, if the industry was to expand or even continue production at the high levels of recent years.

I urge the Government to take appropriate measures to surmount the difficulties, both apparent and real, with which the industry is confronted. It is now in a difficult position. Unless extra markets can be found immediately or other avenues for distribution are made available soon within the State there is likely to be a surplus next year of between 25,000 and 35,000 tons of grapes, assuming we have a normal season. I understand that during the last vintage about 140,000 tons of grapes were delivered to the various wineries. Even then it was impossible for the cellars to take all the grapes available. I think about 300 tons could not be taken, for storage capacity was fully taxed. Increased sales are vital to the industry, otherwise we shall have considerable surpluses in the next season. Too many people are prone to regard the consumption of wine as iniquitous, but the trouble is that many people in this State do not know the important function that wine can play. No less a person than Louis Pasteur, the famous French scientist, said:—

Wine taken in moderation is the healthiest and most hygienic of beverages.

The accent must be on moderation. People should be educated to drink wine before and with meals, for it sharpens the appetite. We should be mindful of what St. Paul said in one of his Epistles to Timothy:—

Do not still drink water, but have a little wine for thy stomach's sake and on account of thine infirmities.

A well-known author, Horace A. Vachell, wrote the best seller, *The Hill*, in 1905. He is over 90 years old and I think he has written over 100 books. He considers that wine drinking is the secret of health and longevity. His recipe for health is claret to fight the English climate, burgundy to fight the chill, champagne to fight depression, and two glasses of good port a day in any weather. The wine industry is one of great antiquity: it commenced almost with the dawn of time. Egyptian carvings

show that the art of wine making was known to the Egyptians six thousand years ago. The Old Testament refers to corn, wine and oil as the main gifts of the soil. Vine cultivation was one of the greatest achievements of ancient times. It could not be practised by nomads that moved from place to place, so the vine and olive came to be considered as the symbol of a settled and cultured life. Some of the best and most cultured rural settlements in South Australia are to be found where the vine is grown. One need only look at the River Murray settlements with their fine soldier settlement areas. The Clare district has a fine English setting, and the Barossa Valley is proud of its annual Vintage Festival. It offers one of the finest examples of closer settlement to be found in the whole of Australia. The Barossa Valley is a non-irrigated area that testifies, by the abundance of the variety of its crops, to the supreme profusion by which there is renewed from year to year the old Biblical promise of seed time and harvest. I want to quote a statement made by a man named Menge, who was sent to South Australia by George Fife Angas in 1836 to examine some of the land in the district now known as the Barossa Valley. He was asked to advise Angas whether it was worth while acquiring and developing. On March 9, 1840, Menge reported on the productivity of the land to a gentleman in England. He wrote:—

I should like to see the valleys filled with corn and the hills with vineyards and browsing cattle. I am satisfied that it will furnish the province with such a quantity of wine that we shall drink it as cheap as in Capetown.

Later in the last century Menge became known as the father of South Australian mineralogy. His prophecy has been fulfilled. The valleys and hills to which he referred are now covered by vineyards. Of the 12 wine houses established in South Australia before 1860 nine are still operating in the Barossa Valley. The viticultural settlements to which I have referred house happy and contented communities, and a large proportion of the people there are employed in the wine industry, an industry that has contributed greatly to the prosperity and well-being of those communities. I trust that my remarks will be noted and that the Government will see fit to do something towards providing an outlet for South Australian-produced wine through the channels to which I have referred and to which reference has already been made in this Chamber by members who have the interests of the viticultural industry at heart.

Mr. JENNINGS (Prospect)—An aspect of the Loan Estimates that must be causing members some apprehension is that they are based on the assumption that the loan market for this year can raise £180,000,000, whereas last year only £125,000,000 could be raised. Further, it cannot be denied that the falling prices of our exports, particularly of wool, could result in conditions tending to destroy the confidence of investors in the loan market and in our inability to raise the £180,000,000 required.

Mr. Macgillivray—Are public works financed only by loans raised on the loan market?

Mr. JENNINGS—The Commonwealth Government has made it clear that this year it will not guarantee to the States loan moneys beyond the amount that the market can raise. Last year the amount raised to finance State Loan programmes fell below the amount necessary, and the Commonwealth Government provided the necessary funds to bridge the gap, but that will not be done this year, and in those circumstances we are rather optimistic in hoping that £180,000,000 will be raised. If it is not raised, our capital works cannot be proceeded with to the extent indicated in these Estimates.

In telling members that it was necessary to import certain types of steel, the Treasurer said that the Broken Hill Proprietary Co. did not object to the Commonwealth Government's importing certain types of steel until December next. What magnanimity! How generous of that benevolent institution to graciously permit the Commonwealth Government to import certain types of steel, but only until December, when the gracious permission might be withdrawn! Presumably, however, we have to be grateful for small mercies.

Mr. John Clark—It sounds like government by agreement!

Mr. JENNINGS—Members of the Opposition have protested about the lack of information in these Estimates, but they should be grateful for this item of information because it confirms something that members on this side have always believed: that conservative Governments do not run the country; they themselves are run by big business which pulls the strings and makes them dance like puppets. If it is true that the B.H.P. Co. is in a position to say "Yea" or "Nay" to the Commonwealth Government, then it is time that power was reduced to the extent that we in South Australia may reduce it by giving effect to the proposal of which the member for Stuart is such an ardent advocate—the establishment of a steel works at Whyalla.

I believe it is wrong that the Woods and Forests Department should be financed from the Loan programme, for it is perfectly obvious from the Estimates that it is functioning as a reasonably successful business concern; although its expenditure is over £1,000,000, its estimated deficit is only about £170,000. The Treasurer should give the Committee an explanation of its inclusion in these Estimates. Although it is almost impossible to get information on some items in the Estimates, members and the public generally are given the fullest information of the names and salaries of officers employed in this department. From a cursory examination of the list I find that I know at least three of the staff, and I consider that it is wrong, in the absence of some reasonable explanation for the disclosure, for me to be told in this way the salaries of three personal friends. No doubt other members have friends on that staff, and, although I believe that the knowledge of the salaries of senior public servants should be public property, I see no reason why this long list of salaries of departmental officers should be included in the Loan Estimates. I am perturbed, as I am certain most members are, at the vote for the Housing Trust. Once again we are called on to vote money for purposes over which we have no control and of which we have no detailed knowledge. Will this money be spent in a way that Parliament would desire?

Mr. Fred Walsh—It's as bad as the vote for the Electricity Trust!

Mr. JENNINGS—That is another example of the same wrong principle, but it seems that the Treasurer desires that sort of thing. On the one hand he can always get his own way with his boards and trusts, whereas on the other he is able to shelter behind the principle that he is not answerable to Parliament for their operations. This is a subtle form of dictatorship, but nevertheless it is a dictatorship and a contempt of Parliament. Never was a greater contempt of Parliament shown than in the circumstances surrounding the announcement of the plans for the so-called satellite town near Salisbury. In this House the member for Goodwood persistently asked for information on this project, but he was put off, misled and refused the information; yet only a couple of days after the refusal to supply the information in this House the Treasurer in the *Sunday Advertiser*, under the great headlines that usually accompany the announcement of his grandiose schemes, announced details of the satellite town project.

Like other Government announcements on controversial subjects, it was made at the week-end, so that other week-end news would divert public attention from it until public feeling on it had cooled down. I challenge members to prove that announcements by the Treasurer on behalf of his Government are not invariably made on Thursday, Friday, or at the week-end. The way he announced the details of the satellite town project showed a complete contempt for Parliament and was typical of the attitude of a man who has been in power too long and who feels, through the insulation of the gerrymander, so secure that he can afford to gratify his own whims and desires, whether Parliament endorses them or not. The announcement of the proposed construction of the so-called satellite town near Salisbury—although I think it would be better designated a parasite town—has inspired some quite ingenious suggestions as to a suitable name for it. Whilst I sympathize with the suggestion of the member for Gawler that it be named Gerrymander, because obviously there would not be a satellite town if there were no gerrymander, nevertheless, for historical reasons I prefer the suggestion that it be named Playfordville. It would be most appropriate if this name were stranded like a dead whale in our geography, just as it will be in our political history, to indicate a degree of ineptitude that has never been known before or since.

Members will recall that during the Address in Reply debate I mentioned that, in connection with the rent of timber-framed prefabricated homes in my electorate, a reply from the Premier indicated that the amortization period of those homes which are being let from £3 5s. a week was 53 years and I pointed out how a simple mathematical calculation would reveal that a tenant, or a succession of tenants, would pay a total of £8,957 for one of these homes. That is a ludicrous and fantastic figure. If they were purchased at such a figure and if the interest and maintenance on them during that time is such that nearly £9,000 has to be recouped from tenants, then they were certainly a bad buy and the Government should shoulder its responsibility and subsidize the rents so that the whole burden of its mistake would not fall on the tenants. People are now finding it extremely difficult to meet the extortionate rent. They were glad to get the homes. It was like offering a hungry man a feed, as they had nowhere else to live. The tenants on ordinary wages, with high fares and high

electricity bills—because the homes are all electric—are finding it difficult to make both ends meet.

I have, since the Address in Reply debate, received additional information which gives the matter rather a different complexion. I have been told that an earlier type of imported prefabricated home was let for £2 15s. a week. Some have been vacated recently by their original tenants and the new tenants are now called on to pay £3 5s. a week, which brings those homes in line with the dearest type of prefabricated home. If that is true, then it is obvious that the story we have been told about the rents being worked out on a scientific basis to cover capital costs, interest, depreciation and maintenance, is so much eye-wash. If they could be paid for at £2 15s. a week previously, why should the new tenants be called on to pay £3 5s.? Are all the other homes losing 10s. a week? If they are, why are not their rents increased to £3 5s. a week? I think it is perfectly clear that the rents are not worked out on a scientific basis, but rather are arrived at with a view to slugging the tenants the maximum they can afford to pay. That is public exploitation of the housing shortage by a public instrumentality and Parliament should demand its end immediately. It is quite unjustifiable that a person living in a home among hundreds of similar prefabricated homes should be obliged to pay 10s. a week more than his neighbour because he was unfortunate enough to have to wait an additional few months for his home.

Whilst we are in the position of not knowing how the Housing Trust, Electricity Trust and Tramways Trust operate, there will always be dissatisfaction regarding their activities. They should be under the control of a Minister who can be questioned by members and who is answerable to this Parliament. That is the usual procedure in any State which claims to be a democracy. Voting money in the dark appears to apply rather generally to these Estimates. I have examined the line relating to the Architect-in-Chief's Department and find that this year we are voting money for the erection of new schools at Enfield, Hampstead, Morphetville Park, Mount Gambier, Northfield, Renmark, and Nairne. Each of those schools was included in last year's Estimates, and in the case of Enfield, Mount Gambier and Northfield we voted money for their erection the year before last. I know that at Enfield and Northfield the schools have been in use for over two years.

Mr. O'Halloran—Perhaps they have not been paid for yet.

Mr. JENNINGS—I do not know about that. I went to Northfield when the Governor officially opened the school and last Saturday I had the great pleasure of accompanying the Minister of Education to the official opening of a new school at Hillcrest, which has been in operation for a year. However, that school has never appeared on any Estimates. Where did the money for its erection come from? Is it reasonable to believe that these Estimates are intended to be an honest estimate of this year's expenditure? How can they possibly be when we are asked to vote money for the erection of new schools which have already been built and are in full use? It is ludicrous! We know very well that the money will be used for other purposes or that the money previously voted for their erection was used for some other purpose and now has to be reimbursed to the right account. Whatever the reason, it is clear that these Estimates do not contain honest information and whilst we allow this position to continue without insisting on proper, adequate and honest information, we will be recreants to the trust the people have placed in us when they sent us to Parliament to supervise the expenditure of their money. I sincerely hope that in future when we examine the Estimates we will know that they are an honest attempt to estimate the expenditure for the coming year and contain adequate information to enable us to vote intelligently and to discharge our duties to our electorates. Until we arrive at that position we will not be doing our job in this House. If this Government maintains its present attitude it will not be long before we have a Government which will supply proper, adequate and honest information to Parliament.

Mr. WHITE (Murray)—The Estimates before us provide for the expenditure of £27,295,000 plus £3,600,000 under the Commonwealth-State Housing Agreement, making a total of £30,895,000, and I am very pleased that a programme has been worked out that will absorb this sum. Some members have criticized this expenditure. It has been said, and I suppose truly up to a point, that our national debt is increasing greatly and that the consequent interest burden may become an embarrassment in bad times, but there are two aspects of this that we should study. Firstly, this is a very young country—only 118 years old—and we still have a terrific amount of developmental work to do. The private

individual who wants to win a stake for himself in the country must, at some time during his life, take some business or financial risk, and a young country must do exactly the same thing; we must be prepared to saddle ourselves with large interest payments if we are to develop our many resources that now lie dormant. Secondly, as a nation we cannot shut our eyes to developments in Asia and the contiguous islands. There is no doubt that a danger to our nation is developing there and our salvation can only come largely from an adequate population. Therefore we must develop our country as fast as possible so as to make it sufficiently productive to carry the requisite numbers of people for national security. To do this we must be prepared to borrow money and take a financial risk, and my hope is that we will have the manpower and the materials to enable the expenditure envisaged in these Estimates to be properly dealt with so that South Australia can play its part in the development of Australia as a whole.

Some criticism has been levelled against the new satellite town which has been commenced near Salisbury. I believe there is some merit in concentrating building in one area because it assists in the supply of essential services such as water, sewerage and electricity. Those services can be put into places that are fully built on more cheaply than if they have to be put into sparsely populated areas as is the case in some of the new suburbs surrounding the metropolitan area. Nevertheless I cannot help feeling just a little apprehensive regarding the effects of the satellite town upon our country districts. There is a great deal of enthusiasm about it; a time limit seems to have been set upon its building and I feel that much attention will be given to it which, perhaps, should be given to some of our country districts and that it will absorb a lot of money, manpower and materials. There is still a big demand for houses in the country both for purchase and for letting, and I ask the Government to be very careful to see that a proper balance is maintained between houses built in country towns and those that will be built in this satellite town. If this is not done the satellite town will have a tendency to draw people away from the country, which would be most undesirable. The reticulation of water to this town necessitates another water scheme that has to be financed and this will further absorb available materials. I sincerely hope that this additional water scheme will not interfere in any way with country schemes. The production of our rural industries

and their progress must be maintained, and more water schemes in those places will help considerably to that end, so I feel that they should be given preference over any new scheme which will be necessary to water this new town.

I am pleased to note that the Local Government Department is continuing its practice of making loans to councils for road-making plant. These interest-free loans, repayable usually over a period of five years, are of tremendous help to councils because they enable them to buy expensive machinery without dipping too deeply into revenue in any one year. Without this machinery they would not be in the race in keeping up with their road programmes, and this practice gives them an opportunity to spend the grants made available by the department. It also has another useful aspect in that it enables some of the heavy earth-moving machinery to be distributed throughout the country and gives councils the opportunity to do private work such as levelling building blocks for homes and factory sites and for recreational areas and so forth. This is preliminary work which immediately brings into the picture private people and other public bodies in the development of country areas. In view of the high cost of this heavy machinery I have some misgivings as to whether the £100,000 placed on the Estimates is adequate, although I have no doubt it has been worked out on the requirements of other years. I do not think money should be stinted for this purpose.

A sum of £48,450 is allocated for additions and alterations to police residences, garages, offices, etc. This sum is to be divided between 40 different places among which are the police stations of Mannum, Murray Bridge and Tailem Bend. At this juncture I have no knowledge of what amount of work will be done at each place, but in view of the number that will share in the amount it is possible that not a great deal will be done at any one place. However, I want to be optimistic about this because certain work is very necessary in the three places mentioned if the offices are to be brought up to date. To give some idea of the cramped conditions under which the police are working, at Tailem Bend four officers have to work in a room which measures 13ft. 10in. by 14ft., and in this room there is a fireplace, three tables and three cupboards. Court is held there every month and on those occasions the overcrowding can be easily imagined. At Murray Bridge the office measures 20ft. by 18ft. and it accommodates five officers. It

contains four tables and all the other necessary office furniture. In any police station it is necessary at times for people to discuss matters of a very confidential nature, and I know of occasions at Murray Bridge when the sergeant in charge has been forced to ask everyone to leave the room while he questions a person. While he is doing this ordinary police work, such as the issuing of licences and all the other thing that are done in a country police station, has to be done on the verandah, which is entirely unsatisfactory. In country towns, particularly those which are expanding, it is very important that we keep these places more up to date and I hope that, as a result of these Estimates, the police stations I have mentioned at any rate will enjoy better facilities. I note that a sum of money is provided for a new courthouse at Murray Bridge. I am pleased about this because corporation records show that this was talked about as long ago as 1925 and on that occasion the corporation gave a block of land for the purpose. A Special Magistrate visits the town every month and in order to hold court the Police Department has to engage the Mayor's parlour because of the cramped conditions at the police station. The people who go to the parlour to attend the court complain bitterly about the appointments. They say that there is a lack of dignity and there is no effect on the accused person. If the magistrate asks the parties to confer privately he has to either go outside and sit in his motor car or go for a walk down the street. Similar conditions apply in other country towns. The provision of proper facilities for the administration of justice is important and there has been a lag in keeping them up to date. The provision of money under these Estimates will help to rectify the position.

The sum of £23,750 is to be spent on high schools. Of the 17 schools to benefit one is Urrbrae. In an agricultural State like South Australia it has an important function to perform. At present country students are boarded with private people. School officers go to much trouble to see that the people boarding the students are of a good type but that is not as satisfactory as having boarding accommodation at the school. If it were provided country students could fraternize more and in consequence build up their agricultural instincts. The Education Department intends eventually to provide the accommodation and I hope the work will be expedited as much as possible.

The sum of £5,000 is to be spent under the Public Parks Act, which was designed to give financial assistance to councils to purchase land for parks and recreational purposes. More use could be made of this assistance. Under the Act councils controlling towns should have sufficient confidence in the future of their areas to buy up land, which if not purchased will be lost to them for all time. Some councils are reluctant to spend money in this way but towns that have not made adequate provision for sporting and park areas cannot be regarded as good residential towns. More attention should be given to this matter because it would help to stop the drift of country people to the city. The Murray Bridge Corporation has availed itself of the assistance on two occasions. Recently the Government granted £3,150 for the purchase of 14 acres of land for a new oval. A landscape architect has been engaged to draw up a blueprint for the development of the area. The proposal will provide sporting facilities for the town for years to come. I have thoroughly perused the Loan Estimates and the expenditure has been spread over the various departments in such a way that each department will be able to progress and in consequence help to maintain the stability of the State. I have pleasure, therefore, in supporting them.

Mr. CORCORAN (Victoria)—I have perused the Loan Estimates but have been disappointed to find no money provided for some works in which I am interested. We have heard much about the satellite town to be established near Salisbury. I am opposed to the undertaking because it is inconsistent with Labor's policy of decentralization. It may be said by those responsible for the undertaking that it will relieve the housing shortage and provide labour for the defence works at Salisbury, but it will attract country people to the metropolitan area. Mr. John Clark said that the metropolitan area will eventually absorb this satellite town. Water and sewerage connections will be supplied to it, but there are important country towns that for years, despite the prosperity enjoyed by the State, have been neglected in this regard. When we see water and sewerage connections proposed for the satellite town, we must agree that the neglected towns have a right to object. I hope the people at Naracoorte will not be as harsh towards me as the town council of Mount Gambier was towards Mr. Fletcher. It passed judgment on him for not having been more active and used his influence

in the right direction. Even if he had been an archangel he could not have done more, unless the Treasurer was prepared to support him. It seems a waste of effort to talk about these things but we can only hope that one day the Treasurer will change his mind. I ask the neglected towns to refrain from criticizing their members and to give them all the assistance they can. The lack of these facilities is holding up the progress of country towns. I support all that Mr. Fletcher said about the position at Mount Gambier. Four- or five-storeyed buildings would be built to provide office accommodation, but work in this direction is held up because of the lack of some amenities. The sum of £20,000,000 is to be spent over 10 years on the satellite town. Provision is already made for the expenditure of £1,500,000 on water and sewerage connections. Is it fair to old-established towns to suffer neglect because of expenditure of money on the satellite town? I hope the Treasurer will tell me that I am wrong in my assumptions and that something will be done for neglected country towns. Labor's policy of decentralization is linked up with the purchase and subdivision of large country estates. It is the responsibility of the Government to look into this matter. If it wants to spend £20,000,000 it should spend the money in country areas and so provide more decentralization. Young people should be attracted from the city for the purpose of developing land. We should not be establishing a satellite town near the metropolitan area. Gawler may benefit from the installation of water and sewerage facilities there.

Mr. John Clark—I hope you are right.

Mr. CORCORAN—I would be happy if Naracoorte had a similar opportunity to benefit. I hope the Government will do something for the Naracoorte people. I shall do all I can in the matter and I trust that I shall not get the same criticism as Mr. Fletcher, but he did not take it sitting down. I think my constituents are more appreciative of my work and I do not think they will make the same criticism. I urge the Government to adopt a more vigorous land policy. If £20,000,000 were to be spent over a period of 10 years in the South-East the return would be much greater than from the proposed satellite town. The country is in need of many vital things, and I hope the Government will make provision for a good road building programme. Those responsible for giving effect to such programmes are the councils, and most are in possession of modern machinery purchased from

the interest-free loans mentioned by the member for Murray. The Millicent council, however, does not know how it will get on because it lacks necessary equipment. Some weeks ago it applied to the Minister of Local Government for an interest-free loan of £10,000 to purchase a heavy power grader and other equipment to surface roads, but no finality has been reached. In his reply to the council the Minister said that he could not give the matter his approval at the moment. I do not know what that conveys; does it mean that the council will have approval in six weeks, three months or what? I stress that if the council does not obtain the grader it will not be able to progress satisfactorily with the work entrusted to it, and it will be more costly to proceed with the equipment it has at its disposal. I appeal to the Minister to give the matter his early consideration and to approve of the loan. The fishing industry at Beachport, Robe and Kingston is an important undertaking. The people at Beachport are not very happy about the amenities there. I have approached the authorities from time to time and although their attitude has been sympathetic nothing has eventuated. The provision of a boat haven and slips is important to the people at Beachport. I approached the Minister and suggested that he make a trip there, on which I would be happy to accompany him, to discuss the matter with those concerned. Even if money is not available some scheme could be put forward and the people would be reconciled to the present position if they knew something would be done ultimately. A haven has been established at Robe but fishermen at Beachport are reluctant to take their craft there because of the danger involved in landing them, and although the Harbors Board has promised to do something about the menace nothing has been done. Some Beachport fishermen have been forced to take their ships to a slip in Victoria but if the weather is rough this cannot be done, and at any time there is much unnecessary waste of time. The Minister has a clear conception of the importance of the fishing industry and of providing some of the amenities that have been asked for. Surely a slip could be established at one centre, perhaps Robe, and then perhaps the people at the other ports would not be so worried. In country areas there is a terrific lack of telephone services. Although I realize this is not a function of the State Parliament I point out that many people have been waiting two or three years for a service and when an approach is made by them through a Federal member to

the Deputy Director of Posts and Telegraphs they are told that the delay is because of shortages of staff, mainly technicians. I remember when the Federal Government dispensed with the services of 10,000 officers, the bulk of whom came from the P.M.G. Department, and the man in the outback is now suffering as a result. In many cases it is vital to have a telephone. The Deputy Director of Posts and Telegraphs has done everything possible to provide installations but has not been able to do so because of shortage of labour and materials. I urge the Government to use its influence with the Federal Government to do something about this matter. The railway line to Millicent is being built slowly. I know that nothing much can be done in the winter time when the flats at Millicent and Tantanoola become soaked with water and are muddy. I asked the Minister whether it was expected that the work could be speeded up in the summer and I was assured it would. I hope it will because the people in these areas are anxious to have the line completed. The Government led them to believe that it would be through to Millicent within 12 months of the completion of the Mount Gambier line, yet that was completed 18 months ago and only one-third or one-half of the Millicent line has been laid.

I know the Education Department has a grave responsibility thrust upon it in providing school transport because of the increase in population in this State, which is greater than in any other part of the Commonwealth. The figures mentioned by the Minister of Education yesterday were interesting. The cost of transporting children to schools in country areas is about £250,000 a year. As many country roads are not in good condition, I appeal to all councils to improve them. I hope that soon the Education Department will have its own transport service because that would be more satisfactory than a private service. I have appealed to people in the Padthaway locality to induce somebody to provide a school bus until the department can provide its own transport.

The water supply scheme for Millicent has now reached a stage when the consent of ratepayers must be obtained. Many residents have criticized the scheme because of the cost involved and have suggested that it be abandoned. They have said that their primitive methods are satisfactory, but, although they may be for the time being, they should consider the proposed water supply as the first step towards a deep drainage system. I hope their

enthusiasm will not wane as a result of letters that have appeared in the local press about this matter. As a citizen of this State I am concerned at the precarious position of the wine industry. I sincerely hope that the obstacles that now confronting it will ultimately be overcome. Hundreds of returned soldiers have been settled in this industry and the Government has spent a great deal of money on it. I listened with interest to the member for Angas (Mr. Teusner) when speaking on this subject and I appreciate the importance of the industry. I am not trying to cultivate an undue taste for wine, for I do not want people to become derelicts by the roadside, but most people could indulge in wine to the extent suggested by the member for Angas and others. Instead of having a detrimental effect it would nourish them and improve them physically and mentally. I have shown how I regard the important matters in my district and I hope that the Government, when I appeal to it from time to time about projects in the South-East, will appreciate that I am only trying to shoulder my responsibility as the member for the district. I support the Loan Estimates.

Mr. HAWKER (Burra)—The Loan Estimates are again in the region of £27,000,000, a little less than last year. We must keep in mind that the Loan market is supplied by profits from private enterprise, not Government enterprise. Anyone wanting more money spent in his district must remember that prosperous private enterprise always means more Loan money available to Governments. The development of our uranium fields has absorbed much money. We have been told that they have been financed to some extent by overseas interests, but the amount granted in this field in the last three years, including this, has totalled £9,989,000. There has been a credit of about £2,750,000 that has come from somewhere, but even after allowing for that, the total Loan money lent on uranium production has been about £7,215,000. This money has been spent on manpower and materials, and to establish Radium Hill it has been necessary to construct a water main from Umberumberka in New South Wales and an electricity supply line from Morgan. Many people in my district are not well served with electricity. Private enterprise has done a good job, but private plants are now just about worn out.

Mr. O'Halloran—In other words, private enterprise has worn out.

Mr. HAWKER—It has not. If it had, South Australia would not be getting £27,000,000 of Loan money.

Mr. O'Halloran—Why don't you renew your electricity plants?

Mr. HAWKER—Because the Adelaide Electric Supply Company was taken over by the Electricity Trust members opposite said that electricity would be taken right throughout the State, but I have repeatedly pointed out in this House that that cannot be done on account of the high cost of reticulation and transforming the current to a usable current for the home.

Mr. Fred Walsh—It can be done.

Mr. HAWKER—But not economically.

Mr. Fred Walsh—What is an economic price?

Mr. HAWKER—What people are prepared to pay and what they can afford. Several towns in my district have been waiting for a supply from the trust, consequently they have not renewed their plants as they would have done. I think they were justified in expecting to get electricity from the trust. Much money has been spent in taking electricity from Morgan to Radium Hill. People see the line going to the uranium field, but a line has not been extended from Waterloo through to Burra, Hallett, and Tcrowie and into the Leader of the Opposition's district. Even if some of this Loan money has come from overseas we have to employ South Australian technicians in spending it, and the Electricity Trust has told me that it has not been able to supply power to towns in my district because of the shortage of skilled technicians.

Mr. O'Halloran—I do not think any of the money for that power line came from overseas.

Mr. HAWKER—In the last three years nearly £10,000,000 has been supplied from Loan money for uranium production. Whether the power line was erected out of that or out of money granted to the Electricity Trust I do not know, but my district is still short of electricity.

Mr. Davis—Are you speaking of supplies to farm houses?

Mr. HAWKER—I am speaking of town supplies. It is impracticable to carry electricity to all farm houses. Members opposite are pleased to say that they supported the establishment of the Electricity Trust, but it is the biggest centralization scheme that South Australia has ever had. The whole of the State's power will come from two sources—Port Augusta and Osborne.

Mr. Fred Walsh—You don't suggest it would be more economical to take coal to Burra and generate power there?

Mr. HAWKER—No, but Labor members talk about decentralization, yet when it comes to the point they support centralization. If our power stations were blown up there would be no power supplies, so to have only those two stations is centralization.

Mr. Fred Walsh—You should be more critical of your Government's policy.

Mr. HAWKER—The honourable member supported it. As he just said, it is a question of economics, so it is centralization. Many people are worried about the derailments that have occurred on the railways, especially on the hills line. I am sure we have good technicians in the railways, but I can remember Mr. Webb, when Railways Commissioner, said that four-wheel vans were not suitable for fast freight trains. He started a programme for the building of bogie trucks and four-wheel vans were not made for many years. According to press reports the hills derailments have been caused by these vans. I see by the Loan Estimates that it is proposed to construct a considerable number of four-wheel cattle and sheep vans. I wonder whether Mr. Webb was not right and whether we have not departed from some sound railway principle in substituting bogie vans with four-wheel vans. I admit that four-wheel vans are handy for carrying small numbers of stock and that it would be uneconomic to send up a bogie van and then only quarter fill it.

The Minister of Roads is investigating the question of varying assessments between councils. I think he is on sound grounds, provided he considers the effect of both the assessment and the rate. Some councils have consistently had a high rate and a low assessment, whereas others have had a low rate and a high assessment. I would far sooner pay my rates to the district council and have that money spent by it on the maintenance of roads than pay a high taxation rate to the Government and look for road maintenance from the expenditure of such money. I support the Loan Estimates.

Mr. MACGILLIVRAY (Chaffey)—Many speakers in this debate seem to have overlooked the valuable contribution made by the Leader of the Opposition in the debate on this motion for the establishment of a Public Accounts Committee. Members have been debating the expenditure in these Loan Estimates as though the money belonged to them, but I believe this document should not be called the "Loan

Estimates," but rather the "Debt Facts of the State of South Australia", because the harder we work and the more this State produces the deeper do we, as a community, get into debt. In his speech on his motion Mr. O'Halloran said the total net Loan expenditure had increased from £116,409,000 (£175 per head of population) in 1948, to £193,534,000 (£252 per head of population) in 1953—an increase of £77 per head. Recently we have heard statements by the Treasurer in this Chamber and over the air and have read statements in the press, pointing out how affluent the State in general and South Australians in particular are. Mr. Playford has said that no other State is as affluent as South Australia, but how can we reconcile his statement with the figures quoted by Mr. O'Halloran? Although willing to accept the Treasurer's statement that South Australia is second to none in production, I believe that, in spite of our ability to produce both in primary and secondary industries, the harder we work and the more we produce the greater the debt of our community will become. This Committee should forget all about the way in which this Loan money is to be spent and investigate the question of where it is to come from, who is responsible for it, and what is the ultimate end of a system that year after year builds up bigger and bigger debts which the community can never hope to repay.

For many years I have been associated with a number of bodies responsible, within their own spheres, for guiding the destinies of the communities they represent, but I have never been associated with a body that I respect more than this Parliament, for I believe that if it consists of men who are free to do so could come to a decision untrammelled by outside considerations. As such, it would be second to none in the world today, but unfortunately—and I say this regretfully—this Parliament is not a free organization; speaking by and large, it is not free to come to decisions along the lines desired by members. Most members have certain Party affiliations, principles and other restrictions that prevent them from deciding questions as they would if they were free. From the point of view of Party control the question of finance takes precedence over all others.

I had hoped that, after the Leader of the Labor Party, Mr. O'Halloran, had gone out of his way to shoulder his responsibilities as Leader of the Opposition and as a man with a deep sense of his responsibility to South Australians, at least some of his Party members would have supported him in his attack on what might be termed the debt system of

finance instead of what is usually known as the credit system of finance. I realize that it is difficult for those who are not as young as they once were to accept new ideas, but I believe that our Loan system may be described as a Debt system that will tie the workers of the community more securely to the wheels of industry than any other system can possibly do, and I expected that some Labor members would have been big enough and sufficiently advanced intellectually to support their Leader in this all-important question of money, loans and credit. It may be that Labor members consider that the Budget debate will be a more opportune time to pursue that line of argument but I thought that at least one or two would do so in this debate.

The member for Prospect (Mr. Jennings) criticized the Government because it was unlikely that the programme envisaged in these Estimates would be carried out this year. He said the Australian public was unlikely to fully subscribe to Commonwealth loans this year. I asked him, by way of interjection, whether he was suggesting that we must forego public works merely because of the under-subscription of Commonwealth loans. His remarks show that the Labor Party, which once proclaimed that it was the leader in financial reform, has degenerated down to the ranks of orthodoxy represented by members on the Government benches. The Labor Party, which claims to stand for the under-privileged, should fight on this particular point above all others, and it is no excuse for a member to say that finance is too difficult for him to understand.

Mr. O'Halloran—Do you understand it?

Mr. MACGILLIVRAY—Yes. There is a body of opinion in Australia that says that a man should not be permitted to become a member of Parliament until he has passed an examination on his intelligence.

Mr. John Clark—The electors examine him now.

Mr. MACGILLIVRAY—Possibly, but the electors are not the examiners that people subscribing to this theory have in mind, for they are thinking rather of a specialist body that would set an examination paper.

Mr. John Clark—An intelligence test.

Mr. MACGILLIVRAY—If I were to set such an intelligence test, I would be interested in asking only this question: "Do you understand how banks can make money out of nothing and then charge the community for it?" If the candidate could answer that, I would forgo asking him all other questions.

The longer I live and the more I investigate this problem the more convinced I am that this is the one problem that democracy must answer if it is to stand against those challenging it. There are many commissions investigating many problems—Communism especially. I believe that democracy will never fail from attacks from outside but that it will only fail from within. If democracy does not deliver the goods then Communism, Fascism or some other ism will eventually beat it to its knees. I believe the biggest weakness in our democratic system is our financial system.

Mr. Dunstan—Do you agree with the nationalization of banking?

Mr. MACGILLIVRAY—No, I am utterly and entirely opposed to it because all it would do would be to transfer the monopoly of power from one body to another.

Mr. Dunstan—How are you to control credit?

Mr. MACGILLIVRAY—The first thing we must agree on is what we have to control. As a broad principle, our financial system should be based on our ability to produce goods and services. I am not prepared to leave it to any politician to say how it is to be put into operation. A separate body should be set up, independent in every sense to consider what the primary industries have produced, how much they have overseas, so that money can be available to pay our debts when we import goods, and to ascertain what our secondary industries are producing. I would like to see our social system based on our internal economy, but the Labor Party is not prepared to accept that. It says, "We are the ones to decide." It wants to nationalize banking. It hopes to get and retain control of Government so that it can control the financial system of Australia as long as possible. I do not think that the financial position should be left to the whims and fancies of any political Party, whether it be Labor, Liberal, or Independent. A responsible board should be paid to do the job. If it did not perform its duties satisfactorily it could be sacked. The Government, of course, would have the final authority in that respect.

Mr. Lawn—The Labor Party wants that responsibility.

Mr. MACGILLIVRAY—The Chifley Government got beaten on that very point.

Mr. Lawn—On what point?

Mr. MACGILLIVRAY—He wanted to control the finances of Australia. The Chifley Government had all the power necessary to control our financial position.

Mr. Dunstan—Have you read the case of the City of Melbourne *v.* the Commonwealth under the 1945 Banking Act?

Mr. MACGILLIVRAY—As much as I could understand it, not being a lawyer.

Mr. Dunstan—I suggest you read it a bit more.

Mr. MACGILLIVRAY—The Labor Party was beaten on whether it should control the finances of Australia through the Commonwealth Bank or whether an independent board should be set up. In this House the Labor Party time and again has agreed with the Government on the setting up of industrial boards comprising employers on one side and employees on the other, so why cannot something similar be done in respect of the all important question of finance? Unless we can control the question of finance the rest of our time is useless. I do not want to labour the question of the increasing State debt but everybody must realize that every year we get deeper into debt, which means that we must devote more of the taxpayers' money for the servicing of that debt. If we were private individuals running our own businesses, instead of the business of the State, and each year got deeper into debt, borrowing more money and paying out more in interest charges we would have to stop and think.

Mr. John Clark—So would the banks who would not finance the business.

Mr. MACGILLIVRAY—The banks have no worry at all because their income is a first charge against the taxation revenue of the State. Everybody else might lose—although nobody has lost yet so far as I know—but the banks, which finance the debt, will not lose because they have first charge on the income.

Mr. John Clark—Banks have been known to withdraw support when a business got too far into debt.

Mr. MACGILLIVRAY—Yes, in the 1930's. If anyone examines the position he will see that the borrowings of the State dropped considerably then. The banks at that time decided that the States were no longer credit-worthy and our State debt was reduced. As it was reduced so people fell deeper into depression. That reveals that the State debt, despite its being a debt, is a very valuable thing for the economy of the State, because unless the State borrows money there is nothing available to pay for the goods industry produces. I remember going before a committee in the 1930's, set up on the recommendation of Mr. McLeay the then member

for Unley, which dealt with the question of unemployment. During the course of taking evidence that committee heard many hard luck stories about children sleeping under newspapers because their parents could not supply blankets to keep them warm, but every store in Rundle Street was packed to the doors with blankets and sheeting and other commodities produced by industry. Although industry had produced the goods and the public wanted them there was no means of selling them. People were forced into compulsory idleness. Industry produced, but the public could not afford to buy. Is not consumption the end of production? The people of Adelaide were prepared to use the goods industry produced in the 1930's but how could they when they were rationed to about 4s. 3d. a week a family? There was one weak link between production and consumption which the Labor Party, despite the lead given this year by the Leader of the Opposition, has not been prepared to follow up. Even when I attempted to inspire one member by interjection he still went back to the fact that unless the people subscribed to Commonwealth Loans our public works system would go by the board. That is the supreme tragedy of our public life today. Despite the criticism, I believe that we are a virile people and can more than hold our own in any walk of life, with the possible exception of art, with any country in the world. We have a Commonwealth second to none to exploit. All the time we are talking about effects and not dealing with first causes. We are so worried with the inflation in Australia that we can no longer sell our wheat, wine and dried fruits in the markets that belonged to us from the inception of the Commonwealth. No one takes any notice of it. They say that finance is too big a subject for them, but that is only an evasion of responsibility. I have said before that no-one knows less about his job than the average bank manager. The Encyclopedia Britannica says that a bank makes money out of nothing, but if I were to ask the ordinary bank manager for an interpretation of that he would not be able to give me one. Sir Reginald McKenna, one time Chancellor of the Exchequer and manager of one of the biggest private banking institutions in Great Britain, said that the amount of money in the community is altered only by the actions of banks, but if the average bank manager were asked what he thought of that he would not have the faintest idea. I am reminded that the Commonwealth Banking

Commission said that the Commonwealth Bank could make available all the money needed for desirable purposes.

We are asked often to indicate some part of the world where an unorthodox system of finance has been tried. It was tried in Alberta in Canada, but it has been handicapped because of the influence of the Canadian Federal Government. It is strange to see the enthusiasm of the Labor Party in speaking of the financial difficulties experienced by the Alberta Government. I would have thought that it would be in sympathy with a Government trying to do something, even if it failed. I have always thought that the Labor Party believed in the unorthodox system of finances adopted by Alberta, which has had some degree of success. It is the only part of the British Empire that is out of debt. I am aware that oil discoveries have been of the utmost value to Alberta, but despite that the growing of wheat is still the major industry. Before the Social Credit Government took office, and it has been there for 15 to 20 years, the oil and wheat were there, but despite that the State was getting more and more into debt, in the same way as South Australia. We, as members of Parliament, are elected from every walk of life and we should take notice of these things. In some places the burden of debt is being lifted. Why are we as legislators not doing more to lift our burden of debt? The Loan Estimates indicate how great is the burden. Everybody complains about the debt but no one does anything about it. There used to be a music hall saying that a member of Parliament did not worry about the expenditure of a million or two pounds, but today we accept the expenditure of millions as the natural thing.

The debt we have incurred limits every activity of this Parliament. In theory we are supposed to decide our own destiny—what we should do and what we should not do—but the people who control our credit decide these things. Our Treasurer went to the Loan Council and made an impassioned plea on behalf of the State, in the same way as other State Treasurers. He came back with about £27,000,000 of Loan money and we said what a wonderful man he was. We would think that if this money were in pound notes or in bullion a train would be needed to carry it, but the Treasurer came back with nothing but permission to use the State's labour resources and materials. If he had been told that he could not have so much money it would have meant more of our people being unemployed and more of our materials not being used. I am not

arguing whether or not we got a fair share of the Loan money available. My point is that the basis on which it is made available is fictitious, and usually entirely wrong.

We cannot be too careful about these things. The best brains available should tackle the question in a proper mathematical way. We should see that at all times there is enough money in circulation for the purchase of all the goods produced. Our primary producers are the best in the world, but our cost of living and the ability to produce goods is fictitious because there is nothing but figures in a book. Imagine the standard of living we could have. When I was younger and more enthusiastic than I am now, and perhaps with a greater faith in humanity, I used to visualize the time when our financial system would be directly linked with our productive ability. I used to think of our great nation with its production potentiality, but I am sorry to say that we are farther back than we were 25 years ago. That may sound an astonishing statement and it may be argued against, but the 1914-1918 war was financed by the Commonwealth Bank making millions of pounds available at a cost of 5s. for each £100.

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

Mr. MACGILLIVRAY—Before the adjournment I was dealing with the overall question of the advances made by the Commonwealth Bank to the people through the State Bank and said that just over 25 years ago the Commonwealth Bank was able to make money available at the rate of 5s. per cent, yet during the recent war people were charged between £3 and £4 per cent. The banking system must have made a tremendous profit because although these institutions must pay salaries and operating costs it should be remembered that book-keeping systems have been tremendously modernized and mechanized to such an extent that even before the last war the Bank of England was forced to discharge thousands of its officers, and gave them the option of taking a lump sum on retirement or accepting a pension for life. Unless we as a Parliament are prepared to examine this question, which could greatly involve us in debt, all debate on this type of legislation, whether Loan Estimates or the Budget, is simply beating empty air. I hope when the Budget is before the House to discuss the matter more fully, because it is a matter of great importance. The money that the Government proposes to borrow from the Commonwealth will eventually become a charge on us all as citizens of the Commonwealth.

It is proposed to provide £500,000 from Loan funds to the Municipal Tramways Trust. I know that this subject has become somewhat hackneyed in this House although when it was first introduced the Government, ably supported by the Labor Party, endorsed to the utmost of its ability the desire to subsidize the tramway system. At that time I and other Independent members pointed out that this was a policy of futility, without future and without hope. It was simply a blind stab in the dark on behalf of the two major parties to shelve a problem to which they did not know the answer.

Mr. O'Halloran—I suggested an answer.

Mr. MACGILLIVRAY—I will deal with that later. The proposal will mean throwing good money after bad. The trust has incurred such a tremendous loss with the existing system that it would be futile to extend it, because by doing so the losses would simply grow year after year. My remarks were reported in *Hansard* and I invite members to look at them and compare them with the remarks of the Premier and the Leader of the Opposition, both of whom I assume spoke on behalf of their Parties. The result has been that both Parties have been proved conclusively to be wrong.

Mr. O'Halloran—I was not.

Mr. MACGILLIVRAY—Yes you were.

Mr. O'Halloran—My policy was never adopted.

Mr. MACGILLIVRAY—The honourable Leader did not get all he wanted—he wanted 100 per cent Socialism, but only got 75 per cent.

The Hon. T. Playford—He wanted to go the whole hog.

Mr. MACGILLIVRAY—There is no doubt about that. There is not much difference between the Premier and the Leader of the Opposition. They might not reach 100 per cent agreement but they always get 75 to 90 per cent. Unfortunately for this State this was one of the occasions when the Leaders of the two Parties reached agreement and the taxpayers had to carry the responsibility of the tramway system, whereas formerly the ratepayers of the City of Adelaide were fully charged with it. Some of the taxpayers may never see a tram.

Mr. William Jenkins—Would you have people walk?

Mr. MACGILLIVRAY—The original Bill setting up the tramway system provided that the ratepayers in the metropolitan area would have to make up any loss incurred. In those days men still had a sense of responsibility.

Mr. O'Halloran—I think the member will find that the Bill provided for interest payments.

Mr. MACGILLIVRAY—And also for losses incurred. Those who supported the tramway system said that if any operating losses were incurred a slight increase in taxation on land values in the City of Adelaide would pay for them. Because the metropolitan local governing bodies were not big enough to stand up to their responsibilities and did not pay off the tremendous debt the Premier, with the help of the Labor Party, is casting the burden on the taxpayer. The kindest thing I can say about this is that it is indecent and should not be allowed. We set up a committee to investigate the problem and one of its suggestions was never carried out because it would cut directly across the socialistic ambitions of both major Parties.

Mr. Davis—Don't you like that?

Mr. MACGILLIVRAY—No, I hate it because I know it is morally and financially wrong and has proved a failure in every instance. I challenge anyone to tell me of any case in which Socialism has ever answered the bill, whether in Germany, Russia, Italy, Australia, or any country. Every socialistic venture is a failure.

Mr. Davis—Name one that has been a failure.

Mr. MACGILLIVRAY—I could mention a dozen, but I do not think this is the proper time. I mentioned the river settlement because that is close to me. I could mention Lane's experiment in South America, and a dozen other instances in which socialistic experiments have been tried but have failed.

Mr. Corcoran—I don't think you could, otherwise you would mention them.

Mr. MACGILLIVRAY—The pig breeding experiment in Queensland is one instance; although financed by the people, they will not get a smell of the frying bacon. I could also mention peanut growing in South Africa and poultry farming in Gambia. The fundamental weakness is that the people who control them draw their salaries whether they are a failure or a success, whereas in private enterprises the manager is sacked unless the undertaking is a success. That is why the tramways have fallen down. It was suggested that the tramways should hand out some of the transport routes to private enterprise, but the board has not done anything about prosecuting such a suggestion. Private bus operators have obtained concessions usually in the most thinly populated portions, but

they have made a success of the undertaking. In support of that I quote from an article in the *News* of September 8, that was of great interest to me. It was a statement by the acting chairman of the board, Mr. Norman Young, in which he discussed the problem of the trust's losses. I might say that he had a very ample subject to discuss. The article was as follows:—

Should private enterprise be used more extensively as a means of reducing Municipal Tramways Trust losses?

In June 1952, a committee appointed by the Government to inquire into trust finances included these two recommendations in its report:—

To avoid at least some of the borrowing for the urgent replacement of worn-out rolling stock, consideration should be given to leasing light traffic lines to private operators, as authorized by existing legislation.

Operators on any such leased services and those now licensed to operate in well-developed districts should be required to make some contribution, by way of a levy on gross receipts in return for the franchise granted.

Has the M.T.T. board thought about these recommendations?

Replying today to this question, the acting board chairman, Mr. Norman Young, said these matters were being investigated.

I point out that this reply was given in 1954. One would have assumed that the board would have already investigated all these matters, especially as the new board had been incurring far greater debts and at a greater rate than the old trust did. Of course, it had the expert advice of a man from New York, but the result was that the board lost far more money. Therefore, with this expert advice the board improved the method of losing money! Mr. Young said the whole question had been investigated and that the board was considering whether licences for fixed periods should be granted to existing private operators licensed by the board. I should have thought that a person running a section of Adelaide's transport and meeting all his commitments to the board would have, as a matter of course, security of tenure. That is something on which I should think every member would agree.

Mr. Hawker—Are you certain that every member would agree with you?

Mr. MACGILLIVRAY—I should have hoped so, and I did not hear anyone disagree. One can imagine the position of an operator who is not sure whether his licence will be extended if he shows in his returns that he is making a substantial profit as against a loss by the

board. I do not know whether members are aware of what is being done, not under the Tramways Trust's administration, but under the Transport Control Board. If a man gets a licence to operate on a country route he has to pay the Transport Control Board a percentage of his earnings; the more he earns the more he has to pay. I do not know whether that was the intention of Parliament, but it is a most unsatisfactory state of affairs. No board should be out to fleece anyone giving a legitimate service to the community, whether under the Transport Control Board, the Tramways Trust, or any other undertaking. A man should not be penalized for the time and energy he has put into a business to make a success of it, but that happens under our Government institutions and that is suggested in this reply by the Acting Chairman of the Tramways Trust (Mr. Young). Then he says:—

The board is considering whether additional routes should be made available to private operators and, if so, what licence fees should be paid by them.

This was being considered two years after the recommendation. The article then goes on:—

Recently, the trust general manager, Mr. J. M. Keynes, and Mr. Young went to Perth to see how the metropolitan transport system worked there. They discovered that in Perth private operators occupied an important and unique position in the city's overall public transport system. For the year ended June 30, 1953, compared with the Government transport system, private operators in Perth carried the same number of passengers, operated over nearly twice as many miles, earned more in gross revenue. The Government services showed a substantial loss. Private operators showed a profit.

The private operators had to travel twice as many miles, but they finished up with more gross revenue than the Government transport system. Further, the private operators showed a profit, whereas the Government services showed a substantial loss. I hope that the Leader of the Opposition will pay particular attention to this next part, for herein lies the answer to his earlier interjection that he did not get what he advocated here. The article states:—

In Perth, said Mr. Young, metropolitan transport was co-ordinated by a Government-appointed Transport Board which collected licence fees from both the private and Government operators. The base rate fee was 6 per cent on gross earnings. But the board had reduced this rate considerably on the Government services, because of their losses, and also in the case of some private operators who were having financial difficulties.

Mr. O'Halloran—That is interesting.

Mr. MACGILLIVRAY—Yes, but it can be imagined that the private operators work in the thinly populated parts of Perth, but one could not think of any Government service taking the worst-paying parts. I know Government departments well because I have lived in close co-operation with them for many years. I would be the last to suggest that any department would give away the best and take the worst.

Mr. Lawn—Do you suggest that the Ascot Park, Paringa Park and Novar Gardens routes are well populated and pay well?

Mr. MACGILLIVRAY—I would not know whether they were.

Mr. Lawn—Private buses run on those routes.

Mr. MACGILLIVRAY—I am quoting what Mr. Young, the Acting Chairman of the Tramways Board said, not what I said. I assume that he would be an authority.

Mr. Fred Walsh—Private buses have many of the outlying routes in Perth.

Mr. MACGILLIVRAY—Mr. Young said that the board in Perth had reduced the rate considerably on the Government services, because of their losses, and also in the case of some private operators. In other words, private buses that were in a position to do so were paying six per cent on turnover, but a service that was developing some part of Perth and was not paying would be given a concession. However, the Government services would also have the same concession under those circumstances. My point is that there is no easy solution of what is entirely a financial problem because we still have the same banking system, whether under Capitalism or Socialism. Bernard Shaw said that if you were an employee be certain you work for a successful employer. The successful man at least can give you reasonable conditions of employment if he desires, but the unsuccessful man cannot, even if he wants to. It is all governed by finance. It does not matter whether we have a board, a trust, or private enterprise, if the financial system is against you you are finished, with one distinction—that if a private firm goes bankrupt it has to meet the losses, but under a socialistic undertaking the taxpayer or the ratepayer pays the losses.

Mr. Lawn—The Harbors Board is not going bankrupt.

Mr. MACGILLIVRAY—I am not dealing with the Harbors Board. Practically every newspaper publishes statements about the

tremendous profits being made by various companies. That makes me wonder whether there is not too much money in circulation and in the wrong hands. I am not arguing about who holds the money: taxation should be able to redistribute it reasonably well. I am dealing with the fundamental question of whether it belongs to the people as of right or whether they must borrow their own credit at interest rates that have risen steeply over the years. In the Commonwealth sphere we have had Prime Ministers whose Governments have treated money on that latter principle.

Mr. Quirke—One of them was a member of the Banking Commission.

Mr. MACGILLIVRAY—Yes. Can we possibly get ourselves out of debt by borrowing money in the way advocated by the Treasurer? Should we be enthusiastic when he returns from Canberra saying he has obtained over £27,000,000? After all, all he has obtained is permission for South Australians to work harder and use their own materials.

Mr. Hawker—Isn't that better than letting New South Wales use them?

Mr. MACGILLIVRAY—Possibly, but New South Wales is part of this great Commonwealth the same as South Australia, and in a modern economy nobody can live to himself. In the final analysis we must live as a Commonwealth-wide community, and this applies particularly to the financial field. This State is becoming more and more dependent on the River Murray, our one source of a permanent water supply. I have said nothing about the satellite town because I look on it as a *fait accompli*: we can talk about it, but we cannot alter it. I would have been much happier, however, had the Government decided to spend, say, £6,000,000 to decentralize industry throughout the country rather than to take water from the River Murray into the metropolitan area. The member for Murray (Mr. White) will agree with me that Murray Bridge, a large town on the banks of the River Murray, is eminently suitable for development, for it is on the Melbourne-Adelaide railway line and the establishment of industries there would obviate the necessity of using the road or railway line through the Adelaide Hills for the carriage of goods to eastern States markets. The same thing may be said of other towns such as Mannum and towns in the Upper Murray district which are on interstate routes. The Treasurer has always said that people cannot be forced to go to the country. It could also be argued that they cannot be forced to go to the city, but today the lack of amenities in the country

has resulted in the drift of whole families to the metropolitan area where modern facilities and amenities are available.

Mr. John Clark—They have been developed in the city as a deliberate policy.

Mr. MACGILLIVRAY—Yes, a deliberate policy on the part of the Playford Government to bring people to the city to the detriment of country areas.

Mr. John Clark—Why has that been done?

Mr. MACGILLIVRAY—It may be that certain people believe that the city must be built up; possibly their ego is built up on seeing solid assets such as buildings come into existence. Last year when our reservoirs were overflowing, the member for Semaphore (Mr. Tapping) said that the people at Taperoo could not get a bath until midnight because of the unsatisfactory reticulation of water. Water reticulation and sewerage schemes in the metropolitan area must be extended and improved to meet the needs of a growing population, and the £6,000,000 to be spent on bringing water from the Murray to the city will be only a small beginning of the ultimate expenditure. Millions of pounds is being spent on Adelaide and not a penny on amenities for the country.

Mr. Lawn—The Leader of the Opposition criticized that policy.

Mr. MACGILLIVRAY—He did a wonderful job, the same as the member for Gawler (Mr. Clark) who talked about this Government's neglect of Gawler. Today the growth of that town is retarded because of the lack of sewerage and other facilities. The city of Adelaide is a necessity, but it should not be a monopoly, for we have a dozen country towns including Port Augusta, Port Pirie, Wallaroo, others on the Murray, in the Mid-North and in the South-East which should be developed. The only proposal we hear advanced for the establishment of an industry in the country is for a steelworks at Whyalla, but the only reason why the Government may listen to that argument is that the iron ore deposits at Iron Knob and nearby places cannot be brought to the metropolitan area. The Government should consider the development of the State rather than of the city of Adelaide. The city has its problems, but, if the solution of those problems means ignoring all the problems of the country, this Liberal and Country Party Government should do the right thing and leave "Country" out of its name.

Can the Minister of Works indicate the stage reached in negotiations with the Murray

River Commission on building up the lock at Berri? Its level is four feet below the level of the stream, and, every time there is a flood and the lock must be replaced, about three feet of water is lost over about 100 miles of river in order to replace the weir. That has been going on for many years, and, as irrigation becomes more important to the State, so the level of the weir becomes more important. I hope that later in this debate the Minister will be able to give some information on this point.

I congratulate the member for Angas (Mr. Teusner) who spoke earlier in this debate, on the fairness with which he presented his picture of the wine industry. As a grape grower with a somewhat superficial knowledge of the wine industry, I sensed the fact that he had a complete grasp of the industry's problems. It is heartening to know that, although he spoke as a private member representing one of the biggest wine-producing districts in Australia, he is also a member of the Government of the day. Grape growers will be heartened to know that they have a member on the Government benches who has such a complete knowledge of the problems of the wine industry and who, without any qualifications, has nailed his colours to the mast and said that he hoped the Government would take certain steps to improve the industry's position. I, too, represent a grape growing district; as a grape grower I speak on behalf of grape growers rather than on behalf of the wine industry. We are there to grow grapes and whether they are turned into dried fruits, wine or brandy is not a matter of major importance to us but the question of major importance is that we should get a reasonable price for our produce so that we can pay our debts and bring our families up in the way persons in the city can.

I know that it has been argued by certain interested parties that the grape growers have wilfully diverted grapes that could be used as dried fruits into wine and therefore ruined the industry. I refute that with all the energy and knowledge I possess because it is entirely false. Certain grapes were put into the wine industry because there was a series of bad harvests when rain damage was tremendous and because the dried fruits industry paid such a low price that the grower could not meet his costs of harvesting. The wine industry at that time urgently required grapes to meet its needs. There should be no reflections on the grape grower any more than on any section of the community. Any employee in industry

has a right to throw up his job and go to another that pays a better wage. All he has to sell is his labour: all the grape grower has to sell is his labour in the shape of fruit. When one avenue of disposal pays more than another he has, of necessity, to sell at the better price. If there is to be any criticism it should be levelled at those who control the dried fruits industry which left the grape grower no option. In Victoria, where there is not the distilling capacity that we have, grape growers were going bankrupt at the time of the diversion. When those growers approached the Victorian Government for assistance to carry on the Government said, in effect, that many were not creditworthy. The reason a number of our growers were not in the same position was that the wine industry had been built up to such an extent that it took a lot of the fruit. I again congratulate Mr. Teusner and pledge myself to support him and his Government, or any other person who can do anything at all to solve the problem that has faced the wine industry in recent years. I support the first line.

Mr. LAWN (Adelaide)—This afternoon Mr. Hawker commended private enterprise for making £27,000,000 available by way of loan to the State. Later I heard Mr. Macgillivray say that he could not agree with Mr. Hawker in commending private enterprise for making that money available although he did not agree with Socialism. I understand he believes that the Commonwealth Bank should make greater use of national credit instead of private borrowing.

Mr. Macgillivray—The Commonwealth should control the policy but not the administration.

Mr. LAWN—I understood the honourable member to criticize the Labor Party's policy in that regard. Whilst not knowing the policy he went on to give his interpretation of it. He said that the most important matter before the House was the question of public borrowing and that members of the Opposition had not supported their Leader in drawing attention to this matter, but I would remind him that we have drawn attention to this matter on previous occasions. During the Budget debate last year I said:—

As I have criticized the administration of the State over the past 20 years, I shall now offer what I suggest should be the policy adopted by the Government in the interests of the people, and not of the section it represents—big business. Firstly, I suggest that the Government should embark upon a policy of progressive taxation of unimproved land values, and secondly that there should be an amendment of the Federal financial agreement

to secure an equitable adjustment of Federal and State finances, the elimination of public borrowing and the utilization of national credit. This policy has been enunciated on behalf of the Opposition by Mr. O'Halloran on more than one occasion during the past three years.

This year the Leader has again drawn attention to this fact. The Labor Party has a policy for the abolition of public borrowing and the utilization of national credit. In respect of our policy of the utilization of national credit and of the nationalization of banking we do not intend that politicians should run the actual banking system. Mr. Macgillivray said that the financial position should not be left to politicians. The policy enunciated by the Australian Labor Party for the nationalization of banking would mean that the financial system would be determined by the people. They would have an opportunity in the Commonwealth sphere with its democratic electoral system to determine what Government they wanted and that Government would then accept the responsibility for the financial system to be pursued during its tenure of office. That is only the broad principles of the policy and not the actual working of the financial matters which would arise from day to day. Mr. Macgillivray referred to the depression years when people were unemployed and when there was no shortage of goods. At that time homes were available in and around the city but they could not be occupied because people could not afford the rent. The only shortage was a shortage of money. There was no less money in Australia in 1930 than in 1929 or 1928. No-one takes money in or out of any country.

Mr. McAlees—Then where did it go?

Mr. LAWN—It is not a question of going anywhere. It is a question of credit being used. The present banking system permits the bankers to freeze credits and to issue credit *holus bolus* as they desire. In the past they have issued more than they should have on occasions and have restricted it in other instances. We believe that the Government should accept the responsibility in regard to financial policy.

Mr. Macgillivray—You seek nationalization and will make Government departments of the banks.

Mr. LAWN—When nationalization is effected the banks will function as such but will be subject to control in times of necessity, as determined by the Federal Government or the Federal Treasurer. The Commonwealth Bank will carry on subject to major policy matters

to be approved or disapproved by the Federal Treasurer. If the banks had been nationalized in 1930 the Government would have issued enough credit through the Commonwealth Bank to put sufficient of the unemployed back into work. It was estimated that for every 10 men put into work they would have put another man back into work. If the banks had been nationalized in 1930 there would not have been the unemployment there was.

Mr. Quirke—Would the fact that private banks were nationalized have changed the policy?

Mr. LAWN—Not of necessity, unless directed by the Commonwealth Government. Mr. Hawker this afternoon mentioned that private enterprise should be commended for making money available, but I point out that there are persons engaged in private business who from time to time swindle the people they are dealing with. There have been many instances in latter years of persons paying deposits for homes to private contractors and losing them. Whilst in some instances the contractors have become bankrupt because of insufficient business ability, on other occasions they have been nothing else but swindlers. Over the years people have lost their deposits on homes. Finally the Government passed legislation, providing that deposits had to be banked in a joint account, but it was not very effective. Many people did not know of this law and even where a joint account was opened what could the purchaser say when the contractor wanted some money for foundations? He either had to sign the cheque or get no foundations. Sometimes after the money was drawn the foundations did not materialize. Recently it was reported that a man prominent in the real estate business had swindled his company of £20,000. These things happen in private enterprise, but they would not in a socialistic enterprise. The people are not protected against private enterprise except in relation to the few items which come under price control. Private enterprise has had to be controlled by the Government, which has become the protector of the people.

In January of this year there was an announcement that one prominent trading bank lent £11,000,000 at 4 per cent to one of the biggest hire-purchase companies in the State. The bank could have made the money available to the Government but it preferred to lend it to the hire-purchase company. After it was made available there was no more and no less money in the bank. It was merely a book entry. If the banks want to freeze the productive activity of this country all they need do is to

refuse to issue further credit and call in loans. After the £11,000,000 had been borrowed at 4 per cent the company lent it and charged up to 18 per cent. There was a newspaper report that the bank itself intended to set up a hire-purchase department. It believed in private enterprise and wanted its pound of flesh. Instead of lending the £11,000,000 at 4 per cent to a company getting 18 per cent for it, it decided to transact the business itself and get the 18 per cent. So the capitalistic system goes on and yet there are people who decry the socialistic system.

Mr. Macgillivray—You are assuming that the capitalistic system is the same as the financial system, but they are two different things.

Mr. LAWN—Does the honourable member suggest that the financial system should be changed?

Mr. Macgillivray—The whole banking system should be changed.

Mr. LAWN—And controlled?

Mr. Macgillivray—Yes, by a board.

Mr. LAWN—Should we get away from our present practice?

Mr. Macgillivray—Yes.

Mr. LAWN—Should the Commonwealth Government set up a bank board comprised of private enterprise supporters?

Mr. Macgillivray—During the war a Commonwealth Labor Government set up a bank board and money was made available.

Mr. LAWN—I listened to the honourable member speaking about the banking system and condemn the policy of Socialists, but I did not hear him offer any solution of the present financial problem. I think his latest suggestions are as confusing as his suggestions earlier today. We will spend this year about £30,000,000 of Loan money. For several years we have been spending that sum of money, so we will not this year get the same amount of work done as we did several years ago because of increases in costs. I looked for a suggestion about cutting costs, but none has come forward. We would all be better off if costs were lower.

Mr. Macgillivray—How could it be done?

Mr. LAWN—I think it would be an easy matter. If handled properly it could be done. When big business wants to cut costs it sacks men or works them longer hours. In America we sell Australian steel made in a 40-hour working week at less than £40 a ton, whilst American steel is sold on the home market for more than £40 a ton. America is regarded as the sweat country of the world.

Supporters of private enterprise believe in the incentive system, which is largely in operation in America.

Mr. Macgillivray—We have an efficient capitalistic system making steel.

Mr. LAWN—Other countries are always held up as something to follow. When the Australian workers asked for a 40-hour week their attention was drawn to what is done overseas. Australia, America and New Zealand are the only countries that have a 40-hour week. Champions of private enterprise go to the court and make statements in order to put fear into the hearts of the families of workers. They say that competition between Australia and overseas is so keen that a feather weight would turn the scales. When the worker seeks to improve his conditions the fear of unemployment is created. It is said that if workers continue with their demands our overseas trade will be lost. Late last week there was a press statement to the effect that six months ago certain industries in Oslo, Norway, had experimented with a 40-hour week and at the end of the period production had increased by 23 per cent. In order to cut costs we should not talk about sacking men.

Mr. Macgillivray—No-one has suggested that.

Mr. LAWN—Not yet, but if there were any cutting of costs it would mean the sacking of men. I have several suggestions to make as a basis for discussion between the Commonwealth and the States. They would be of benefit to industry and would not be detrimental to consumers. I suggest the abolition of payroll and sales tax, the utilization of national credit, and Commonwealth price control, which would be necessary to go with the first three. If these four things were adopted I feel that the country would reap untold benefit. If payroll and sales taxes were abolished there should be an immediate price reduction, although under private enterprise, of course, we could not rely on honest businessmen passing on reductions by reducing prices to the consumers. Of course there are others just as bad, such as the people who buy new cars without having any intention of using them, but with the sole purpose of selling them above the new price. With private enterprise it cannot be expected that the public will be treated fairly.

Mr. Macgillivray—Do you think if we had Socialism tomorrow costs would be cut?

Mr. LAWN—I do not intend to speak on that.

Mr. Macgillivray—You made a point that people were morally unjust because of the capitalist system.

Mr. LAWN—Yes, because it is based on the fact that the employer wants to engage his labour in the cheapest market and sell in the dearest. That psychology must force the employee to endeavour to sell his labour in the dearest market and buy goods in the cheapest.

Mr. Macgillivray—And with Socialism people would not want to do that?

Mr. LAWN—People would not be at each other's throats. There would be an educational system and people would all try to do what they could to help one another. We would not preach the theory of the survival of the fittest. The abolition of payroll and sales tax would result in a substantial reduction in prices but it would be wrong simply to remove these taxes if the Commonwealth had no way of determining whether the reduction was passed on to the consumer so it would be necessary to hand over price control to the Federal authorities. National credit could be utilized for a short period without any large amount being involved and if the Commonwealth Government subsidized the prices of certain items in the regimen for three months and could ensure that the reductions brought about by abolition of payroll and sales taxes coupled with the subsidies were passed on to the consumers during those three months, at the end of the quarter there would be a reduction in the basic wage.

Mr. Quirke—How would the subsidy be paid?

Mr. LAWN—By the utilization of national credit. If this were done for three months we would then find there would be a reduction in the basic wage by an amount to be determined by the Federal Statistician. We would then have cheaper costs, prices should again fall in the following three months and the basic wage again would be reduced three months later. The Commonwealth Government is the only authority that can bring about a reduction in costs, but this can be done only if it has control of prices. The Arbitration Court has said that the basic wage will not fluctuate, but if there is a downward trend you can bet your lives that it will change its policy and unfreeze the basic wage. My suggestions are made in all sincerity and seriousness because I believe they could be effected. When the Prices referendum was submitted in 1948 the State Government told the people that it would control prices, but since then when certain items have been under

consideration the Premier has said that the State cannot control them because of some friction between the State and the Commonwealth and he advised the member for Chaffey that although the Government felt that certain items should be controlled, the other States determined otherwise. It would be wrong for the Commonwealth to make any move in relation to payroll and sales taxes or the utilization of national credit unless it had control of prices.

Mr. Macgillivray dealt with the Tramways Trust and the legislation passed by this House one or two years ago. He said that when the 1935 Act was passed it provided that the Tramways Trust had to make up losses—

Mr. Macgillivray—No, the original Tramways Act was in 1897.

Mr. LAWN—I think the relevant legislation is the 1935 Act. Section 44 is as follows:—

The metropolitan councils shall, in manner herein mentioned, be liable to pay to the Treasurer the money secured by any debentures issued by the trust pursuant to this Act or any repealed Act.

That does not appear to refer to losses in any way, but merely ensures that debentures shall be guaranteed.

Mr. Macgillivray—I was quoting what was said in Parliament then.

Mr. LAWN—Something might be mentioned to get a Bill passed, but if it is not contained in the Act it has no effect. The member was very critical of taxpayers bearing any of the losses of the trust. I do not subscribe to throwing money down the drain, but I remind him that there are some people living in the city who are unable to buy fruit grown in his district, or wine produced from the grapes grown there who have to pay taxes to meet the losses on irrigation in that area. In the last Auditor-General's Report the following appeared:—

The State Treasurer's funds employed in connection with irrigation and the reclamation of swamp lands on the River Murray at the 30th June, 1953, amounted to £4,417,733.

It also revealed that the total deficits over the last five years were £1,245,848.

Mr. Macgillivray—Socialistic losses.

Mr. LAWN—The taxpayers have had to find this £4,000,000 and the losses of £1,245,848 to subsidize growers along the river.

Mr. Macgillivray—The tramways would lose that in three months.

Mr. LAWN—They have not yet. The taxpayers also subsidize the railways which carry

merchandise to the people in the district represented by the member for Chaffey, yet he criticizes the fact that taxpayers subsidize the tramways system. I cannot follow his argument.

Mr. Macgillivray—That is because you cannot understand it.

Mr. LAWN—A lot has been said about the Tramways Trust that you do not understand.

Mr. Macgillivray—I agree with that.

Mr. LAWN—I understood you to say that the best runs from the traffic point of view were those operated by the trust.

Mr. Macgillivray—That was in Perth.

Mr. LAWN—I am sorry; I misunderstood you. With the trust there is a time table and although it is not perhaps 100 per cent satisfactory, it is at least 90 per cent so. It is a frequent service, and the trams run on time. Except at peak loading periods, one can always get a seat in trams and tramway buses.

Mr. Macgillivray—Have you travelled on them?

Mr. LAWN—Yes, and I have often travelled on private buses. When I travel on tramway buses from North Terrace I can get a seat and in the trams I can get a seat too, but when I get on a private bus near my home about five miles from Adelaide I cannot. Further, after having travelled about a mile, we then at every stop along the route leave people standing on the roadside. That is private enterprise. The people do not get the same service with private buses as they do with the Tramways Trust. One may get to a private bus stop a few minutes before the bus is due but have to wait for 20 minutes before the bus arrives. Then you may find three buses coming together because the one in front is behind time and the others are on time.

Mr. Macgillivray—That happens with the trams too.

Mr. LAWN—I think only with trams going to the races. Of course, one may find many trams lined up in King William Street, but not two or three together going to the same destination. The Tramways Board has done nothing but get experts to advise it what to do. The general manager himself is a time study expert. I know what he attempted to do at General Motors-Holdens, at Kelvinators Ltd. and at Chrysler (Aust.) Ltd. Since the experts have been making inquiries and reports the tramways have employed men at Hackney in going around and watching other men doing their jobs.

Mr. Macgillivray—Yet you still support Socialism.

Mr. LAWN—Of course I do, but the honourable member is getting these things mixed up with Socialism. He has admitted he knows little about the Tramways Trust, but he knows less about Socialism. I have not heard one Government supporter say anything indicating that he knows what Socialism is.

Mr. Macgillivray—They are all Socialists.

Mr. LAWN—The member for Burra (Mr. Hawker) condemns Socialism, but he wants the Electricity Trust to take power into his district. I support him there because I am a Socialist, but I do not condemn Socialism and then say, in effect, that I want it. This afternoon the member for Chaffey (Mr. Macgillivray) commended the Leader of the Opposition on drawing attention to our ever-increasing Loan accounts, and he said that this was occurring in a time of the greatest production ever. I point out that we had the greatest production ever in 1930, but then we had our greatest unemployment. Today we have full employment and even greater production than in 1930, but we have greater debts and greater interest bills, and we are still borrowing money. Mr. Macgillivray must agree that Capitalism has failed. It is based on R.I.P.—rent, interest and profits. On the other hand the Socialist State functions in the interests of the people.

Mr. Macgillivray—Why has Socialism failed wherever it has been tried? Italy tried it under Mussolini, and Germany under Hitler.

The CHAIRMAN—Order! There are too many interjections. This is not fair to the speaker or to those who are listening, and it does not give *Hansard* a chance to record what is taking place. I ask members to maintain order.

Mr. LAWN—Some of the interjections would not be intelligent to the people who read *Hansard*. Mr. Macgillivray's remarks about Socialism having been tried in Italy and Germany were too ridiculous for words.

Mr. DAVIS (Port Pirie)—Unlike Mr. Macgillivray, I do not hold myself out as a financial wizard. Instead of being a financial wizard, he is one of the best acrobats I have ever known. I have often heard him in this House condemning the workers for not doing enough work. He has condemned the 40-hour week because, he says it retards production, yet tonight he said that years ago the stores were full of goods and no-one had money to buy them. However, it was not the fault of the people that they could not buy the goods, but the fault of those who controlled the world's finance. They

thought they would devise means of controlling the working classes, but unfortunately the depression got out of hand and they were unable to check it. The people of this country were asked to live on a few shillings a day. Mr. Theodore tried to get a fiduciary issue of £18,000,000, but a hue and cry went up from our Liberal friends that this would lead to inflation. We were told that we had £15,000,000 of gold in Australia at that time, and that the note issue was £60,000,000. They claimed that the issue of £80,000,000 worth of notes would result in inflation, but, strange to say, within a short period of the Lyons Government coming into office £10,000,000 of our £15,000,000 gold reserves was shipped overseas. Surely that action would have tended to produce inflation, because it meant that, whereas previously a sovereign existed for every four pound notes issued, now we had only one sovereign for 12 pound notes.

Mr. Quirke—There has been no gold backing since 1933.

Mr. DAVIS—The principle is the same whether there is a gold backing or not. The sum of £800,000 is provided on these Estimates for the improvement of harbour facilities. I have recently approached the Government about some urgently needed improvements to the harbour facilities at Port Pirie, and I have been given to understand that the cost of laying certain railway lines along the wharves is too great; but I pointed out that, when the Government found it necessary to improve the harbour facilities at Port Adelaide, money was spent not only on improvements, but also about £500,000 on the purchase of land. I have been told that, even if it were possible to lay the lines on the wharf at Port Pirie, it would be difficult to extend them into the smelters; but, if the engineers of the Harbors Board or the Railways Department are incapable of planning and supervising that job, then I am willing to advise them on it—and I am not an engineer. If I were unable to advise them, I know an engineer in Port Pirie who is capable of doing the job. It is proposed to fill in the dock running across a part of the town, and, if that is done, it will then be only a matter of running the lines across the reclaimed area with a slight deviation to the west. There would then be no difficulty in extending the line into the smelters. I have also been advised that the Port Pirie wharf is not safe enough to take these lines, but it is the duty of the Harbors Board to put the wharves

into such a condition as to enable Port Pirie to have adequate railway facilities. The Playford Government is not willing to do certain things in Port Pirie because it says they are too expensive. It is not prepared to spend money on the most important port outside the metropolitan area.

Mr. McAlees—No, no!

Mr. DAVIS—Wallaroo may be a beautiful port but it has no industries; this is due simply to the neglect of the Playford Government. Recently the member for Flinders (Mr. Pearson) said that the populations of Port Pirie, Port Augusta and Whyalla had increased. That is true, but not because of any effort on the part of this Government: the only industries in those towns have been forced there by circumstances. There has been no desire on the part of the Playford Government to establish industries in the country. True, Port Pirie has a uranium processing plant, but that was established only because that town was the termination of the narrow gauge line running from the uranium mines and was, therefore, the natural site. The Government has built a power station at Port Augusta, but only because electricity supplies are required in our northern areas and Port Augusta was the most natural site for that station. The Electricity Trust considered the erection of a power station at Port Pirie, but Port Augusta was considered a more suitable place because of the depth of its harbour. I point out, however, that the Port Pirie people cannot be blamed because their harbour has not been dredged: that is the fault of the Playford Government. Any progress at Port Pirie has been the result of the work of its progressive and virile municipal council. In most instances the population increases have been natural. I defy Mr. Pearson to prove that the percentage of population in the country is not falling off. Today only 38 per cent of the State's population is in the country while 62 per cent is in the metropolitan area.

The Government proposes to spend £20,000,000 on the satellite town. Apparently it is prepared to boost the population in that area because in a few years it will become a suburb of Adelaide. However, the Government is not prepared to assist country towns. How will that town be populated? I suggest that the people will come from other parts of the country, and, as a result, in the near future the percentage of people living in the country will be less. When people enter their homes in the satellite town they will find that the Government has spent £700,000 on sewerage

there. The sewerage of Port Pirie was investigated and recommended by the Public Works Committee and I was told that it had a high priority and was to be the first town sewerage, but the Government has done nothing to give effect to the committee's recommendation. The new satellite town will be sewerage before the people occupy their homes, but the 80-year old town of Port Pirie, which has suffered deplorable conditions, has received no consideration. Port Pirie has attained the status of a city and it should be sewerage. Probably there will have to be a change of Government before that is done.

Mr. McAlees—Why don't you sue the Government for breach of promise?

Mr. DAVIS—If that were done, the Government would continually be before the court because it is always making promises it does not keep. Members have referred to the Electricity Trust which has done much in taking electricity to country areas. I anticipate that in the near future it will do an even better job. It has provided people with an amenity they have required for a long time but I cannot agree with Mr. Hawker that every farmhouse should have electricity, as that would be an impossibility. I do, however, agree that certain towns should receive it. He must realize that councils have a certain responsibility in the provision of electricity. They must apply to the trust for electricity, but unfortunately, in some instances, the surcharges are too high.

Mr. Quirke—Groups of people can apply for electricity without going to the local councils.

Mr. DAVIS—That is so, but there is a certain responsibility on councils. Quite recently a group living outside the boundary of Port Pirie applied to the trust but the trust was not prepared to supply them and tried to hand the baby to the Port Pirie council which was not prepared to accept it because the proposal was too expensive. To have supplied them with electricity would have cost about £4,000 which the council could not afford. It is not fair to ask councils to supply electricity to persons living outside their boundaries. The ratepayers of the council would have to pay increased charges for electricity to meet the expense of extending lines outside their district. The Housing Trust has erected a number of houses outside the boundary of Port Pirie and has asked the council to supply them with electricity. It is prepared to do that providing the trust will pay the expense of the poles and lines. If the Government thinks that is wrong it can overcome the difficulty by extending the

boundaries of Port Pirie. It must come about in the near future. Port Pirie is already expanding rapidly and many more houses are needed. I hope that industries will be attracted to the city because it is a logical place for them. We have rail and shipping facilities available. If the Government carried out its responsibility and deepened the harbour Port Pirie would soon become a more important port and greater use could be made of it. The port could handle all the produce to be sent away from the surrounding districts. Now there is added expense in completing the loading of ships from barges at the anchorage or at some other port. All the goods imported into the State should not be unloaded at Port Adelaide. Greater use should be made of a deep sea port in the north, and Port Pirie is the logical site for it. In the *Mail* of last Saturday it was reported that another industry was to be established at Salisbury. This will mean more employment for city people. I do not blame the State Government, because it is a Commonwealth Government matter, but I wonder whether the State Government knew about the industry when it decided to put the satellite town near Salisbury. We are told that the city must expand, and it must do so if all industries are established in the metropolitan area. Why not develop the northern areas of the State? Why not persuade city people to go the country? The Government should heed what has been said by Opposition members about the development of the State. Port Pirie should have a better rail service.

Mr. John Clark—You can't complain about the rail service.

Mr. DAVIS—The Railways Department is saving money by providing a goods and passenger train instead of entirely a passenger train. Mr. Fred Walsh knows what Port Pirie people have to suffer when they travel on this train. Several weeks ago I asked the Minister of Works a question about the "Port Pirie passenger train" and in his reply today he mentioned that there were only five vans, whereas I had said there were 10, and then he had the audacity to tell me that the train was not held up in any way. I have travelled on it and it is often an hour late. Mr. McAlees reminds me that it was on time today—the first time for many a day. If the people in the metropolitan area want the produce brought quickly from my district a fast goods train should be provided. The Port Pirie people are not getting the service

they should get. Now it is only half a goods train and half a passenger train. It is supposed to be a full passenger train, but the day I asked the question the train was composed of 10 vans and four carriages. So that the people would know them the first class carriages were specially painted red. I cannot agree that the rail service to and from Port Pirie is all that is desired. I appreciate the fact that the Minister of Works has paid a little attention to what I said this afternoon but I do not know whether he will convey my remarks to the Minister of Railways. I sincerely hope that the Government will heed what has been said by members on this side and endeavour to bring about better conditions and extended facilities for the Far North.

Mr. QUIRKE (Stanley)—The line "State Bank—Advances to Producers" gives members the opportunity to speak on matters that affect primary producers generally. I am heartily tired of the constant reiteration of advice to primary producers that they should reduce their costs to meet world-wide competition; the flat fact is that what is advised is impossible of achievement. In case any members intend to remind me of the inflated values paid for land, I agree that very enhanced prices have been paid.

Mr. Riches—What about over-expenditure on machinery?

Mr. QUIRKE—That simply means that the farmer buys and pays for machinery and keeps workers in the metropolitan area busily employed making it; you cannot have it both ways. It is his money and he is entitled to buy machinery.

Mr. Riches—Then you cannot argue that it could not cut costs.

Mr. QUIRKE—Let me enumerate costs. Superphosphates are a vital factor in production, but can producers cut those costs? Can they cut the costs of kerosene, oil, petrol, or rail freights? I will anticipate that it will be said that they receive concession rates on the railways, but it must be remembered that they pay practically 100 per cent of all rail freights. Can they cut the cost of corn-sacks imported from India? What prices can they cut?

Mr. McAlees—Some producers run their cream down to the city in trucks and send the empty cans back on the railways.

Mr. QUIRKE—That is good business, isn't it?

Mr. McAlees—It is, because they send them back free.

Mr. QUIRKE—Not unless they send them down by rail. As much as the railways are criticized, they are not as stupid as all that. If a farmer buys a motor car or an extra machine he is paying wages for their production and for the manufacture of steel at Whyalla, Newcastle and Port Kembla. He pays for the production of iron ore at Iron Knob through to New South Wales and for the coalminers and for everything that goes into the manufacture of steel and the fabrication of that steel into a machine. I apply my criticism to the advice given by the Minister of Agriculture in this House that primary producers must cut costs otherwise they cannot compete overseas.

Mr. Fred Walsh—The Premier also gave that advice.

Mr. QUIRKE—The primary producer has become the butt of those who advocate reduced costs, but he is the only one outside the wage earner who has to carry the full burden of costs.

Mr. Fred Walsh—Yet the primary producers appointed the president of the Chamber of Commerce to look after their interests at the Interstate Trades and Tariffs Conference.

Mr. QUIRKE—These futilities constantly occur. The chairman of the Chamber of Commerce is an accountant and not a primary producer. I am not going to exonerate the producers from some responsibility because they should have risen in their wrath and vociferated against his appointment if they did not think they were adequately represented. I do not know if Mr. Powell can adequately represent producers, but I would think that, being a non-producer, he lacks knowledge of the subject. Producers were never consulted as to who was to be appointed.

Mr. Stott—Mr. Powell represents, not the primary producers, but the Chamber of Commerce.

Mr. QUIRKE—If he does I have been misinformed.

Mr. Stott—The National Farmers' Union has an appointee in Mr. Williams of New South Wales.

Mr. QUIRKE—Then I stand corrected. Primary producers have never had any control over costs, particularly railway freights. We are told they obtain concession freights on everything they receive from or send to the city, but do not forget that practically all the revenue of the railways outside the metropolitan area comes from these people. The little concessions that the farmer gets are infinitesimal compared with the disadvantages that he

suffers. The member for Port Pirie (Mr. Davis) said that it was impossible to supply every homestead with electricity. I agree that it is impossible from the standpoint of costs because every homestead would require a transformer to break down the high voltage current on the great power lines that are today gridding our State. However, we have primary producers who have access to the power and who are paying a 93 per cent surcharge for the right to have it, yet within a mile of them other people are paying the ordinary rates. One man in my district is outside the reticulation scheme, though he was originally in it. He is asked to pay a 93 per cent surcharge for electricity. After allowing for the Government subsidy on electricity schemes people in little places such as Rhynie and Hoyalton are paying 73 per cent and 74 per cent surcharges. I am not criticizing the Electricity Trust, for I realize it has to recover its costs, but the fact remains that these country people who are asked to reduce their costs in order that we may compete overseas have to pay high surcharges on the electricity they need to drive their motors, to pump water, and do all the chores about their farms. Why have they been asked to reduce their costs? In order that we may have something cheap to send overseas so that we can compete on the world markets and so that we in return can purchase the products of overseas secondary industries and disperse them where? In the great cities of the country.

If we are to maintain the standard of the average working man we must have a good return for our primary products. If we reduce the price of our primary products to the lowest overseas levels we shall reduce the standard of every man, woman and child in the country. We cannot maintain our standards and reduce the prices of our primary commodities. If the price of wool dropped 25 per cent we should have the greatest financial collapse this country has ever known. Today wool is carrying the financial structure of Australia. Before the war it was 11d. a pound, and up to 15d. under an agreement between South Africa, Australia, New Zealand and the United Kingdom. As the price rose so did the economic structure of Australia and the financial situation of every individual in the country. Even if wool dropped in price farmers' costs would remain the same. What would be the position of the primary producer then? The argument that it is necessary to reduce costs to compete overseas is a

fallacious one. We should reduce prices by means of subsidies. I am speaking in support of the member for Chaffey (Mr. Macgillivray), and also of the member for Adelaide (Mr. Lawn) who has had a pretty liberal education in this place, judging on his speech today. The only way to subsidize primary products is by means of a method that is costless to the people of this country. Don't tell me that it can't be done! We have all the evidence that it can be done. It was done during the war, but it would wreck the present principles of debt finance and profit-making from finance because finance is treated as a commodity from which a profit is made. Finance can be restricted and advanced today to such an extent that a demand can be created for it and a profit drawn from it.

It is absolutely imperative that the Commonwealth Government shall control the financial policy of this country. If it has that power all the other socialistic ideas fade out of the picture as being entirely unnecessary. That is where the Labor Party, in my opinion is absolutely wrong. To Labor supporters, cause and effect are the same thing in the question of finance. The late Mr. Chifley sat on the Royal Commission on the Australian Monetary and Banking system which was appointed by the Lyons administration in 1935. Let us have a look at what the commission said. It has been quoted before in this House but it is necessary to repeat it in order to refresh members' minds and to show them what has to be done and where the power lies. That Royal Commission made that report, which has never been condemned as being entirely wrong. It has been accepted as one of the great factual documents in the Australian political structure. I will quote from two of its paragraphs in support of my argument that it is possible to support primary production in Australia without extracting from one section of the community, by taxation, sufficient money to support another section, and that such support need not result in inflation. A costless subsidy granted to make a commodity cheaper for the public would not cause inflation; the only factor in the price of a commodity that can cause inflation would be the profit component. Paragraph 515 of the commission's report states:—

The general objective of an economic system for Australia should be to achieve the best use of our productive resources, both present and future (i.e., actual and potential). This means the fullest possible employment of power and resources under conditions that will provide the highest standard of living.

Can there be any objection to that? The report continues:—

It means, too, the reduction of fluctuations in general economic activity (i.e., no booms and slumps). Since the monetary and banking system is an integral part of the economic system, its objective will be to assist with all the means at its disposal in achieving these ends.

What ends? Paragraph 516 refers to "the fullest possible employment of power and resources under conditions that will provide the highest standard of living." Can there be any objection to that? Paragraph 503 of the report states:—

The Central Bank in the Australian system is the Commonwealth Bank of Australia. The bank is a public institution engaged in the discharge of a public trust. As the central bank, its special function is to regulate the volume of credit in the national interest, and its distinctive attribute is its control of the note issue. Within the limits prescribed by law (and those limits have been extended in the past when circumstances demanded it, and may be extended again), it has the power to print and issue notes as legal tender money, and every obligation undertaken by the Commonwealth Bank is backed by this power of creating the money with which to discharge it.

Money can be created in two ways, the first of which is by the note issue mentioned in paragraph 503. That is the smallest factor in the financial realms of any country: it is only the pocket money of the people. Paragraph 504 states:—

Because of this power, the Commonwealth Bank . . . can even make money available to Governments or to others free of any charge. (Interpreting this last and most vital statement, a letter from Mr. Justice Napier, Chairman of the Commission, received through Mr. Harris, of the Commonwealth Sub-Treasury, who was Secretary to the Commission, says, "This statement means that the Commonwealth Bank can make money available to Governments or to others on such terms as it chooses—even by way of a loan without interest, or even without requiring either interest or repayment of the principal.")

All members know Mr. Justice Napier, now Sir Mellis Napier, Chief Justice of this State. Is he an irresponsible person? Is he a man who, after acting as chairman of this commission, would make a loose statement? If not, his statement is a factual interpretation of the commission's finding.

Mr. Stott—You wouldn't say he was a Socialist.

Mr. QUIRKE—No. These are the full facts about primary production and the subsidy that is necessary in some instances to allow it to continue. Recently an application was made

to the Commonwealth Government for a subsidy to the dried fruits industry, but it was refused. What is the position in that industry today? Is it not a fact that under the present control and the orderly marketing of dried fruits Australians pay more for their dried fruit than do the people of England? In other words, Australians pay a high price in order to offset the low overseas price. That has always appeared wrong to me, but it is the only way out under the existing system. Why should a product be more expensive in the country of origin than 14,000 miles away? Yet under our foolish system that sort of thing is imperative.

Mr. Stott—It means that Australians contribute to the economy of the United Kingdom.

Mr. QUIRKE—It always means that. I do not blame England, but I blame ourselves for being such crass fools as to continue to tolerate the existing set-up. We deserve everything we get while we continue to do so. England will certainly buy in the cheapest market, for she has to manufacture and import raw materials and foodstuffs as cheaply as she can so as to keep down her costs and to enable her to compete with other secondary producing nations. She does that very well, and I do not blame her for the £2 a gallon duty on Australian wine. If in the wisdom of her administrators she considers that necessary, I will not argue against it for I do not know what is necessary over there. I wish, however, that it were reduced back to 4s. so that we could dispose of some of our surplus there; but in relation to this industry let us put our own house in order before criticizing the Mother Country. Why should we impose on her our problems whether in regard to the dried fruits, wine or any other industry? Recently an inquiry was made from Italy to the dried fruits organization in South Australia asking for the prices of lexias, sultanas and other dried fruits. The prices were sent to the inquirers, but we were told that they were too high and that dried fruits were obtainable from England at £25 a ton. It was stated that Australian dried fruits had been hoarded during the war, but the fact is that, after the British Ministry of Food, on behalf of the British Government, no longer continued to deal with the Commonwealth Government, there was a surplus of 50,000 tons of dried fruits in England. What did she do with it? She threw it on the market and exported it to Italy at £25 a ton. When we told Italy we could supply the fruit for £120 a ton she replied that she could buy from England at £25 a ton. Italy will not be

able to buy any more at that price, however. That is how it works. We are the victims of our own stupidity. During the Budget debate in 1952 I quoted extracts from a publication circulated by the Commonwealth Bank among its employees. The Commonwealth Banks says precisely the same as was said by the Banking Commission in the 1930's. One of the extracts I quoted in 1952 was:—

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.

Another extract was:—

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.

What are those forty millions, and where do they come from? They are only ink figures. That is clearly evident in the Banking Commission's report and also in the admissions of the Commonwealth Bank. That is what I want to reduce the price of primary products. Primary products are the new wealth that accrues annually to this country. Every year the golden fleece is taken from the sheep's back and every year new wealth is produced in wheat, wool, wine, dried fruits, and dairy products. It is monetized through the banking system, often in advance of its production. Scarcely any one of these products is not monetized to the hilt long before it is sold. Where does that money come from? Out of the taxpayers pockets? Not on your life! It is pen and ink money, costless money, and although it is costless money every grower meets the interest charge on something that costs nothing to produce. They are the facts in relation to that and I do not want to hear more from responsible or irresponsible Ministers or others in the Federal Houses telling the primary producer that in order to enable this country to compete overseas he must reduce his costs and produce something that is cheap so that we can compete, and import the high priced products of overseas secondary industries which are mainly sold in the towns.

Mr. Macgillivray—We have been told to tighten our belts before.

Mr. QUIRKE—Yes. Men with peculiar names, Guggenheimer and Niemeyer, came from overseas and told us that we were living

outside our means and the way to get out of our difficulties was to take away a few shillings from every pensioner and drive him into privation and misery, but in the interests of what?

Mr. Macgillivray—Sound finance.

Mr. QUIRKE—If the Labor Party appreciated facts it would realize that the most stupid thing on earth was to attempt to nationalize the banks. The nationalization of banks would not alter the policy of Governments in relation to finance. If all the banks were nationalized and the Commonwealth Bank continued to control financial policy what would be achieved? Could not the Commonwealth Bank, as the dictator of the financial policy of Australia, carry out the financial policy irrespective of the private banks? If, for instance, the Commonwealth Bank said "Every loan to be made in Australia will be from a central credit pool and you will be agents for the dispersal of those loans, and we will pay you one per cent as our agent," what would happen? Would there have been anything wrong with that? Every trading bank in Australia would be reduced to a savings bank. The wise men who advocated nationalization of banking never saw that. What would have been achieved if today there were only the Commonwealth Bank? What harm can private banks do provided the central bank policy controls them? They are the most efficient handlers and custodians of the people's money. How many times does a banker make a mistake in relation to the keeping of an account and how much does one lean on him when it comes to having an assessment of income and payments in relation to taxation? They are the most efficient organizations the world has ever seen and the only disagreement I have with them is that they should have the power to monetise private individuals and to advance and restrict according to how they see fit; and that they should have the power to create the credit upon which the future production of the State depends. That should never be in private hands because they have no right to the profits accruing from something like that. That is my argument against them.

I desire now to refer to the proposed satellite town. The moon is a satellite which revolves around the earth. The satellite town is aptly named except that it will not revolve—it is fixed and is immovable. I have heard many suggestions as to what it should be named. I suggest that it should be called Fission Town because as soon as there is any

trouble and this country meets the impact of overseas aggression—and we are no longer isolated—that will be the place that will be divided by atomic fission. I notice from a report that in order to ensure that, right alongside the town there will be a military ordnance department which will make certain that the town is a target. On the other side of the road there is a guided missile establishment. In view of the present type of international warfare the greatest tragedy that can be enacted is to place workers in the immediate vicinity of defence establishments. The farther they are away from them the better. We are doing what Russia is no longer doing. She houses the working people away from the factories likely to be attacked in a war so that if the factories are destroyed the workers will be available to rebuild them. We are placing a town alongside a target and to make certain that it is a target we are establishing a military ordnance works. Under existing conditions it is not possible to prevent the continued expansion of cities but they are a paralysis creeping over some of the finest land we have. We are told that the authorities in England are gravely concerned at the expansion taking place in cities there. Every year thousands of acres of the most fertile land are being built on. Mr. Casey said that within 100 miles of Melbourne and Sydney, admittedly both seaport cities, there is over 50 per cent of the population of Australia. We are doing the same sort of thing in South Australia. When the satellite town was first mooted I opposed it. We should be spreading our population over the countryside. It should not be an excuse that such a thing is uneconomic. The only thing that prevents it from being done is the lack of money, but it is damnable to say so. Are we to sacrifice the lives of our people because of it? From Virginia through Port Wakefield to Port Pirie and Wallaroo there is much suitable land. I do not say that we should not have missile factories. I support the activities at Woomera and at Salisbury, but we should not place our population alongside the defence establishments that will be blasted in the event of war. It is said that we are far removed from the areas of war but it takes a jet plane only about 45 minutes to travel from Sydney to Melbourne. How far are we away from the areas of war when atomic weapons are concerned? It is tragic to put our population alongside defence establishments, and before it is too late we should reorientate

our ideas. If we are to put our people at Salisbury we should not establish ordnance factories there. Defence works should be built farther away. We hear a lot about the movement of country people to the city, but how much longer will the country be able to stand the strain? Country areas are being re-aggregated into fewer and fewer hands. If we have a drought or a succession of dry years there will not be sufficient food for our

people. I am not the authority for saying this. Men in a better position than I am have said it. As there are several other matters to which I want to refer I ask that progress be reported.

Progress reported; Committee to sit again.

ADJOURNMENT.

At 10.28 p.m. the House adjourned until Wednesday, September 22, at 2 p.m.