

**HOUSE OF ASSEMBLY.**

Wednesday, October 27, 1954.

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

**QUESTIONS.****BULK HANDLING OF WHEAT.**

Mr. **PEARSON**—In the press this morning appeared an article which referred to information given yesterday to the Premier by the chairman of the Public Works Committee on the proposal to establish bulk handling in South Australia. The article began:—

The Premier was notified yesterday that it was not within the constitutional powers of the State to grant a charter to the South Australian Wheat and Woolgrowers' Association to bulk handle wheat in South Australia.

I presume that what the press really meant to convey was not that it was unconstitutional for the State to grant a charter, but unconstitutional for the charter to be granted on the terms and conditions set out in the company's prospectus, particularly in relation to the levying of a toll. The secretary of the association, Mr. Stott, according to the same article, pointed out that a toll was levied in Western Australia and that in the opinion of his organization what was constitutional in that State should also be constitutional in South Australia. All over the State farmers are deeply concerned about the problem that has arisen as a result of this information. Many of them have experienced the convenience, speed and general benefits of the bulk handling installation at Ardrossan, and there is an urgent need for a statement clarifying the position concerning the proposal to **grant the charter**. Is the Premier prepared to make a statement on the matter?

The **SPEAKER**—I feel that I have a duty to say something on this matter. Members are familiar with the Public Works Standing Committee Act which states that the committee shall report on any matter referred to it by the Governor. After it has inquired into the matter a report is presented to the Governor and Parliament. The matter of bulk handling has been before the committee for years and there has been no report to either the Governor or Parliament. The honourable member is now asking a question of the Premier on a report which the chairman of the committee is said to have handed to him. I feel that in any further discussion on this matter we should exercise care and restraint and not anticipate what the report to the Governor and Parliament might contain.

The Hon. T. **PLAYFORD**—I have certainly not had a report from the committee, which has been under some criticism because it has not reported more promptly on this matter. I have received the following letter from the chairman of the committee on the matter of bulk handling and I quote it in order to advise members officially of the present position:—

The Parliamentary Standing Committee on Public Works has considered the co-operative bulk handling scheme submitted by the S.A. Wheat and Woolgrowers' Association. The committee's finding in respect of this proposal is as follows:—

The committee finds that it is not within the constitutional powers of the State to grant a charter to a co-operative bulk handling company on the conditions set out in the proposed Bill.

The above finding will be duly presented in a progress report on the question of bulk handling, but owing to circumstances over which it has no control the committee is not in a position at present to consider its report.

I have no further information.

Mr. Macgillivray—How did the press get the information?

The Hon. T. **PLAYFORD**—Because I released it to the press in precisely the same way as I release any other matter of public interest upon which I have had advice unless the interests of the State would be prejudiced by so doing. This is a matter of great public importance, particularly to primary producers, and I felt that there was no reason to withhold the information in the letter sent to me by the committee. I do not know precisely the grounds upon which the committee has held the charter proposal to be unconstitutional, but it is in connection with the compulsory toll on all growers of wheat to make a contribution towards the cost of the establishment of a bulk handling system. The toll would be required from all growers, whether all growers received a benefit or not. The Crown Law officers, whom the committee consulted, held that that would be excise and that excise could be imposed on all wheatgrowers only by a Commonwealth law and that it could not be sanctioned by a State law. I have grave doubts whether that would be the position if all growers were to pay the excise for the benefit of all growers, but in this instance all growers would pay the toll, but only some would benefit from the facilities provided. I can give no other information on the matter.

Mr. **HAWKER**—Does the Government intend to obtain from the Public Works Committee at an early date a progress report on bulk handling covering all phases of its investigations so far, but not necessarily giving any definite findings on the matter?

The Hon. T. PLAYFORD—In addition to the letter I have read from the chairman of the committee, I had two other communications, one of which suggested some amendments to the Public Works Standing Committee Act to enable reports to be signed when there were not six members present. When one member is ill and another is absent the committee is embarrassed in that it cannot forward reports because it cannot get them signed by six members. I think that any question on when a report will be available could properly be put to the chairman of the committee.

Mr. HEASLIP—I am not interested in any particular scheme on bulk handling, but I am vitally interested in bulk handling, and so are all South Australian wheatgrowers. For as long as I have been a member I have endeavoured to get a report, and the question has been before the committee for 7½ years. I have explored all avenues, but have not been able to get anywhere. As a member of the South Australian Parliament I ask the Premier what a member can do to get a report and whether Parliament is subservient to the committee or whether the committee is subservient to Parliament?

The Hon. T. PLAYFORD—The Public Works Committee has been appointed pursuant to an Act of Parliament which has, of course, been approved by this House and by another place, so it is not a question of this House being subservient to the committee. The committee has been given certain duties by Parliament; it is responsible to Parliament; and it reports to Parliament upon matters referred to it. I have no direct knowledge of when a report will be obtainable from the committee on this matter, which was referred to it by the Government a considerable time ago. The Government has done everything, as far as I know, that the committee has asked to expedite consideration of the question, and it would naturally welcome a report so that policy on this question could be determined. As to when the report will be available, I suggest again that the honourable member refers his question to the chairman of the committee, who alone would have any knowledge of how far the committee's investigations have proceeded.

Mr HAWKER—Much dissatisfaction exists among the general public regarding the delay in the submission of the report on bulk handling by the Public Works Committee.

The SPEAKER—The only permissible question is whether the committee is in a position to report. After consideration I take the attitude that members have been waiting for a

report for seven years, whereas the matter is now being discussed on the basis of a letter signed by the chairman and not by all members of the committee. A question may be asked regarding the time factor of the report, but the matter cannot be argued any further until the Governor or Parliament has received the report.

Mr. HAWKER—Can the chairman of the Public Works Committee say whether his committee could issue a progress report embracing its investigations without necessarily giving any conclusion, thus allaying the impatience of the public, which is largely engendered through ignorance?

Mr. SHANNON (Chairman, Public Works Committee)—I have said repeatedly that the committee is concluding its investigations into certain aspects of bulk handling relating to certain ports. I hope that those investigations will be finished in time for Parliament to be informed this session of the results. Under the Act, the committee cannot submit reports to Parliament unless they are signed by at least six members, and, on the suggestion of Ministers and departmental heads, we have conveyed to the appropriate Minister, by letter, a resolution carried by the committee. That has been and will have to be the committee's procedure until the Act is altered or until we can get six members present to conduct the committee's business.

Mr. TRAVERS—Can the chairman of the committee say whether, when this constitutional point was raised, expert witnesses were called to express their views upon it? Constitutional lawyers are few and far between but there are a few experts available and I wonder whether they were called, or whether, when the point was raised and an opinion on it was expressed by the Crown Law Office the committee downed tools on the subject. I am not querying the opinion of the Crown Law Office, but these points often admit of more than one opinion. It would appear in connection with a project of this kind that the committee should investigate the matter through expert witnesses and report upon their views, leaving it to Parliament to find a way round the position. Was that procedure followed?

Mr. SHANNON—It is important that the committee's procedure on a subject like this should be known. I point out first that all members of the committee are laymen; not one of them has had any legal training. The committee is not a court in any sense of the word. It is a committee required to inquire into and report to Parliament on matters referred

to it from time to time. If a qualified witness suggests a doubt as to the legality of a matter being considered by the committee the proper thing for the committee to do, and what I will always suggest, is to seek advice from the Crown Law Office. We do not seek advice from other legal practitioners who may be as qualified as the Crown Law officers in the constitutional field, for the very good reason that, having sought further advice and received a different opinion, there would be confusion in the minds of members of the committee. If we had to then report to Parliament there would be perhaps a greater delay than there is in the important matter members are now concerned about.

#### ESTABLISHMENT OF COUNTRY ABATTOIRS.

Mr. McALEES—Has the Premier anything to report in connection with the case before the High Court concerning the licensing of abattoirs and meat works? People in my district are anxiously awaiting the decision in that case.

The Hon. T. PLAYFORD—No. So far as I know, the High Court has not given a decision on the case before it and to that extent the matter is held in abeyance pending the receipt of the decision. I have received an unofficial request asking whether the Government would be prepared to sell the distillery buildings in the honourable member's district in the event of a meat works being established there. The reply I gave was to the effect that if a meat works were established in the distillery buildings the Government would be prepared to give, at an advantageous rate, a lease over the property for, say, 10 years, with a right of purchase providing the works were satisfactorily established. The reason for that proviso is that if a concession were granted for the establishment of a works we would want to be sure it was established for the purpose for which the concession was given. Until the High Court decision is obtained this matter will be held up.

#### SHORTAGE OF BUILDING MATERIALS.

Mr. GOLDNEY—In this morning's *Advertiser* there is a report concerning the shortage of building materials. The President of the South Australian Builders and Contractors Association lists materials which are in short supply. They include red bricks, reinforcing steel, plain and corrugated galvanized iron, and structural steel. Can the Premier give any information regarding these materials?

The Hon. T. PLAYFORD—The position regarding these materials was fully set out in the article referred to, which I read with much interest because I remembered that it was the same association that said that the only thing holding up building activity in South Australia was the law controlling building materials and that if that law were removed everything would automatically fall into place and be all right. It does not appear that that prediction has been fulfilled. Many building materials are in short supply and, frankly, I think some of them are not being used for their most useful purposes. However, the Government feels that it would be unwise to reintroduce controls at present.

#### METROPOLITAN RACING CLUBS.

Mr. TRAVERS—There are approximately six racing clubs in the metropolitan area, two of which own the freehold of their racecourses; another operates upon the Victoria Park Racecourse which belongs to the ratepayers of the city of Adelaide. The other three clubs do not own racecourses and formerly arrangements were made for many years for the satisfactory accommodation of the non-course-owning clubs upon established courses. Racing can only take place in the sense in which the clubs apparently appreciate it where a totalizator licence exists under part III of the Lottery and Gaming Act. Formerly, when people did not have perhaps as much money to spend on racing the owners of racecourses rather eagerly sought the opportunity to let their courses to the subsidiary clubs at comparatively high rates. Apparently because the amount of money available today is greater, the courses are not to be let to the subsidiary clubs after the expiry of a short time from now. The subsidiary clubs assisted materially in building up the goodwill of the sport of racing over many years and are now threatened with extinction. Will the Premier assist in seeing that this does not happen by granting totalizator licences to the course owners conditional upon their making satisfactory arrangements for the use of their courses by the subsidiary clubs?

The Hon. T. PLAYFORD—At present I am having an intensive investigation made into the various activities of racing in South Australia and I will include the matter the honourable member has mentioned. The general attitude of the Government for many years has been not to enter into control over racing or any other sporting activity, and that policy has much justification. If the member repeats his question later in the session I hope I shall be able to give him an answer.

### AUSTRALIAN PUBLICITY ABROAD.

Mr. DUNNAGE—Mr. David Clarkson, a director of Clarkson Limited, has just returned from a trip abroad. A report in today's *Advertiser* states:—

Mr. Clarkson said he had been surprised at the lack of knowledge of Australia, particularly in America, and in England and the Continent.

In Vox's column of the same paper I read:—

Mrs. Gustafson says that the Swedish people's lack of knowledge about our lovely country is colossal. She is sure now they must have breathed an enormous sigh of relief as she stepped off the train at Copenhagen, where she was met, that she was not coal black and did not come galloping off on the back of a kangaroo.

Mr. Clarkson and Mrs. Gustafson have apparently travelled extensively throughout the Continent, and I ask the Premier what steps the Government is taking to make South Australia well known throughout the Continent?

The Hon. T. PLAYFORD—Under the Constitution international affairs are in the hands of the Commonwealth Government, which has established embassies and consulates in, I think, many of the world's leading countries. Normally, if we want to know anything about the United States of America, for instance, we can always get official information through the American Embassy. In addition, the Commonwealth has overseas news bulletins provided: it uses Radio Australia to send bulletins overseas; but those matters are, of course, completely under the control of the Commonwealth publicity organizations. South Australia's one agency overseas is in London, and I believe that it does effective work, but the organization is so limited that it could not have any effect on countries other than Great Britain, and then only to a limited extent.

### NEALE'S FLAT WATER SUPPLY.

Mr. MICHAEL—Has the Minister of Works a reply to the question I asked last week about a water supply that had been offered to settlers in the Neale's Flat area?

The Hon. M. McINTOSH—I took the question up with the Engineer-in-Chief. This is one of many schemes that we would like to proceed with forthwith. It is well in hand and I had hoped to have more specific information on it this morning, but certain events have occurred in the meantime. However, I hope to have a report tomorrow.

### ORLIT COMPANY AND BRICKMAKING.

Mr. FRANK WALSH—Has the Premier a reply to the question I asked recently relating to a woman being engaged in brickmaking at Salisbury?

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

Several metropolitan contractors purchase concrete bricks from small makers of cement bricks and included among such contractors is Orlit S.A. Ltd. In their case the concrete bricks are actually made near the site of the building operations—at first at Salisbury North, then on private land between Salisbury North and the new town north of Salisbury, and now on the new town site. These brick-makers are not sub-contractors to trust builders in the accepted meaning of the term and therefore the trust has no control over the wages and conditions of their employees.

### FIRE HAZARD.

Mr. FLETCHER—I have received a telegram from the Town Clerk of Mount Gambier who states:—

Sawmill waste fires causing very serious concern will be menace whole countryside shortly urge immediate action.

Recently a sawmill was burnt down and the debris and sawdust are still burning. As another mill is operating immediately over the road from the scene of the fire, hot weather and winds could easily cause the fire to spread. This matter was previously brought before the Minister of Forests, and I now ask him what measures are being taken to protect the countryside from the menace of fire?

The Hon. A. W. CHRISTIAN—Upon receipt of a letter from the honourable member about a week ago I examined the question of what measures could be taken to compel the disposal of sawdust and other mill waste. I find that there is no power to compel the disposal of such waste, but I am having the Crown Law authorities examine the possibility of making some regulation or proclamation which would give the Woods and Forests Department the necessary control over mill waste within its territory, and likewise the provision of a by-law under the Local Government Act which would empower councils to handle the same problem within their areas. When I get their report I shall know what policy the Government can frame.

### FIRE WARNING DEVICES.

Mr. SHANNON—The Woods and Forests Department has developed a warning device for erection on roadsides and other suitable spots. It is manually operated and indicates the fire hazard on the particular day, taking

into account the weather conditions. I understand it has been favourably commented on by the travelling public from other States as an effective method of drawing people's attention to the bush fire risk. This summer steps will again be taken to warn the public of the fire hazard. Will the Minister of Forests consider the trial erection of one of these warning signs near the big gum tree, Glen Osmond, at the entry to the Adelaide Hills, the area where the bush fire hazard is greatest, and secure the co-operation of the Police Commissioner and his officers to manually operate the sign, so that its effectiveness may be tested?

The Hon. A. W. CHRISTIAN—Since the matter was first raised I have not taken it any further for several reasons. Firstly, the signs now used are controlled by the Woods and Forests Department in its own areas over which it has jurisdiction, and as the department has a good method of determining whether the weather is hazardous in respect of fires, it can effectively control these signs; but if they were to be erected elsewhere we would have to rely on somebody else to set them each day during the dangerous season. We feel that we should concentrate firstly on a correct appreciation of what constitutes a fire hazard, and departmental officers are concentrating much effort toward that end. They propose shortly to appoint a fire protection officer and to inaugurate a better and more accurate system of weather forecasting. It would be a little early to erect fire hazard signs in other areas until we have a reliable weather forecasting system and somebody, acting on that information, to control the signs. I have not lost sight of this matter, and as soon as the steps I have outlined prove effective I will examine it again.

#### EDUCATION DEPARTMENT STAFF.

Mr. STOTT—Has the Minister of Education a reply to my recent question regarding the shortage of teaching staff in the Education Department?

The Hon. B. PATTINSON—As I am still getting information from Mr. Nietz, a former head lecturer of the Teachers' Training College who is now in England, I prefer to postpone my reply until I have the final figures.

#### RENTS OF GOVERNMENT HOUSES.

Mr. RICHES—Has the Premier obtained any further reply to the question I asked yesterday regarding the rumour current that 3,000 country school teachers have applied for a transfer to the city?

The Hon. T. PLAYFORD—The Superintendent of High Schools, Mr. Griggs, and the Superintendent of Technical Schools, Mr. Walker, report that they have not received any application from country teachers for transfer to the metropolitan area because of the increased rentals charged. The Superintendent of Primary Schools, Mr. Leach, has received only one such application.

#### LOXTON SOLDIER SETTLEMENT.

Mr. STOTT—Has the Minister of Lands obtained any further information regarding the valuation of the Loxton soldier settlement?

The Hon. C. S. HINCKS—I took up the matter again with the Federal authorities and I have now received advice from the Federal Director of War Service Land Settlement that discussions between officers of the three States concerned and the Commonwealth will be held on November 24 and 25 regarding valuation principles to be applied to horticultural and viticultural holdings, especially along the River Murray, under the War Service Land Settlement Scheme.

#### LOTTERY AND GAMING ACT AMENDMENT BILL.

Second reading.

Mr. STEPHENS (Port Adelaide)—I move—

That this Bill be now read a second time. I regret the necessity for its introduction. In 1937, without consulting Parliament, the South Australian Trotting League altered its constitution and delegated its powers to an executive of four members, with an independent chairman. In 1938 the Act was amended at the instance of the late Mr. A. W. Lacey, who represented Port Pirie at the time. He proposed "that the league should not have power to delegate its powers to any sub-committee or other body." Recently the South Australian Trotting League tried to have the Act amended for the purpose of delegating its powers to a committee of seven, including one from the South Australian Trotting Club. On that matter a deputation waited on the Chief Secretary. The South Australian Trotting Club waited on the Premier and asked for a committee consisting of two representatives of country clubs and two representatives of the South Australian Trotting Club, with an independent chairman to be appointed by the Government. The Owners', Breeders', Trainers' and Reinsmen's Association approached the Premier and asked for permission to appoint one representative

to the executive. Some time ago a well-attended meeting was held in Adelaide and a motion was moved by the present chairman of the league that there should be an executive consisting of two representatives of the Trotting League, two of the South Australian Trotting Club, and one of the Owners', Breeders', Trainers' and Reinsmen's Association. That motion was seconded by Mr. Messenger, a member of the South Australian Trotting Club, and was carried with only one dissenting vote. After the Premier received a deputation from the South Australian Trotting Club and a request from the Owners', Breeders', Trainers' and Reinsmen's Association and the Chief Secretary a deputation from the South Australian Trotting League, a conference was held on Wednesday, 8th September at which the Premier and the Chief Secretary met representatives from the three bodies. The Premier advised all present to try to agree among themselves and that if agreement could be reached and Parliament was approached to amend the Act he felt sure Parliament would give effect to that agreement. Mr. Rice, the President of the South Australian Trotting Club asked the Premier if he would give a lead as to what he thought was a fair representation. The Premier said that he felt that the South Australian Trotting Club, which provided over 80 per cent of the finances of the league, should have more representation; that the horse owners should be represented and that speaking as a countryman he considered the country should not be out-voted. It was agreed that a conference between the three bodies should be held. The same men who had met the Premier met in conference. The chairman of the league, Mr. Heath, said that agreement should be reached and added, "If you give us four representatives I feel sure 90 per cent of my organization will agree." We agreed to that proposal. The South Australian Trotting Club was to have three representatives and the Owners', Breeders', Trainers' and Reinsmen's Association was to have one.

Mr. Macgillivray—That would not give a majority to the country members as the Premier suggested.

Mr. STEPHENS—The Premier said he did not want to see the country outvoted. The committee will consist of eight members, with four from the country. The rules provide that the chairman shall have a casting as well as a deliberative vote. It will be seen that not only was the Premier's suggestion carried out,

but the country members will have power because they will have four votes as well as the chairman's casting vote.

Mr. Macgillivray—Will the chairman always be appointed from the league?

Mr. STEPHENS—That is provided for in the constitution and rules. The four representatives from the country include the chairman. It is my intention to present all the information at my disposal to the House and I will not mislead members. The balance-sheets, books, papers and minutes of my club are available for inspection at any time.

Mr. William Jenkins—Do you imply that the country clubs and the league will not make their books available?

Mr. STEPHENS—I will deal with that matter presently. The South Australian Trotting Club always makes a printed balance-sheet available to the press and it is not a secret document. The secretary of the club has been advised to make available any information a member desires. I cannot be fairer than that.

Mr. Macgillivray—Are you a member of the Trotting Club?

Mr. STEPHENS—Yes, and I am pleased and proud to be a member of the committee, which is a very honourable body.

The Hon. T. Playford—I think the honourable member has been a member since the club's inception.

Mr. STEPHENS—I was the first secretary. When I took over there was not a horse or a colour registered in South Australia, and not a driver's or trainer's licence. In my own office in Port Adelaide I registered very many until we got trotting on a firm basis.

Mr. Travers—When was trotting commenced?

Mr. STEPHENS—I do not know, but I can get that information. The resolution carried at the conference embodied the proposal the Premier had suggested, and we all felt pleased that the bickering and friction would cease. Do not imagine that the Owners' and Breeders' Association is a small, insignificant body. It has hundreds of members throughout the State who breed, train, own or drive horses. This body agreed to the proposal and I was so pleased that I congratulated the Premier on the wonderful job he had done by bringing the respective bodies together and settling the trouble. He said, "I suppose I shall get a letter from the league about it," and I said that he would as soon as the league adopted it. We all thought the matter was settled, but then we heard that the league had turned

down the proposal. It would not accept the recommendation of its chairman and secretary, but we were not told why.

The Hon. Sir George Jenkins—Wasn't the proposal referred to the country clubs for consideration?

Mr. STEPHENS—I do not know.

The Hon. Sir George Jenkins—I think you ought to know.

Mr. STEPHENS—Of course I should. There are many things that my committee should know. The league undid all the good work done by the Premier and the Chief Secretary and by the Trotting Club's committee. The league is used to dominating and it wants to continue dominating. The fact that the league rejected the recommendation of its chairman and secretary practically amounted to a vote of no-confidence in them. If we had been able to tell the Premier that the question had been settled I am sure he would have brought a Bill before the House to end this long-standing trouble. Now the whole thing has been thrown into the melting pot again and there will be more serious trouble for trotting interests in the future. Even now the Trotting Club is prepared to honour the agreement, and so is the Trainers' and Breeders' Association. My committee would be prepared to honour the Premier's proposal as a gentleman's agreement, and I am told the owners and breeders would, too.

Mr. Shannon—Does this Bill give effect to the recommendations that you agreed to?

Mr. STEPHENS—No.

Mr. Shannon—Why not?

Mr. STEPHENS—I shall deal with that later. If the Premier introduced a Bill giving effect to the wishes of the committee that considered his proposal I would ask to postpone consideration of this Bill. However, I do not want to pass the buck on to anyone. Perhaps the Premier thinks he still has a chance to get the league to come into line. Some people have said that the trotting interests should not be squabbling amongst themselves. If the league was prepared to honour the agreement I would go no further with my Bill, but I felt that something must be done. We must know where we stand. Therefore, I had the Bill drawn up in such a way that it would give the House an opportunity to amend it as it thought fit. The Parliamentary Draftsman asked me to insert one clause that I do not know much about. It relates to a section that was inserted during the war.

Mr. Travers—What section is that?

Mr. STEPHENS—I think it is section 22b. The object of this Bill is to give the Commissioner of Police (subject to the approval of the Chief Secretary) power to issue a licence to a trotting club to use a totalizator in the same way as a racing club may be given a licence under the Act. Under section 15 a racing club applies to the Commissioner of Police and subject to the approval of the Chief Secretary, he may issue a licence to the committee or other executive bodies of racing clubs. However, under section 22 the Commissioner of Police, even with the approval of the Chief Secretary, cannot give a licence to any trotting club to use a totalizator unless it has a permit in writing from the South Australian Trotting League. It can be seen, therefore, that the league may override the Commissioner of Police, the Chief Secretary and any trotting club in this matter. This Bill deletes section 22 of the Act. Under section 37 the Betting Control Board may allow bookmakers to operate on a racecourse under the regulations and rules made by the board, but under section 48 the board cannot allow bookmakers to operate on a trotting ground unless a permit is granted by the league. Here again it will be seen that the league can override the Betting Control Board and any trotting club. The Bill deletes section 48 and leaves it to the board to allow bookmakers to operate at trotting meetings. Under section 20A a racing club may under certain conditions hold a race meeting 100 miles from Adelaide and put three trotting races on the programme. In this case, however, the Chief Secretary may issue a permit without the consent of the league. Why not give the Chief Secretary the same power for other meetings? No other Australian sporting body enjoys the power that is conferred on the league by the Act in its present form.

Mr. William Jenkins—Has the exercise of that power ever proved detrimental to trotting?

Mr. STEPHENS—Yes, and I will say something about that later.

Mr. Macgillivray—What information does the league possess before granting a licence to a club?

Mr. STEPHENS—It merely approves of the granting of the permit.

Mr. William Jenkins—It conducts investigations.

Mr. STEPHENS—I will give the honourable member some interesting information on recent investigations.

Mr. Frank Walsh—Who investigated the case of Clem Hewitt?

Mr. STEPHENS—The league refused an inquiry in that case, which was one of the worst of which I have ever heard. I have in my possession a letter regarding Mr. Hewitt's resignation as a handicapper, but I cannot quote all the language used in this case because it is too filthy.

Mr. William Jenkins—Was that language used by the league?

Mr. STEPHENS—By the league's officers. The league has taken unto itself the power of inquiry into a man's private affairs.

Mr. Shannon—Did not Parliament give it that power under the Act?

Mr. STEPHENS—The rules say the league may inquire into an individual's private affairs, and I submit that no sporting body should be given that power. In Clem Hewitt's case the league was asked to hold an open inquiry. Mr. Clem Hewitt, a well-known master plumber, accepted the position of handicapper some time ago. He has also had experience as a steward and supervisor of bookmakers. Indeed, Mr. Waite, the officer in charge of stewards, said Mr. Hewitt was one of the smartest bookmakers' supervisors he had known. He detected several irregularities and reported them to the stewards.

Mr. Frank Walsh—He tried to keep the game on a high level.

Mr. STEPHENS—Yes, and with much success. On March 20, 1954, he sent the following letter to Mr. G. Pridham, Secretary of the South Australian Trotting League:—

On March 21, 1953, I started my duties in the office of the league in the dual capacity of handicapper and stipendiary steward and during that period I have carried out those duties in the office of which you are in control. In your own words I have been through a passive resistance and a regulation strike carried out by the male officials who work there with me. On at least four occasions during interviews with you in your office this subject has been spoken of between us and at intervals in a lesser degree also a fortnight before the Inter-Dominion Carnival when I stated to you that in my opinion it could lead to physical action the way things were developing. At that interview I said it could lead to me making a dozen mistakes in my handicapping as human nature could stand just so much of it and no more. Since then I have made two handicapping mistakes and on Thursday, March 18, in Mr. Weight's office when Mr. Hodgins was trying to bring Mr. Weight's attention that I had incorrectly handicapped Richmond's Son for an event at Barmera for the meeting on March 20, he in the presence of Mr. Weight called me a name that does not appear in the King's English with all the hate and venom that is attached to that word when it is meant to mean just what the remark is attached to.

I have stood all that is humanly possible from the male personnel of the league's office and after giving it every consideration I am hereby resigning from both positions held by me and enclosed find my league badge.

We would like an inquiry to be held into the matter and to be told the exact words spoken to the man. I am not a young man but if those words were spoken to me now I would grab the first weapon I could find and strike down the speaker. The letter was not given to the press but there was mention that action would be taken if nothing were done. The man concerned was afraid of physical violence towards him. It may be said that it would not happen, but such a thing would not be anything new in the office of the league. Disputes there have been settled in this way. There was a time when two delegates bashed each other and rolled on the floor together. I did not see the affair but I was told about it. Later I saw the marks of the bashing on one man's face, and it was too much for me. I sat pretty close to the door and was ready to get out quickly. I showed what some people would call the white feather. I could give the names of the two delegates and the clubs they represent. One member opposite smiles because he knows what happened and who was concerned.

Mr. William Jenkins—I only know what you told me.

Mr. STEPHENS—It is the truth. When people conduct their business in this way they should not be allowed to control the sport. Under section 20A a racing club can, under certain conditions, hold a race meeting 100 miles from Adelaide and include three trotting races on the programme. A racing club can do this without reference to the Trotting League. All it need do is get the permission of the Commissioner of Police to use the totalizator and the Betting Control Board for bookmakers to operate. A trotting club, before it could do this, would have to get permission from the Trotting League. I do not know that the power has been used by a racing club, but if one can be given such a power why not give it to a trotting club? We do not want the league to override the Chief Secretary or the Commissioner of Police. We want to take from it a power which we regard as too great.

Mr. Brookman—Has the league been withholding any of its power?

Mr. STEPHENS—It can do so if it wants to. I suggest that the honourable member read the evidence tendered to the Royal Commission by Mr. Pridham about there being two trotting



clubs in Adelaide instead of one. The commission said that instead of abolishing the trotting club and creating two others in its place the league should be abolished. It has been suggested that the trotting bodies should settle their own differences. Sir George Jenkins has said that Parliament should not interfere in domestic trotting matters.

Mr. William Jenkins—You suggest a committee like the league?

Mr. STEPHENS—Yes, but it is not proposed that it shall have all the control. The trotting bodies themselves know how best to deal with matters. The Bill contains no substitute for the league. The matter is left to Parliament.

Mr. Brookman—It is not a complete Bill.

Mr. STEPHENS—Members can amend it as they wish. When I first raised the matter of trotting administration in this place I said that I would not mislead members and that if I saw anything wrong with trotting I would mention it. I am sincere in this matter. Trotting is not everything to me, only a sport. I attend trotting meetings on Saturday nights and work for the club, for which I get paid. The matter of the constitution of the league has been before Parliament several times but it has not been possible to find a solution. It was dealt with by the Royal Commission on Betting Laws and Practice, the members of which were Harold Bayard Piper Esq., LL.B., Kenneth Francis Villers Sanderson Esq., S.M., and Sidney Powell Esq., F.C.A. (Aust.), all of Adelaide. The report, together with minutes of evidence, was submitted to Parliament in September, 1938. The commission took evidence from both sides of trotting. Evidence was tendered by a Mr. Pridham, not the present secretary, and the secretary of the South Australian Trotting Club, Mr. Rogers. Page 48 of its report deals with trotting and page 50 with various other aspects. Paragraph 263 relates to the control of trotting; 264 to the constitution of the league and 265 to the powers of the league. The league can register or refuse to register any club. At one time it refused to register clubs at Gawler, Balaklava and other centres. Mount Gambier was registered but was de-registered and the league gave no reasons for taking that action.

Mr. Macgillivray—Do you know what the reasons were?

Mr. STEPHENS—The league is not compelled to give reasons. In 1938 Sir George—then the Hon. G. F.—Jenkins said:—

Regarding country trotting clubs, the league stipulates that they must be genuine country

clubs with ability to carry on trotting. Clubs are licensed at Port Pirie, Snowtown, Kadina, Gawler and Strathalbyn.

One of the excuses—I use that word because it cannot be a reason—for not registering some clubs was that the tracks were not big enough. It was suggested that they should be  $\frac{1}{2}$ -mile tracks. I point out that the Wayville trotting track, on which the biggest trotting races in South Australia are held, is only 550 yards. The biggest stake ever paid in Australia was at Wayville.

Mr. Macgillivray—Who suggested that the track must be half a mile?

Mr. STEPHENS—The league.

Mr. Macgillivray—Is there any international ruling on it?

Mr. STEPHENS—No. The league makes rules to suit itself.

Mr. Macgillivray—Is that rule peculiar to South Australia?

Mr. STEPHENS—No. Mr. Pridham was asked why the Mount Gambier club was disqualified and he said, in effect, "They had two meetings and could not make them pay." The league thought the club should be disqualified because it could not make its meetings pay.

Mr. Stott—What about the Snowtown Club?

Mr. STEPHENS—In 1938 that club was holding one meeting a year and it never paid its way. When it built up its liabilities it went to the league and received not only the £240 subsidy but an additional amount to help it pay its debt.

Mr. William Jenkins—It is making its meetings pay now?

Mr. STEPHENS—No, it is still collecting £240. The club in the honourable member's district has more than one meeting a year.

Mr. William Jenkins—You cannot say that our club does not pay.

Mr. STEPHENS—Then why is interest paid to some bookmakers?

Mr. William Jenkins—We do not pay interest to bookmakers. It is paid only on debentures. What about the bookmaker members of your club?

Mr. STEPHENS—Mr. Bob Dugan and Mr. Haines were members of my club long before I entered this House over 20 years ago. If a person wants to join my club today he must state whether he is a registered bookmaker and whether he has anything to do with the Betting Control Board. If he is a registered bookmaker he is not allowed to join. In Western Australia Parliament has enacted that no bookmaker shall be a member of the trotting club.

Mr. William Jenkins—There is no Act here which provides that.

Mr. STEPHENS—No, but there should be. A few weeks ago I asked the Premier whether he would lay on the table of the House a list showing the names, addresses and occupations of the members of various clubs. In giving evidence before the Royal Commission Mr. Pridham said that to form a club there must be 50 members. There are 23 licensed bookmakers residing in the metropolitan area who are members of the Victor Harbour Trotting Club.

Mr. William Jenkins—That is not correct.

Mr. STEPHENS—After I spoke to the Police Commissioner his secretary showed me the official list and there were over 20 registered bookmakers shown as members of that club.

Mr. William Jenkins—There are not half that number.

Mr. STEPHENS—Then some have dropped out since last year.

Mr. William Jenkins—I shall be pleased to furnish you with a list of the members.

Mr. STEPHENS—I saw their names on the list a few months ago. If they are no longer members the list must have been altered.

Mr. William Jenkins—Nothing has been altered.

Mr. STEPHENS—When I asked the Premier to lay that list of members of the various clubs on the table of the House he said he would go into the matter. He subsequently told me that he had not been able to fix the matter up. I did not want that list for myself but for all members to be able to examine. Will members deny that in 1951 more than half the members of the Gawler club lived in the metropolitan area? That club was refused registration because too many of its members lived in the metropolitan area. Sir George Jenkins will recall telling the House that some years ago. That club is now registered. Many clubs are country clubs in name only. Some people in the metropolitan area belong to five or six country clubs and have a vote in each of them. There are country clubs which are operating under a false name. I ask members to inquire from the league what it did last week with respect to a letter received from the Penola Trotting Club seeking registration. It was scrubbed. The member for the district wrote and asked why the league would not register the club and it said, "Receive the letter. We want his vote when the matter comes before the House. We shall

have to leave it until after the Bill is dealt with." My club sought a copy of the league's balance-sheet, but could not get it. Under the rules it is provided that each registered club must send in a balance-sheet every year to the league on the form prescribed by it, but there is nothing in the rules to say that the league must present a balance-sheet. There is nothing in the Act to say that the league or any club shall present a balance-sheet. It would surprise honourable members to know that the league does not have to present a balance-sheet to the Registrar of Companies or anyone else. It is a secret document, and yet my club pays more than £7,000 a year to the league, and when it asks for its balance-sheet, it is refused. I am told that the position cannot be altered under this Bill. A member of this House who is a company director informed me that if a company does not submit its balance-sheet to the Registrar of Companies he soon wants to know why. The Registrar thinks the league should submit a balance-sheet. My club wrote to the league asking that a copy of its financial statement should be made available for the year ended June 30, 1953 and received the following reply:—

I have to acknowledge your letter of May 3 requesting a copy of the financial statement for the year ended June 30, 1953. I now enclose a copy of the financial statement for the year ended July 31, 1953, which is the end of the accounting period of the league. The request from a registered club for a copy of the league's balance-sheet is without precedent. This information is made available to delegates for submission to their clubs, and I presume that this application was made at the request of your delegate.

The league does not have a printed balance-sheet. It is typewritten and distributed to those around the table and is not sent to the clubs. It should be compelled to send a copy to the Registrar of Companies. Why not, if it has nothing to hide? My club was more fortunate than the owners and breeders, the men who enable the sport to be carried on, and pay to the league 25s. a year for the registration of each of their horses. That money goes into a trust fund, but this fund has no trustees. I have a copy of the report signed by the chairman and secretary of the Owners' Breeds', Trainers' and Reinsmen's Association. one paragraph of which reads:—

Balance-sheet of trust fund—In conformity with the resolution passed at the last annual meeting your secretary wrote to the S.A. Trotting League and asked if a balance-sheet for the trust fund would be supplied.

Unfortunately, the league refused this request. When a body like that pays in a big amount to

a trust fund it is entitled to see the balance-sheet and thus know what becomes of the money. It makes things look bad when you find the league refusing such an organization of about 700 members a copy of the balance-sheet of the trust fund.

Mr. Macgillivray—There should be a Royal Commission to inquire into this, instead of a Bill.

Mr. STEPHENS—I should like to see one appointed to inquire into the working of the league and every one of the clubs. I am not afraid of any inquiry into the trotting club of which I am a member. When the various clubs pay a considerable amount each year to the league they should be entitled to receive a balance-sheet. If a club wants to become registered it must first apply to the league. If it refuses, that is the end of it. It can approach the member for the district and ask him to try to ascertain why it cannot be registered. Several clubs have been refused registration. It is wrong that the league should have such power. If local people want a race meeting they form a club and apply to the Commissioner of Police and to the Betting Control Board, so that arrangements can be made for the use of a totalizator and bookmakers; but if they want a trotting meeting it can be run only with the permission of the Trotting League. It should not have to approach the league, whose members are interested in other country clubs and could say "If you want a trotting meeting you must come to our district. You cannot have it in yours." We have heard much about how the league has helped country clubs. I should like members to look at the balance-sheet I have before me. They might be surprised to read the contents of the report made by Mr. Pridham. I shall quote from its balance-sheet to show what the league has done to help trotting clubs. The money that should have gone to country trotting clubs has been used in another direction. In evidence before the Royal Commission, Mr. Pridham said that in three years £2,820 was received, of which £2,030 was distributed to various clubs as subsidies. For the year ended June 30, 1953, the South Australian Trotting Club alone paid £7,860 13s. 1d. to the league, which is £5,000 more than the total amount received by country clubs for the three years I have mentioned, but the country clubs received only £2,460 for that financial year. What became of the balance? Country clubs received only £430 out of this £5,000. The object of the league is to help some individuals, not the country clubs. The Trotting Club is not

a quarrelsome body; it has worked in harmony with the Royal Agricultural Society, to which it pays £18,000 a year, with the Returned Soldiers' League and with the Legacy Club. It has helped patriotic funds such as the Bush Fire Fund, and it wants to continue to do so. A fortnight ago the league asked us to increase admission charges, and to increase the minimum totalizator investment to 5s. One member said that if a man cannot afford to place 5s. on the totalizator he has no right to go to the meeting. What the league wants to do is to close the Trotting Club and put another club in its place, and the club is worried about what is happening. If something is not done it will have to withdraw from the league and run meetings without any betting facilities, and it will also have to link up with the Royal Agricultural Society and the other bodies I have mentioned to try to retain its position. I hope that members will examine this Bill carefully and bring forward any amendments they consider necessary.

The Hon. T. PLAYFORD (Premier and Treasurer)—The Bill repeals certain sections of the Lottery and Gaming Act, and naturally at the outset I desire to give the legal effect and set out what would happen as a result of its provisions. I have received the following report from the Parliamentary Draftsman:—

This Bill repeals four sections of the Lottery and Gaming Act which prescribe the constitution and powers of the South Australian Trotting League Incorporated. The effect of the repeals may be explained as follows:—

1. Repeal of section 22 (Permits to hold trotting races).—This section says that no trotting meeting at which the totalizator is used can be held without a permit issued by the South Australian Trotting League with the consent of the Commissioner of Police. As a result of this section combined with section 21 of the Lottery and Gaming Act a trotting club cannot hold a meeting unless it has both a totalizator licence granted by the Commissioner of Police with the approval of the Chief Secretary, and a permit issued by the Trotting League, with the consent of the Commissioner of Police. Thus the actual allocation of meetings is in the joint control of the three authorities—the Chief Secretary, the Commissioner of Police and the league. They must all agree on the days to be allotted to each club. This arrangement, of course, places the league in a strong position as regards the control of trotting, because without its consent no meeting at all can be held, even if the Commissioner of Police and the Chief Secretary are willing to give consent to it. The repeal of section 22 will place the allocation of days in the hands of the Commissioner of Police, subject to the approval of the Chief Secretary. If, after the repeal of section 22 the league continued to exercise any influence in the matter

it could only be because the governmental authorities consulted it and voluntarily paid regard to its suggestions. No doubt it is an advantage to the governmental authorities to be able to deal with a single authority in order to maintain liaison with the trotting clubs and co-ordinate their various demands for trotting days. Such liaison could be secured without giving the league the statutory powers which it now has; but I express no opinion on the best way of arranging this. Apparently it has been arranged with the racing clubs without giving any racing clubs or association of racing clubs statutory powers.

2. Repeal of section 22a (Constitution of Trotting League).—Section 22a sets out that the Trotting League is to be constituted in the manner prescribed in that section. The league is an association incorporated under the Associations Incorporation Act and apart from the provisions of section 22a of the Lottery and Gaming Act, it could make and amend its own constitution and rules. But section 22a says the league must consist of one delegate from each affiliated trotting club and that delegates must be elected annually. The delegates must exercise their powers personally; they cannot delegate them to any sub-committees. The provisions of the Act on this point appear to be designed to ensure that the powers of the league do not get into the hands of a relatively small number of persons. If section 22a is repealed the league will still exist, but will be able to amend its constitution and rules and, in particular, could provide for appointing sub-committees, which I should think would be an advantage.

3. Repeal of section 22b (Times for holding trotting race meetings).—This section is a war-time enactment for the purpose of giving effect to National Security orders of the Commonwealth respecting the hours at which trotting meetings could be held. It is of no value now and might just as well be repealed. Probably something different would be required if Australia were again at war.

4. Repeal of section 48 (Control of trotting races).—Section 48 says that trotting race meetings at which bookmakers are permitted to operate are not to be held except under permit from the South Australian Trotting League. No doubt the object of this section is the same as that of section 22—namely, to ensure that the South Australian Trotting League will be able to control the allocation of days for trotting meetings. The proposed repeal of section 48 raises the question to what extent is it desirable that the league should have powers in connection with the allocation of days among the various trotting clubs. This is a question of policy on which I express no opinion except that it is desirable that there should be some satisfactory arrangements, based either on agreement by the clubs or statutory powers, for allotting the available days.

5. The proposed amendment to clause 21 is consequential on the repeal of section 22. From this report honourable members will see that the provisions of the Bill do in fact take away from the league any control over the

allocation of trotting days, and the necessity for its present composition. Its purpose is clearly to take away from the league its authority to allocate trotting days to the various clubs throughout the State. Before a bookmaker can operate the consent of the league has to be obtained, and before a totalizator permit can be obtained the permission of the league, the Commissioner of Police and the Chief Secretary has to be obtained. The consent of the league is essential, because without it neither a bookmaker nor the totalizator can operate at any trotting meeting. As far as I can see the purposes of the honourable member's amendments are to ensure that in future the league shall have no statutory control whatever over the allocation of trotting days, over bookmakers or over totalizator permits.

Mr. Teusner—It would be an open season.

The Hon. T. PLAYFORD—Yes. The honourable member referred to a conference that the Chief Secretary and I held with members of the Trotting Club and representatives of the league, the association and the owners and trainers. I outlined the Government's views. We believe it is desirable that the control of trotting should be undertaken by the sport itself; that it is not desirable for the Government to take charge of trotting; that just as we have been very happy to see the racing authorities set up their own control, so we desire that trotting be not controlled by the Government. Of course, the Government is interested to see that the law is observed, but it believes that the everyday affairs of trotting would be best controlled by trotting interests. The Bill deals with the allocation of trotting days, but that is not the real question in dispute, which is who shall control the league.

Mr. Stephens—The constitution of the league.

The Hon. T. PLAYFORD—Yes. The Bill is only an indirect way of raising the issue.

Mr. Dunks—Does the member for Port Adelaide refer to the control of the league in the Bill?

The Hon. T. PLAYFORD—No, it abolishes league control. When the conference was held in my office no question was raised about the Murray Bridge Club having a day allotted to it that it should not have, or that some other club had a day that it should not have. Every club is, by Act of Parliament, empowered to appoint annually one delegate who, together with all the other delegates, shall constitute the league. That is not a good arrangement, and the Government recognizes it. I do not

think one trotting authority would say it was a good arrangement, for it establishes an executive authority that is far too cumbersome and costly in operation. The fact that delegates cannot delegate their authority means that it is difficult to get attendances. Therefore, it has been realized for a long time that the composition of the league should be altered. As the member for Port Adelaide said, the present composition was brought about as the result of an amendment moved in this House by Mr. Andrew Lacey when he was member for Port Pirie. Whatever may have been the merits of his amendment at the time, the wide practice of the sport at present has made the operation of the league far too cumbersome. The conference held in my office tried to get the Government to commit itself on some views, but we told the representatives that the authorities themselves had to come to an agreement. The Government did not want to impose a direction upon this sport in the conduct of their affairs any more than it does on other sports. However, I said I thought that the present representation of the Trotting Club should be greater because it was a large club and contributed, I think, about 80 per cent of the league's finances.

Mr. Stott—But it would not necessarily have more control over the league.

The Hon. T. PLAYFORD—I did not say control. I said I thought one representative for the Trotting Club was not enough. I also told the conference that I thought the owners and trainers, who have contributed largely to the success of trotting, should have some representation on the league, and that it would be unwise to put the control of trotting in the hands of one club. Because country clubs are so scattered I thought they should have the majority of members on the league, and I suggested a system of zoning to ensure that country representatives did not all come from one centre.

Mr. O'Halloran—And that they should represent the interests they claimed to represent.

The Hon. T. PLAYFORD—Under a zoning system country clubs would have a wider basis of representation than if all representatives came from a limited area. I asked the delegates to work out some agreement and have it ratified by their respective bodies and later advise the Government. I said that if they did so the necessary legislation would be brought down and that I had no doubt it would be

passed by Parliament. I added that I thought the House would not want to interfere with the internal management of trotting.

Mr. John Clark—Did you suggest any particular number of representatives?

The Hon. PLAYFORD—No. I indicated that I believed the Adelaide club should have additional representation and that owners and trainers should have a representative but it does not concern the Government whether the league comprises six or seven or any other number of representatives, provided that all trotting interests are happy with the arrangement. I doubt whether it would be wise to give less than five representatives to country clubs under a system of zoning.

Mr. John Clark—There are zones already.

The Hon. T. PLAYFORD—I did not know that.

Mr. Stephens—There are zones in the Act.

The Hon. T. PLAYFORD—They were zones that gave additional racing days to certain areas; they have nothing to do with the composition of the league, though they could be adopted for this purpose. There is one zone for Eyre Peninsula, one for the Upper Murray, and one for the South-East, but that still leaves the area around Victor Harbour, the midlands, and Yorke Peninsula not included. At least two zones would be needed to cover that area, but the Government is not wedded to any particular number. The Government contends that the trotting authorities should hammer out their differences with regard to league representation and then come forward with a recommendation. The Bill deals with everything except the matter in dispute, which is who shall control the league? The Bill takes away from the league the control of racing days, but if we had an open season how much confusion would there be? Every club would apply for certain days. I do not know how the Chief Secretary or the Commissioner of Police would decide the issue, for many days would be quite popular. I believe that every member here considers that the honourable member has a very wide knowledge of the sport with which he has been associated for such a long time, and that he is very sincere in what he advocates, but having said that, I must say that I think the Bill goes off at a tangent because it proposes to take control of trotting away from the league. I believe that the league is the appropriate body to settle which clubs are to hold meetings on particular dates, and it should be a league composed of representatives of the various components of the sport.

Mr. Hawker—Has the racing fraternity ever come back to you with any proposal?

The Hon. T. PLAYFORD—I am speaking from hearsay only, but I believe that the representatives had a meeting and decided upon a delegation consisting of four from the country, three from the metropolitan club and one from the owners and trainers.

Mr. Stephens—That was unanimously agreed to.

The Hon. T. PLAYFORD—But when it was referred to the various sections for ratification, although the owners and trainers and the metropolitan club ratified it the country clubs did not. As far as I am aware the Chief Secretary has not had a solution suggested to him in the form of something that has been agreed to. I believe he has had a request from the league for a Bill, but I do not think that even the league can claim for it the unanimous support of the delegates who came to my office. If the parties concerned do not reach a compromise no doubt we in this place, as so frequently happens when people cannot reach agreement, may have to adjudicate upon it, but I do not think that is the proper course if it can be avoided. Every effort should be made by these people to get together and work out a solution that would enable Parliament to deal with the matter in the knowledge that what it decided upon at least had the approval of the controlling authorities.

Mr. Stephens—Would you like to appoint an arbitrator?

The Hon. T. PLAYFORD—The Government has already asked these people to confer. Now that the honourable member has ventilated the subject no doubt it will become topical again and I believe that it would be best held over pending some satisfactory solution being evolved. At this stage I could not support the Bill. It may be necessary for me to vote for the second reading, but I would do so only for the purpose of entirely altering its nature in the Committee stages. In its present form I believe it would only make confusion worse confounded.

Mr. RICHES secured the adjournment of the debate.

#### INDUSTRIAL CODE AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from October 20. Page 1094.)

Mr. DUNKS (Mitcham)—Prior to the adjournment of the debate on Wednesday last I was replying to the allegation that the Industrial Code had loaded things against the workers. If we examine the Code, however, I think we

will find that it was never intended that it should be loaded against anyone, but if anyone were loaded it was the employer who suffered very considerably in some instances when the new regulations came into force. However, I do not propose to debate that. I think the Code was a great effort in the way of conciliation coupled with something in the nature of arbitration. The provision is that, first a wages board shall handle anything that is brought forward in the way of alteration of hours, or rates of pay and conditions generally in any industry that come within the ambit of the Code. I want to be fair, and I say that I consider it a very good way of handling the industrial conditions in this State.

Mr. Davis—But you are not even prepared to allow some to go to the Arbitration Court.

Mr. DUNKS—The honourable knows that, coupled with the wages board system, is the Industrial Court, and the Government can refer things directly to the court. Either the employer or the employee, or both, can contest any matter through the court if they think that the finding of a wages board is not suitable to the industry concerned. If I have one criticism of the wages board system—and it is a very definite one—it is the system of appointing chairmen. Usually the chairman is a lawyer, and with great respect to lawyers, in my opinion they have not much idea of the industrial life of the community, and very often they are inclined to give decisions without knowing the effect those decisions will have on a particular industry.

Mr. Davis—Who do you suggest should be chairman?

Mr. DUNKS—I think men should be specially trained for the task. I am not saying that a lawyer could not do it if he had the necessary training, but I think that men should serve some time to acquire a knowledge of exactly what is happening in industry, because industrial conditions today are very complicated.

Mr. Davis—You do not suggest an employer?

Mr. DUNKS—No. The employers have their opportunities. I think the chairman should be a man versed in economics more than law, for very often I am inclined to think that the chairman tends to lean towards the employees and give better conditions than he would if he knew the difficulties of the employers.

Mr. Davis—Where does a judge of the Arbitration Court get his experience?

Mr. DUNKS—The honourable member keeps on asking questions, which is not within the Standing Orders. He will have his opportunity

to speak later and if he can show where I am wrong I am prepared to listen to him. I propose to say something about the cake manufacturing industry with which I have been associated for a long time. We once had conditions that allowed us to do certain things that gave us an opportunity of making a margin of profit, but the Industrial Code was altered to such an extent that, far from being loaded against the employee, it was loaded against the employer. At one time it gave the public an opportunity to consume fresh goods on a Monday when it was a holiday. We were allowed to work on Sunday afternoon at ordinary rates, and consequently the public was supplied with fresh goods without extra charge. Since Sunday afternoon work was prohibited people have had to eat stale pies and pasties—if they are made. As a matter of fact, we still work on a holiday morning and pay double rates. When we tried a little while ago to put on a surcharge in order to make up for the extra cost of labour we were told, as it was then under price control, that it could not be done. We find the same thing in the shops. The assistants have to be paid more for working on holidays, and the public is opposed to a surcharge. The Tramways Trust and the railways and other industries are in the same position.

Mr. Jennings—Who has gone bankrupt?

Mr. DUNKS—I could tell the honourable member of quite a number. Let me refer him to the Municipal Tramway Trust as one instance. It has required £2,000,000 over the last couple of years to finance its undertakings, where as if it could have put a surcharge on its fares I think its story might have been quite different. That is the way in which the Industrial Code has loaded the employer. I am not willing to go the distance suggested in the Bill. Through the Industrial Court and boards the Industrial Code governs the wages and conditions in industry, and to pass this principle on to primary industry would cause this country great difficulty.

Mr. Davis—What's the difference between the agricultural worker and any other worker?

Mr. DUNKS—None, but there is a difference between primary and secondary producers who must run those industries at a profit. The secondary producer may be producing for local consumption, but the primary producer invariably produces for world markets and his prices may be governed to a great extent by the prices of similar products produced by coloured labour at lower wages. Even in Britain the average worker's wage is about £8 or £9, whereas in Australia it is about £15 a week.

Mr. John Clark—We have stabilization schemes for primary products.

Mr. DUNKS—Yes, to some extent, but if we tell the man on the land that he must pay more wages for shorter hours such equalization schemes will rebound on the people of Australia, particularly the workers, who are in the majority.

Mr. Davis—In other words you say a small section of the workers of this country should be penalized for the benefit of other people.

Mr. DUNKS—They are not being penalized today. Some years ago, before coming to the city, I had much experience in the country, and I found the system of give and take there.

Mr. Davis—There's plenty of "take" and not much "give"!

Mr. DUNKS—The honourable member may be a little one-eyed in this matter, but I have looked at it from both sides. I have been in the country in recent years and found the farmer kind and considerate towards his employee. If the employee wants time off to go into the town on business the employer allows him that time off, knowing that the employee will make up his time off by working longer another day. Immediately we get away from the principle of conciliation, which is at the foundation of our primary industry today and under which employer and employee are prepared to work together, we will be in trouble. Some members opposite who profess to represent those who work in industry think merely of the interest of the workers; they are not interested in the employer. Why should the Industrial Court be asked to interfere further with the rights of the employer to employ apprentices, improvers and other workers to help skilled workers? Why should employers be prevented from employing assistants in industry so long as their wages are fixed, because after all they are only unskilled workers and probably engaged only in handling materials from the stack to the skilled man. When we realize the necessity of keeping down costs in secondary industry we will be in a position to do what the Prime Minister said last week was to be done by Australian industry: to export our secondary products. We cannot do that today; we are relying only on our primary products to bring money back to the State. Some of our secondary industries are prosperous only because of the protection afforded by tariffs. However, few producers of the lines included in the "C" series index are making fortunes today.

I regard the type of man appointed as conciliation commissioner in the past few years

as an ideal type to be appointed chairman of an industrial board. Some commissioners were formerly union secretaries, yet we did not find them leaning to one side. They did excellent work; they listened to the facts placed before them and made their decisions having in mind the ultimate advantage to the whole industry. Indeed, they considered whether the industry could afford to pay, the very thing the Federal Court is supposed to consider. Many tribunals, however, have tended to fix a similar wage for all workers and to ignore whether industry could afford to pay. In the cake industry, which manufactures perishable products, the goods are made, distributed and often consumed on the same day. With a hot spell of weather there is often only enough work to keep the men employed for 34 hours a week, yet under the present system the employer is compelled to pay them for 40 hours' work. This means the elimination of the entire net profit for the week, because the men must be paid for the hours from which the employer derives no benefit. This may represent as much as 27s. a week for each man. In that case the elements control the employer's activity because he cannot economically store perishable goods and in hot weather the consumer does not want pies, pasties, or cake. The next week may be cool and the same staff may be required to work four hours' overtime because of the increased demand. The employer must pay penalty rates for that overtime, which means the elimination of his net profit for that week because he cannot charge extra for the goods produced during the overtime. In such industries the Industrial Code should be amended to allow an equalization of wages over a month to eliminate the great variation that exists at present.

When a holiday falls on a Monday it should be possible to give another day off to the employee required to work on that day; the employer should not be required to pay him double rates. In America a man may be paid for overtime worked, but the shops are open all round the clock and the employee receives a standard wage whatever shift he works. If that principle is not accepted in this country, the employer should be able to make an extra charge for the goods produced during overtime hours; but that is impossible under the present system. The sponsor of the Bill said that its purpose was to promote a better feeling between employer and employee. A South African told me this week that there are no wages boards or arbitration courts in South Africa; there the employer and employee

sit around a table, discuss their problems and come to a decision by conciliation.

Mr. Davis—Suppose they cannot reach a decision?

Mr. DUNKS—Sometimes in this country the workers will not abide by a decision of a court and they strike; South African workers could do no worse than that. The Industrial Code provides that both employees who strike and employers who lock out their employees may be penalized; but how often has that provision been invoked? Some years ago I tried to make the court take action in this respect, but the Employers Federation said, "No; we could not get away with that. It has never been done and we would get into trouble if we acted against the strikers." If the employers locked out the workers, however, the union would be quick to take action against them. I am not willing to subscribe to anything further in the Bill. In fact, I am almost persuaded that there are many things that should be examined with a view to giving the employers more privileges than they have today. We should endeavour to protect small industries. The big industries are not in trouble because they can produce their goods and have them left on the shelves until the customers come along.

Mr. Davis—How do you suggest getting over the difficulty of losses on perishable goods?

Mr. DUNKS—There should be an equation over a period of a month, or, better still, payment for the actual hours worked. If a person works 30 hours in one week and gets paid for 40 hours there should be some way of making an adjustment in the next week in the interests of the employer. I have said that we have gone far enough in the way of arbitration and conciliation and in view of the possibility of things being a little tougher in the years to come I am not prepared to say that the provisions in the Industrial Code should not be passed on to country people who are producing goods for sale on the markets of the world, and who under the Bill might have to pay double the present wages.

Mr. JOHN CLARK (Gawler)—I support the Bill. I am not an industrial expert by any means. In this debate several speakers, because of their association with unions or industries as employees, or as employers, have given us the benefit of their special knowledge of matters mentioned in the Bill. First we have the Leader of the Opposition, and all members will agree that when he speaks he is always worth hearing. In this instance I



thought he spoke as usual; he made evident his common sense and long experience. Although some members may not have agreed with all he said, they must have enjoyed his remarks. He expressed the feelings not only of the Parliamentary Labor Party but the trade union movement in general. He made it plain that he spoke for the whole Labor movement in this State. He was followed by the Premier, who said, as he has done so often, that he had given the Bill only a cursory glance. He made it apparent that he did not have much knowledge of the measure. His attitude seemed to be "If its good for industrial workers it must be bad for the Government." With due deference to him, many of his statements were rabble-rousing absurdities and unfortunately they had the effect of causing members to interject, and even heightening the boisterousness of his remarks. When I speak of absurdities I do not think we need go much farther than the following statement by the Premier:—

The poorer the standards of living the better political capital the Opposition can make of it.

That comes ill from a member of the Government which practically always has opposed the efforts of Opposition members to improve standards of living, or waited a while and then filched the Opposition's ideas and used them as its own. Over the week-end I read a press report about a dinner attended by the Prime Minister and our Premier. I was very amused at some of the statements reported as having been made at the dinner. It was stated that in effect Mr. Menzies said:—

Under our democratic system of government a dictatorship is impossible except in the benevolent, dignified, restrained sense you enjoy in South Australia.

I thought for a moment that Mr. Menzies might have heard Mr. Playford speak last week or read his remarks on this Bill, but then I looked at the words again and saw "benevolent, dignified and restrained." If the Prime Minister had heard our Premier speak he would not have used any one of those adjectives unless he did not know what they meant. If he had more knowledge of conditions in our Parliament he would not have said "You enjoy in South Australia." The majority of people in this State do not enjoy it, but we are in such a position that we cannot do much about it.

Mr. Teusner—Do you suggest that the statement by the Prime Minister was made in all seriousness?

Mr. JOHN CLARK—I suggest that much of it was made in all seriousness.

Mr. Teusner—I think he was looking at the Leader of the Opposition when he made those remarks.

Mr. JOHN CLARK—I think we may class the remark as the same as the one we are often guilty of when we say something complimentary with a smile, and leave it that if the person takes it that way it is all right, but if he does not like it he can take it as a dig in the ribs. I may be wrong, as I was not at the dinner. Then Mr. Lawn spoke; he can be regarded as an industrial expert. For many years he was a skilled pleader for his union in the Industrial Court. I have heard it said by men who know that he was definitely one of the best in this line in South Australia. It is always a benefit to hear his arguments when industrial matters are before us. As on another Bill introduced by the Opposition, he was well worth hearing. I regard Mr. Dunks as one of the finest speakers in this place. I always like to listen to his remarks even if I do not agree with them. He told us that he has considerable knowledge of industrial conditions, but more on the side of the employer. I listened with interest to what he said and I was delighted when he remarked that possibly this Bill would improve industrial peace. Unfortunately, he then went on to oppose the measure. Like the Premier, his attitude was inconsistent.

As a number of rather old red herrings have been dragged across the path it might be of value to members if I recapitulated some of the chief points in the Bill. My ideas are those of a layman. The points appear self evident to me, but obviously they are not so to everybody. The Bill is a substantial attempt to bring the Industrial Code into line with modern ideas, but chiefly for the promotion of industrial peace. Mr. Dunks will, to some extent, agree with this, because he admitted it. I said earlier that the measure was not hastily introduced. Into it have gone years of mature consideration and much work. The Leader of the Opposition and his colleagues have consulted leaders of the trades union movement in this State, and the Bill is the result. It seeks to do three things. Firstly, it seeks to improve industrial relations by making the Industrial Code work more smoothly and equitably, secondly, to generally improve industry, and thirdly, to get rid of dangerous anomalies in the Code. The cloak that some Government speakers have drawn over the importance of the Bill should be pulled aside. I do not know

whether the cloak was drawn across deliberately or accidentally through ignorance. I believe that boards of reference are urgently needed to solve complications and problems arising out of the common doubts which arise over interpretations of determinations and awards. There is no power in the present Code to create such boards. Prominent trade union leaders have said for years that they are necessary and the Leader mentioned that the President of the Industrial Court has frequently said that such boards are necessary. That should be sufficient proof of the need for their establishment. They are men who should know. Such boards will be in the best interests not only of employees but of employers. They will prevent strife when there is a disagreement on an interpretation. They will be good for the managers of industry, for workers in industry and for the general public because any move to avoid industrial turmoil is good for the general public. The deciding of simple disputes by boards of reference will save time and money to employers and employees.

Clause 20 refers to special boards to deal with matters relating to trainee apprentices. At the moment there is much dissatisfaction regarding apprentices and their conditions. We are living in peculiar times so far as money is concerned and it is becoming increasingly difficult to obtain apprentices for industry. It is too easy for boys, who are of the age to become apprenticed, to obtain lucrative positions at what, some years ago, would have been regarded as good wages for a man. The young men who are becoming apprentices at wages which are not very high when compared with what their friends are getting are making a great sacrifice. Their parents also give up much. They are firm in their determination to become tradesmen and are worthy of all the assistance we can provide. These boys will be the future foremen and industrial leaders of this State and they must be protected. I am not suggesting that every apprentice who signs his indenture papers is being victimized but in some industries they are simply treated as a necessary evil. They are handy because they are cheap. The Leader has already pointed out that it is probably not necessary to establish separate boards because the powers of existing industrial boards could be extended giving them the right to interpret determinations and the like in the interests of industrial peace. At present there is no handy means of doing this under

State awards. In his second reading speech the Leader said:—

The Federal Arbitration Act provides for the establishment of boards of reference in connection with Federal Awards because it is recognized that the expeditious solution of these minor but sometimes irritating disputes may be of the utmost importance.

The Leader gave examples of these irritating disputes and all members will agree that the expeditious solution of them is important. Very often these minor disputes eventually cause industrial upheaval.

Mr. O'Halloran—And they are often most difficult to settle.

Mr. JOHN CLARK—Yes, particularly as we have no easy means of settlement. We believe that the provisions of this Bill will have the effect of removing the possibility of extremes of disagreement which frequently lead to prosecutions, ill-feeling and industrial turmoil. Major disputes, after all, are specifically provided for in the Code and are less likely than minor ones to cause industrial trouble.

Mr. Davis—Boards of reference work satisfactorily on the wharves.

Mr. JOHN CLARK—Yes. Sections 99 to 119 of the Code relate to strikes and lock-outs. They deal with those matters most comprehensively—indeed, too comprehensively. Under the present Code very minor offences can be classified as strikes. The trades union movement has always been opposed to these penal provisions which we seek to remove.

Mr. O'Halloran—They are repugnant to democracy.

Mr. JOHN CLARK—Yes. They contain that pressure and compulsion which people of the British speaking nations do not appreciate. Most people realize that much has been gained from strikes, but frequently much has been lost. I have no desire to see strikes in this country and neither do union leaders or any of my colleagues, but we consider that such a right should not be denied a man on a vital issue if he wants to make use of it. I believe that a workman should have the right to use suitable means to get the best conditions for his labour which is, after all, the only article he has to sell. He should have the right to sell that labour in the best and most suitable market. I have yet to hear any legitimate reason for his being denied this right. After all, pegged wages, unpegged prices, and Parliamentary districts gerrymandered against his wishes, take

away most of his rights, and this right should be restored to him. The Leader also said:—

It is unnecessary to stress the fact that a workman has only his labour to sell and that he should therefore be entitled not only to sell it in the highest market but also to sell it or not as he chooses and thus use it as a means of bargaining with employers.

The Leader made a mistake in saying that it was unnecessary to stress that fact. The remarks of the Premier and the member for Mitcham have shown that it is necessary to stress it, and past events have provided that it is necessary to do so in this House. There is an even more important aspect with regard to strikes and lock-outs. In effect, the prohibition on strikes and lock-outs prevents the employer and employee from creating a dispute and surely this is an infringement of the rights of both. The Industrial Code should promote conciliation, not compulsion. Experienced industrial leaders came to that conclusion long ago. Conciliation should be used if it can be made to work.

Mr. Hutchens—Isn't that the alleged purpose of the Industrial Code?

Mr. JOHN CLARK—Yes. There are not likely to be more strikes, because no-one wants them. This Bill tightens up legislation to prevent the necessity for such direct action. It makes dissatisfaction less likely by reason of the establishment of State industrial boards. I submit, too, that it makes events leading up to strikes less likely to occur because penalties are substantially increased for the breaking of awards or agreements by either employers or employees.

Mr. Hutchens—Do you think that might be the chief reason for the opposition to the Bill?

Mr. JOHN CLARK—I have seen no real ground for the opposition in the speeches I have heard. The Treasurer became almost violent when he discussed piece work. The clause dealing with this seeks to prevent unscrupulous employers—and unfortunately there are a few—from circumventing piece work rules. We are not trying to hinder men from improving themselves, although the Treasurer suggested in rather strenuous terms that we were.

Mr. O'Halloran—All we are seeking is to protect the employee against the employer.

Mr. JOHN CLARK—No definition of "piece work" appears in the Code, the door being left open for the crafty to wriggle their way through, and they do. Our Bill defines piece work by saying that men are on piece work if they do not supply all the materials for an

alleged subcontract. We believe that this will stop the juggling of the meaning of piece work, and prevent eventual victimization by employers wriggling round the provisions of the Code. We are particularly concerned to prevent the victimization of juveniles which, unfortunately, is becoming increasingly common. We are also attempting to bring certain employees at present excluded from the Code within its ambit, such as employees of the Municipal Tramways Trust, Government subsidized and community hospitals and rural workers. Mr. Dunks attempted to give reasons for his opposition to the Bill, but was not very successful. We believe that the Bill will provide justice, and also believe that all should be entitled to the benefits of the Code, even rural workers. The Treasurer said that it would be highly embarrassing for agriculture if they were included. I do not believe it, but believe that many employers and many employees would be delighted if the change were made. It would be one of the greatest aids in this country in the working out of a fair and just cost of production.

Mr. O'Halloran—A similar provision has definitely put agriculture on its feet in England.

Mr. JOHN CLARK—I agree. We seek to give rural workers the opportunity to form a union and have the same rights as other workers already under the Code. There has been no real reason to exclude them. It reminds one of the Tolpuddle martyrs. We also seek in the Bill an acknowledgment of preference to unionists. As everyone knows, the Industrial Code is based on the recognition of industrial association, and therefore we propose that the Code should specifically promote this principle and not legislate against it. Finally, we believe that the principles enunciated in this Bill are fundamental to industry and democracy. They are not difficult to understand. I am not saying that in a sentimental way. The Bill seeks to protect the rights of the individual, especially the person who has no strength other than that given by his labour and by his association with others in his particular branch of labour. It is still one of the most important duties of good government to make certain that justice is given to all, and not only to powerful bodies or individuals who are already to a very great extent protected by their very wealth and power. I know I have repeated a few of the chief principles already enunciated by the Leader of the Opposition and Mr. Lawn, but those principles are very important. It seems to me that some of those principles have been deliberately misrepresented in the debate

by those supporting the Government, and therefore I thought it worthwhile to repeat them. I am firmly convinced that this is one of the most important and vital Bills introduced in this House for many years, and one which I hope, in the interests of true justice, will have the support of the majority of members on both sides.

Mr. PEARSON secured the adjournment of the debate.

[*Sitting suspended from 5.55 to 8.10 p.m.*]

#### BUDGET DEBATE.

In Committee of Supply.

(Continued from October 26. Page 1158.)

Legislative Council, £8,465.

Mr. MACGILLIVRAY—I have listened with a good deal of interest to the honourable members who have taken part in this debate, hoping that perhaps some of them might deal with the fundamental question that naturally arises in a matter of this kind. During this debate we are dealing with the income and expenditure of the State of South Australia, and those speakers who have preceded me have dealt very largely with certain sins of omission and commission as they have seen them. The honourable member for Prospect fluttered from flower to flower somewhat like a butterfly, attempting to gain time to deal with the fundamental question that arises in a Budget debate—to wit, what are we talking about? What is the all important question? What has the Premier done with the £2,000,000 that he evidently has not spent? Where does he keep it, and what does he propose to do with it? I propose to deal, not so much with the administrative side of the financial system, but with the basic principles that underlie it, and I shall take as my text the last Federal elections. I would ask my friends on both sides of the House, for the time being at least, to forget some of the recent happenings in the Federal sphere, and I will deal with the position entirely as it appeared at the time. I think it is fair to say that the last Federal elections were fought on a question that could be called entirely domestic. Some press correspondents said that they were fought on a basis that was entirely parochial, that some of the major problems of the Commonwealth and Empire had been forgotten and that the Parties had concentrated on our internal economy. It is futile, in my opinion, to worry about what is going to take place in the far-flung parts of the Empire if we are not in a position to

control our internal economy. Countries do not fall because of attacks from outside; they fall because of the rottenness and the neglect of responsibility that grows within them. I say that both Parties fought the recent elections on the internal economy of Australia, and did a first class job. We know that the main argument on the recent elections was centred on whether the Commonwealth of Australia could afford to abolish the means test. The leading advocate of that was one of the South Australian Liberal candidates, and he said that the means test refuted the whole principle of thrift; the idea that men and women should save in order to gain independence in their old age. I believe that had the support of up to 80 per cent of the voters in the Commonwealth because they felt it was just and in accord with commonsense. The Labor Party supported what, in effect, the Liberal candidate had advocated for years. Dr. Evatt, as Leader of the Opposition, intimated that if his Party were returned to power it would be prepared to abolish the means test. The Prime Minister said that to do this would put an unfair tax on the ability of the producers of the Commonwealth of Australia to produce foodstuffs; that it could not be done because the cost was too great. I do not need to repeat all the arguments against the proposition set up by Dr. Evatt at that time. The final blow to the Labor Party's argument came when Mr. Menzies said that Dr. Evatt was evidently a disciple of Major Douglas. Immediately the Labor Party started to crayfish, and to get out of its dilemma said that it could implement its promises to abolish the means test through the present taxation system. From that minute the people of Australia knew that the Labor Party was simply making promises that it could not possibly fulfil.

Mr. Coreoran—That is your opinion.

Mr. MACGILLIVRAY—It is not only my opinion, but that of the people of Australia. If Dr. Evatt had said that old age pensioners, war widows and injured soldiers do not need money at all and that all they needed was food, shelter and clothing; that, "We are not interested in the financial side, because finance is only a matter of bookkeeping," I believe quite sincerely that there would be a Labor Government in control of the Commonwealth today. But because the Labor Party, as it has on previous occasions, turned pale when faced with the problem of finance, it is rightly where it belongs. It has never attempted throughout its history—

Mr. McAlees—What have the Independents done?

Mr. MACGILLIVRAY—The Labor Party has betrayed all that is best in the movement—and there are men in the movement of very high ideals, especially the younger members who are young enough to think for themselves. They have said if the Labor Party is going to fall let it fall fighting for a principle, but do not let it be beaten running away from a principle. The Labor Party has given lip service to financial reform, but when the Prime Minister challenged Dr. Evatt by saying that he was becoming a disciple of Major Douglas the defeat of the Labor Party was certain. Let us examine the two major personalities in this argument: on the one hand we have the Prime Minister, and on the other hand Major Douglas. We all know that the Prime Minister is not without financial experience, for he was the lawyer who defended the big oil companies of America when they were charged with defrauding the Commonwealth customs. Major Douglas was a soldier in World War I, and incidentally that is another difference between him and his critic, the Prime Minister. Major Douglas' only experience in the financial realm was when he was asked, as an engineer, to rectify the accounts of Great Britain's greatest aeroplane station at Farnborough, Yorkshire. Its financial affairs had got into such a mess that the Government felt that it would have to appoint someone to clean the whole thing up, and it chose Major Douglas. Up to that time he was an engineer who knew nothing about finance, and was probably not even interested in it. He found that the whole financial system was in such a mess that there was no hope of rectifying the mistakes made. He was a very unsophisticated man who had the crude idea that when he found a flaw in the financial system all he had to do was to go to the authorities and tell them of the mistakes and they would rectify them. He went to the leading so-called statesmen and economists of Great Britain and told them of what he believed to be a fundamental weakness in the financial system, a weakness that was shared by some of the leading economists of 20 years later.

What he did not understand was that all our leading authorities and statesmen depended for their income on agreeing with a system that kept them in their bread and butter. That was the position when the last Federal election took place, and had the Labor Party been true to its principles and courageous enough to tell the people that our primary indus-

tries had produced so many foodstuffs that it would help our production system if we could get the people consuming a reasonable amount and had told pensioners of World Wars I and II that it was prepared to supply their needs so that they could enjoy a standard of living at least equal to the basic wage—and I would not be prepared to suggest anything less—there may have been a different result. However, when the challenge was issued the Labor Party again fell by the wayside.

One of the fundamental weaknesses in the Prime Minister's charges against Major Douglas was that when he challenged Dr. Evatt he did so on the ground of financial reform. He said, in effect, that Major Douglas could get money out of the air or out of the ink pot and the inference could be that Major Douglas was the first to suggest this. However, I will show that before the beginning of this century there were men who proved conclusively that money is only a matter of book-keeping. I said this 15 years ago in this Parliament, but after World War II started I had no necessity to worry about finance because the only method that our civilization has evolved to beat the banking system has been to start a war. So long as we are at war there is no need to worry where the money will come from, because it is poured out in millions. Unfortunately in one sense, and fortunately in another, we cannot keep wars going indefinitely, and the time may come soon when Parliament will again be faced with the problem of finance, as it was 16 years ago, when we were arguing whether the Farmers' Relief Board should allow a farmer to pay his son 10s. a week for working on a farm. The board said that he could pay only 5s.

Since that time, because of the necessity to employ many people in building warships, aeroplanes, guns, and munitions, unlimited millions of pounds have been put into circulation, and the sons of bankrupt agriculturists are now sitting on top of the world. Sixteen years ago, when farmers were paid 10d. a bushel for wheat and about 10d. a lb. for wool, it was said, I think rightly, that if all the farmers in the Commonwealth were sold up there would not be enough money to pay their mortgages. Wheat and woolgrowers are in a good position today, but they have achieved that position by offering their sons as a living sacrifice to a financial system that always demands its pound of flesh. I have a book which deals fully with this question and which draws attention to the fact that we worship the golden calf. Our temples have been built in honour of orthodox

finance. Let us consider the city of Adelaide. If Adelaide were to be overwhelmed tonight as Pompeii was in olden times and archaeologists in 3000 A.D. were to dig up our remains, they would naturally assume that we were a people who worshipped money, for the buildings that would best withstand the ravages of such an occurrence would be the banks. In 1883, because of the many failures of the British banking system, the British Government set up a Royal Commission. It is astonishing to look back on the banking failures of those days. Indeed, our younger generation cannot remember the time when the Australian banks closed their doors.

Mr. Fletcher—It happened in 1893.

Mr. MACGILLIVRAY—Yes, with world-wide repercussions.

Mr. Corcoran—Such events only reflect the hazards to be overcome in developing a young country.

Mr. MACGILLIVRAY—Great Britain was not a young country, yet it experienced banking failures every 10 years, and Parliament was forced to pass an Act to prevent the circulation of an unlimited number of bank notes by forcing the banks to hold a 25 per cent gold reserve against the amount of bank notes issued. In Australia, however, our banks issued credit to an amount of seven times the value of gold reserves, and of course gold is no longer necessary. McLeod's comments are particularly interesting in view of statements by critics of Major Douglas that the major has suggested that banks can get money out of thin air. McLeod said:—

Thus we see that the essential feature of a bank and a banker is to make an issue of credit payable on demand, and this credit is intended to be put into circulation and serve all the purposes of money. A bank, therefore, is not an office for borrowing and lending money; but it is a manufactory of credit.

How often have we heard it said that banks can only lend an amount equivalent to their deposits and that unless people deposit money with them the banks will have none to lend? There are some otherwise intelligent people who believe that argument, but McLeod points out that a bank is not a lending department but a manufactory of credit. When a person tells the truth about finance, some people think that he is antagonistic to the present banking system, but that is not so. Major Douglas himself once pointed out that the modern banking system is the most exact accounting system the world has ever known. No Social Creditor opposes the banking system on that point.

Mr. O'Halloran—That is where they break down!

Mr. MACGILLIVRAY—That may be so, and I will deal with that point later. Social Creditors believe that the existing banking system breaks down in usurping the functions of saying how much money shall be in circulation and of withdrawing money from circulation whenever it sees fit. In the early 1930's men were walking the streets in this country begging for work. They would have gone down on their knees and grovelled, if necessary, had such action resulted in their being given work at the basic wage; but they could not get work. At that time we set up committees to examine the effects of unemployment; men, women and children were underfed and underclothed even though the stores throughout Australia were bursting with stocks of food and clothing. Both buyers and sellers were anxious to do business, yet no trade could be carried out. We had bounteous harvests in those years, so it could not be said that the Almighty was responsible for our plight. What was responsible was the inability of our financial system to meet the needs of Australia. Had the Commonwealth Government at that time adopted the truth as expounded by Major Douglas—

Mr. Jennings—And Mr. Theodore?

Mr. MACGILLIVRAY—Yes, he wanted to issue £18,000,000 worth of bank notes so that Australians might be employed, and had that been done our main arterial roads could have been developed by labour costing less than £4 a week; because of the blindness and crass stupidity of the Commonwealth Government of the day and the people of Australia generally those roads were not built until Australia was involved in a life and death struggle during World War II. By that time costs had risen, and the labour used for that purpose cost anything up to £20 a week.

Mr. Corcoran—In the early 30's the money was in the banks but they would not lend it.

Mr. MACGILLIVRAY—Another point made by McLeod in 1883 was:—

It is commonly supposed that a banker's profit consists in the difference between the interest he pays for the money he borrows and the interest he charges for the money he lends. The fact is, that a banker's profits consist exclusively in the profits he can make by creating and issuing credit in excess of the specie he holds in reserve. A bank which issues credit only in exchange for money, never made, and can by no possibility make, profits. It only begins to make profits when it creates and issues credit in exchange for debts payable at a future time: which, according to Mill, is robbery.

Mill, one of the greatest economists, bluntly charged the banking system with robbery, and Major Douglas nearly half a century later said the same thing. What is wrong with our Under-Treasurer and his satellites whom we hear our Treasurer and Leader of the Opposition boost to the sky? What have our departmental officers been doing when they have not drawn the attention of the Treasurer to these things? Either they do or do not know about them. If they know and have told the Minister, then the Minister has fallen down on his job, but if they do not know then they have fallen down on their job. Every Minister of the Crown must of necessity depend a good deal on the advice given by departmental heads. It would be absurd to suggest anything else. Ministers come and go. Of necessity the best men in Parliament are not made Ministers; promotion is on a limited basis. Firstly, the man must be a member of the party in power.

Mr. O'Halloran—You are getting away from the point, You said that Treasury officials should settle financial problems.

Mr. MACGILLIVRAY—No. Only Parliament can settle financial problems.

Mr. O'Halloran—You suggested that the officials have not advised the Treasurer correctly.

Mr. MACGILLIVRAY—If they have not done so they have fallen down on their job. I can understand the Treasurer speaking eulogistically about departmental officers but I do not know why the Leader of the Opposition should do so. Our financial system should be controlled with mathematical accuracy; everything should be as exact as possible. We should ignore the argument of dyed in the wool and outmoded economists who still think that the finding of a hill of gold will be to the benefit of humanity. I believe the backing for our financial system is a virile people, which we have in the Commonwealth. If we were only limited in our standard of living by our ability to produce goods and services our country would be second to none in the world. Instead of that, State Treasurers go to Canberra, Hat in hand, bending the knee and butting the forehead on the ground, asking for more money to keep the States going. The whole situation is too pathetic and is an insult to common humanity. The time will come—and I hope in the not too far distant future—when a generation will arise which will laugh itself stiff at the fact that a generation existed that worried itself so much about something which did not exist. No-one today can get a pound of credit or a yard

of credit. Credit has neither measurement nor weight and it only exists in writing or typing. It is as easy to type £100,000,000 as it is to type £6,000,000. I have referred to McLeod's comments in 1883, but to come nearer to our day and generation I will refer to some comments by the Rt. Hon. Reginald McKenna who, in his private capacity, was chairman of one of the biggest banking systems in Great Britain and who was chosen as Chancellor of the Exchequer. In a series of annual addresses to the shareholders of his private bank he said:—

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

The banks have complete control in saying how much money shall be in circulation in the community at any given time. Sir Reginald continued:—

People often talk of money going abroad or of foreign money coming here, but as a fact when gold is not in use money is incapable of migration. The title to money may change. An individual may sell his sterling to an American for dollars, but the American will then own sterling in England and the Englishman dollars in the United States.

Mr. Quirke—We have the same parallel in Australia today in relation to American dollar loans.

Mr. MACGILLIVRAY—That is so, but I am trying to show the crass stupidity of supporters of what is termed orthodox finance. There is nothing as incredibly stupid in the world as our monetary system. I use that term rather than the loose phrase of the Labor Party—the capitalistic system. Employers are just as much a tool of the financial system as the man who works under capitalism. Our experience of the 1930's proves that. Many industries built up by generations of thrift went to the Bankruptcy Court then and suffered more than the workers who were thrown out of a job. Sir Reginald McKenna also said:—

While banks have this power of creating money it will be found that they exercise it only within the strict limits of sound banking policy.

The obvious question is who is to decide what is sound banking policy? Usually at this stage a Government member says, "I do not think that manipulating the financial system will solve our problems. I believe in hard work." There is nothing in this financial system to prevent anyone from working as hard as he wants to. If McKenna is right, working hard

and producing has nothing to do with the position. What is involved is the action of the banks in withdrawing or issuing money. The only point is that my honourable friends who want to work harder and longer would be left with more of the results of their labour than they have under the present system because today, as is known, the harder you work and the more you produce the more is taken from you, firstly by way of excessive income tax, then in various other forms of taxation and finally, after your death, by way of succession duties which complete the massacre.

Why do Government supporters who give lip service to private enterprise and the policy of thrift and the desirability of saving, and those who say that the first duty of a parent is to establish himself in such a way that his family has security after his death, permit vicious taxation on a man during his lifetime and more vicious taxation after his death? The answer is that they believe that money is the equivalent of goods and that when goods are produced—whether wheat, dried fruits, wine, or clothing—money is being produced. That is a major fallacy in the world today. Wages and salaries, which would be considerable in our defence programme, have just as good a purchasing power to the men who get them as the wages and salaries of those engaged in producing consumable goods. The engines of war and destruction are given free to people who at some time have been our enemies. Sometimes we have the Japanese as our friends and sometimes as our enemies, and sometimes we are not very sure where they are. These things are decided outside the influence of the average man. Without that we would be back where we were in the 1930's, when our primary industries were grovelling in the dust with debts they could not possibly meet. I could quote unlimited authorities, but I have made a selection dealing with the position as from 1883 to the present time.

Mr. Shannon—I shall not dare you to read them all!

Mr. MACGILLIVRAY—You cannot afford to be converted.

Mr. Shannon—If I believed what the honourable member believes I would be a banker.

Mr. Pearson—What did you mean when you said "You cannot afford to be converted"?

Mr. MACGILLIVRAY—Most of the Liberal Party are in the pockets of the banking system.

Mr. Shannon—Where does the honourable member keep his money?

Mr. MACGILLIVRAY—I do not have any. Since I have been a member of this House for 16 years I have never heard one member on the Government benches supporting the argument of Sir Reginald McKenna. If I remember rightly he was a Liberal and is an ex-Chancellor of the British Exchequer. I have never heard any honourable member opposite quoting McLeod, who was appointed by the British Government of the time to investigate the actions of banks that were ruining industries, nor heard them quote from the *Encyclopædia Britannica*. Some years ago in Australia we had the report of a banking commission which supported all I have been saying tonight. Let me quote from the *Encyclopædia Britannica*, and that surely should convince Government supporters, because no-one can suggest that it is biased. It is an authority which is accepted above all others and what it says about the credit policy is as follows:—

Banks create credit. It is a mistake to suppose that bank credit is created to any important extent by payment of money into banks.

Ninety per cent of the trade in Australia is done not with money, but on credit by people writing out cheques. That authority further states:—

Money is always being paid in by tradesmen and others who receive it in the course of business, and drawn out again by employers to pay wages and by depositors in general for use as pocket money. But the change of money into credit money and of credit money back into money does not alter the total amount of the means of payment in the hands of the community.

We have authority after authority saying that the function of a bank is to manufacture money.

Mr. Pearson—In that case we should have more banks.

Mr. MACGILLIVRAY—You, Mr. Chairman, and I have possibly thought that the only people who could create money were Her Majesty's Mint and forgers. We have never realized that the chief function of a bank was not the issue of money which had been deposited with them, but actually the creation of money, and when the banks fall down on their job it does not matter how much increase there is in Australian primary and secondary production, the country goes into the discard. I shall now quote what a director of the Bank of England said. Surely it would be difficult to refute these authorities, and if anybody feels that they are wrong I would be glad if he would indicate in what way, because I do not pretend



to know anything about them. I am only a humble student of what better or more highly educated men with a wider experience in this direction have put on record, and I am trying to inform this Committee on a matter that I believe to be absolutely vital. If we cannot solve this question of money, which is a problem of exchange, a problem of getting our production into the hands of the consumer, then we can forget production altogether. The modern world is not worried about ability to produce, but it is worried because consumers cannot consume. That is a new thought for many because we have all been told by even Ministers of the Crown to produce more, tighten our belts, consume less, and work harder; a policy of defeatism that would disgrace a child in the primary school, let alone a Minister of the Crown.

Mr. Pearson—Doesn't the honourable member believe in hard work?

Mr. MACGILLIVRAY—Yes, I have done it longer than the honourable member ever will do.

Mr. Pearson—I would not say that.

Mr. MACGILLIVRAY—I have seen plenty of hard work, but that does not matter. All the authorities say it does not matter how hard you work because only the banks alter the amount of money in the community.

Mr. Pearson—Why does the honourable member work hard if it does not make any difference?

Mr. MACGILLIVRAY—Because I take a pride in it.

Mr. Shannon—I think the honourable member is working hard now and not making any headway.

Mr. MACGILLIVRAY—All people interested in reform do it the hard way, and people like the honourable member for Onkaparinga sit down and jeer. Any reformer who is affected by jeers is not a reformer at all. I have come up the hard way and these things do not worry me in the least; all that worries me is what I believe to be true and if I am not big enough to tell the truth as I know it the sooner I am wiped out the better it will be. I would like to quote from a book by Vincent C. Vickers, a man who has been associated with big business in a way that very few in Australia would know anything about. This man was a director not only of the Bank of England, but of Vickers-Armstrong, the biggest armament firm in Great Britain. If honourable members will listen to this and see what he is trying to say I believe it will have some little effect on them. I quote first his foreword:—

I who write this, need no proof of the importance of the money system upon the very lives of the people and even to the future existence of the British race, so long as that system fills the position which it now holds in our national economy. There are many thousands of well-educated men and women who, I believe, endorse my views in their entirety. But even for the most zealous of money reformers to attempt to write upon so vast and momentous a subject as our monetary system and the management of our national finances, such attempt would appear doomed to failure unless it were supported by great financial experts whose names were a by-word in the country. The next best alternative was that the author should himself be qualified by past experiences to express an opinion worth reading. I therefore decided to take the unprecedented course of offering to my readers my own qualifications for putting down before the British people the very precarious condition of our monetary system as it exists in this country today; that this our money system forms the most important part of our economic system, and that the nation's economic system forms part of our social system.

Ever since that day in 1926, when, not in arrogance but with humility, I felt it my duty to explain to the Governor of the Bank of England, Mr. Montagu Norman, that 'henceforth I was going to fight him and the Gold Standard and the Bank of England policy until I died'—(and well I remember the words of his reply!)—I have been an ardent money reformer. Some few years afterwards I resigned my long directorship of Vickers, Limited; since when I have spent much time and money in advocating the necessity for a reform of the monetary system. This has naturally brought me into contact with most sections of the community; with Communists and those with axes to grind, with malcontents and debtors and, in addition, with men and women who are honest and disinterested patriots. Not more than a tenth of my income is earned; the rest comes from investments in banks, Bank of England stocks, American and Canadian securities, etc., and, mainly, from British industrial securities. I am therefore a 'capitalist'—one who has seen better times—and content to remain in my present financial position, but most unwilling to have my present standard of living further reduced. I bear no ill-feeling towards my own class or any other class. I seek neither notoriety nor kudos. If someone can change my convictions I shall be only too ready to alter them. But in 15 years nothing whatever has occurred to make me alter my views. I still believe that the existing system is actively harmful to the State, creates poverty and unemployment, and is the root cause of war.

That is a damning indictment of our present monetary or financial system, call it what you will, from one who had a very close association with it; a director of the Bank of England who controlled not only the financial system of Britain but, I suppose, very largely the financial system of the whole civilized world.

Because of his knowledge of what the system was doing he said it was actively harmful to the State; in other words the banking system was subversive. He said it created poverty and unemployment, and we know that it did in the 1930's in Australia, and he said it was the root cause of war, because we had to, under the guise of defence, keep money in circulation to keep industries going. We know that advocates of the present system always sneer at anyone who suggests any change in the financial system. They say they are in favour of what is known as sound finance. This director of the Bank of England, Mr. Vickers, said:—

“Sound finance” means nothing at all. It is merely a sort of bankers’ slogan adopted to disguise the injustices of a credit system; so that whatever the form of financial jugglery in question might be, it should, in the ears of the public, give the true ring of the genuine coin, or, at any rate, have a comforting sound about it. Whether we like it or not, we must realize that the opinion of the city of London very often does not represent the opinion of the country; that “sound finance” is essentially an expression invented by the banker and the dealers in credit.

That is what he thinks of sound finance. We know that Australia, like every other country, is more or less in fear and trembling of what Communist policy and philosophy is likely to do to our democratic system. When writing a considerable time ago this director of the Bank of England said, assuming the banks continued the policy adopted in the 1930's:—

Under such general conditions the Communist is naturally content to bide his time; for he observes that the trend of affairs is slowly converging towards the very conditions which he most desires to see—a growing discontent with finance and the money system and increasing weariness of the present form of Party government—

Everyone knows that that is true. He continued:—

and an increasing poverty and loss of influence among those who have so recently been the mainstay and backbone of the country.

That would be more true of Great Britain than of Australia. So far we have not brought death duties and succession duties to such a fine point as in England, where two or three deaths in any family, no matter how long the family has been established, means that the family disappears under the scheme of things. He continues:—

Unless the great producing industries of this country hold together, consult together, and support one another, there is no safe anchorage for the nation in the storm that is already on the horizon.

The storm came in 1939 when World War II broke out. I do not know whether this story is true, but a young man joined the fighting forces in 1939 and was sent to the Woodside camp. When he went to get his pay he held up his hand in the Nazi salute and said, “Heil Hitler!” When the officer asked him what he meant by that and why he was so unpatriotic he said, “I am 25 years of age and this is the first pay that I have ever drawn, and if it was not for Hitler I would not even get this.” That was all too common. Our young men were rotting morally and mentally on street corners. They felt there was no place for them in the scheme of things. All that committees appointed by Parliament could do in those days was to suggest that young unemployed men should play football on the parklands. What a tragedy! What a waste of human endeavour and human life, all because the financial system found it cheaper to pay them 4s. 9d. a week and keep them doing nothing and degenerating, wasting the greatest asset that humanity has—its youth! The financial system caused that.

Mr. Quirke—Until war broke out.

Mr. MACGILLIVRAY—Yes, and then those men were suddenly no longer useless and unemployed, but heroes who were put into uniform to fight for the rest of us and the rotten financial system.

Mr. Corcoran—They survived the storm.

Mr. MACGILLIVRAY—Some did, but the bones of many of them are now in various parts of the Empire, some outside the Empire altogether. The Empire, despite the sacrifices made, is gradually diminishing. But in spite of everybody agreeing, by and large, with what I have said very few are prepared to get up in this House and nail their colours to the mast and say that one thing wrong with Australia, despite its ability to produce and its virile manhood, is our rotten and obsolete financial system. If there is one thing that hurts my friends of the Labor Party it is to suggest that social credit might succeed. In the Canadian province of Alberta, because of the dire conditions in which the people found themselves, the authorities investigated the truth or otherwise of what Major Douglas was propounding. He sent two advocates of his system to Alberta to advise the Government at that time. The net result of the investigation was the imprisonment of one man because he advocated a financial system that opposed orthodox finance, the followers of which supported orthodoxy only in order to retain their jobs. Social Credit is founded on certain

Christian principles and is one of the greatest Christian philosophies of which I know. I have been in close touch with the philosophies behind all the great movements in the last hundred years. Indeed, I believe there can be no sound political or economic movement unless it is motivated by a worth-while philosophy. The Labor movement started with high ideals and achieved much. Henry George had a wonderful philosophy and helped to lift the world a little higher by his efforts. Major Douglas' philosophy, however, is greater than any other political or economic philosophy. Too many of our philosophies are based on hate and greed. For instance, if somebody succeeds in something he is branded as a rogue and a scoundrel and his efforts are deprecated. People who have been successful in life are taxed to the utmost; but a Government may impose excessive taxation on the most efficient industry in the country without helping anybody, for such action may only make the position of the underdog worse. Major Douglas said, in effect, "The world is producing enough for everybody; we do not need the tremendous debt that has been built up; the basis of our financial system should be the ability to produce." As Ruskin said, "The end of production is consumption."

This Budget, however, represents the efforts of a Government whose members are ardent supporters of orthodox finance, and every one of Mr. Playford's previous Budgets has been moulded on similar lines. Nevertheless, the fact remains that all the Treasurer can show for his efforts over the past 16 years is an increasing burden of debt and taxation. At page 16 of his recent report the Auditor-General says that in 1945 South Australia's total debt amounted to £113,000,000 and that by 1949 it had increased to £129,000,000. This year, in spite of the prosperity of which the Treasurer has told us so much, our debt has increased to £228,000,000—a fantastic figure for a community of about 250,000 taxpayers. That debt must be discharged. During the last 12 months our debt charges have risen by 100 per cent until today they stand at over £1,000,000. That is all we have to show for the hard labour, energy and production under orthodox finance; yet, in Alberta, a Canadian province, with a Social Credit Government, the Premier was able to say recently:—

I am pleased to report that during the current fiscal year, notwithstanding increased expenditure for services and capital development, Alberta became the first Canadian province to accumulate cash surpluses and investments in excess of its total indebtedness, an

achievement of which every honourable member and citizen of this province can be justly proud. He was able to say that, despite his inability to fully implement his Social Credit programme owing to certain handicaps including adverse Federal Court decisions.

Mr. Coreoran—If we strike oil like Alberta did we will do all right.

Mr. MACGILLIVRAY—That would be helpful, but oil is not the major industry in Alberta where, as in South Australia, wheat is the major item of production. Would not honourable members be pleased if they heard the Treasurer say that, because of the efforts of our primary and secondary producers, this State had a surplus of cash and investment over its indebtedness? Mr. Playford, however, will never be able to say that.

Mr. Quirke—Not even if he struck oil.

Mr. MAGILLIVRAY—That is so; Alberta produced oil even before the Social Credit Government assumed office. It is interesting to note what has taken place in Alberta under the discredited Social Credit system, limited though it may be. In 1945 the total debt of Alberta was 150,000,000 dollars. Through the years it was gradually reduced until in 1952 it was 97,000,000 dollars. Is there another part of the British Empire that can claim a similar reduction?

Mr. Travers—Why not talk about our own State instead of Alberta? I have been listening to you for two hours talking about Alberta.

Mr. MACGILLIVRAY—I have been making a comparison between South Australia and Alberta. If the honourable member stopped reading his law books for a moment and listened he would learn something about economics. The trouble is that lawyers need no intelligence. They are governed entirely by precedents. They refer to something that somebody said sometime or another and take it as a precedent.

Mr. Travers—What Major Douglas did in Alberta seems to be taken as a precedent by the honourable member.

Mr. MACGILLIVRAY—We who gain our knowledge the hard way have to think. A lawyer who acts on precedent does not have to think. I have shown that debts can be reduced, in the way Alberta has done. The neighbouring States in Canada are thinking along the same lines. Here is a report about what happened at elections in British Columbia in September of last year:—

Readers will remember that Social Credit candidates won enough seats at the Provincial elections in British Columbia in September of last year to form a minority Government. The

final figures were—Social Credit 19, Labor 19, Liberal 6, Conservative 4 and Independents 1. The Social Creditors—only two of whom had been in Parliament before—formed a Government with the support of the Liberals and Conservatives. It was obvious from the start, of course, that a Government dependent upon such incompatible elements could not function to its own satisfaction or to that of the province.

Sixteen years ago we had a number of Independents in our Parliament, but they had a little more wisdom than the people in British Columbia because they did not fall into the trap of forming a Government. The report continues:—

So the Social Credit Government asked for a dissolution and went to the country this month. The final results are not yet to hand, but the figures received up to June 22 indicate that Social Credit will win a sweeping victory with a majority over all other parties. Here are the figures—Social Credit 4 elected, 26 leading; Labor 2 elected and 15 leading; Communist 1 leading.

Further information shows that Social Credit had a sweeping victory following on the good work done in Alberta. Not content with winning the State elections an attack is being made on the Federal Parliament in Canada and it is hoped that in the not far distant future there will be enough Social Creditors in that Parliament to give a strong lead to those who feel that the present financial system is unsuited for modern times. It is hoped that Canada will eventually lead the world in this matter. I have spoken sincerely tonight. I believe that the greatest evil in the world today is our financial system and I say that without reflecting in any way on those associated with our banking system. If the system is wrong it does not matter who operates it. We must get down to fundamental principles and get away from the backing of sterling and other things.

Mr. Dunstan—Has Alberta or British Columbia instituted a national dividend and abolished taxation?

Mr. MACGILLIVRAY—No. I have no doubt that the time will come when wages will be augmented by such a dividend. We have it now in many different ways and it goes to the people who need it most. I think that

is reasonably satisfactory. In the early days of Christianity and in the early days of Social Credit there were people with ideas that were sincere so far as they were concerned but which, with the effluxion of time, were modified. If certain practices were common in a community and were not harmful they were embraced and change was not so difficult. Instead of paying a national dividend to everyone it is being paid to those who most need it. If the means test is abolished we will have gone a long way to paying a national dividend to those over 65.

Mr. Dunstan—Could that be done without increasing taxation?

Mr. MACGILLIVRAY—Yes, but I am not opposed to income tax. We have not sufficient money today to pay for certain social services. Mr. Menzies cannot increase war widows' pensions nor can he provide them with hospitalization because of the lack of money. I think we could have Social Credit in this country tomorrow but no-one could suggest that it would be a 100 per cent change-over. I would abolish death duties and sales tax because they are without principle and unjust. I was going to refer to some of the comments of the member for Hindmarsh who attacked our primary producers but I will leave that to other members who no doubt will deal with that matter. All the producers have done has been to embarrass our system by their ability to produce. The Minister of Agriculture has pointed out that we have a wheat surplus of 18,000,000 bush. and so much wine and dried fruit that we do not know what to do with them. We have produced potatoes to such an extent that they have been left to rot in the ground. There can be no reflection on the primary producers nor on our secondary industries but there can be a major reflection on our financial system which is not controlled in Australia, which does not belong to Australia and which is controlled and conditioned by overseas financiers under the control of the international bank.

Progress reported; Committee to sit again.

#### ADJOURNMENT.

At 9.56 p.m. the House adjourned until Thursday, October 28, at 2 p.m.