

**HOUSE OF ASSEMBLY.**

Tuesday, October 18, 1955.

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

**QUESTIONS.****AUDITOR-GENERAL'S REPORT.**

Mr. O'HALLORAN—Can the Premier indicate when the Auditor-General's report is likely to be available to members? Will it be available before we are asked to discuss the various lines on the Estimates? It is of considerable assistance to members in following the lines.

The Hon. T. PLAYFORD—The report has been in the hands of the printers for a considerable time and every effort is being made to expedite its printing to have it available for members. I believe it will be available in about 10 days.

**EYRE PENINSULA CROP FAILURES.**

Mr. GOLDNEY—In last Friday's *Advertiser*, under the heading "Mystery of Crop Failures," the following appears:—

Thousands of acres of crops in the Le Hunte County of Eyre Peninsula have failed suddenly, mysteriously. Farmers there are blaming the calamity on radio-active dust fall-out from atomic experiments. There have been no severe frosts in the district this winter, and the worried farmers point out that crops have survived much more severe winters in the past. Can the Minister of Agriculture say whether officers of his department have investigated this report, and, if so, what conclusions they have reached?

The Hon. A. W. CHRISTIAN—I do not think this particular area has been investigated by officers of my department. I made some personal investigations and observations in the district recently and am satisfied that the damage is the result of frosts. As a matter of fact, when I was in the locality about 2½ months ago one of the early crops was in the flowering stage when we had a frost, and I was fearful then of the damage that might result. On my later inspection recently that crop showed unmistakable signs of frost damage. I also saw other crops in the locality which, in my opinion, were definitely affected by frost.

**RECRUITMENT OF TEACHERS.**

Mr. HUTCHENS—On October 6 I asked the Minister of Education a question concerning a recruiting campaign to enlist young people to the teaching profession. His reply

at that stage was pleasing to all concerned. Has he any further report on this matter and can he indicate whether it may be possible soon to raise the school-leaving age, as was agreed upon by this House some time ago?

The Hon. B. PATTINSON—I am happy to be able to report on the implications of the recruiting campaign. This report will be even more pleasing than the one I gave a fortnight ago, but I cannot at this early stage say whether it is sufficiently encouraging to enable us to increase the school-leaving age next year. The three weeks intensive recruiting campaign which began on Monday, September 19, concluded on Friday, October 7. Three recruiting teams were engaged on this campaign, each team consisting of an inspector of schools assisted by two of our younger teachers.

The three teams were:—Team I.—Mr. A. W. Jones—assisted by Mr. P. Clancy (Findon Primary School), and Miss S. Newman (Croydon Girls Technical School). Team II.—Miss G. R. Gibson—assisted by Mr. H. Beare (Port Augusta High School), and Miss M. C. Bourne (Rose Park Practising School). Team III.—Mr. A. H. McLay—assisted by Mr. M. Birrell (LeFevre Boys Technical School), and Miss J. Bender (Renmark High School). These three teams visited 57 secondary schools in all parts of the State with the exception of Eyre Peninsula and 12 evening meetings were conducted, nine in country districts and three in the metropolitan area. Mr. A. H. McLay is at present visiting 10 secondary schools and addressing meetings in Eyre Peninsula.

While it is too early to assess accurately the results of the campaign, it can be said with confidence that the work of these recruiting teams has been highly successful. Heads of schools visited made the best possible arrangements and afforded every opportunity to the recruiting teams. With few exceptions the members of their staffs also assisted the work wholeheartedly. At all the schools that were visited assemblies of students were addressed and booklets were distributed. In addition many students at each school came for interview after the assemblies and in that and other ways showed their interest in a teaching career. Most of the evening meetings were well attended by parents and many expressed great interest in what was offered for their sons and daughters and were appreciative of the high allowances which are now available. 6,023 students were addressed in country schools and 8,580 in metropolitan

schools—a total of 14,603. 286 parents attended meetings in the country and 438 in the metropolitan area, a total of 724.

The recruiting officers report that 1,265 students in country schools were definitely and newly interested in teaching as a career and that the figure in metropolitan schools was 1,639, a total of 2,904. Of these 1,705 were girls and 1,199 were boys. When one compares these figures with those for last year's campaign, namely 681 students in country schools and 888 in metropolitan schools, who were then newly and definitely interested in teaching as a career, it is clear that the campaign so far this year has been an outstanding success. The campaign will be continued by newspaper advertisements and other methods until the end of the school year. I repeat what I said a fortnight ago, that I am confident we are staging the most extensive and intensive campaign in the history of the department, and I think it will meet with far more success than former campaigns.

#### CERAMICS RESEARCH.

Mr. FRANK WALSH—I believe a Mr. Ellerton was appointed by the Government to investigate certain clays in this State. Can the Premier say whether he is still engaged on this research work, and is it only for the ceramic industry or for the brick and terra cotta tile industries as well, with a view to learning where suitable clays can be found?

The Hon. T. PLAYFORD—This expert was brought to South Australia several years ago to assist the ceramic industries generally, which include the brick and other industries that use clay. He is engaged full time on the work and as far as I know is still on it. He makes his services available to any section of the industry desiring expert technical advice.

#### HOUSING SCHEME.

Mr. SHANNON—Recently I read that the Victorian Housing Commission had offered houses for sale on, I understand, a deposit of £150, with the balance being paid over an extended period. It has also incorporated in the scheme an insurance plan to provide for the payment from the fund, on the decease of the purchaser, of the balance of the sum outstanding. Such a scheme is desirable, and, if practicable, should be investigated by our authorities. Certain aspects appeal to me. Apart from providing a permanent home under private ownership, it relieves the trust of the responsibility and cost of rent collection.

I think the scheme should be established in the interests of the people generally. I was particularly impressed with the protection afforded to the purchaser under the insurance plan so that the family did not suffer in the event of his untimely death. Has the Premier a statement to make?

The Hon. T. PLAYFORD—A scheme of the type mentioned operates in Queensland. About six to eight months ago I investigated it to see if it had anything to offer this State. The scheme operates, but that is all that can be said for it because, owing to age and other circumstances, the number of the people who can become eligible are relatively few. At present the South Australian Housing Trust has no trouble whatever in collecting rents or selling houses. There is nothing to prevent any person from purchasing a house and taking out an insurance policy.

#### SALE OF SMALL GOODS.

Mr. TAPPING—On October 6 I asked the Minister of Lands, who was leading the House that day, if he would obtain a report regarding two Adelaide manufacturing butchers who were charged with selling smallgoods below the regulation standard. Has a report been obtained?

The Hon. T. PLAYFORD—The Minister of Lands referred the question to me and I have obtained a report from the Central Board of Health, which lays down the standard of meat products that must be provided in smallgoods. Extensive examinations have been made of various smallgoods sold on the market and as a result a number of cases were detected where the relative percentages had not been maintained, and in those instances proceedings have been taken in the normal way. The report is available if the honourable member wishes to see it.

#### NAILSWORTH SCHOOL SWIMMING POOL.

Mr. JENNINGS—The committee of the Nailsworth Boys' Technical School has decided to embark on the very ambitious, and in my opinion commendable, project of establishing a swimming pool in the school grounds, which are eminently suitable for such a pool. Few school grounds are so suitable. The idea is to build a first-class pool and make it available to all other schools in the area. The Minister of Education is not unaware of the matter; I think he has discussed it with his departmental officers. At a later stage, when some detailed plan has been submitted to him, would he consider the payment of a departmental subsidy,

as I understand the department is now prepared to subsidize similar pools at individual schools?

The Hon. B. PATTINSON—The honourable member said that the proposal, which he outlined briefly, was an ambitious one. I suggest that was a masterpiece of understatement, because the pool is estimated to cost not less than £20,000. The honourable member also said that my department and I were aware of the scheme. The first that either the Director of Education or I knew about it was when we read reports of it in the *Sunday Mail* and *Sunday Advertiser*. I was pleased to think that the sponsors were able to raise £20,000 for one school swimming pool, because I certainly cannot raise anything like that sum, and I have about 750 schools to consider. I cannot hold out any hope whatever that the department will be able to subsidize this or any other scheme for a swimming pool. I am, however, anxious to foster swimming in schools and I have a very comprehensive interim report, provided for me this afternoon by the Director of Education, from the supervisor of physical education, concerning what we are doing for the teaching of swimming generally, but I do not think it would be proper for me to read that report in reply to the honourable member's question.

#### SHORTAGE OF NURSES.

Mr. TEUSNER—Apart from the teaching profession, there is another noble profession that is, and has for some time been, considerably understaffed, namely, the nursing profession. Will the Premier confer with the Minister of Health and the Minister of Education to see whether a campaign similar to that which has been embarked upon by the Education Department for the recruiting of teachers can be conducted in secondary schools with a view to recruiting girls for the nursing profession?

The Hon. T. PLAYFORD—I know the Minister of Health would welcome the idea, but, of course, the pool upon which we have to draw is relatively small and I know that the Education Department is anxious for the success of its recruiting campaign and that there shall not be any competition by other authorities at present. However, I will confer with my colleague to see whether the honourable member's suggestion can be put into effect.

#### NEW TOWN NORTH OF SALISBURY.

Mr. JOHN CLARK—This morning, with other members of the Joint Committee on Subordinate Legislation and the member for the district, and by courtesy of the clerk and

chairman of the Salisbury District Council, I inspected the un-named new town north of Salisbury and was amazed to see the progress made. Has a name yet been decided upon for the town, and when is it likely that the new citizens will move in?

The Hon. T. PLAYFORD—No name has yet been announced and I do not know when the announcement will be made. The Housing Trust has informed me that it desires to have some small ceremony to mark the occasion of its opening, and honourable members will be invited. I think the date fixed for the ceremony is November 16, but I will check that and let the honourable member know for sure.

#### HIGH OCTANE PETROL.

Mr. DUNSTAN—Has the Premier seen the report of a statement made by the Federal Minister for Supply that it is the practice of his department not to purchase high octane petrol for Commonwealth vehicles in consequence of tests made by the department, from which it became obvious that that being sold offers no advantage for vehicles of a fairly low compression ratio, such as Fords and Holdens. Has the Premier any knowledge of the advantages of this petrol for the ordinary consumer and will he see that the usefulness to the public of the ordinary grade is not reduced by the oil companies reducing its octane value, as this would enable them to circumvent the prices legislation of this State?

The Hon. T. PLAYFORD—I think the ordinary brand of petrol has been on the market for nearly two years. It is a slight improvement on the war-time brand, and price control is being maintained on it. When the companies asked for permission to introduce a higher octane petrol it was granted, but it was not placed under price control. I considered that the public was fully protected because the ordinary grade of petrol was carefully controlled and because if any person felt that the high octane petrol was too dear he would always have the controlled article as a substitute. The Government has found, from tests, that there is some slight advantage in mileage from the high octane petrol.

Mr. Dunstan—In what cars have you tested it?

The Hon. T. PLAYFORD—I think mainly high compression, modern cars.

Mr. Dunstan—Such as Buicks?

The Hon. T. PLAYFORD—I do not think so, but on Dodges and cars of that type. It is rather early to ascertain the advantages of high octane petrol because it is claimed that

there will be lower repair bills and longer periods between decarbonizing. Whether that offsets the increased price is something we are investigating and we shall be in a better position to tell after further experience, but the Government intends to maintain price control of the old type of petrol.

#### ARCHITECT-IN-CHIEF'S WORKSHOP.

Mr. FRED WALSH—When the Architect-in-Chief's workshop at Keswick was burnt down last year much of the machinery was virtually left undamaged. I refer particularly to the dust exhaust plant, and for some time now the employees at the workshop have been promised that the exhaust fans would be connected to the woodwork machines, but this has not been done. I understand that the department has called for tenders for connecting the plant to the machines, which require certain new piping. Apart from that I believe the plant is satisfactory, and I understand that the work required is subject to Government approval. As the dust nuisance is very bad and the men are complaining because the exhaust fans have not been connected I am afraid there may be strained relationships between the head of the department and the men, which no-one would like to see. Has the Minister of Works any information on this matter?

The Hon. M. McINTOSH—No, but there has been no delay on the part of the Government or the department in trying to finalize this matter. The position may be that no satisfactory tender has been received, but I will follow up the question immediately and bring down a reply either tomorrow or on Thursday.

#### DRAINAGE OF GLOSSOP AND BERRI.

Mr. MACGILLIVRAY—The Minister of Irrigation may remember that recently the District Council of Berri wrote to the Government regarding the possibility of getting finance for draining the towns of Berri and Glossop. I think they asked for a grant of £1,000 to help drain Berri and a loan of £1,500, and £1,100 for draining the town of Glossop. I understand that this would require the approval of Parliament, and I ask the Minister whether he has any information on the matter?

The Hon. C. S. HINCKS—Provision has been made in the 1955-56 Revenue Estimates (see page 113) for the grant of £2,150 to the District Council of Berri towards the cost of drainage in the towns of Berri and Glossop, and for a loan to the council of £1,500 for the same purpose.

#### VALUELESS CHEQUES.

Mr. LAWN—Some years ago, when I was a trade union secretary, I had brought to my notice the case of a workman who had been paid his wages by a cheque that subsequently proved valueless. On inquiry, I was advised by the Police Department that because of the law it was powerless to act. Recently, I was given a cheque that was subsequently dishonoured and I communicated with the Police Commissioner, seeking information about the law, and he told me that, when a cheque is offered as a cash payment at the time goods are bought or services rendered, the police can act, but where it is the payment of a debt, that is, at a time subsequent to the actual transaction, or as the payment of a workman's wages, the police are unable to act. Will the Premier see whether an alteration of the law is desirable?

The Hon. T. PLAYFORD—I will have the problem investigated and advise the honourable member. I can, however, remember no representations by any authority for an alteration of the law; certainly, I have had no recommendations from any department on the matter.

#### MILLICENT WATER SUPPLY.

Mr. CORCORAN—On several occasions I have asked the Minister of Works what progress has been made on the proposed Millicent water supply, and on the last occasion he told me the project was before the Public Works Committee and referred to a difference of opinion prevailing in Millicent. As I am concerned about a sewerage system for Millicent, for which a water supply is a prerequisite, has the Minister any further information on this project and can he say when the committee is likely to report?

The Hon. M. McINTOSH—This matter has been before the Public Works Committee for some time, and the law requires that it report on it before the Government may act. The committee has been in touch with the people of Millicent asking them to try to adjust their viewpoint and to give any evidence that might help the committee. The committee, however, is still awaiting a reply. It is up to the people of Millicent to make up their minds what they want the committee to recommend and the Government to carry into effect.

#### PORT PIRIE RAIL SERVICE.

Mr. DAVIS—I have been informed that the speed of the train between Port Pirie and Adelaide has been reduced. Will the Minister

of Works ascertain from the Minister of Railways whether the reason is the bad state of the track or the age of some of the carriages?

The Hon. M. McINTOSH—I will obtain a reply from the Commissioner of Railways.

#### ASCOT PARK PRIMARY SCHOOL.

Mr. FRANK WALSH—Will the Minister of Education ascertain when the woodwork centre is likely to be erected at the Ascot Park Primary School, and obtain information concerning the repainting of some of the portable buildings at that school?

The Hon. B. PATTINSON—I received a message that the member proposed to ask these questions and endeavoured, in the short time available, to get some information, but it is not as definite as he or I would desire. No date has been fixed for the opening of the woodwork centre at the school. This is one of a number of similar centres the Architect-in-Chief proposes to erect to a standard plan. That plan was prepared, but required some modification, and it is now being redrawn. This and other schools will be proud of the woodwork centres that are erected in accordance with the plan. The Architect-in-Chief will send a works inspector to Ascot Park this week to report on and estimate the cost of painting the portable rooms, and then the work will be put in hand.

#### SWIMMING TUITION.

Mr. TAPPING—In a circular published by the S.A. Amateur Swimming Association an article headed "School Swimming Instruction" contains the following comments:—

Education Department officers are to be congratulated on the way they are tackling the new scheme for swimming instruction in schools. Several metropolitan and country schools have already commenced instruction with considerable success.

In view of the enthusiasm displayed by the association, can the Minister of Education indicate what progress has been made with the departmental plan to further extend swimming tuition in schools?

The Hon. B. PATTINSON—I take this opportunity of expressing my appreciation of the enthusiasm shown by the association and of its commendation of the Education Department's activities. I have received the following report from the Supervisor of Physical Education, Mr. Butler:—

Returns already received show that at least 180 schools in all parts of the State will take part in the swimming campaign and that instruction will be given to at least 12,000 school children in term time. Instruction has

already begun in a number of centres and the scheme will be in full operation by the end of this month. It is already known that 236 teachers and 88 other instructors, including a number of police officers, will be available to give lessons in swimming. Additional teachers and instructors will be obtained if they are required. Plans for the summer vacation schools of instruction are already well advanced and applications have been received from 230 persons, almost all of whom are teachers or students at the Teachers College, for appointment as instructors. Instructors at these summer schools will be selected after considering the qualifications of each applicant in swimming and in life-saving and their experience in the teaching of swimming. It is already clear that the original estimate of 16,000 children to receive instruction in the 1955-56 season will be exceeded.

#### MONTEITH PRIMARY SCHOOL.

Mr. WHITE—Some time ago I asked the Minister of Education a question concerning the erection of a paling fence at the Monteith School. I noticed yesterday that the fence had not been erected. Will the Minister ascertain when it is likely to be constructed?

The Hon. B. PATTINSON—Yes.

#### MARGARINE IMPORTS.

Mr. HUTCHENS—In today's *Advertiser*, under the heading "Loose Talk on Butter Subsidies," the Premier is reported as having said:—

The dairymen had a right to expect a proper standard of living—the same as the rest of the community.

Every member would subscribe to that view, but I am concerned about the welfare of local industries. Can the Premier indicate what action his Government is taking to prohibit the inflow of margarine from eastern States for which there seems to be a demand?

The Hon. T. PLAYFORD—As far as I know there is no inflow of margarine from the eastern States at present.

#### HOUSING TRUST HOMES: TRANSFERS.

Mr. JENNINGS—Recently I was approached by a tenant of a Housing Trust timber fabricated home who had received medical advice to transfer to a brick home. His application for transfer was refused and when I communicated with trust officers I was told that the trust had laid down a firm policy that no transfers would be granted from one type of permanent home to another. I do not disagree with that policy, but will the Premier ascertain whether it could be departed from where a doctor recommends such a transfer?

The Hon. T. PLAYFORD—The honourable member will appreciate that if a policy is departed from it no longer remains a policy.

**SOLDIER SETTLERS' LIABILITIES.**

Mr. MACGILLIVRAY (on notice):—

1. What action, if any, has been taken to overcome the apparent stalemate that has arisen between the Commonwealth and State Governments regarding the fixing of liabilities on war service irrigation properties?

2. Is the principle of amounts written off being shared three-fifths by the Commonwealth and two-fifths by the State, as enunciated by clause 4 (4) of the schedule to the War Service Land Settlement Agreement Act, still in operation?

3. In making valuations, are the officers of the Crown still controlled by clause 4 (7) of the schedule to the War Service Land Settlement Agreement Act?

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

1. Considerable progress has been made in this matter as a result of conferences between Commonwealth and State officers. Delay has occurred because it was considered necessary, in view of the present position of the dried fruits and wine industries, to have further investigations made into values in relation to long-term prices before final agreement is reached between the Commonwealth and the States concerned, on the basis to be used in fixing values in terms of the War Service Land Settlement Agreement Act. The Commonwealth has been asked to advise what progress has been made with these investigations and when finality will be reached, and a reply to this enquiry is being awaited.

2 and 3. These questions relate to clauses 6 (4) and 6 (7) of the agreement respectively, and not 4 (4) and 4 (7) as stated. The answer to both questions is—Yes.

**ADVANCES FOR HOMES.**

Mr. FRANK WALSH (on notice):—

1. What is the average monthly amount of money set aside under the Advances for Homes Act by the State Bank Board?

2. Was all of this amount used in September, 1955?

3. If not, how much was not used?

4. How many applications were received by the State Bank from January 1, 1955, to September 30, 1955, to purchase homes that had previously been lived in?

5. In how many of these cases were advances made?

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

1. No money is set aside but the board approves of loans amounting to £109,000 each

month. The amount of money paid out each month varies and depends on the progress payments required on loans previously approved.

2. The whole of the monthly quota was approved.

3. *Vide* No. 2.

4. 380.

5. 231.

**IRRIGATION AREAS: WATER RATES.**

Mr. MACGILLIVRAY (on notice):—

1. Do the conditions for the supply of water to irrigation areas, that all rates are to be paid annually in advance on the full irrigable areas comprised in a lease as laid down in the *Government Gazette* of October 13, 1921, and again on July 22, 1954, still operate?

2. If not, when and why were the above conditions altered?

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

1. The conditions referred to still apply. Out of consideration, however, for the fact that many settlers in the irrigation areas were unable to arrange for payment of their water rates until they had completed their harvest, payment of water rates is not being asked for in advance.

2. See 1.

**SOUTH-EASTERN FORESTRY ROADS.**

Mr. Quirke for Mr. FLETCHER (on notice)

—What grants were made to each of the following district councils for the upkeep of forestry roads for each of the years from 1950-51 to 1954-55, namely:—(a) Penola; (b) Mount Gambier; (c) Port MacDonnell; (d) Millicent; (e) Tantanoola; and (f) Beachport?

The Hon. M. MCINTOSH—The detailed information required necessitates considerable analysis of departmental accounts over a period of five years. The information will be supplied as soon as possible.

**FORESTS DEPARTMENT PROFITS.**

Mr. Quirke for Mr. FLETCHER (on notice)

—What profit has been made by the Woods and Forests Department for each of the years from 1950-51 to 1954-55?

The Hon. A. W. CHRISTIAN—As a forest takes up to 40 years before it is fully exploited it is impossible to compute profits year by year. The department's practice is to meet all establishment, development, and exploitation costs from Loan funds and repay all recoveries to Loan fund. At June 30, 1955, Loan moneys invested in Government forestry operations totalled £1,647,722.

## AUDITOR-GENERAL'S REPORT.

The SPEAKER laid on the table the Auditor-General's report for the financial year ended June 30, 1955. Ordered to be printed.

## LOTTERY AND GAMING ACT AMENDMENT BILL (RACING DAYS AND TAXES).

Received from the Legislative Council and read a first time.

## MARRIAGE ACT AMENDMENT BILL.

Received from the Legislative Council and read a first time.

## MAINTENANCE ORDERS (FACILITIES FOR ENFORCEMENT) ACT AMENDMENT BILL.

Received from the Legislative Council and read a first time.

## GAS ACT AMENDMENT BILL.

(Continued from October 11. Page 1038).

Bill taken through Committee and Committee's report adopted.

## BRANDS ACT AMENDMENT BILL.

The Hon. A. W. CHRISTIAN, having obtained leave, introduced a Bill for an Act to amend the Brands Act, 1933-1948. Read a first time.

## BUDGET DEBATE.

In Committee of Supply.

(Continued from October 11. Page 1038).

Legislative Council, £10,246.

Mr. O'HALLORAN (Leader of the Opposition)—I agree with the Treasurer's concluding remarks in which he congratulated the Treasury officers on the way the State's accounts were kept and presented, but we cannot rest on well-merited tributes to these officers, for it is our task to consider the way the people's money has been collected and spent. The Treasurer's great lament was over the ogre of uniform taxation. He portrayed it as an all-devouring monster which had taken away oodles of surplus cash that otherwise would have been available to the Treasury in order that he could exercise his beneficence for the benefit of all and sundry. However, it is not the principle of uniform taxation which is at fault, but the misapplication of that principle by the present Federal Government, and the Treasurer's strictures should have been directed at the Government which he has so consistently supported, a Government of the same political complexion as his. Under uniform taxation the burdens

are placed equally on the shoulders of taxpayers irrespective of their State or locality. The people pay income tax in accordance with their incomes, and receive exemptions according to a universal plan applying throughout the Commonwealth.

The position is totally different today from what it was when each State imposed its own taxation. In those days the Legislative Council consistently resisted attempts to place a fair burden of taxation on those with higher incomes, the result being that unfair imposts were placed on those with low incomes. At one time a comparatively heavy burden was placed on people earning the basic wage or even less, whereas in other States that did not have a Tory Legislative Council the burden was much more equitably spread. As long as uniform taxation is continued there will be no possibility of such anomalies. The whole question is one of the distribution of revenue received from uniform taxation, but the Menzies-Fadden Government has abused the principle in order to build up the financial resources of the Commonwealth Government. When uniform taxation was first established a formula for the distribution of revenue was devised by a Labor Government. That formula was somewhat an experiment, and it was later substantially modified by the Labor Government that introduced it. The present Federal Government has had since 1949 to devise a better formula, and undoubtedly the Treasurer has placed this matter before it from time to time, but apparently with no results. However, I agree with the Treasurer's remarks about the practice of the Federal Government in financing large items of public works out of revenue. He said:—

For some years it has been the practice for the Commonwealth Government to finance its public works from revenue. Under this scheme the Commonwealth has financed works totalling probably a thousand million pounds with money free from interest and the obligation for repayment. Works such as the Snowy Mountains scheme, the West Beach airport, and extensions to buildings and technical equipment for the post offices throughout Australia, have been financed in this way. The Commonwealth has been able to do this as it has control of the whole of the income tax field. While it is no doubt a good proposition as far as the Commonwealth is concerned to use this method of financing public works I feel a fair share of the interest free money should be made available to the States for public works which are at least equally or more important.

Although I agree with those remarks I believe it would be infinitely better, instead of making a share of interest-free money available to the States, to disperse those surpluses amongst the

States, and the Commonwealth should then finance its Loan works as the States are compelled to finance theirs. The Treasurer also said:—

It is true that the Commonwealth Government during the last four years has made available annually from its revenues large amounts to enable the States to carry out their works programmes, but it has made these amounts available to the States, not as interest free money from revenue, but as loans upon which the States are required to pay interest and sinking fund. Moreover, the States pay this interest and sinking fund to the Commonwealth which has obtained the funds free from any charges whatsoever. In other words, what is good for the Commonwealth would not be good for the States. This is a most iniquitous position, and it is more so when it is considered that the most flexible of revenues—*income tax*—is collected by the Commonwealth and only a proportion, which is fixed by the Commonwealth, is returned to the States as an annual grant. This year the increase in this grant, as I have already pointed out, was only sufficient to pay about one-third of the added cost to the Budget for the marginal increases in salaries and wages.

Here again the Treasurer showed that the Commonwealth Government, in addition to devoting nearly £1,000,000,000 of interest free money which it derived from the taxpayers towards its public works programme, also used further sums derived from the taxpayers to assist in financing the Loan programmes of the States, but it does not allow the States to use this money free of interest. It charges the States interest and sinking fund and therefore makes a further profit for the Commonwealth Treasury. Whenever we have suggested that the time was overdue for an amendment of the Federal Constitution on the question of Commonwealth and State powers, particularly in regard to placing matters of national importance in the hands of the Commonwealth, the protest from the legions of Liberalism has always been “*Unification*,” but the present Liberal and Country Government at Canberra is bringing about unification by financial strangulation. If this continues much longer the Commonwealth will be telling State Parliaments and the people they represent how their work shall be done and to what extent their social services shall be provided.

Mr. John Clark—The Commonwealth is virtually doing that now.

Mr. O'HALLORAN—Yes, except that there is some kind of jury which periodically sits in judgment on what are known as the weaker States and which, if it finds that they have overspent on any line, awards them a grant considered commensurate with their needs. On

the other hand, if a weaker State underspends on any line owing to some fluke of good management, it does not receive a *quid pro quo* for that. This kind of financing is inherent in the political principles of the present Commonwealth Government. Far many years Labor members have advocated, as a national policy, the use of national credit for the development of public works and the country generally. Indeed, they advocated its use before World War I, and during that war it was used for all sorts of purposes. True, public works could not be carried out then because our resources were required for the more important task of retaining our freedom, but it was used to finance tremendous war expenditure and the storing of and caring for the large volumes of primary produce that could not be sold overseas because of the prevailing war conditions. Members will be enlightened if they read the account by Sir Denison Miller (the first governor of the Commonwealth Bank) of the heroic tasks performed by the bank during World War I with the use of national credit.

During the second World War similar circumstances prevailed: national credit to a tremendous extent was necessary, not only to finance the war effort, but to finance the purchase and storage of primary products until they could be sold later. If such a policy was right then—and experience has proved it right—would not such a policy be equally sound in peacetime? Of course, such a policy would not be in accordance with the canons of high finance that are taught in the temples of usury where members of the Liberal and Country League obtain their financial education! During the war and in the immediate post-war period when the great programme of reconstruction and reabsorption of Australian servicemen was getting under way and tremendous expenditure was required, the Labor Government was still in power in Canberra and was able to float loans successfully. No public loan failed in the latter days of the Chifley Labor Government; indeed, all were oversubscribed at a rate of interest considerably lower than that being offered today. When the Chifley Government was defeated in December, 1949, the ruling rate of interest on borrowings for public purposes was 3½ per cent, whereas today it is 4½ per cent, yet today the States have difficulty in obtaining sufficient Loan money for essential developmental works, and taxpayers are being overtaxed by the Commonwealth Government in order to supplement the Loan funds. If a return were made to the policy of the Labor Government, loans would



again be filled and the necessary developmental programmes of the States and the Commonwealth could and would be financed in the proper way without recourse to excessive taxation.

What is the position of South Australia in respect of Loan expenditure? The Treasurer said the total Loan indebtedness of this State had increased from about £109,000,000 in 1939 to £236,000,000 in 1955—an increase of £127,000,000. It has more than doubled, and the great bulk of that increase has taken place in recent years, because in the period from 1939 to 1947 practically no further expenditure of Loan funds was incurred. In 1938-39 the net Loan expenditure for South Australia was only £421,000 and in 1945-46 only £1,709,000; therefore the expenditure from Loan funds was still a comparatively small item as recently as 10 years ago. Now, however, we are faced with the astronomical figure of almost £30,000,000 annually. The total of Revenue and Loan expenditure in South Australia was only £13,122,000 in 1945-46, whereas in 1954-55 it had risen to £75,548,000. That is a considerable increase, and if this year's estimates are realized there will be a further increase. In 1946-47 interest and sinking fund on the State's public debt was £5,113,000, and that charge is a substantial part of the State's Budget in any year. According to the 1955-56 Estimates the expenditure on those two items this year will be £11,858,000—more than double the amount nine years ago. What will we use for money to meet this fixed and growing commitment if we run into a period of bad seasons and low prices such as characterized the activities of this State in by-gone years? We must remember that today after the longest run of good years in the history of white settlement, accompanied by the highest average prices ever paid for nearly all kinds of our primary production (certainly for major items such as wheat, wool, barley and meat), we are not able to balance the Budget; indeed, it is proposed that we go into the red to the extent of about £750,000 during the current financial year, after going into the red to the extent of £2,000,000 last year.

There is another aspect of Loan expenditure that has an impact on Commonwealth finance: the fact that the expenditure of Loan money in the States results in the payment of wages, the purchase of materials, and the creation of incomes, all of which are subject to Commonwealth taxation, which inflates the Commonwealth Treasury returns. The States, however,

receive scant consideration in that respect. What has been done in this State by this huge expenditure of Loan money that has required the finding of such a tremendous sum by way of interest and sinking fund? Has it resulted in the decentralization of population and industry? Of course not. Has it been used to provide amenities that might result in such decentralization? Of course not. To find out how our Loan money has been expended I turn again to the Budget papers.

The CHAIRMAN—I ask members not to converse aloud.

Mr. O'HALLORAN—Perhaps it would be too much to expect members to be interested in my mediocre contribution to a discussion of the State's financial affairs. I suggest, however, that the time will come when they will be most interested because there will be an inevitable day of reckoning. In recent years we have heard much about the grand water schemes carried out by the Government and their effect upon the community. Perhaps it is as well to examine the cost of these schemes to ascertain where the bulk of the money has been expended. At June, 30, 1946, the Morgan-Whyalla water main had cost £2,526,753. By June 30, 1955, it had increased to £2,570,881. Metropolitan works and services cost £9,131,078 up to June 30, 1946, but increased to £24,276,524 by June 30, 1955. Country water-works cost £10,569,080 to June 30, 1946, and £16,552,648 to June 30, 1955. No money was expended on country sewers until the financial year 1953-54 when £45,210 was spent. That has increased to £229,246. That item relates to the sewerage of Salisbury, which has become a northern suburb of the metropolitan area and can no longer be regarded as a country town in the true sense of the term. To summarize the position, from 1946 to 1955 expenditure on country water mains increased by £6,028,000, but on metropolitan schemes it increased from £9,131,000 to the stupendous total of £24,276,000, an increase of £15,145,000.

Last Tuesday the Treasurer proudly remarked that the metropolitan population had reached the half million mark within the last few months. That is not something to be proud of, but something to regret. Sooner or later we must adopt some firm policy to decentralize the population from this overgrown when we call the metropolitan area. Over 500,000 people of the State's total population of 820,000 live in the metropolitan area. Over 61 per cent of our population resides within 15 miles of the General Post Office and the remaining 39 per cent is sparsely scattered over the rest of the State. Of recent years we have

heard of the danger of concentrating population in too large a group in too small an area. Leading churchmen, atomic scientists and leading persons from almost all walks of life have commented on the dangers. Leaders from the political walk of life—and the real leaders politically come from the Labor Party—have been fighting for decentralization for many years in South Australia. What assistance do we get from the Government? What assistance do we get from those privileged representatives of a country people who enjoy a two to one ratio of representation in Parliament so that the real opinion of the public might be stifled? They are representatives, in the main, of broad acres who desire nothing more than to maintain the *status quo*. Their broad acres must remain intact! Their comfortable living must not be interfered with! What is the position today? Hundreds, and probably thousands, of young men who have saved and scrimped in the hope of settling on the land in their own right have no chance because of the prevailing prices for land. The man who can afford to purchase a farm today does not need it. He could invest his money in some gilt-edged security and live comfortably on the interest. That is the position that this expenditure I have referred to has brought us to in South Australia—the starving of country towns for amenities and the encouragement of great industries to our metropolitan area. It has created a danger which in this atomic age should make well-meaning people lie awake at nights worrying.

Let us examine our production figures, for they relate to the payment of interest and sinking fund on our colossal public debt. About 5½ per cent of our people are engaged in rural production and about 11 per cent in secondary production. When an atomic bomb falls and puts our secondary production out of existence what will keep the State going and meet the interest and sinking funds and other charges I have referred to?

Mr. Quirke—They won't matter then.

Mr. O'HALLORAN—They will matter to the people who are left, although the time could arrive considering the way we are going, when there will not be many people left. In referring to deficits the Treasurer said:—

Notwithstanding the fact that this State now produces more wealth per head of population than any other State of the Commonwealth, and that we have exercised the greatest prudence in the administration of our public affairs and have kept expenditure under firm control, we are compelled to budget for a heavy deficit and, as our cash resources are

relatively insignificant, the Government is placed in a most difficult position.

I suggest that the story I have just related—and I defy contradiction as to its accuracy—does not disclose the prudence the Treasurer claims for his Government. It does not reveal that as a result of the expenditures of recent years our population and production have become better balanced and in a better position to meet emergencies. It reveals the contrary, but the Treasurer states that we have been prudent. We are told that our production is greater per head of population than any other State. If that is so why is it necessary for us to receive each year a substantial grant-in-aid from the Commonwealth? What is becoming of our production? Why is it that with this great production we cannot meet our liabilities without receiving assistance from the proceeds of taxation which has to be made up by the contributing States of Queensland, New South Wales and Victoria whose production, according to the Treasurer, is not as great per capita as ours? Out of their reduced production they have to make up our deficiencies and provide substantial grants to keep us solvent. I suggest that there is something cockeyed about the whole set-up and it is time we examined it.

This year we have a proposed record expenditure of £60,500,000 with a possible deficit of £750,000. If I know the Treasurer's budgeting aright the possibility is, as it has been in the past, that his figures will be a long way out. We are, of course, expecting a substantial grant from the Commonwealth. As a matter of fact, it will be the third highest grant in our history, if we get it. I refer to the grant-in-aid, not the reimbursement of taxation or the statutory payment under the Financial Agreement. In 1952-1953, £6,343,000 was made available and in 1953-1954, £6,100,000. This year it is estimated that £5,400,000 will be available. There are some items in the Estimates that need more than cursory attention. The first deals with the Tramways Trust, and is apparently becoming a hardy annual. I draw attention again to the original proposal to place this undertaking on a solvent basis. In 1952, when the old trust was abolished and the new managerial set-up created, it was estimated by the Government that the following amounts would be required to rehabilitate the trust:—

	£
1952-53 .. .. .	450,000
1953-54 .. .. .	350,000
1954-55 .. .. .	250,000
1955-56 .. .. .	100,000
1956-57 .. .. .	30,000

Total .. .. . £1,180,000

The actual amounts made available by the Government have been:—

	£
1952-53 .. . . .	700,000
1953-54 .. . . .	700,000
1954-55 .. . . .	600,000
Est. for 1955-56 .. . . .	570,000
Total .. . . .	£2,570,000

We do not know where we are going with the trust. Last week the Treasurer tabled some documents that might give us an insight into the progress made with the rehabilitation, but unfortunately the printed documents have not yet come to hand. I hope they will be available by the time we deal with the individual items, because then I shall probably have more to say about the trust.

Assistance given to the Railways in recent years has been:—

	£
1949-50 .. . . .	2,400,000
1950-51 .. . . .	2,600,000
1951-52 .. . . .	5,050,000
1952-53 .. . . .	4,850,000
1953-54 .. . . .	4,000,000
1954-55 .. . . .	3,000,000
Est. for 1955-56 .. . . .	4,050,000

Included in these amounts is a permanent grant-in-aid of £800,000 each year for debt charges. I understand the arrangement was made some years ago when it was learned that certain items of rolling stock, equipment, etc., purchased out of Loan funds had become obsolete and were out of use, but the Commissioner still had to find money for sinking fund and interest payments. That is why the £800,000 is granted each year. We were told that these grants would assist in the rehabilitation of the railways and up till last year there seemed to be some improvement in railway finances because the grant was reduced from a maximum of £4,850,000 in 1952-53 to £3,000,000 in 1954-55, but this year the grant has skyrocketed to £4,050,000.

We were told that the introduction of diesel engines would mean enormous savings in working expenses. If these savings are being made why do we have to increase substantially the amount granted in these Estimates? Are we losing railway traffic because of the freight increases imposed a few years ago, and are we meeting competition because of the freedom granted to interstate hauliers following on the Privy Council decision? The railways have lost a considerable volume of the wool traffic. When I see laden wool trucks coming from various parts of the State I must believe that more wool is being carted by road to Adelaide than by rail. The cartage by road of fat lambs and other livestock to the

abattoirs is increasing. There seems to be more of this traffic on the roads these days than previously. I wonder whether we have not increased too greatly the rates for these commodities. I would prefer to see the rates reduced and a subsidy paid in order to place railway finances in a better position. Railway administration is efficient, and the working staff is loyal and efficient, but it is disheartening to find that traffic that should be used to provide pay-loads for our trains is being sent along roads parallel to the railway tracks. It is a matter that should be considered and no doubt in this connection I shall have the support of Mr. Macgillivray.

The analysis of revenue from water charges contains an interesting item. Last year it was thought that there would be an increase in water rates, but when questions were asked in this place the Treasurer threw up his arms in horror and said there would be no increase in the same sense as there were increases in electricity charges. Figures show that revenue from water rates in the metropolitan area in 1954-55 was £1,059,121, and that the estimate for 1955-56 is £1,336,000. From sewerage rates in the metropolitan area £638,655 was collected in 1954-55, and the estimate for this year is £832,000. This gives a total from water and sewerage rates in the metropolitan area of £1,697,776 in 1954-55, and an estimated collection of £2,168,000 in 1955-56. Water and sewerage rates in the country returned £711,084 in 1954-55, and the estimate for 1955-56 is £767,100. Country people have not got it in the neck to the same extent as people in the metropolitan area, but that no doubt could be expected because of country people having two-thirds of the representation in this House. Total collections from water and sewerage rates last year amounted to £2,408,860 and the estimate for this year is £2,935,100. This means an increase of over £500,000, yet the Treasurer told us that there would be no increase in water rates. There has been none, but assessments were increased, some to an enormous extent, and it has meant an increase in the revenue collected. I am not satisfied that it is a good proposition to supply excess water for 1s. a thousand gallons. This charge would be sound if we had unlimited quantities of water to sell, but when water is scarce, and it is more or less always scarce in South Australia, we should seriously consider water charges.

Another item in the Estimates has a far greater impact upon the future of the State than the amount proposed would indicate. I am glad that the Government has seen fit to

increase the amount provided for adult education by £2,900. Last year £850 was made available to the Workers' Educational Association, and it is proposed to increase that to £1,750. It is proposed to increase the grant for the University Tutorial Classes from £6,000 to £8,000. Income derived by the Workers' Educational Association from fees and the sale of books amounts to about £2,400, so its total income was about £8,700. With the additional £2,900 proposed the total available for adult education this year will be about £11,600, but this will not be nearly enough. In New South Wales about £50,000 is provided by the Government through the University for the Workers' Educational Association, the Tutorial Classes and Arts Council, and the fees charged increase the amount available. In Victoria about £50,000 is granted by the Government to the Council of Adult Education, which is permitted to charge the students fees.

Mr. Jennings—Does uniform taxation apply in both those States?

Mr. O'HALLORAN—Yes. In Queensland about £35,000 is granted by the Government to the Adult Education Board, though no fees are charged there. In Western Australia about £13,000 is made available by the Government to the Board of Adult Education, but its total income is between £30,000 and £35,000 because it has a monopoly over the screening of certain imported films from which it makes a handsome profit. No fees are charged in that State. In little Tasmania, where the total population is considerably less than that of our metropolitan area, the Government provides about £30,000 to the Board of Adult Education. By comparison with the amounts provided in other States and in view of the undoubted need for adult education I emphasize that our grant is still lamentably low. However, next year we shall have a different Government with a more kindly view of this important subject, and adult education will receive the consideration it deserves.

Some of the Treasurer's remarks apply particularly to adult education. He urged the people to restrain their spending, and the Prime Minister said that the people should take their belts in a hole or two in order to maintain prosperity. That is the most peculiar line of argument I have ever heard, but if the Treasurer wants to have a reasoning community (and a reasoning community is required in order to make democracy really work), we must have a proper system of adult education, par-

ticularly to provide some means by which the people may use their leisure profitably. One of the great drawbacks of this country is that we have no means for the people to do this. Many members would be astounded if they knew, as I know, the effort being devoted to adult education in some other parts of the world. We should encourage adult education in this State, and the best way is to encourage those people who belong to that fine organization, the Workers' Educational Association, that is doing such a grand job.

It is proposed to provide £10,000 as a grant to Townsend House, which is an institution assisting blind children and young people. It may be an excellent institution, but we have not been given details of how the money will be spent. An organization known as the Friends of the Blind was formed last year to do something not being done by Townsend House or the Royal Institution for the Blind, namely, to teach blind people arts and crafts and other methods whereby they can become self-supporting. That organization was granted a charter by the Government in the form of a licence under the Public Charities Act, but it was subsequently cancelled. I do not know why, but I will make inquiries.

The Treasurer told us that the State's expenditure had gone up and up because of marginal wage increases, but there is one important factor that he did not mention. This year there will be 27 pay days for most Government employees, whereas usually there are 26. Of course, that will make a considerable addition to the Government's payroll but perhaps the Treasurer did not mention this because he wanted to place as much blame as he could for increased expenditure on marginal increases. The basic wage was pegged in 1953 by the Federal Arbitration Court. It said that this was part of a considered plan to maintain economic stability, but South Australian workers under Commonwealth or State awards are now receiving 13s. a week less than they would be receiving if the basic wage had not been pegged. All workers have made substantial sacrifices for the economic stability of the country. The pegging of wages has not been offset by the small marginal increases received by thousands of workers, and it has deprived many of the opportunity to marry. Furthermore, it has had the effect of reducing margins considerably. Should the worker be the only person to make sacrifices for the stability of the country? Apparently this Government believes he should be, for let us look at the other side of the picture.

I have followed the commercial columns of the press for months, and I do not think there is one company that did not increase its profits substantially last year. Some of the increases were fabulous. Some profits were as high as 60 per cent in these days when we are all supposed to make sacrifices. Companies were able to achieve these results because they were able to pay their employees lower rates than they would otherwise have had to pay through the pegging of wages, and also because they charged more for their goods. This Government was not able to take any effective steps to prevent that because, although it professes to dabble in price fixing, it knows that State price fixation is an almost complete and dismal failure. It can only deal with those things that are not subject to section 92 of the Commonwealth Constitution, and there are not very many articles of commerce today that cannot be tied up with that section. When the prices referendum was postulated by that far-seeing statesman, Mr. Ben Chifley, the Premier barnstormed around the country trying to defeat it. It is the absolute and complete inefficiency of the Liberal and Country Party Governments, both State and Federal, that has caused whatever difficulties are present in Australia. The Labor Federal Government placed restrictions on the importation of unnecessary things from overseas. The first action of the Tories when they got into power was to open the gate and let them all in irrespective of where they came from, and in the short space of two years the very substantial surplus of overseas funds built up by the Labor Government and the whole of the proceeds of the boom price sales of wool, had been used up. Immediately severe restrictions had to be introduced to the detriment of many people in this State, but to the greater detriment of some people in the Old Country particularly. It also caused the loss of some good-will throughout the world.

Today this great country, with its tremendous potential and its history of good seasons, is trying to borrow a few shillings or dollars from any lending institution in almost any country. We have the spectacle of the International Bank, which was created after the war to assist people in underdeveloped countries to build up their productive potential, raise their living standard and conquer the menace of communism, having this country as its largest borrower. That is a matter for shame, because this is the richest country in the world. We have been reduced to that position by the Liberal-Country Party Government

of the Commonwealth aided and abetted by the Liberal-Country Party Government of this State.

Mr. GEOFFREY CLARKE (Burnside)—There are two points made by the Leader of the Opposition to which the same answer applies. He asked why, if we have the highest production of any State in the Commonwealth, we need a grant that been contributed by the taxpayers of other States to assist us to balance our Budget. The answer to that goes right back to the origin of uniform taxation. The original formula on which tax reimbursements were granted was the average collection of our own income tax in the two years prior to the introduction of uniform taxation. In those days this State had a very low taxable capacity indeed, and consequently our reimbursement grant commenced on a very low basis. It is true that the formula has been modified and our grant has been greatly increased under the Menzies Government, but it is also still true that the formula originated in the two years before uniform taxation. Therefore, although we have extraordinarily high taxable capacity as a result of having the highest output per capita, we do not have this reflected in our reimbursement grant.

The Leader also said that very little interest is taken by the public in the Budget debate. That criticism might have applied equally to both sides of the House. The answer to that is again to be found in the existence of uniform taxation. I well remember that when the State had its own taxing powers the galleries of this Chamber were crowded by interested people who wanted to know the incidence of taxation, how it affected their own businesses, their incomes and their futures, and whether rates would be increased or reduced. Now no person in South Australia has the same interest in the State Budget because he knows that his taxation is not directly affected, and very often it is only slightly affected indirectly, as a result of the State Budget. Both criticisms were a true statement, but the cause is uniform taxation.

In several debates upon the first line of the Estimates during the last few years, it has seemed to me that an analysis in broad principles of some aspects of public finance has been useful. In the past I have attempted to deal with those broad principles. On other occasions I have dealt with the vicious effects of uniform taxation on the States and the principles on which the Commonwealth grant is based. I propose today to deal shortly with some first principles in the operation of

the National Debt Commission. I will use figures as little as possible, and they will be round figures only. The financial agreement entered into between the Commonwealth and the States in 1927 provided, amongst other things, that the Commonwealth would assume responsibility for the repayment of all existing debts to bondholders and for the repayment of all future loans. The States were still obliged to meet their existing and future commitments to the Commonwealth, the actual authority with whom those commitments were paid being the National Debt Commission. Under the agreement, for debts then current that were incurred before 1927, the Commonwealth was to make a contribution to the sinking fund of 2s. 6d. per cent and the States were to pay 5s. per cent. These contributions accumulating with compound interest would liquidate each individual loan in 58 years. For each new loan the contribution to sinking fund would be 5s. per cent each from the Commonwealth and the States, which would liquidate each loan in 53 years. It is evident, then, that from time to time the National Debt Commissioners had in their hands substantial amounts of money with which loans were bought up. I particularly mention this point because the member for Chaffey (Mr. Macgillivray), by interjection, asked why sinking fund and interest are paid when loans are bought up by National Debt Commissioners, so I shall explain the steps that are taken to bring that position about.

Mr. Macgillivray—I suggested that people in South Australia believed that if we subscribed to the agreement the debt would be written off over a number of years.

Mr. GEOFFREY CLARKE—That is the point I shall attempt to explain. The Commission has authorized brokers in each State who are instructed to buy up certain loans when they are selling on the market at a price attractive to the Commission. In other words, if bonds or stock are showing at a discount and it is within the instruction issued to the broker by the Commissioners, the broker buys them. The result of this purchase is not a simple cancellation of a debt, but is much more involved than that. I trust members will forgive my putting this problem in elementary terms, but it is not easy to follow otherwise. The first step is the instruction from the Commission to the broker to buy. The bond or stock held by the investor is paid for and from his point of view the transaction is over. The National Debt Commissioners pay the broker, and take over the bonds or signed transfer of inscribed stock. This loan

is cancelled only to the extent that it is not now owed to the original lender, but to the National Debt Commission. The Commissioners are therefore out of pocket to the extent to which they have bought up the loans. They have used some of their liquid funds, which are moneys paid on account of sinking funds. True, they have a bond, which is a piece of paper in their possession, but it is not now a negotiable security and carries in itself no value whatever. If the Commission is to keep solvent it must continue to receive sinking fund payments until it has accumulated the full amount of each individual amount of loan floated. Although buying up the loan cancels the indebtedness of the Commonwealth to the bondholder, it does not cancel the indebtedness of either the State or the Commonwealth to the Commission; it is only a transfer of liability. As members will recall, it will require sinking fund payments and interest from both Commonwealth and States for 53 years to liquidate any loans floated since 1927. Therefore sinking fund payments, plus an amount equivalent to  $4\frac{1}{2}$  per cent interest, must still be paid for the unexpired portion of the 53 years on the loan that has been bought up.

Another matter I would like to discuss is that of Loan expenditure that impinges on the Budget, of revenue expenditure. In round figures, the "works expenditure" of the Commonwealth and the States for the current year will be £300,000,000. Of this about £200,000,000 will be found from borrowings within and without Australia, some by statutory authorities with the permission of the Loan Council. But the whole of the borrowing of £200,000,000, whether directly by the Commonwealth or the States or by the States through their semi-Governmental authorities, is included in the overall figure of £200,000,000 and must be approved by the Loan Council. I have used the term "works expenditure," which I think is appropriate, and I would like to see it used always in relation to a particular amount of expenditure within the framework of the Budget or the Loan Estimates.

One needs to be precise in terminology, as looseness in using expressions is responsible for some of the misunderstanding of the processes of public finance. So often one hears the expression that capital expenditure has been met, or that Loan works have been done, out of revenue. These terms are contradictory and tend to obscure what is really

happening. What is really meant is that projects that would normally be undertaken as works from Loan funds have been financed from revenue. However, such expenditure is not "capital expenditure" in the accepted meaning of the term, nor are the works "Loan works." For that reason, where the financing of permanent projects, works and so on is done from revenue, I think the term "works expenditure from revenue" should be used, because it is self-explanatory.

Mr. Macgillivray—Whether the expenditure is capital or revenue expenditure the taxpayer must pay for it.

Mr. GEOFFREY CLARKE—Yes, but I am merely pointing out that people often loosely use the term "capital expenditure from Revenue": the phrase "works expenditure from Revenue" should be used so that the financial processes may be clearly understood. I do not say that expenditure from Revenue on permanent works does not increase the nation's capital stock of assets, but it is not capital expenditure in the proper sense of the word.

Mr. Macgillivray—That is a fine point of distinction.

Mr. GEOFFREY CLARKE—No, it is an important and fundamental point, and until we are clear on the meaning of Loan and Revenue expenditure we will have great difficulty in understanding the intricacies of such expenditure. We have been told that the total works expenditure by the Commonwealth and the States this year may be £300,000,000, of which £100,000,000 will constitute works expenditure from Revenue. That will have to be found by the Commonwealth from taxation receipts and will not need to be borrowed. In other words, the Commonwealth Government will add to its assets in works of one kind or another £100,000,000 of additions, improvements or new works on which it will not have to find either interest or sinking fund. They will be paid for in cash out of the proceeds of taxation—a practice adopted by past Labor Governments. There is at least academically (and probably in practice, too) a case to be made out for a sharing among the States of what is loosely called "interest-free" money. This £100,000,000 is obviously interest-free. Look at it this way: In round figures, if the works programme is £300,000,000 of which one-third is found by taxation and is spent by the Commonwealth, and two-thirds is from Loan and spent by the States, the Commonwealth with vast revenues is absolved from paying interest and sinking fund, whereas the

States, with meagre circumscribed taxing powers, must pay both. In theory at least, the States should have one-third of their works programme financed from "interest-free" money.

A note of warning, however, must be sounded if works are financed from this so-called interest free money. There is a tendency—indeed a human frailty—that when an undertaking does not have to meet interest and sinking fund charges, less care may be taken in approving the project; but such weakness would not be so likely to develop if "interest-free" money were used for schools and other institutions not classed for public purposes as business undertakings.

Mr. Macgillivray—Your distinction is from the point of view of an accountant and not a taxpayer, because public works must be paid for by the taxpayer, whether out of Revenue or Loan funds.

Mr. GEOFFREY CLARKE—No. Public accounts must be dealt with from an accountancy point of view, the same as any other accounts. The honourable member says that public works must be paid for by the taxpayers; yes, but they must be paid for in one of two completely different ways. If the works are to be financed from revenue, the whole of the cost must be found this year, whereas, if financed from Loan, the cost is spread over 53 years.

Mr. Macgillivray—The taxpayer pays in either case.

Mr. GEOFFREY CLARKE—Yes, but he may pay in a different way. If out of revenue, he pays now, but if out of Loan the taxpayer (whoever he may be) pays over 53 years.

Mr. Macgillivray—You are dealing with systems and not with individual taxpayers.

Mr. GEOFFREY CLARKE—The works may be paid for either from Revenue or Loan. If the latter, posterity shares in the cost of the works as they are being used.

Mr. Macgillivray—But they are still taxpayers.

Mr. GEOFFREY CLARKE—I do not argue that. All expenditure must be met from the pockets of the taxpayers, but it may come in either of two ways.

Mr. Macgillivray—I freely admit that point.

Mr. GEOFFREY CLARKE—Then the honourable member and I are in complete agreement.

Mr. Macgillivray—No, we are in complete disagreement.

Mr. GEOFFREY CLARKE—I wish to conclude with a third point. I share the Premier's point of view that under uniform taxation this State suffers, as indeed every State suffers in one way or another. I believe that with the extraordinarily high productivity of South Australia and its consequently high taxable capacity we would be better off financially if we were to impose our own taxation, and indeed, if an area of income taxation were reserved to the States we would be able to manage with a lower total burden of taxation than we pay now. I am very firm in my view that uniform taxation imposes on the State conditions that should not be part of a Federal system. I believe that unification is the policy of the Labor Party, and if I had any doubts on that, the statement by the member for Norwood (Mr. Dunstan) at page 498 of *Hansard* would have resolved them, for he states, "We believe in unification." Having that in mind I cannot understand why the Leader of the Opposition (Mr. O'Halloran) should quarrel with a financial system that imposes on the States conditions under which they shall use the revenue collected by the Federal Government and handed back to them. A few weeks ago I listened to the Tasmanian Treasurer explain his Budget. He said:—

I believe every step should be taken which will reduce the excessive dependence of claimant States on special grants if we are to maintain a vigorous Federal system.

This is not the first time we have found inconsistencies in Labor doctrine. The Labor member for Adelaide (Mr. Lawn) subscribes to the survival of the States; the member for Norwood (Mr. Dunstan) believes in unification; and now the Labor Treasurer of Tasmania says that a vigorous Federal system should be maintained. I will not try to sort out which is the real Labor policy (if the Labor Party has a policy); I merely wish to quote the Tasmanian Labor Treasurer, who later said:—

It is essential that the present system should be completely modified. In saying that I have not in mind merely the substitution of a new formula under which a larger share of Federal income tax collections will be returned to the States. I believe that given a genuine desire to do so, it should be possible to devise a scheme which would recognize the financial needs of the States without placing any new burden on either the Federal Government or the Federal taxpayer.

Lest I be accused of taking material from its context I should add that after so roundly condemning uniform taxation, without men-

tioning the system by name, the Tasmanian Treasurer said:—

We favour in principle the maintenance of uniform taxation.

Therefore, after roundly condemning uniform taxation and saying that everything possible was wrong under the present Commonwealth-State financial relationships, the Treasurer said he favoured the principle of uniform taxation! Could anything be more paradoxical than that? Today the Leader of the Opposition almost gave expression to the same sentiment when, in every word, he condemned uniform taxation, but concluded that he still liked the system.

Be that as it may, for reasons of good government, apart from the financial aspect, the right to impose income taxation should be restored to the States. With each passing year, however, the financial relation between the Commonwealth and the States becomes a more involved problem. It would have been much easier for taxing powers to have been restored to the States at the end of the war in conformity with the promise of the Chifley Government that uniform taxation was only for the duration of the war. I am reminded, however, that while milk under certain circumstances may be legally reconstituted, not even the immortal Mrs. Beaton had a recipe for unscrambling an egg. I suggest that the best endeavours should be made to extricate us from the financial web that ties the policies of the States to the Commonwealth. I congratulate the Treasurer on his seventeenth Budget. I think no other Treasurer in the world has such an enviable record. I support the first line.

Mr. JOHN CLARK (Gawler)—The member for Burnside (Mr. Geoffrey Clarke) said he had two points to make concerning Mr. O'Halloran's speech, but I thought he made no points worth bothering about. There are, however, two points in Mr. Clarke's interesting speech that deserve mention. He slated uniform taxation, as did the Treasurer, but Mr. Clarke said nothing about what his Government or the Treasurer had done to try to get rid of it. In referring to the speech by the Tasmanian Treasurer, Mr. Clarke said he might be accused of taking words out of context, but I do not think any member would take the trouble to check the Treasurer's remarks. Mr. Clarke's quotation may have been wrong, but I do not think it would be. Unfortunately, I prepared the greatest part of my small offering before hearing the excellent speech by my Leader (Mr. O'Halloran), which



means that I may repeat some of his statements, and that is not surprising for we tend to think on similar lines. Indeed, some reiteration may be valuable, because all members on this side, and probably some Government members, have learned from long experience that it is useless to say a thing only once in this House: it needs to be repeated often. Therefore, I crave the indulgence of members if some of my points have already been made by Mr. O'Halloran.

The Treasurer began his long and interesting explanation of the Budget with a long discussion of the evils of uniform taxation, and this afternoon we have been treated to a diatribe by Mr. Clarke against what he considers to be a very pernicious system. In my opinion the Premier did not prove his case, but it was pleasant to hear him devote so much time to the shortcomings and weaknesses of the Federal Government. I was sorry he did not continue in that strain because there is no doubt that the list of such faults is so long the Premier could have continued his Budget Speech for a week. We do not need any reminding of the Federal Government's shortcomings; we know them. I wondered how long the Premier would continue telling us what a naughty boy the Prime Minister is.

Mr. Lawn—What will he say next year?

Mr. JOHN CLARK—It makes me think that some of the prophets who forecast an early Federal election are far short of the actual mark because the Premier will need a lot of time to make the complete somersault that he is certain to make before the next Federal elections. If I may be permitted to make my Inigo Jones forecast, I do not think we will have Federal elections this year. The Premier did make one point that is interesting. He proved that it is not uniform taxation that is wrong, but the way it has been applied. The system is not wrong, but the unsympathetic interpretation of the Prime Minister is wrong. There is nothing wrong with the Commonwealth collecting tax and reimbursing the States, but the manner in which the taxes are reimbursed to the States is ridiculous, unjust and inequitable. Surely it would be possible to have some fixed and assured income in order that the States would know what they were to receive and could budget accordingly. If that were possible it might help prevent the Premier's constant habit of providing timely handouts on occasions suitable to him by estimating for small surpluses and getting big ones. This year it appears he will not be able to reveal his belated generosity and

that no doubt stings him sharply, especially with the State elections just around the corner. The Treasurer's generosity has, after all, only been made possible by clever bookkeeping.

For the last six years the remedy or cure for uniform taxation has been in the hands of the Premier and Prime Minister. They have had the opportunity of solving the riddle of this unsatisfactory financial system of reimbursements. On several occasions they have spoken volubly about the curse of uniform taxation. They maintain that it is a completely unsatisfactory financial system of reimbursement. Mr. Menzies has often loudly asserted that he is desirous of getting—and even determined to get—the States, which are like old men of the sea, off his back. Our Premier has grizzled and moaned about the injustice of the setup, but it seems highly incongruous to me that this—according to them—pernicious system, which they both desire to get rid of, still exists. Apparently they are not consistent and certainly not genuine in their desire to get rid of it. How would the Premier continue his grandiose schemes regardless of cost without uniform taxation? We know that it is necessary to expand services and public works to meet the demands of progress and a growing population. Is our so-called progress in the best interests of the State? What have we really got to show for our much lauded progress? I suggest the main thing is an enormous increase in our public debt which was £109,000,000 in 1939, but is £236,000,000 now. It makes one think.

The Leader of the Opposition referred to the unbalanced population of South Australia. It is hard to believe that the Premier actually boasted of the increase of the population of the metropolitan area to over 500,000. He should be ashamed of that because he has been the prime mover in accomplishing this large increase. About 62 per cent of our population is herded into the city to the detriment of the State. They must be housed and provided with amenities; that is only proper. There has been an immense capital expenditure as a direct result of this centralization. What effect has this had on our country areas? About 11 per cent of the State's population is engaged in secondary production and about 5½ per cent in primary production, and this in a State where we have always considered that our primary production is our basic wealth. Apparently that was in the pre-Playford era long ago.

How can young men acquire anything like productive land under the present terrific values? I feel strongly about this because

Roseworthy Agricultural College is in my district and because of my affiliations with football—and Roseworthy College usually has a good football team in the Gawler Association—many of the students from that college come to me for advice, but what advice can I give them? Some of them have had brilliant academic careers, but they have not sufficient capital to enable them to settle on the land. Some of them enter the Department of Agriculture, but many of them go to Western Australia where opportunities for obtaining and developing land at a cheaper price are greater. Many of them go to jobs where they are not required to use their agricultural knowledge and as a result some of our finest potential farmers are being lost.

Mr. Macgillivray—There is provision whereby any person with certain academic qualifications can get assistance from the Government.

Mr. JOHN CLARK—That is so.

Mr. O'Halloran—There is about enough money on the Estimates to buy one farm.

Mr. JOHN CLARK—It appears to me that this Government has no concrete policy on land except to preserve the status quo. As a result men flock to the city and enormous capital expenditure is involved in meeting their requirements. It must be obvious to everyone that the country suffers. In the *Sunday Mail* of October 8 the Minister of Works is reported as having said that not one house in Adelaide was without a water supply and at least 97 per cent had sewerage. He also said that the development of Adelaide's water supplies would be of little value unless there was a contemporary development of rural supplies and that the State's economy would quickly collapse if our primary production were allowed to fall to a dangerous level because of inadequate water supply. He said that country supplies consequently had to be maintained at the highest possible level. I entirely agree with him and was pleased to read of that excellent note concerning country water supplies.

He also said that 97 per cent of our city dwellers had sewerage facilities. So they have, but what about country sewerage? I have introduced this matter before in the House and I will do so again. At present there is a Bill on the Notice Paper relating to sewerage and we have heard the Minister's second reading speech on it, but unfortunately that measure is getting further and further down the Notice Paper. Apparently it will be some time before we hear anything more about it. I firmly believe that the Minister is anxious to do something about country sewerage, but

for some weeks I have been puzzling about the reason for the delay in proceeding with the Bill. After hearing the Treasurer's Budget Speech I can realize why country sewerage is getting further away—there is no money. The Minister would like to see country schemes, but he is hamstrung and headlocked. In fact he has the Indian death lock on him with regard to country sewerage. Members will know that I have always strongly advocated the extensions of sewerage to country towns, and I do it for two important reasons. Firstly, it is one of the most important factors in decentralization—and I believe in decentralization. New industries are not interested in country towns unless effluent and wastage disposal facilities are available, and it is vital for new industries to be established in country towns, particularly industries to treat and process the by-products of district products. However, existing country industries are hampered terrifically by the lack of sewerage. As a typical example of what is happening to industries established in country towns in the firm belief that sewerage was to be made available I refer again to the Gawler Manufacturing Company, but I have some new data and correspondence on the subject. This is a clothing manufacturing company employing over 200 men and women from the district of Gawler and places as far up as Angaston. It is a subsidiary of the Myer Emporium, and although I am not advertising its goods I assure members that they are good. These people are still battling against hopeless odds because of their attempts to cope with the sewerage problem and I wish to quote from correspondence that has been sent to me by the town clerk of the Gawler Corporation in the hope that I would make an attempt to do something about it. Apparently, they have more faith in me than I have in the possibility of getting country sewerage in the near future. I wish to read first a letter dated September 26, 1955, addressed to the town clerk of Gawler, by Mr. C. C. Burfield, the secretary of the company, as follows:—

As you are aware we have been requested by the Factories Department to make certain additions to our sewerage facilities . . . We contacted you at the time, and since have been pursuing various avenues to overcome the problem. We appealed to the Division of Industrial Development, and at one stage received some encouragement that facilities could be provided by the installation of a pipe, continuing along Julian Terrace, under the river, and then a pump to disperse the effluent to distant paddock areas. However, nothing had developed along this line and no

doubt what discussions did take place were with your knowledge. On the 9th inst. we again wrote to the Division and have this day received their reply, a copy of which is attached. . . . We do not feel that it is necessary for us to point out the fact that we have close on 200 people employed in this industry which has been developed in Gawler, and at the time of commencing it, we were of the opinion that sewerage would be available in the very near future. However, as this has not eventuated we again submit to the council a request that steps be taken to provide us with suitable facilities.

The next is a letter dated August 25 from Mr. C. W. Branson, Deputy Director of the Division of Industrial Development to the secretary of the Gawler Manufacturing Company, as follows:—

Receipt is acknowledged of your letter of the 9th August relative to the problem of effluent disposal. Very little alteration has occurred since my discussions with you in November last year. The erection of houses by the S.A. Housing Trust forced the Engineering and Water Supply Department to hasten their programme for the sewerage of the satellite town. The matter of this construction was considered then by the Public Works Committee, apart altogether from a sewerage scheme for Gawler.

It seems to me that the best approach from Gawler Manufacturing Company's point of view lies through the local corporation, who should I suggest strongly emphasize to the Government the need of this facility both for the homes and the industries of the town.

I think they probably would be wasting their time, although the suggestion was good. The corporation sought my assistance, and later I received from the town clerk a letter enclosing the other two letters, and it also is rather interesting. Under date of September 30 he says:—

Enclosed are copies of correspondence received from the Gawler Manufacturing Company concerning the disposal of sewage at their factory at Gawler. (Council has directed me to forward these copies to you). As a temporary measure, it is intended to suggest to the company that it excavate long trenches along the river bed in which are laid agricultural pipes, the trenches being filled with cinders.

Imagine a council and a firm employing 200 people in a factory about 25 miles from Adelaide being forced to resort to such expedients. I am not condemning the council because it must try something.

Mr. O'Halloran—That is what they did in country hotels when I was a boy.

Mr. JOHN CLARK—And that was not yesterday, as the honourable member will readily admit. What a pity it is that such expedients

have to be adopted. Here we see a thriving industry hampered and thwarted because the Government has let it down.

Mr. O'Halloran—It provides employment for the surplus female population of the town.

Mr. JOHN CLARK—I should have made that point; and they do not have to travel 20 miles or more for employment. Moreover, it is the sort of work that the average girl soon becomes adept at. I believe that the Government has let these people, and the town in which they live, down. I would like to remind the House again that if factories and industrial works are not available in country towns it is quite certain that men and women must go elsewhere for employment, and it becomes very burdensome upon people to have to travel early and late long distances to their places of employment. Admittedly, I know some men who have been doing it for 50 years, but it becomes burdensome to most people and before long, instead of staying in the country where they would like to stay, where they have been brought up and where they have their friends and associates, they go to live near their jobs, with the result, of course, that they swell that already over-swollen octopus—the metropolitan area.

I am not for one moment condemning people who live in the metropolitan area, but I am saying that many are being forced to live there because nothing is done to keep them in employment in their own country towns. The lack of sewerage in the country is undoubtedly hindering decentralization. Apart from the decentralization factor—and this is so obvious that I scarcely need mention it—there is the health factor. Most councils and ratepayers are not satisfied with the present unhygienic methods. They seek something more wholesome, something more in conformity with modern principles of hygiene. We must bring city amenities to country towns in order to keep country people in those towns. There is nothing to boast about in having half a million people in the metropolitan area, and country areas have suffered because of the increase in the city population. In some cases septic tanks have been tried, but they are only partly the answer, and in many localities are not feasible. Only last week a constituent came to me for advice as to whether she should put in a septic tank. Frankly, I did not know what to tell her but I said that sewerage was coming to Gawler. When she asked me when I had to tell her the truth and advise her to put in

a tank. I know quite well that country sewerage is expensive. I had the benefit and the privilege of being a member of the committee early this year as one of the representatives of the Opposition and we went thoroughly into the facts and figures of country sewerage and compared them with those in different States and got a really good picture of the overall situation. I believe, however, that even if we make big losses in cash they would be more than offset by the better health brought to country towns, and it would help to retain the people in those towns. I make a further urgent appeal to the Minister and the Government to go on with country sewerage. We have waited for it too long.

I was interested this afternoon to hear the Leader of the Opposition refer to adult education. Like him I am happy to see that the grant has been increased, but I do not think it is enough and I think we have waited much too long before it was increased at all. There is one point that I would like to bring to the Treasurer's notice, and I hope that later he may be able to give us some satisfaction on it. Those interested in the Workers' Educational Association are waiting anxiously for the results of the report that, apparently, has been given to him so that he may later make an announcement with regard to the future of the association. It is their intention to employ an assistant for the secretary. They also want to take over larger premises at the university for a book room, but they are quite unable to enter into negotiations with the university until they hear the Treasurer's announcement as to what the Government proposes to do. I hope that the announcement will soon be made.

Quite apart from adult education as conducted by the W.E.A., last week I had the pleasure on Wednesday evening of attending what I think is going to be a very interesting experiment in Gawler. It is being conducted by the registrar of the Gawler Technical School. He has arranged for a series of lectures to be given about once a fortnight. The one I heard was given by Group Captain Rechner and was illustrated by films. The lectures are followed by discussions which are becoming very illuminating, and I commend those people for what is being done under the auspices of the Education Department. It is a rather new scheme which, I believe, has already been tried at Mount Gambier. Before the end of the debate we may hear some members opposite complaining of the large amount allotted to education. Of course it is large, but it is actually very small if one stops to think. The

Minister of Education well knows that new schools and more teachers are wanted. From what we heard this afternoon it looks as if we will get them. If we get sufficient teachers they will not be burdened with very large classes. They must be paid and the amount budgeted for education must be still further increased. Many more amenities, which the Minister admits are essential and would be provided if the money were available, are required in the schools. At present we can only hope to do the job partly. The question arises "Can we afford it?" Actually we cannot until we get a more equitable reimbursement from the Commonwealth. There will never be enough for education unless the Federal Government realizes its responsibilities. Grants should be made to the States by the Commonwealth specifically for educational purposes. I know the Treasurer does not agree, nor does the Prime Minister. I have before me a couple of interesting statements by the Prime Minister and I hope that they will be illuminating to the House. When he was Leader of the Opposition in 1945 Mr. Menzies said:—

I turn to the position of the Commonwealth with regard to Education . . . The problem is urgent, and it should not be considered upon the basis of less remote constitutional possibility . . . There is no legal reason why the Commonwealth should not come to the rescue of the States on the matters I am discussing, either by appropriations under section 81 of the Constitution, as to which I agree there is some constitutional doubt, or by conditioned grants to the States under section 96, as to which there is no constitutional doubt. The Commonwealth should make available substantial sums in aid of educational reform and development.

I completely agree with him, but ask members to notice the change of tone in a letter that Mr. Menzies as Prime Minister wrote in 1955. It is as follows:—

I have received your letter on behalf of the Advance of Education Council, asking that I receive a deputation from the council and other bodies to discuss Commonwealth financial aid for education. I regret that the council has refused to accept my decision in this matter, and that other organizations are being asked to endeavour to induce the Government to make a decision favourable to the council. I may say that no amount of pressure will persuade my Government to make a decision which it considers basically wrong.

Those are not the quotations of two different gentlemen, but by the same person on two different occasions. They remind some of us of that gentleman in *Pilgrims Progress*, Mr. Facing-both-ways. In 1955, as Prime Minister he wrote "It is basically wrong," but in 1945, as Leader of the Opposition, he said "The

Commonwealth should make available substantial sums in aid of educational reform and development." How can you argue with a man like that? How much easier would the lot of our Minister of Education be if Commonwealth money was made available specifically for educational purposes. At this time, when so much more is expected from the schools than ever before, and when there is a completely unprecedented demand for highly skilled and efficiently trained personnel in all walks of life, surely no Federal or State Government can fail to see the necessity for urgent and immediate action? Much more could be said on this Budget, but I will leave it to others more qualified in their respective spheres than I am to say it. I cannot congratulate the Treasurer on his 17th Budget. It is a gloomy Budget which should make even more South Australians realize that they have been at fault in their blind complacency in following this Government and its even more iniquitous counterpart in the Federal sphere. I support the first line.

Mr. HAWKER (Burra)—In supporting the Budget, one cannot be but perturbed at the fact that overseas there are a few signs that the prosperous time of recent years is beginning to slow up. Australia is mixed up with overseas conditions, and recently we have been forced to impose import restrictions. It was considered by a number of people that if Australia became industrialized it would mean that imports would be smaller because we would make more of our own goods, and therefore the balance between exports and imports would be much more in our favour. Events have proved this to be quite a fallacy, one reason being that once you start a factory you want labour. That labour comes either from overseas or from the rural community, and it needs capital and consumer goods, which are not produced in Australia, as for instance, tobacco, tea, coffee, petrol, lubricating oils, rubber and so on, but at the same time more food is required. So, we get to the position that to supply these people we require more overseas goods and we have fewer people to supply the greater quantities of food for home consumption, and our primary products, which are our main source of income for overseas imports, begin to dwindle.

It is interesting to analyse the figures for the last financial year in respect of the exports and imports of the various Australian States, and to link up that information with the number of people employed in rural industries and factories. Australia was nearly

£69,000,000 to the bad last year. New South Wales had an adverse overseas trade balance of £125,000,000 and Victoria £62,000,000, and these are the two biggest manufacturing States. We find that Queensland, which is essentially a primary producing State, had the best trade balance with a credit of £75,000,000 and South Australia, which is still largely a primary producing State, a credit balance of £30,000,000. In New South Wales 149,000 people are employed in rural industries and 407,000 in factories—173 per cent in favour of factories. In Victoria the figures are 111,000, 317,000 and 185 per cent. In Queensland 13 per cent fewer people are employed in factories than in rural industries, and South Australia has only 35 per cent more in factories than in rural industries. I think the Government should consider that position carefully, as our industrialization has been the cause, to a big extent, of our adverse overseas balance. That did not occur prior to the war, but then we did not have a substantial prohibition of imports. The position is largely due to our too rapid industrialization. As South Australia is definitely a primary producing State, the Government should take notice of that and not over-industrialize.

It has been shown that our prosperity is bound up with that of the rest of the world. If other nations do not buy our goods, we suffer. One of the reasons I had a trip overseas was to get a picture of what things were like on the other side of the world. In this connection I pay a tribute to Mr. Greenham, our Agent General and also the Commonwealth Parliamentary Association, for their assistance. The Commonwealth Parliamentary Association was particularly good, and the British Parliament extends to visiting members of Parliament in some cases more facilities than are extended to its own members. At the opening of Parliament I do not think one member from a Commonwealth nation Parliament did not get a seat in the gallery of the House of Lords. I think the House of Commons gets only 30 seats. Ministers have to stand behind the Bar. I do not think more than one-third or a half of the members of the House of Commons can be accommodated in the House of Lords to hear the Opening Speech, yet I did not hear of one visiting member of Parliament that did not get a seat. The man sitting next to me was from the Uganda Parliament and he was as black as the ace of spades, but he spoke perfect English. There were a number of men from African States listening to the Queen's speech.

I dined in the strangers' dining room at Parliament House. Some members of that Parliament had been trying to get seats there for as long as three years in order to entertain their wives or friends. Visiting members of Parliament are given these facilities. The Mother Parliament is prepared to keep its own members out in order to provide facilities for visitors. There is a series of microphones throughout the Chamber, and in the gallery seats are small amplifiers so that visitors can listen to the speeches. Sometimes when there is an important speech to be delivered people have to wait as long as four hours in order to get into the public gallery, but there is almost always an assured seat for a visiting member of Parliament and his wife. If the debate is very important it may be necessary to give three or four days' notice of the desire to get seats.

They carry on their debates differently from the way we do it. All questions are on notice. The questions relating to each Minister are kept separate, and each Minister takes his turn at being at the top of the list to answer the questions. The question period extends from 2.30 p.m. to 3.30 p.m. and if all questions are not answered by that time written replies are given. When a question is asked on notice the member is allowed to ask a supplementary question. With the permission of the Speaker another member can ask a supplementary question on the same subject. The original questioner can ask one or two supplementary questions on the subject. The number of questions asked rests with the Speaker. As soon as he thinks enough questions have been asked on the subject he calls the name of the next member to ask a question. He calls him by name and not as the representative of a district. It is a pretty good effort for the Speaker to remember the names of over 600 members.

Mr. Fred Walsh—Probably the only time some members can speak is when they have to ask a question.

Mr. HAWKER—Yes. Unless the question is asked of the Minister near the top of the list a member may not get an opportunity to speak. The Speaker said he may be a little tardy in remembering the names of all new members of Parliament, and that the rapidity with which he remembered the name of members depended on the consistency of their attendance at the House. I was privileged to hear Mr. Winston Churchill, Mr. Attlee, Dr. Edith Summerskill and Lord Beveridge speak. It was a great education for a visiting member of Parliament.

I was particularly interested in agricultural research whilst I was in the Old Country. After the first World War I spent a short time at the Cambridge University doing an agricultural course and since then I have had a particular interest in this subject. Through the good offices of the Commonwealth Parliamentary Association I was introduced to a man in the Department of Agriculture and he arranged for me to go to Rothamstead and to the Grassland research station in Scotland and Aberystwyth in Wales. I was sorry I was not able to visit more stations. I found their agricultural problems about the same as ours. They are doing much in fundamental research and the result must be of benefit to Australia. I understand there is a good liaison between the scientists studying the various problems there and the opposite numbers in Australia. There was not one agricultural research station I went to that did not have in its library the *South Australian Journal of Agriculture*. There was not one place I visited that was not keen to give me all the information I wanted and to learn what I could tell them about Australia.

The most interesting place I visited was Rothamstead, where there is a field on which experiments with manures have been conducted for over 100 years. It has been continuously cropped with wheat for that period. They used various types of manures. There is also a plot that has not been manured and another that has been continuously manured with dung. The interesting point is that the plot cropped continuously with no manures gives an average of about 10 bushels to the acre, whereas the fields that have been completely manured with artificial manures and dung have returned 40, 50 to 60 bushels. The results from the latter two were about identical, but there may have been a little in favour of the field manured with dung. When I visited Rothamstead there had been no rain for 10 days, and the field manured with farmyard manures for over 100 years was as hard as the one that had nothing on it but artificial manures. I hope our Agricultural Department is keeping in touch with their agricultural research because a good job is being done.

I went to two research stations for agricultural machinery. Tests are made there for tractors. The Commonwealth Government sent a man over to study the testing of tractors with a view to setting up a similar organization in Australia. A good job is being done for the English farmer. Not only do they

design and test machines on their own account, but they test for other firms and make recommendations in regard to improvements that can be made to the machines. I was shown instances where machines had been spoilt because of some silly little detail that the manufacturer had overlooked. Machines designed at these research stations are patented and the patents are let to private manufacturing firms on a royalty basis. There is a special organization for handling this type of work.

Producers in England are not interested in growing wool. The Royal Show in that country is held at a different city each year. I saw the one at Nottingham and there was a room as large as this Chamber containing wool exhibits and only a dozen people in it. I was rather surprised to learn that in Scotland the average size of a hill farm is 3,000 acres. They are unfenced and most of the gathering or mustering of the sheep is done on foot. One place I visited had 10,000 acres and the gathering of the sheep commenced early and breakfast was taken at 2.30 a.m.

Mr. Frank Walsh—Do they have any grasshoppers there?

Mr. HAWKER—No, I think the climate would kill them, but it does not kill Scotchmen. The climate is too cold for rabbits, but they have as much trouble with foxes taking lambs as we have in Australia. One thing that struck me was that the shearing is done by the people on the farm. I did not see any shearing in England, but I was surprised at the rate at which the people in Scotland can shear. They are amateurs at shearing because they shear only once a year.

Mr. Corcoran—Do they use blades or machines?

Mr. HAWKER—The people I saw used machines. The machines were fitted on the end of a flexible tube, like horse clippers are. They do not have a down tube from an overhead shaft like we have here. Five people shearing on a Scottish farm averaged 500 sheep a day, which is very good for amateurs. In the south of England I was amazed to see the number of people employed on farms and the enormous amount of handwork done. One of the best paying crops, because it is one of the most heavily subsidized, is the sugar beet. One farm of 250 acres had five men employed on it. Another farm in the south of England of about 1,000 acres let about 200 acres to the Forestry Commission, which left about 800 acres to work, and 30 men were permanently employed there. At this farm I saw a grass drier being used, sometimes for two shifts a

day, for six months of the year. Grass grown on the property was used in the machine, and crop after crop during the spring and summer is taken off the farm in that country.

I was rather sceptical of the advantages of grass driers, but I think they may be used in Australia later when they become a little cheaper. In our early spring when we have feed like barley grass they could be used with advantage, as it cannot be used for pressed hay. These driers can turn out baled hay, meal, or a kind of cube, but the price at present is prohibitive. The drier that I saw cost £8,000 sterling, and it cost £20 a ton to dry hay, so at present it is too expensive for use in Australia where we have such a short season. Even in England the use of this machine is only in its infancy and it is expensive to use, even where it can be used for six months a year with cheap coal or electricity for power.

One of the most interesting places I visited was Denmark. I did not see any more tidy or prosperous country than Denmark, which is the home of co-operative societies. There is very little Government control there, and all inspections are carried out by the co-operatives' own inspectors. Denmark knows nothing about price control, subsidies, or price support legislation, yet it was one of the most prosperous countries I saw. All the houses were neat, the cattle were in good condition, and the people looked happy. I expected to see many Friesian cows there, but they generally keep the Red Dane cow, which is particularly suitable for that country. On the other side of the picture, the villages in Spain looked very poor, and the people unkempt, though happy. The children who came playing around our car always looked happy. I saw thousands of acres of ploughed land, but nowhere did I see anything other than the single furrow plough, which is a metal reversible plough, pulled either by two mules or oxen.

Mr. Corcoran—Do they have small holdings there?

Mr. HAWKER—Those I saw were mostly small, but I believe that further south they have some bigger holdings. In Denmark there are both small and big holdings run by the descendants of old families, and those farms are particularly well run. Most of our sheep are of Spanish ancestry, but those I saw were of all shapes and sizes and colours. In some places I saw more black sheep than white. I was introduced to one of the heads of the

Agricultural Department in Madrid, but unfortunately it was Easter and not much farming was being done. He told me that the Spanish merino, or the fine wool merino, was not known in Spain prior to the eleventh century. He was advising landholders to raise cross-breeds. The people of Spain and France do not think they can compete with Australia for fine wool. In France I visited the famous Rambouillet stud, which produces big sheep with a fine wool and I am certain that if Europe wanted to grow fine merino wool it could do it from the sheep produced at that stud. However, even in France the emphasis is on meat rather than wool. At another stud the Ile-de-France, which is more or less equivalent to our Corriedale, culled ewes are sold when six months old to the butcher for the equivalent of £10 sterling. The Frenchman who showed me around was employed by the National Sheep Federation of France, and he told me his job was to try to make the Frenchman grow good wool against his will, but the graziers of Spain and France do not even try to compete with Australia for fine wool. The sheep in France and Spain are used chiefly for meat and milk.

I was struck by the enormous amount of building going on in England and on the Continent. Much of France was badly knocked about during the war, and places like Abbeville were practically flattened. They have not been completely rebuilt, but many modern buildings have been erected and even in the outskirts huge blocks of flats are being built. The same thing is happening in Madrid. Spain was wracked by a civil war, and most of the factories were destroyed. Most of Madrid has been restored, and large blocks of flats are being erected there.

Mr. Pearson—How many hours a week do they work there?

Mr. HAWKER—I do not know, but I think more than 40. They have a siesta in the middle of the day, and so does Rome and most of the other cities in the south of Europe where there is a hot summer. However, they work into the night, and the shops are usually open until about 9 p.m. In England, too, I saw an enormous amount of building. I did not visit any of the badly bombed places such as Plymouth, Coventry or Bristol, but I visited the east end of London where about 35 acres around the docks had been badly knocked about during the war, and an extraordinary amount of building has been done, even in the short time I was in London. When I arrived one place was derelict, but

when I left, about four months later, the ruins had been demolished and the steelwork of the new buildings was being erected. At one spot near the east end of London I counted 21 building cranes, which gives an idea of the building taking place there.

In the English country districts most of the housing is being provided by local authorities. Generally they are erecting two storey semi-detached houses supplied with electricity, sewerage, electric stoves, and other modern conveniences. Although many Australians do not like two-storey, semi-detached houses, I think that there is much to be said for them. Many flats are being built in various parts of England. I saw many good straight roads in England, but often we encountered bottlenecks. It may take five minutes, or three-quarters of an hour, to go through a town, depending on the amount of traffic. We were in Doncaster on the day of the Doncaster races, and it was also the Whit-sun week-end. A battery of artillery was going through the town, so traffic had to move very slowly.

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

Mr. HAWKER—I wish to refer briefly to the National Agricultural Advisory Service, a body really evolved from the organization of something during the war when England was nearly starving and the farmers were told what to grow. All compulsion of growing has now disappeared, and that organization has turned into purely an advisory service that disseminates knowledge gained by the various experimental farms and research stations I have mentioned. There are about six of these centres throughout England. Each advisory service has a laboratory, veterinary officers and the necessary scientists for classifying diseases, and they are doing a particularly good job. The substations are very similar to our own, and each field officer has about a thousand farms under his supervision.

One of the things that struck me, not only in England but on the Continent, was the shortage of rural labour. I saw a report by Dr. Ray, of the N.A.A.S., which contained figures that could easily have applied to South Australia. With industrialization men are attracted to the secondary industries because of the more regular hours and better working conditions, whereas so much of the farm work in England has to be done by hand and in not very good weather. On the other hand, factories send around coaches to the villages to pick up the men, take them to work and return them to their homes. The shortage of rural



labour is evident in France, Scotland and almost every part of the Continent. England has overcome the shortage to a large extent by rapid mechanization, and hardly a horse can be seen there. Mechanization in France has been carried out to a much lesser extent, and the roads in the north looked very much like they were when I was there during the first war. Ploughs are still being pulled by one or two Percherons. However, there was always a petrol station in the centre of each village. When I was taken around France by the man from the Sheep Federation, I went to a stud merino farm of 440 acres, employing 11 men, on which four tractors and an auto-header were used. I could not understand while in England and on the Continent how those auto-headers or combines threshed the grain in a wet state, as it is usually wet in England. The grain nearly always has to be dried after it is threshed so I think the machine must be of different construction from the type used here.

I was also impressed by the fact that in England, although there are a number of by-pass roads, there are still many winding tracks on which one can travel at only a slow pace, yet in all cases the surface is good. The surface of the London roads has now been roughened, the metal protruding through the bitumen, and it has not such a slippery surface as the roads in this country. Anyone travelling in England must be impressed by the huge amount of traffic, and the great volume handled at the roundabouts. This could not be done unless a great amount of courtesy and road sense were shown by all concerned, because at a roundabout vehicles often have to cross through a stream of traffic. I have seen bicycles and motor scooters going through between buses, but I did not see any accidents. I saw nothing of archipelagoes such as we have here, but all traffic goes around roundabouts. An Englishman who visited here put the matter rather in a nutshell by saying "In England if two people are approaching and it looks as though there will be a collision, they both stop, but in Australia they both stamp on the accelerator." Although that might be an exaggeration, it explains the outlook of drivers in England compared with those in Australia.

One thing that Australia must look to is the matter of advertising its goods. We have the goods that England wants but we must learn methods of display. At an exhibition I saw both the Australian and the Danish stands. Anyone would go to look at the very

attractive Danish stand, but the Australian stand, although it was quite good, would not attract anyone who was not particularly interested in Australia. I recently entertained a man from England, and I gave him some Australian wine to drink. I asked him for a genuine opinion of our wines, and he said, "As a wine it is very good but if my housekeeper, who cannot read, saw a wine in a bottle like that with a label like that she would put it down as cooking wine." That was a good brand of wine so it provides a good example of how we are not attracting customers for our goods.

I heard reports that England was knocked out by the war, but during my visit the country seemed to be very progressive and prosperous, the standard of living was rising and it seemed to be going somewhere. The only fly in the ointment just before I left was a series of strikes that had nothing to do with wages or conditions, but in the case of the water-side workers' strike it was purely an inter-union squabble. That strike had a serious effect on the economy of England and I think we are feeling it ourselves, because we are definitely bound up with England, which is one of our best customers.

Mr. Frank Walsh—Mr. Chairman, I draw your attention to the state of the House.

A quorum having been formed.

Mr. HAWKER—The strikes that occurred just before I left certainly had a very adverse effect on the economy, but England is definitely around the corner and progressing. I was also quite certain that England is spending a large amount on agricultural research, brought about by the fact that she nearly starved during the war. This research will be of inestimable value to South Australia. I was also struck by the fact that Denmark is almost entirely a primary producing country. It was also obvious that no country I saw or heard of made any attempt to compete with our wool. Australia can certainly produce higher grade wool than anyone. However, if we want to sell other Australian goods we must study modern methods of advertising. I do not think we have any conception of the devastation caused in England during the war, or of the amount of work that the devastated countries have done to rehabilitate themselves so as to catch up with the rest of the world. I have much pleasure in supporting the first line.

Mr. LAWN (Adelaide)—First, I desire to correct a couple of inaccurate statements made by the member for Burnside (Mr.

Geoffrey Clarke) this afternoon. He is a gentleman who objects to misrepresentation and claims that he never misrepresents anyone else. Firstly, he said that the Leader of the Opposition could not criticize the financial agreement operating between the States and the Commonwealth. The policy of the Labor Party, however, is, and has been for many years, as follows:—

The alteration of the Federal Financial Agreement to secure an equitable adjustment of Federal and State finances.

The Labor Party has publicized that policy prior to each State election, and it gives the Leader the right to criticize the agreement. The Treasurer's Budget speech is a condemnation of the present Commonwealth Government.

Mr. John Clark—Perhaps he has seen the light?

Mr. LAWN—No doubt he has often seen the light, but he never tells the people about it at the proper time. He has told us only recently that the best Prime Minister he ever dealt with was Ben Chifley, but he doesn't tell that to the people immediately prior to an election. Indeed, prior to the 1949 and subsequent elections he has done all he could to return the present Menzies Government, which he criticized from first to last in his speech. Indeed, he criticized it so vigorously that the *News* came out with a headline "Playford Slates Menzies." As I said next day in this House, however, prior to the next election Mr. Playford will go round the State kissing in Menzies' pocket; yet he has the audacity to stand up in this House and tell us that the best Prime Minister with whom he has had to deal was Ben Chifley. Mr. Geoffrey Clarke said that I had said I believed in State Parliaments, and he implied that I believed in the present constitution of State Parliaments, but I have made it clear previously and say again that I believe only in State Parliaments with restricted powers.

Mr. Dunstan—Subordinate legislatures.

Mr. LAWN—Yes, and I have used those very words. Mr. Clarke knows that I do not believe in State Houses as some are at present constituted, and for him to say he never misrepresents anybody is easily refuted by my statement.

Mr. Brookman—Do you agree with State Parliaments?

Mr. LAWN—I believe in them with restricted powers.

Mr. Brookman—What do you mean by "restricted powers?"

Mr. LAWN—I believe that some powers at present enjoyed by some State Parliaments should be transferred to the Commonwealth Parliament and that State Parliaments should occupy a position subordinate to the Commonwealth Parliament.

Mr. Brookman—To what powers do you refer?

Mr. McAlees—The Legislative Council's power would be one.

Mr. LAWN—Yes, and there are many such powers, but I will not enumerate them this evening. At any rate, even if I told the honourable member he would not know after he woke up tomorrow morning. The Treasurer's Budget speech was one of the most dismal I have ever heard, particularly having regard to these buoyant times, through which he said we were passing. I think that the speech was prepared by several departmental officers and that the Treasurer did not check it before he delivered it. Of course, I would not expect him to prepare the whole speech, but at least I would expect him to check it before delivery so that he would be informed of the picture of the State's condition which he was going to paint. Early in his speech he said:—

Notwithstanding the fact that this State now produces more wealth per head of population than any other State of the Commonwealth, and that we have exercised the greatest prudence in the administration of our public affairs and have kept expenditure under firm control, we are compelled to budget for a heavy deficit.

That is an admission that the workers of this State produce more than those in any other State; but what do they get under the Playford Liberal Government? A section of workers (rural workers) are not even permitted by this Government to seek a court award, although the Government professes to believe in arbitration. Indeed, the other day the Minister of Agriculture and other Government members advocated arbitration as a means of settling the abattoirs strike, so why aren't all workers permitted to seek a court award? I understand the attitude of Government members, because many of them, including the Treasurer himself, are primary producers who deny rural workers the right to approach the court.

Although our workers are the best in the Commonwealth they are covered by one of the worst pieces of workmen's compensation legislation in Australia, and the Government is not prepared to accept its responsibilities in this regard. It passes the buck to some

Government-appointed committee and then says to the people, "Workmen's compensation is not a political football in this State. We have taken it out of the realms of politics and have appointed a committee on which the workers have a representative." Although in many other States workers travelling to and from their places of employment are covered by the legislation, certain workers are not covered here. The wife of a man employed by the Commonwealth Government in South Australia would receive compensation if he were killed proceeding to or from work, whereas a woman married to a worker in the State Government or employed by a private employer would receive no such compensation. If our workers are so good, why should they not enjoy the same industrial conditions as those enjoyed by their fellows in the eastern States?

Employees of the Commonwealth Government, all workers in New South Wales and Queensland, and employees working under Victorian State awards enjoy long service leave. Earlier Mr. Playford said the legislation passed by the Cain Government in Victoria last year would probably be held by the High Court to be invalid, but that has been upheld and the employers' legal advisers have advised that they do not think there is any chance of their getting a certificate under which to appeal to the Privy Council. Workers in the eastern States, who do not produce as much as workers in South Australia, enjoy three months' long service leave after serving 20 years, yet last session when the Opposition in this House introduced a Bill to provide the same privilege for our workers, the Government opposed it. The Opposition felt that, because South Australian workers produced the most in the Commonwealth, they were entitled to enjoy conditions at least comparable with those of workers in other States.

Mr. Davis—It is only their right.

Mr. LAWN—Yes. Mr. Playford complained that, although South Australian workers produced more than any others in the Commonwealth, the Menzies Government had given the State Government less, but if that is so, this Government is only getting back what it has given, so it cannot squeal. Despite the fact that we are producing more per head, thousands of South Australians are homeless. The Treasurer claimed that we are producing more homes than other States, but that is not true: our housing programme is getting further behind. When I

became a member in 1950 I asked the Treasurer how many applicants were awaiting Housing Trust homes and he told me there were 11,000. In May this year the member for Norwood (Mr. Dunstan) asked a similar question and he was told there were between 11,500 and 12,000; therefore, despite the Government's alleged efforts to provide homes, it has not even been able to keep up with the demand over the last five years. Although workers in this State produce more per head than those in other States, the workers here are 11s. out of pocket because of the freezing of the basic wage by the Commonwealth Arbitration Court.

Mr. Corcoran—It is 13s. now.

Mr. LAWN—Yes, but when the Budget speech was prepared it was 11s. They now receive that amount less than they would have received had the automatic quarterly adjustments of the basic wage continued to be made in accordance with the C series index. Yet what is the position in the eastern States where the workers produce less? In Queensland the State Court has adjusted the basic wage and refused to accept the dictum of the Commonwealth Arbitration Court. Under legislation passed by the Cain Labor Government in Victoria the workers under State court awards in that State have been receiving the quarterly adjustments, and recently the New South Wales Premier introduced legislation to permit quarterly adjustments there. Despite these moves, the South Australian worker, who has the greatest production per head in the Commonwealth, must suffer the injustice involved in a frozen basic wage. The States I have quoted have Labor Governments, except Victoria where, until recently, the Cain Labor Government was in office. The Liberal Party always opposes progress, and these are merely instances of the way in which it has opposed progress in this State. Indeed, it accepts progress only when it is forced to do so.

Mr. McAlees—That will be at the next election.

Mr. LAWN—Yes, and had the Treasurer been honest he would have told us that this would be his last Budget.

Mr. William Jenkins—You said the same thing about his Budget speech last year.

Mr. LAWN—Three years ago I even named some of the Government members who would not be back after the 1953 election, and they did not come back.

I mentioned the districts of Norwood and Victoria and one or two others. The Treasurer continued:—

I have now been Treasurer of this State for approximately 17 years and I can say without any qualification that we have been forced into a more difficult financial position this year than at any other period in the whole of those 17 years.

Is not that a condemnation of the present Federal Government? Continuing in the same vein of criticism of the Menzies Government he said:—

I personally hold the view that one of the most important functions of a State Government is to provide a reasonable road service and I am entirely at a loss to understand why road expenditure should have been treated in the particular manner I have outlined. I cannot understand the Commonwealth ever having raised objection to this expenditure.

Fancy the leader of a Liberal Government being at a loss to understand the Menzies Government! He has been Treasurer for 17 years and has had many Prime Ministers and Treasurers to deal with and yet he cannot understand the action of the Commonwealth Government over road expenditure. I draw attention to these matters because the press does not emphasize them and the Treasurer will not be pointing them out to the people when he is running around with Menzies prior to the next Federal election. He also said:—

In a time like the present it is not usual for public finance to be in any serious difficulties for income taxes, sales taxes, and the like, are buoyant. However, the whole six Australian States are in difficulties although the Commonwealth, which has the monopoly of such taxes, is in an affluent position. As a result of an inadequate distribution of tax reimbursement funds, to which I have referred earlier, the Commonwealth has left every State in Australia with insufficient revenue funds to meet its normal obligations. Every State with the exception of Queensland will, I believe, face large budget deficits this year, and Queensland will avoid being in a similar position only by calling on funds previously set aside to the extent of several million pounds.

What greater condemnation could there be of a Commonwealth Government? In the *Melbourne Herald* of September 5 in the column "London Round-Up," which is written by Reg. Leonard, a prominent Victorian journalist who used to speak regularly every night over station 5AD, under the heading "Workers in Britain get less for more," the following appears:—

You don't often get much sparkling information from matter-of-fact government reports, but one issued here this week shows Australian industrial conditions in glossy relief beside those of Britain. It adds up to this—

that Australian workers get much more for doing much less than their British opposite numbers. Seven million manual workers are covered by the British Labor Ministry's half-yearly surveys of all manufacturing industries and some of the principal non-manufacturing industries. And the average recorded wage of all these workers—in Australian currency—is £11 8s. 9d. for a working week of just on 47 hours. Furthermore, the wage includes bonus and overtime payments.

In Great Britain they work 47 hours a week as against our 40 and receive £11 8s. 9d. which includes bonus and overtime payments. Members opposite who oppose the 40-hour week want our workers to work 44, 48, and even more hours a week for lower wages. They oppose marginal increases and want us to revert to conditions not as good as in England. One Sunday afternoon recently I heard Mr. Cross, the senior lecturer in English Literature at the Adelaide University, speaking at the pleasant Sunday afternoon from 5KA. I was amazed to learn that slavery still exists in the world. He described the slave conditions still existing in Africa and said that Africans working for white people were engaged 16 hours a day six days a week and have to travel 30 miles to work by bus and return that distance each night and receive only a few shillings a week. Their life span is 30 years. That is what happens when men are required to work long hours for a low wage with a low standard of living. I mentioned that because in South Australia where our workers produce more than elsewhere in Australia they get less than in other States.

Mr. Brookman—They have a lot to be thankful for.

Mr. LAWN—I understand not many Government supporters will speak during this debate because of the election next year, but I would like to learn from the honourable member if he does speak what he considers the workers of South Australia have to be thankful for. They receive £11 11s. a week, no long service leave and they do not enjoy the conditions applying in other States. The honourable member's employees cannot go to the court for an award. He has a lot to be thankful for. In introducing his Budget the Treasurer also said:—

In South Australia in particular there is every prospect of an excellent rural season. Yet despite all this the outlook is less encouraging than for some years. Increased wage margins, which were necessary for the proper encouragement of skill and to restore the proper relativity between the unskilled wage and the remuneration of the more highly trained and responsible staffs, have placed a heavy additional cost on the community.

What rubbish! The Treasurer did not know what he was saying if he honestly and conscientiously prepared that statement.

Mr. Heaslip—If he didn't, I do.

Mr. LAWN—Perhaps the honourable member may be able to tell us. Recently this House appointed me to a Select Committee which investigated the Gas Act Amendment Bill. Three representatives from the Gas Company appeared before that committee and said that no approach had been made to the Prices Commissioner for any increase in the price of gas since margins were increased. No additional heavy cost has been placed on consumers of gas. We know that electricity charges have not been increased as a result of marginal increases. Let us consider the position of the largest private employer of labour in South Australia—General Motors-Holdens. I have a copy of the annual report and balance-sheet of that company. Incidentally, the price of motor cars has not increased as a result of marginal increases. The company has absorbed the increased cost and after ploughing millions back into the industry has still revealed a surplus of almost £10,000,000. In 1953 the company employed in Australia 11,035 workers and last year 12,909. In 1953 it produced 44,175 Holdens, and 54,475 for domestic use and 321 for export in 1954. In 1953 it produced 8,870 British Vauxhall and Bedfords and 15,592 in 1954. It produced 5,554 U.S.A. and Canadian vehicles in 1953 and 3,666 in 1954. All told, it produced 58,599 cars in 1953 and 74,054 cars in 1954. In 1953, 5.3 cars were produced per employee and last year 5.7, an increase in the two years of .4 or almost one-half per cent. Now we shall see what the employees received for their labours. In 1953 sales, excluding sales tax, amounted to £57,670,118 and in the following year £69,861,000. Where did that money go? In 1953 the percentage of the total income paid to suppliers for materials, parts, components, services, etc., amounted to 57.2 and in the following year 55.4 per cent, a drop of 1.8 per cent. The payroll and allied expenses for employees in 1953 amounted to 18.9 per cent and in the year following 18.5 per cent—.4 per cent less for their giving an increased production of .4 per cent. Custom duties and taxes in 1953 amounted to 8.1 per cent, and in 1954 to 10.2 per cent. Retained for use in the business in 1953 was 11 per cent, and in the following year 7.5 per cent; for depreciation of plant and equipment in 1953 the percentage was 1.7 and in the following year 1.8 per cent. Shareholders in 1953 received 3.1 per cent, and the following year

6.6 per cent. Whereas employees gave an increased production of .4 per cent for .4 per cent less in wages, the return to shareholders jumped from 3.1 per cent to 6.6 per cent—an increase of more than 100 per cent. Because of their increased production the employees received less and the shareholders more. That is what the Liberal Party stands for. I invite members opposite to tell the workers at Holdens what they have to be thankful for as a result of the increased production they gave. During his Budget speech the Treasurer made this rather peculiar statement:—

Then the threat of inflation is again arising accompanied by a rise in prices, a fall in savings and a wave of free spending upon consumer goods.

How those three things could happen at the one time beats me. Only one thing could cause this to happen and that is a lack of confidence in the Government. He says now that prices are rising people are rushing to the banks and taking out their savings and indulging in a wave of spending. If prices were continuing to increase I should say that the average South Australian, who has plenty of common sense, would say, "I will not purchase any more than I have to." He certainly would not be rushing to the bank and taking out his savings and having a spending binge unless he could see that under a Liberal Party Government in both the Commonwealth and the South Australian Parliaments prices were still likely to increase, and thus he would take the opportunity to purchase goods at the lower prices before they increased any further.

This year a constituent approached me who for some years had been contributing to the Adelaide Funeral Directors, of Epworth Building, Pirie Street, Adelaide. His wife died on a Sunday and the husband was asked by the matron of the hospital to make the necessary arrangements as soon as possible for the removal of the body. The correspondence I shall read tells the whole story. The members for Stirling and Hindmarsh know of similar instances. The following is a letter I sent to the Premier, and I read it to show the House how helpful he is. He tells us that we can approach him on any matter and he will do his utmost to help, but when it comes to an admission whether the company was wrong and my constituent was right, I will read the letter to show what he said. Dated March 5, 1955, it read as follows:—

Would you be good enough to investigate the complaint mentioned herein, and advise the position.

Mr. — and family of — joined the Entire Family Funeral Benefit Company, of Epworth Building, Pirie Street, Adelaide, on 22nd May, 1943. For a weekly payment the contract provided that in the event of death of any of the family the member was entitled to hearse, polished wooden casket, coach, ground and deeds in any metropolitan cemetery, minister also required, upon the death, to ring either of two given telephone numbers as soon as possible. No mention was made in the contract that the company conducted the burials, although their recent contracts do provide this.

On 17th November, 1954, Mrs. — passed away and the same evening (a Sunday evening) Mr. — rang the number mentioned for night use, but received no answer, and engaged Mr. — to conduct the services, and first thing Monday morning called and notified the Funeral Benefit Company when he was told that he should have contacted them without going to any undertaker as the company would conduct the funeral. As he had gone over their heads the company denied liability. The Public Trustee is handling the affairs of the late Mrs. — and has written the company lodging a claim, which has been refused because of the reason mentioned herein, and the Public Trustee has again written the company claiming that the contract did not specify that Mr. — must notify the company and that the company undertook all burials. It would be appreciated if you would have this matter investigated and advise me what the position is.

I received the following letter in reply, dated May 30:—

With further reference to your letter of 5th inst., I have now been in touch with the Adelaide Funeral Directors, of Epworth Building, Pirie Street, Adelaide, and have studied the literature containing the rules of the Entire Family Funeral Benefit. On the front of the certificate of registration are the following words "Please note we carry out our own work at time of death." These were obviously not on the original documents, as they are typewritten, but the directions and explanations on the back of the certificate undoubtedly make it quite clear that arrangements for the funeral must be made by the Adelaide Funeral Directors.

Clause 1, which is printed on the back of the form, reads as follows: "In the event of a bereavement, please notify the company as soon as possible. Please ring C.6168 (now W 6557) between 9 o'clock a.m. and 5 p.m. After hours, week-ends, and holidays, LF 1246 (now LF 2489) and we carry out the funeral." In the circumstances I do not find any grounds upon which I can take further action in the matter.

The Premier did not get in touch with the Public Trustee or my constituent, but went to the company—the vested interests whom he represents in this House, and then he gave me its answer. I invite the attention of honourable members to the concluding sentence of the Premier's letter:—

In the circumstances I do not find any grounds upon which I can take further action in the matter.

In other words, what he says is that in view of what the Adelaide Funeral Directors told him there was no action he could take, and if there were some action he could have taken he would have taken it. That is fair comment. Let us see how this matter developed. I wrote the following letter on June 8 to the Treasurer:—

Further to my letter of 5th ultimo and yours of 30th ultimo *re* — and the Entire Family Funeral Benefit Company of Epworth Building, Pirie Street, I desire to advise that the first three lines of your second paragraph and the last line of your fourth paragraph are incorrect. As I pointed out in my letter these words are on current contracts, but do not appear on the contract entered into between — and the company on 22nd May, 1943, and signed by H. Grigg, general manager. Mr. —'s contract can be perused at the Public Trustee's office where it is on the file and I would be pleased if you would again investigate this matter and advise.

After it was proved beyond doubt that the company was liable I received the following brief reply, dated June 29, from the Treasurer:—

With reference to your further letter of the 8th instant with regard to the contract entered into between Mr. — and the Entire Family Funeral Benefits Company, I beg to inform you that there is no further action which I can properly take in the matter.

The Treasurer approached the company. He did not take any notice of my invitation to consult the Public Trustee and the constituent. The words "On the front of the certificate of registration are the following words—please note we carry out our own work at time of death" were not on the contract of 1943. They have been inserted in subsequent contracts. The words "and we carry out the funeral" have been added to subsequent contracts. They were not on the contract I mentioned. In the first letter the Treasurer said that had circumstances been different he would have taken action. He said, "In view of the circumstances I do not find any grounds upon which I can take further action in the matter." When he found the circumstances were different he simply said, "I beg to inform you that there is no further action which I can properly take in the matter." That means that big business can do as it likes. The Government will not alter the law against big business in the interests of poor people who pay in sums to cover funeral expenses. There have been inquiries on the

matter from Mr. William Jenkins and Mr. Hutchens. The Treasurer told me today that if there were enough complaints to justify an alteration of a law he would alter it. There are enough complaints about this company and the law should be changed.

Mr. Travers—About what portion of the Budget are you speaking?

Mr. LAWN—If the honourable member had been here from just after 5 o'clock until about a quarter of an hour ago he would have heard a good travel talk by Mr. Hawker. I suggest that my remarks in regard to vested interests are more pertinent to the debate than Mr. Hawker's travel talk.

Mr. Travers—Are your remarks in the slightest degree pertinent to the Budget debate?

Mr. LAWN—There are several items of expenditure to which my remarks can be related but if not I am sure I am not the first member to be out of order. The honourable member will be able to read my remarks tomorrow. He will not find them in the *Advertiser* but they will be in *Hansard*. I do not mind an interjection from any honourable member but I do not think Mr. Travers was fair in reflecting on the Chair.

Mr. Travers—I am still wondering to which line you are referring.

Mr. LAWN—There is a line dealing with the Registrar of Companies. With the honourable member's legal knowledge, apart from his Parliamentary knowledge, he should know that my remarks are in order. Every day this week and some days last week I have been approached by people who have received notice to vacate their houses or have been served with eviction orders. I have previously referred to constituents who have had eviction orders served against them. The Treasurer told me last year 46 orders were granted by the court, and that for the first seven months of this year 49 have been granted. What the number will be by December I do not know. Houses are being demolished. For instance, in Halifax Street seven houses have been demolished on one side and about another seven are to be demolished on the other side, yet eviction orders are being served against some of my constituents. I referred to a case recently where a family had no accommodation and had to sleep in a motor car. The Premier said that the men in the family had been earning about £50 a week, but that statement was incorrect. It was only about £40 a week, but that much could be expected where three men are concerned. That lady is no longer with her family as the result of the

worry of being kicked out of the home and having to sleep in a motor car, as she dropped dead recently.

I want the Treasurer to take these details back to the trust. A woman telephoned me and told me that there was no need for that family to sleep in a motor car as she had some accommodation available. I have the name and address of the lady concerned. I got in touch with the family sleeping in the motor car and the mother of that family inspected the accommodation offered, which was one room to be used by her husband and herself. She said that she had a young girl but the person offering the accommodation suggested that the girl sleep in another room with a lad aged eight. When she asked about the rent she was told that a quote could be given only for two persons and not for three. She decided not to take the accommodation. In this place the Treasurer said that the family had been offered other accommodation but would not accept it. Only the father, mother and daughter had been sleeping in the motor car because the sons had obtained accommodation with friends. The mother dropped dead one afternoon as the result of the worry.

The Government has no humanitarian principles. In fact, the Liberal Party has no principles at all. Constituents of mine have to go through torment. A lady asked me this afternoon whether the Government could do these things. She said that the girls at the counter at the Housing Trust office were impertinent and insulting, yet this is the staff that says that accommodation is offered to families like the one I have mentioned and that with the money earned they should be able to book in at hotels. That is the sort of reply we get from the Government when we refer to housing difficulties. Yesterday I was told that a man who had been employed for 19 years with the Waterworks Department had applied in 1951 for a Housing Trust home. The trust said one was not available. In 1950 there were 15,000 electors on the roll in the Adelaide district. Two years ago the number was 12,100. As the Treasurer and all members know, as a result of the redistribution of electoral boundaries the latest figures for the electorate of Adelaide are 10,500. By next year that number will have dropped from over 15,000 in 1950 to 9,500. Where are all the people going? In 1950 the Treasurer told me, in answer to a question, that there were 11,000 applicants for Housing Trust homes, but last May he told the member for Norwood that

there were nearly 12,000, or an increase of nearly 1,000 in five years. What is happening to all the families awaiting houses, and what is the Government doing for them? Many people come to see me about their housing problems, and many letters have been written to the press, though I will not use all my information now, but wait until I speak on the Demolition of Dwellinghouses Control Bill. However, I have often said in the House that habitable dwellings should not be demolished.

The CHAIRMAN—The honourable member may not deal with that subject because there is a Bill on it before the House.

Mr. LAWN—I am not dealing with the Bill, but saying that the Government should not permit demolitions. This Government stands condemned for its lack of foresight and lack of humanitarian principles on the question of housing. It is a most dismal Budget, and I urge the Government to get out and make way for a Government of the people for the people, and not for vested interests.

Mr. WILLIAM JENKINS (Stirling)—I commend the Government for bringing down a good Budget, which provides for all services on an equitable basis. The member for Adelaide, Mr. Lawn, said that the Government did not have humanitarian principles, but I am thankful that it has provided many homes for the people. Those who have been thrifty are in a position to put down a deposit sufficient to purchase a home. During the past three or four years about 3,300 or 3,500 trust homes have been built each year, which refutes all that the member for Adelaide said about the Government not providing homes for the people. I understand that South Australia is building more homes *per capita* than any other State in the Commonwealth. The honourable member said that some officers of the trust insult the public, but I have to go to the trust's offices almost every day Parliament is in session and I have never heard the people at the counter spoken to disrespectfully. I have conversed with some men and women at the trust offices and have heard no complaints. They always receive the greatest respect and attention. I believe the honourable member has only been playing to the gallery.

The sum of £8,000 is proposed for the Fisheries and Game Department for the purchase of Sheridan's cutter. I raised this matter last year when the vessel came on the market as a result of the falling demand for shark. The cutter has been purchased by the Government for research work and a further

£9,500 has been allocated for the purchase of instruments and for research into our fishing resources. I believe that there is a great potential for our offshore fishing, which has scarcely been tapped. From year to year we live on the fish caught on the inshore fishing grounds, as we have not exploited our offshore grounds at all. I believe that this cutter is about 45ft. in length and would be suitable for research work. I understand that it will be manned by employees of the Fisheries and Game Department, but I trust they are men experienced in this industry. If they are not I suggest that we advertise for men who are used to this type of work in other countries. Fishing men of the north of England sometimes go to Iceland and often to the Dogger Bank in trawler fleets.

Mr. Macgillivray—And men from Scotland, too.

Mr. WILLIAM JENKINS—Yes. They travel thousands of miles in the Arctic and Iceland waters and get large quantities of fish for the English market. They have learned the lesson of not fishing out the inshore grounds, but I believe that the cutter that has been purchased will be used mainly for finding school fishing grounds along our shores and locating tuna, pilchards, and anchovies, etc. I take it that the instruments to be purchased will be radar or echo sounding equipment for searching sea bottoms. The old practice of swinging the lead to find whether the bottom is rocky or muddy is out of date. That is too cumbersome, but by using modern navigation aids we can get much better results. The modern practice is to use latitude and longitude and modern instruments to find the extent of fishing grounds. It is known that certain types of fish prefer certain types of grounds, and I believe it is possible, by using modern methods, to find where the various types of fish are. It would pay us to obtain men who are used to deep sea trawling, and I suggest that experienced fishermen from Grimsby and other parts of the United Kingdom, who had operated on the Dogger Bank and in other northern waters, should be brought to South Australia to help develop deep sea fishing. It would be necessary to purchase a much bigger boat than the cutter I have mentioned. Trawlers used on the Dogger Bank are up to 2,000 tons. They have mother ships and they can travel 2,000 or 3,000 miles from home and bring back their fish to the mother ship. They are then provided with



more fuel and food and can carry on for several weeks instead of having to go right back to England and unload their catches. Of course, such a practice is in the distant future in Australia, but if we use our cutter for finding the fishing grounds it will be a great step towards deeper sea fishing and the exploitation of trawler fishing.

We shall not benefit fully from better fishing methods until we have adequate shore facilities for handling the catches. We must have good freezing, processing and canning works so as to keep the industry going during the lean seasons of the year. That would provide fish to the people throughout the year at a reasonable price, and it would ensure the fishermen receiving an equitable and payable price for their catches. I commend the Minister of Agriculture for his foresight in purchasing this cutter, and I am sure he will see that it is used to the best advantage. There was a letter in a newspaper last week from someone who condemned his action. The writer said the vessel would be used only for the pleasure of certain people in the department, but I am sure the Minister will see that it is put to the best use.

I sometimes hear complaints from school bus contractors about the rates they are paid by the Education Department. I have no criticism of the Minister, for since he has been allotted his portfolio he has had a hard road to hoe. He often visits country districts in order to investigate problems, and whenever I have taken a complaint to him he has inquired into it immediately, and on almost every occasion with good results. However, he has inherited a hard core of resistance from certain departmental officers. The head of the section in charge of school transport services has been rather a difficult man to deal with. He is probably too capable. He has been a long time on the job and is adamant on rates paid to school bus contractors.

Mr. Pearson—He is a good officer.

Mr. WILLIAM JENKINS—Perhaps he is too good. If it is the policy of the department to continue to let school bus services to contractors he is defeating that very purpose. I do not know whether it is the intention to replace private contractors' fleets with departmental buses, but this officer is going the right way to do that. In my district a contractor has been running school bus services for 23 years. Ten years ago he had a good fleet and ran seven services. He had a bank overdraft of about £600, but today it is £3,800,

and unless he gets a better price from the department for his services he will have to go out of business by the 31st of this month and the onus will then be thrust on to the department to provide school buses. Ten years ago this man was running a big tourist and charter trade. He undertook to run some school services to fill in the gaps in his tourist and charter trade. He accepted many contracts at a cheap rate and it has been extremely hard for him to get them increased to somewhere in line with other bus services. For the past year or two he has been practically on the same level as other contractors, but his tourist trade has dropped sharply because many people now own motor cars. His fleet is not now in first class condition, and one recently broke down.

The Education Department, or the police, said it was no longer fit to carry school children, and the department had to put in one in its place. His bank will no longer allow him to have such a large overdraft, and on October 31 he will have insurance accounts totalling £369, and the bank will no longer carry him unless the department pays him higher rates. I do not know whether the department can do anything for him, but if it has to replace his buses with departmental vehicles it will cost about £30,000. Furthermore, it would have to build a garage on land of high value to house its buses, and would be faced with considerable expense in wages and insurance. I very much doubt whether, if those contractors were paid even more than they are paid today, which would be reasonable and equitable, their services would be as costly as buses supplied and maintained by the Government. Although I have no figures to make a comparison I doubt very much whether the Government could put another six buses on the road to replace them and make them pay. I do not believe contractors should be cheesepared down to such a position that they cannot provide for depreciation or maintenance. Of course, it may be said that they do not have to apply for contracts, but they have applied and many have found that they cannot make a success of them. Some of these men live 10 or 15 miles from the schools; they pick up the children, take them to school, work in the township during the day and then pick up the children after school. It is very profitable for them, but it is hard for those who have no other jobs. One contractor that I know has a road liner licensed to carry 78 children. He does an 11 mile trip to pick up the children

in the morning, but is paid only 2s. 6d. a mile loaded and 2s. a mile empty. Such a vehicle cannot be bought secondhand for less than £6,000, and the new price may be about £10,000. The insurance is £79 a year, and registration fees are also very high. This man runs his service on only 40 or 41 weeks a year. I am familiar with motor vehicles, and I cannot see how he can make his contract pay. I believe it would be worth-while for the Minister to overhaul the system because those who undertake these contracts should not be pared down to such an extent that they cannot provide for depreciation or maintenance. If the matter is reviewed it will be of benefit not only to the department but to the people generally.

Mr. FRANK WALSH (Goodwood)—In supporting the adoption of the first line, I would like at the outset to indicate that the revenue from public works and services has not been less than 50 per cent of the total revenue for some years. The revenue shown in the Budget does not include revenue derived from the Electricity Trust or the Housing Trust. Certain Government members have referred to the Socialistic approach to matters advocated by the Opposition, but the Government has made Socialistic attempts to get the State going. As the Budget provides for £15,000,000 for the conduct of railways, £6,000,000 for education, and over £6,000,000 for health, there is no doubt in my mind about the nature of the requirements. However, although there will be an income of almost £9,000,000 from the Electricity Trust, a Socialistic enterprise, no mention is made of that in the Budget. Last year the revenue of the Housing Trust was £4,386,907, but no mention is made in this Budget of its operations because it does not come within its ambit.

This afternoon the member for Burra (Mr. Hawker), in his travel talk, said that he did not desire that South Australia should become too industrialized. This State has got beyond the stage of being considered a primary-producing State, and the encouragement given by this Government to get industries to come to the metropolitan area conflicts with his desire. Lord Home recently stated in an address that England is able to produce 50 per cent of her food requirements and there is an opportunity for Australia to supply the balance at a price to be set by Britain. Despite the fact that the member for Burra represents rural districts he did not mention how our wool should be disposed of, nor did he

say how farmers would be able to reduce the stocks of wheat we have in this country today. He offered no solution of these immediate problems, and it would be interesting to hear his proposals on how best to dispose of these primary products. Surely it would be better to dispose of foodstuffs to Malaya than to send troops there. That would be more appropriate and give an opportunity to develop a market hitherto unexplored. Mr. Hawker's time would have been more profitably spent in considering the disposal of our surplus primary produce than in indulging in a travel talk.

According to the Auditor-General's Report for the year ended June 30, 1955, the balance of the Parliamentary Superannuation Fund at that date was £64,128. Members' contributions for the past 12 months were £4,161, total payments £3,231, and the surplus of income over expenditure £10,855. Members contribute to the fund while they are in Parliament, and there are only a few ex-members drawing pensions and a few widows of deceased members receiving benefit from the fund. Why does not the Government amend the Parliamentary Superannuation Act to provide for increased benefits for ex-members and widows of deceased members? Ex-members have rendered years of service in South Australian public affairs, and, to cite merely one instance, no-one would suggest that the former Leader of the Opposition (The Hon. R. S. Richards) is receiving too great a pension, because, after all, for many years he played an important part in the life of this State and contributed to the fund. If benefits were increased, a safeguard would be provided in the form of a minimum qualifying period of 12 years as a member of Parliament for a part pension. The Auditor-General's Report, which was laid on the table this afternoon, has not been in circulation many hours.

Mr. Macgillivray—Most members have not yet received a copy.

Mr. FRANK WALSH—I have borrowed Mr. O'Halloran's copy. At page 171 of the report some interesting details are given concerning the activities of the Housing Trust. I give full marks to the trust for the way it is doing its job, but I draw attention to some aspects of the way in which the purchasers of its homes are financed. During the year ended June 30, 1955, 3,220 houses were completed and occupied, of which 1,047 were sold and 2,173 let. Of the 1,047 houses sold during the year, 591 (56 per cent) carried a second

mortgage to the trust. As the average cost of those houses would be at least £3,000 and the maximum advance provided under the Advances for Homes Act is £1,750, many heavy second mortgages must have been provided by the trust in its efforts to sell homes. In this respect the State Bank has been hamstrung in its home building and financing activities, and had the trust not received the advantage of the low interest rate of 3 per cent on certain advances, it would be embarrassed the same as other organizations and home builders are embarrassed by the limited advance under the Advances for Homes Act.

Further, we have been told that the position may be aggravated by either the discontinuance or restricted operation of the Commonwealth-State Housing Agreement and the introduction of certain other Commonwealth legislation of a restrictive nature. In view of these circumstances the Housing Trust is taking a great risk in pursuing its policy of advancing so much money on second mortgage, and it stands to lose because only 44 per cent of its home purchasers can find the deposit sufficient to bridge the gap between the maximum first mortgage of £1,750 and the price of the home. It is quite possible that of that 44 per cent who obtained homes from the trust without a second mortgage many would have been entitled to assistance from the War Service Homes Division. It is most desirable that people should purchase their own homes. Every person, irrespective of his position in life, is entitled to a home. Unfortunately, some will be denied the opportunity of living in their own homes as the result of Government intervention. I moved the adjournment of the House not long ago to bring that matter before the notice of the Government and there will be ample opportunity of discussing it again later.

It is futile for the Treasurer to tell us that the maximum advance of £1,750 under the Advances for Homes Act cannot be exceeded. The majority of workers in industry today are being denied cost of living adjustments and as a result are prevented from saving money which they could use as a deposit on a home. They are unable to save the difference between the maximum advance and the actual purchase price of a home. The Treasurer said that if we increased the advance to £2,000 or over fewer people would be able to participate in the benefits of that Act. It would be interesting to know how many of the 44 per

cent who did not require a second mortgage were ex-servicemen and entitled to a Commonwealth loan. Perhaps we will receive that information before this debate is closed.

It was suggested that the pegging of wages would result in reduced costs of home building, but that is not so. I have recently been concerned with a matter involving a speculative home builder who advertises himself as a land agent and builder and asserts that he can build homes for £2,450. A man who signed a contract with him was informed that £90 had to be added to the contract price because of additional costs incurred in the building of the home. Wages are pegged and it is difficult to understand how the contract price could be increased on the score of additional costs. We have a Prices Commissioner and are told that the Government believes in price control. I have made representations to the Government concerning this case and I hope a full investigation will be made into the facts. When people come to this country to settle they should be reasonably protected from exploitation. The maximum advance under the Advances for Homes Act must be seriously reviewed by this Government otherwise the only people able to purchase Housing Trust homes will be those who have disposed of an old home and have received sufficient to enable them to provide a deposit for a new home or else the trust will be building for the War Service Homes Division. Ordinary citizens who desire to purchase homes will be denied the right of purchase because of their inability to obtain second mortgages and because they have not sufficient deposit.

In reply to questions I asked this afternoon relating to the State Bank the Treasurer said that £109,000 had been provided for September and that the whole of that amount had been allocated. The bank had received 380 applications from January 1 to September 30 to purchase homes previously occupied and 231 had been satisfied. I do not entirely advocate the purchase of homes that have been previously occupied. When people desire to purchase homes the Government has an obligation to make their task a little easier. There should not still be more than 150 on the list waiting to know whether they are to receive assistance from the State Bank.

In his annual report the Auditor-General remarks that for the year ended June 30, after providing for interest on advances by the Treasurer, the bank recorded a profit of £100,989, an increase of almost £17,500 over

the previous year. The report also says that there were 28 branches and 16 agencies operating throughout the State at June 30. The policy of the Opposition is that amenities in the country should be provided as in the city. In some instances managers of country branches have satisfactory houses provided, but the manager must have an accountant, whose housing is the responsibility of the bank. He is a most important officer. I should like to know why the accountant at Cleve, an ex-serviceman with five children, is being housed in a dwelling of four rooms. He was moved from another centre where there was a six roomed house. At another bank house on the West Coast no provision is made for electricity, although it is almost general in country towns to have some type of electricity supply. A man employed at the bank should not be expected to enter it at night and strike a match to light a candle or a kerosene lamp. Surely we have advanced beyond that. These employees are entitled to the best housing conditions, having in mind the sacrifices they make in leaving the city. Apparently it is the Opposition which must raise these matters in the interests of State Bank employees. It is a disgrace that the bank houses its employees in the circumstances mentioned when they are doing such a grand job.

I should like to know why the Government in its administration of the State Bank directed that the bank should no longer build group homes. I draw attention to the case of the Green estate at Seaton Park. It refused to sell its land to the Housing Trust for the building of homes, but was prepared to deal with the State Bank. The Under-Secretary is chairman of the bank board and the Under Treasurer is a member. These two officers are close to the Treasurer, and is it not reasonable to suppose that he gave certain instructions that the bank had to cease building operations? The Housing Trust built homes on the Green Estate and not the State Bank. I have quoted facts and figures in the House on the lesser cost of group homes built by the State Bank, and they have never been refuted by the Government. If we do not have competition in Government enterprises, then we get a monopoly. It would be interesting to know whether the same standard of pricing was used by the State Bank as is used by the Housing Trust. The Government should review its policy of giving assistance under the Advances for Homes Act.

There is an outstanding matter in connection with the Motor Vehicles Department.

Last year its profit was almost £3,000,000. I wonder where that money has been spent. I always understood that it was to be spent on roads. Many of our district council roads must be considered now as main roads, and money must be spent on them. We have heard that the petrol tax revenue was to be spent on roads, but little of it seems to be spent that way. I read in tonight's *News* a report about the policy adopted by the Municipal Tramways Trust. According to the Auditor-General's Report, in 1954-55 the trust disposed of 38 trams. At the end of the year it had 184 trams in use instead of 222 the previous year. The report said that the trust still possesses 91 trolley buses and that 111 fuel buses are operating. It would be interesting to know how many fuel buses have been sold by the trust. The Auditor-General's report contains some information about the trust that is not altogether pleasing. It said that the revenue of the trust for the year ended June, 1954, was £2,072,412, and that for the year ended June, 1955, it was £2,133,681. The value of passengers carried in 1954 was reported to be £795,742 as against £739,423 in the previous year. There has been an increase in the average fare per passenger and the loss per passenger has been reduced slightly. The average number of employees in 1953-54 was 2,216 and in 1954-55 it was 2,054.

Now we are converting from trams to buses, and according to press reports we have turned the corner, but there is still a considerable sum owing to the Government. Some of the trams in use are 30 to 35 years of age but they are still in reasonably good condition. Can we afford to convert the whole system to buses? Some years ago a policy of using trolley buses was decided on so that Leigh Creek coal could be used, but they have been discarded in favour of diesel buses. Recently the price of motor tyres increased 8½ per cent. In his travel talk Mr. Hawker did not tell us anything about the possibility of the price of imported rubber being reduced following on the sale of wheat to rubber-exporting countries. Maintenance costs of buses will be much greater than the maintenance costs of trams. I have some doubts about the life of the buses. I have no doubt that the cost of maintaining roads will be extremely heavy, especially as they were not constructed to carry heavy buses.

Last Saturday morning, in company with members of another place and another member of this House, I inspected some of the roads

in the Mitcham Corporation area. We were shown the road where tramway buses have recently been run instead of tram cars, and I was amazed at the estimated expenditure for remaking the road to enable the buses to continue. If the tram tracks were not still in position buses could not be run on the Kingswood route. I do not see any provision in the Budget for maintaining that roadway. Tramway services do not encourage people to patronize the trust's vehicles, but I would much prefer to travel in a tramcar than in the best tramway bus in the metropolitan area. Public transport does not measure up to the standard required. In Victoria many trams were replaced by buses, but now the trams are being used again. According to the Auditor-General's report, he is not very happy about the Tramway Trust's proposals and financial position, despite what the Treasurer is reported to have said in today's *News*. It is proposed to grant the Railways Department almost £15,000,000, but I do not know whether that will include construction works. I am wondering when the duplication of the Goodwood-Marino line will be completed.

The Hon. M. McIntosh—That would be financed from the Loan Estimates, not from the Budget.

Mr. FRANK WALSH—Is the £15,000,000 all for working expenses?

The Hon. M. McIntosh—Yes.

Mr. FRANK WALSH—Then there must be a lot of superphosphate being carried very cheaply by the railways.

Mr. Jennings—The railways have too much overburden to carry.

Mr. FRANK WALSH—It seems that the overburden is getting too much for the State to carry. Recently many householders in my district were given notice of a certain proposal to be carried out by the Railways Commissioner, and I hope that an amended plan will be adopted in the interests of the people concerned. I support the first line.

Progress reported; Committee to sit again.

#### ADJOURNMENT.

At 9.58 p.m. the House adjourned until Wednesday, October 19, at 2 p.m.