

**HOUSE OF ASSEMBLY.**

Thursday, October 20, 1955.

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

**FRUIT FLY ACT AMENDMENT ACT.**

His Excellency the Lieutenant-Governor intimated by message his assent to the Act.

**CONSTITUTION ACT AMENDMENT BILL (ELECTORAL BOUNDARIES).**

His Excellency the Lieutenant-Governor informed the House that he had reserved the Bill for the signification of Her Majesty the Queen's pleasure thereon.

**QUESTIONS.****BROKEN HILL ROAD.**

**Mr. O'HALLORAN**—The Minister of Works will remember that in June last I took up with him the question of sealing the main road to Broken Hill where it passes through some of the towns in the north of this State. I received a communication from residents of Whyte-Yarcowie this morning pointing out that nothing has been done towards sealing the main road that passes through that town and that the dust nuisance has become progressively worse even at this early stage of the summer. Will the Minister take up this matter with the Minister of Highways and ascertain whether there is any possibility of this work being done in the near future?

The Hon. M. McINTOSH—I shall be glad to do that. I know it is the desire of the department, in keeping with general policy, to give a high priority to roads passing through townships. It was impossible to do this work during the winter but probably it will be done during the summer.

**HUNDRED OF FINNISS WATER SUPPLY.**

**Mr. WHITE**—The farmers in the hundred of Finnis are concerned about a water supply to their area. I believe that in 1949 the Public Works Committee recommended a scheme, and in the Loan Estimates this year appeared a line for £4,000. Obviously, this small amount will not do a great deal towards carrying out the scheme. Will the Minister explain its significance?

The Hon. M. McINTOSH—Until such time as the Mannum-Adelaide pipeline was completed, the Government could not consider the Mannum scheme nor any scheme that involved the laying of reticulation mains from that pipeline, which is now in operation. The con-

struction of a 30,000,000 gallon storage reservoir at the summit of the range near Tung-killo is in progress. When this is completed it will be possible to provide an assured and constant supply of water for the Mannum district scheme. Since the estimate for this scheme was prepared in 1949, costs have risen considerably, and the estimated capital cost of the project today using cast-iron pipes as originally planned is £239,000, as against the original estimate for the scheme recommended by the Public Works Committee of about £100,000. By substituting asbestos-cement pipes that the Engineer-in-Chief considered would be suitable for this project the cost would be reduced to £117,250. Cabinet approved provision being made on the Estimates for the scheme to be undertaken, using asbestos-cement pipes for this and other projects, in the hope that the quantity would be sufficient to induce a manufacturer to commence operations in this State. Tenders for these pipes will shortly be called. It is hoped that some will be delivered before the end of the financial year, and the amount of £4,000 provided on the Estimates will enable a commencement of the work. This is more or less a token payment, but in fact the Government intends to proceed with that work provided it can obtain cement pipes. Otherwise, the economics of the scheme would be so poor that I do not think any Government would be justified in proceeding with it.

**EVICTON OF WORKMAN.**

**Mr. LAWN**—Yesterday afternoon I was informed of a most unusual case. Recently a man was transferred by the Johns Waygoods Lift Company Ltd. from Melbourne, where he had been employed with the company for a couple of years, and he and his family were given a flat rent free in Gilles Street. Now, however, the Adelaide manager of the company has found that an electrical mechanic is required, and this man, although mechanically minded, is not an electrical mechanic and is therefore considered unsuitable for the job. Instead of transferring him back to Melbourne the company has dispensed with his services and claimed possession of its flat, and he has been given until October 18 to vacate it or the company will take legal proceedings. He has a wife and two children and, although at present he has a job in Adelaide, he is willing to take one in any place where he can get a home. It is wrong for any employer to transfer a workman to Adelaide and then dump him with no chance of getting a home,

for he cannot expect priority in housing over a person who has been here some years. Will the Premier have inquiries made to see whether he can get the company to transfer him back to Melbourne, or alter the law to prevent this practice and make the company responsible if it so acts?

The Hon. T. PLAYFORD—If the honourable member will give me the correspondence I will examine it.

#### TANUNDA TRUST HOMES.

Mr. TEUSNER—Some years ago the Housing Trust bought, at Tanunda, about 16 acres on which it was stated that purchase homes would be built. Some homes have been built and purchased, but at present a number of persons there are interested in renting trust homes. Can the Premier state the policy of the trust on building homes for rental in country towns, and will he ask the trust whether it is willing to build homes for rental in Tanunda? I feel certain those interested would make admirable tenants.

The Hon. T. PLAYFORD—I will have the matter examined.

#### TRANSPORT TO FINDON HIGH SCHOOL.

Mr. FRED WALSH—Under the high schools zoning system, children in the Henley Beach and Grange area are required to travel to the Findon High School, but there are serious transport difficulties because only two public transport routes are available: one by train from Henley Beach to Seaton Park, then by bus to a point about two-thirds of a mile from the school, and then by walking the rest of the way; the other by tram to the city, then by bus to the Findon terminus, and then by walking about half a mile to the school. This particularly affects children living in the Henley South and Fulham areas, and, because of the dangers associated with children riding bicycles over long distances, parents are loth to allow it, and much inconvenience results. I was given to understand by the trust three or four years ago that it was intended to run a bus service down the Grange Road to the Grange or the vicinity. If such a service were operating it would alleviate the position complained of. Will the Minister of Education consider allowing exemptions for children living in Henley and Grange area, particularly at Henley South and Fulham, from the provisions of the zoning system and permit them to attend the Adelaide or Woodville high school, at least until reasonable transport is available to them?

The Hon. B. PATTINSON—I will be pleased to consider the question, but I should point out at once that the Director of Education, the Superintendent of High Schools and I had a large number of applications for exemptions from the zoning system in various parts of the metropolitan area, and in particular from children who desire to attend the Adelaide Boys' High School. However, I shall be pleased to see whether anything can be done to assist those referred to.

#### WOODVILLE SCHOOL ATTENDANCES.

Mr. STEPHENS—Will the Minister of Education have inquiries made as to the percentage of children absent from the Mansfield Park and other schools in the Woodville North area owing to illness in the last six months?

The Hon. B. PATTINSON—Yes.

#### HOLIDAY HOUSE TENANCY.

Mr. JENNINGS—Has the Premier obtained a report concerning the question I raised some time ago regarding tenancies of holiday houses?

The Hon. T. PLAYFORD—I have a report from the chairman of the Housing Trust, and as there is legislation before the House on this matter I will give the report in full:—

It is known that instances occur where holiday premises are let to a person who stays there for eight weeks. Then, in an attempt to secure that the premises shall keep their status as holiday premises, the tenant vacates the premises for a day or so and is given a new tenancy which may continue for up to another eight weeks. Section 5 (1) (d) of the Landlord and Tenant Act provides that premises "ordinarily leased for holiday purposes only" are exempt from the provisions of the Act. The paragraph in question goes on to provide that if holiday premises are leased for other than holiday purposes they shall, whilst so leased, lose their character as holiday premises. It is also provided that if a letting of premises to a person extends continuously beyond eight weeks the premises are deemed not to be let for holiday purposes. Thus, the exemption provisions contain two ideas. Firstly, the premises must be ordinarily let for holiday purposes only, to become exempted premises and there must be a number of lettings of this character over an extended period. Secondly, if premises which by their letting history have become holiday premises are let for other purposes for a limited period they can revert to being holiday premises at the expiration of the period. And if let continuously for more than eight weeks, the particular letting ceases to be for holiday purposes.

If, therefore, a lessor lets holiday premises to a lessee for eight weeks and then, after a break of, say, a day, again lets these premises to the same lessee, it could undoubtedly be established on the facts that the lessee is not.

lessing the premises for holiday purposes. Accordingly, under the existing provisions of the paragraph, the particular letting would not come within the exemption given by the paragraph and the lessee could, if he were so disposed, apply to have the rent of premises fixed and could take advantage of the legislation relating to recovery of possession of premises. If the lettings for other than holiday purposes continue for an extended period, it would probably be held by a court that the premises have entirely lost their character as holiday premises and their exemption as such. Consequently, I would suggest that the existing law is adequate to meet the circumstances in question.

#### WHYALLA HOUSING.

Mr. LAWN—Recently I was privileged to attend the launching of the *Lake Eyre* at Whyalla. While there I was advised that the Broken Hill Pty. Company required an additional 500 employees. I inquired about the accommodation available and was told that there was accommodation for single persons only. This morning I endeavoured to find out whether employment was available for the person I referred to in a previous question who was facing eviction from his home by Johns Waygoods Lift Company Ltd., but was told that the company was compelled to refuse employment to good tradesmen because of the lack of accommodation. Will the Premier investigate the position to see whether the Housing Trust can erect homes at Whyalla to enable married men to be employed by the company?

The Hon. T. PLAYFORD—The Housing Trust has, for some time, experienced difficulty in maintaining the occupation of its houses at Whyalla. In point of fact, I think the trust has ceased building at Whyalla because of the lack of demand for homes.

Mr. Lawn—They are purchase homes.

The Hon. T. PLAYFORD—I think that applies also to rental homes. I know that the trust has been refusing transfers from rental homes to the metropolitan area because of the problem I have already mentioned. I will get up to date information for the honourable member, but as far as I know no housing shortage exists at Whyalla at present.

#### AGRICULTURAL CHEMICALS BILL.

The Hon. A. W. CHRISTIAN (Minister of Agriculture) moved—

That the Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole for the purpose of considering the following resolution:—

That it is desirable to introduce a Bill for an Act to regulate the sale of agricultural chemicals, to repeal the Fertilisers Act, 1918, and the Pest Destroyers Act, 1919-1935, to amend the Stock Medicines Act, 1939, and for other purposes.

Motion carried. Resolution agreed to in Committee and adopted by the House.

#### BUDGET DEBATE.

In Committee of Supply.

(Continued from October 19. Page 1184.)

Legislative Council, £10,246.

Mr. MACGILLIVRAY (Chaffey)—Other speakers evidently saw a difference in the Treasurer when he delivered his Budget speech. It is evident that as the Budget lost its buoyancy so the Treasurer lost his flamboyancy. Over the last 18 years we have been accustomed to see him get up with all the vigor and energy we associate with him to make vigorous statements on behalf of himself and the Government, setting out what was done the preceding year. On this occasion for the first time we find him with very little to say about what his Government has done. He was like a poor old man full of aches and pains and moans and groans, telling of the evil things the Commonwealth Government had done to him. I believe that at one time we had a Treasurer in South Australia known as Dismal Dick. I hope the position will not deteriorate to the stage when we have one known as Dismal Tom. I regret that so few Government members have spoken in this debate. I do not know whether they are carrying out instructions from the Treasurer or whether they feel it is useless to say anything about the Budget. We must have opinions from members on both sides if we are to properly carry out the Parliamentary system of government. It is futile for Government members to sit like dummies and let the Opposition waste its energy in debating the matter. There was one exception. Mr. Geoffrey Clarke gave us an enlightening address on certain aspects of our financial policy as governed by the Commonwealth. Although I agree with some of the points he made, I cannot agree with all of them. When he concentrated on the fact that the States had lost control of their finances through the adoption of uniform taxation, he missed an important aspect. It goes back much further than that.

In 1927, without any knowledge of what they were doing, the States handed over the control of finance to the Commonwealth. Up to 1927 there were various ways of financing State

activities. In the first 10 years after Federation it was the practice to return to the States three-quarters of the customs and excise revenue collected by the Commonwealth. I do not know why that practice was abolished, but remembering the Commonwealth Government's lust for power I have no doubt the intention was to get more power over the States. The Commonwealth has only the power that the States have given to it, and that power was given for purposes obvious to people who study the matter. When we gave away our right to finance our affairs we practically sold ourselves to the Commonwealth Government. There is a truism that finance is government and government is finance. Baron Rothschild, who started one of the biggest banking combines the world has ever known, once said, "Let me control the credit of the country and I care not who makes its laws." That is the position in which the South Australian Treasurer finds himself today. In 1927 the States handed over the power to control finance, and now it does not matter who makes the laws of this State; the important thing is who is going to control the finance made available to the State.

After 10 years of Federation a new method of finance was adopted, and that was that the Commonwealth should pay 25s. per head of the population to the States. The South Australian Treasurer at that time said that the Commonwealth Government would not be able to pay that amount, but his statement was not supported by any reasons or arguments. When a comparatively under-developed and comparatively poor country like Australia could pay that amount, why could it not pay it when the population has grown rapidly and industries are being developed? The obvious answer is that then, as now, the powers that be did not know what money was. They did not know the function of money.

When that method was abolished the Commonwealth Government said it would pay the States a grant for one year, and that was a special grant. Of course, the purpose was to frighten the States into accepting anything the Commonwealth cared to offer. The fact that the State Treasurers know that they will have a sum of money available for one year only surely amounts to pulling the cord around their necks. Under the present system we have to go for all our powers and rights to the Commonwealth Government. Now we have the unhappy spectacle of the Treasurer of South Australia, who is the head of a sovereign State, having to run cap in hand to

the Commonwealth Government like any other mendicant, holding out his hand and glad to receive anything that the Commonwealth is prepared to give him. The genesis of the State's financial problems was the handing over of powers to the Commonwealth Government, but it was not done with the goodwill of the States. They did not favour it. They fought the matter every inch of the way, and even then they said they had a moral right to certain finances of the Commonwealth in exchange for the customs and excise moneys taken by the Commonwealth. The member for Burnside drew some distinctions that were of more interest to an accountant than to the taxpayer. For instance, he referred to the Commonwealth Government's practice of spending revenue to carry out capital works.

Mr. Geoffrey Clarke—No, works expenditure from revenue.

Mr. MACGILLIVRAY—Yes, that was the term he used. As I pointed out to him, that is a very fine point from the taxpayers' viewpoint. Everyone who thinks along orthodox lines believes that it is a good thing for the Commonwealth Government to spend its revenue from taxation on public works because we have been told time and time again that Governments should limit their spending to the actual money they receive, and should not borrow. If that were done it would be detrimental to the economic stability of the country, for some of the more intelligent economists today realize there is what they call a gap in the financial system, that is the difference between what the consumer gets to buy commodities and the costs of the manufacturers. There are several ways in which we can fill that gap, and one is for Governments to borrow money and spend it on public works, such as roads and bridges.

No-one buys a road or a bridge, but the money spent in constructing roads and bridges is just as good, as purchasing power, to the wage earner as if he were earning wages by making foodstuffs or clothing. By spending money on public works we are pumping money into circulation without the production of consumer goods. One has only to look up the *Statesman's Pocket Year Book* to find that in 1929-30, when the depression was brought into operation, South Australia borrowed very little money. In other words, very few public works were carried out at that time. Therefore, there was very little money being pumped into our economy to buy the goods available.

The shops were full of goods that the people wanted to buy, but they did not have the money to purchase them.

Many people forget that the depression was just as ruinous to producers as to consumers. Many good firms that had been built up over two or three generations by hard work and sacrifice could not carry on. I agree with the statement of the member for Burnside (Mr. Geoffrey Clarke) that we must be precise when we are talking on a subject such as economics. For instance, how often do we hear members on the Labor benches loosely condemning the capitalistic system when they should be condemning the financial system? Again, how often do we hear Government supporters talking about the economic system when they should be talking about a specific thing, the financial system? The fact is that our economic system is solid, and whether looked at from the point of view of primary or secondary industries, Australia has never been so prosperous as it is now. Our workers have never worked harder or produced more, and what is true of the secondary industries is also true of the primary industries.

However, we are now facing something similar to what happened in the 1930's. The Prime Minister recently said, "We are troubled with too much prosperity." Sometimes I wonder how people who are obviously not lacking in intelligence can make such patently stupid statements. Why should a country or an individual be sorry because there is too much prosperity? Of course, that statement is absolutely false; we are not troubled by too much prosperity, but by maldistribution of the prosperity. If the people who need them badly could only get the goods we as a people produce there would be no trouble.

A short time ago indignation meetings of old age pensioners were held in every capital city of the Commonwealth, and under dire pressure the Commonwealth Government increased their pensions. What about the neglect of the war widows, the women whose husbands gave their lives for this country? Is it not a fact that the Commonwealth Government has been asked time after time to do something for them? But did they do it? What about the men and women who, through a long life, have saved their money by being thrifty or who paid into superannuation funds thinking they could retire on £2 a week and thereby have the independence that every decent man and woman likes to think they will have when they get old. Is it prosperity that is worrying them?

The Prime Minister can make one of his usual wisecracks about putting threepences into tins to show how thrifty he is, but what he did not say was that people did not want to keep threepences very long or when they take them out they might get a halfpenny value for each of them under this inflationary system. All modern countries are controlled by the international banking system and I was not particularly pleased when I saw in Parliamentary Papers that, for the first time as far as I know, payments have been made to certain financial interests in the United States of America. The international banking system, which controls South Australia and the Commonwealth, also controls any other modern country. In support of that statement I quote an extract from the *Advertiser* of October 7 relating to the annual conference of the Conservative Party in Great Britain. The article commenced:—

Scarcely had the Conservative Party's annual conference opened today at Bournemouth than the Government came under a withering attack from its rank-and-file.

They are the people who never make any complaints because they think it is *infra dig.* to complain, but on this occasion they felt the matter was so serious that they made a very angry attack on the Government. The article continued:—

Nearly all the Cabinet sitting on the platform were suddenly startled to find themselves facing an onslaught on living costs.

The people of Great Britain, like those of South Australia and all other places, have one similar problem—the problem of finance, the thing that controls Governments. In that respect Great Britain is no different from any other country. I shall not read the whole of the article, but I shall read the conclusion, which sums up the whole matter by stating:—

Mr. Butler replied that far-reaching measures were coming, but he could not announce them until Parliament reassembled. There was need for firm but not crisis action. He would continue the credit squeeze which was becoming so effective that he was being bombarded and besieged by people in difficulties. Mr. Butler said there would be no return to physical controls, rationing, or restrictions.

Mr. Butler has learned his lesson. He knows that if you can control the spendings of the people you do not have to worry about physical controls, rationing or restrictions. If you control the money in the pockets of the people you save yourself a lot of trouble, and that is what he intends to do. He calls it a credit squeeze. When things like this happen the economists come along and they, like the witch doctors in darkest Africa, measure up

some mysterious potion and hand it to the patient, saying "You drink this and you will be all right. It is going to cure all your ailments." In every instance the orthodox economist has been proved wrong, and never has he solved anyone's financial problems. Orthodox finance, however, is not easily disheartened, and the fact that the ills are not cured the first time does not stop the patient going back again and again. Orthodoxy hates new ideas; it is far easier for the patient to go back to the orthodox economist and carry out his ideas.

I have in my possession an article written by Barbara Ward, described as a leading South Australian economist, which appeared in the *News* of Monday last. The accompanying photograph leads one to believe that she is a charming lady, but, if she is not a better cook than she is an economist, I would not like to eat a meal she prepared. She says:—

How then can we see that the extra cash previously spent on imports does not chase up prices in Australia? Increase taxation is the simplest and easiest way; yet I doubt if this is politically possible for any Government in Australia. Also a higher level of taxation does dampen enterprise, and will certainly frighten away the very overseas capital which I shall suggest is the key to the whole problem. I believe we can get over to the Australian people and have them accept a system of compulsory savings. I know it was put up and rejected in Australia during the war in just such an economic situation as this; rejected not because it was bad economically but politically. However, if it were put to the Australian taxpayer that he had to have increased taxation or a system of savings under which he built up a credit upon which he could draw in time of emergency or when more goods were available upon which he could spend his money, then I believe he would select compulsory savings.

What crass stupidity is there in that suggestion! Compulsory savings from whom? From the class I mentioned earlier, from the age pensioners, or from the war widows? The article states that the money to be saved is to be spent when more goods are available, but today I understand that our factories and stores are cluttered up with surplus goods. Indeed it is said we have not enough markets. If that is so, what is the good of producing more? This afternoon's *News* carries a headline stating that the purchasing power of the Australian pound has fallen to 7s. 7d. compared with its value in 1939. Therefore, if Mr. Menzies does not hurry and spend all the threepences he has saved in his money box he will, as I have already said, only get a halfpenny worth of value for each of them.

All savings are compulsory, even though they may not be legally compulsory. Any man who wishes to provide for himself and his wife in their old age must save, and it is necessary for every family man to save in order to educate his children; but what is the sense in saving when an inflationary spiral, for which the present Commonwealth Government is 99 per cent responsible, robs those savings of their value? A pickpocket can be legally punished for his theft, but the most mean and miserable form of theft—inflation—goes unpunished, although it affects most the lower wage earners, and steals away even the very hopes of those who have saved. Many people have saved money for years in the hope that they would not need an age pension, but today they are glad to accept the pension, and they still find that even with their savings and pension they have insufficient. This orthodox economist makes stupid and inaccurate statements.

During the war a gentleman who worked in this House told me he had saved £200 with which he hoped to help rehabilitate his two soldier sons after the war, and he asked me whether, if he put the money into war loans, its return would be guaranteed. I asked the Treasurer to see whether the Commonwealth Government would guarantee that money invested in war loans (up to £5,000, I think) would be repaid at its face value.

Mr. Geoffrey Clarke—The guarantee is that it will be paid at the end of the term. The lender contracts with the Government.

Mr. MACGILLIVRAY—Exactly, and I want it altered so that if a man puts money into a Government loan he can get it back at any time irrespective of the term. The whole position is, of course—and this goes back to what the honourable member did say last week—that the agents for the Debt Commissioners buy up loans. What he didn't think of mentioning—or I am sure he would have done so—was that many people who invested good Australian pounds were getting much less for it.

Mr. Geoffrey Clarke—I think the Debt Commissioners do buy in when it is favourable to them, but the answer to that is that if a person wants to get out of his contract before its expiry he must expect to take less.

Mr. MACGILLIVRAY—I am contending that up to a given amount all loans should be backed by the Commonwealth at their face value. As a patriotic gesture people invested in war loans. They believed we could not win the war unless they did so. I know very

well that the Commonwealth Government tried to stabilize the position at one time because it bought back bonds and kept the price stable, but now it is an open racket; anyone who is forced to sell his bonds must take the market price.

Mr. Geoffrey Clarke—The same applies to anything—land, for instance.

Mr. MACGILLIVRAY—Yes, but the people who really benefit are not those who put in their hundreds but those who invest millions, like the banks, insurance companies and other big institutions.

Mr. Geoffrey Clarke—But they are made up of millions of small people.

Mr. MACGILLIVRAY—That may be so, but the big companies make big profits out of the little fellow as the honourable member knows.

Mr. Geoffrey Clarke—In mutual insurance companies the profits all go back to the policy holders.

Mr. MACGILLIVRAY—But there are private insurance companies, and in any case I am talking about the system. Another point the honourable member might have made was that this buying up of bonds is part of the method whereby banks control the amount of money available to the community. If they are actively buying bonds they are pumping money back into the community, and naturally the people spend it. On the other hand, if the banks are busy selling bonds they are taking money out of the community. The buying and selling of bonds is one of the methods that enables the banks to control the financial system.

I would now like to say something about housing. The member for Norwood (Mr. Dunstan) made a very impassioned speech last night about certain unfortunate people who have been thrown out in the street and now have no roof over their heads. The Premier went to great lengths to explain all about the houses the Government has built and what it is proposed to do in the way of housing. I know that I am tremendously old-fashioned in some of my political ideas, but I have never been convinced that it is the function of Government to build houses; that is an entirely socialistic idea that the present Government, led by the Premier, in its anxiety to beat the Socialists at their own game, has made headline news. I think the Government should stay out of housing and put enough money into the hands of the community to let them do the work themselves. In other words, give

the people security according to their needs so that if they cannot save enough money to build their own houses the banks, the building societies and other institutions can advance them the money. When we were working on soldier settlement after the war one would have thought that the soldiers would have been given some liberty of action as to the kind of house they wished to live in, but not in South Australia. Some bright young bureaucratic architects designed a type of house which they felt a soldier should live in; what the soldier thought about it was never at any time of importance.

We recently had a delegation to Loxton, when we had the opportunity of seeing one of those specially designed houses. We saw that the floorboards had all warped. The lady of the house lifted the linoleums and we saw that the floor was mouldy and smelt of mould. The same was true when she opened the cupboard doors. The great brainwave responsible for this house did not have enough intelligence to know that ventilators are necessary beneath floors. Can one imagine anyone building a house on irrigable land, where it is always wet and damp, without providing ventilation to keep the floors dry? This was done under a Liberal Government, and everyone knows that, in theory, Liberal Governments are in favour of private enterprise. They are supposed to be in favour of allowing private initiative to work, but not in our South Australian type of Liberalism that wants to outdo Socialists at their own game. Let us examine what happened in New South Wales under a Labor Government which is frequently accused of all manner of socialistic misdeeds. The ex-servicemen there were advanced money by the Government for house-building. They could get whoever they desired to build the homes. The Government supplied six plans and they could use any of them if they thought fit or, if not, any other design that satisfied them. When the specifications were prepared the Government ensured that the men received the materials—cement, stone, and wood—from Government departments at a low cost. The men were free to build the type of homes they wanted. Which is the more actively socialistic concern—the South Australian Liberal Government or the New South Wales Labor Government? The Government will land itself in trouble over this question of housing and I will not shed tears when it does.

The member for Alexandra (Mr. Brookman) asked a question concerning another socialistic misdeed of this so-called Liberal Government

—its refusal to grant a licence to the Noarlunga Meat Company to export meat. The Commonwealth Government is responsible for ensuring that our exports leave this shore in good order and condition and it is quite prepared to accept this company's goods. The Treasurer evaded the question by saying that the Government is not concerned with the Noarlunga Meat Company; it is unfortunate that the company was mixed up in the court case; the Government is only interested in other powers that might be affected. That was an evasive answer because had the Government not refused this licence the other questions would not have arisen. I would like to hear the legal members of this Chamber discuss the report the Treasurer obtained from Mr. Chamberlain. Obviously the Crown Solicitor assumed the role of a lawyer defending his client and he entered a defence for the Treasurer, but if that defence were placed before a court it would not be worth the paper it is written on. I think that will be the result when the legal authorities in London, who are used to meting out justice impartially and without bias, decide this case and as a result the taxpayers of South Australia will be mulcted in thousands of pounds because the Treasurer has pushed his nose into something he should not have interfered with. The Noarlunga Meat Company is only interested in building up one industry. It is doing what the Treasurer has always given lip service to—establishing private enterprise and revealing initiative; but immediately anyone displays such initiative the Treasurer invokes all the forces of law and control to prevent it.

Mr. Quirke—The Noarlunga Meat Company clashes with the State's abattoirs.

Mr. MACGILLIVRAY—I have no doubt that that is the reason for the present position. The little David—in this case David Brookman—is fighting Goliath and Goliath, a big brute unable to stand on his own feet, is afraid of the sling, and so the Treasurer intervenes in an effort to stop the fight. When we discuss the individual lines I hope the Treasurer will supply further information. I support the first line.

Mr. QUIRKE (Stanley)—Of all the Budgets introduced by the Treasurer—and there is a long list—this could most appropriately be termed the "frustration Budget." The Treasurer is frustrated and I have considerable sympathy for him because I know what he desires to do for this State. We know that he has looked well into the future and has in many respects, performed mightily, but now

he is up against the one factor that can bring him tumbling down in complete frustration. He said:—

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; on the one hand our income is strictly limited and beyond our control while our expenditure is largely governed by Commonwealth policy.

The point there is that we have been forced needlessly into a more difficult position because some people place symbols and bookkeeping above the essential requirements of the people and the essential expansion policy of the State. Because certain factors inherent in this financial policy must be kept sacrosanct the whole structure of South Australia has been placed in jeopardy. The Treasurer also said:—

When the Commonwealth Government seized the income tax powers of the States they surely incurred a moral as well as legal obligation to return to the States a reasonable share of the revenues derived from this field. I regret to say that in the financial dealings arising out of the tax reimbursement grants this is not the case today.

When it comes to the administration of finance from a central organization there are neither legal nor moral obligations: expediency is the rule and that is what the Treasurer is up against today.

The Treasurer also said:—

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 is certainly a most iniquitous position. Has there in the history of State Governments been a statement like that applied to the national Government of the country—that it is forcing upon South Australia by iniquitous means something which is to the detriment of the people of this State? Is that what it means? In season and out of season and year in and year out ever since Mr. Macgillivray and I have been members of the House we have forecast that this would inevitably happen to this State. I challenge any honourable member to say that what is happening today has not been foretold in this House year after years by both of us. Today we have the apostles of gloom saying that notwithstanding the colossal production of secondary industries and the greater production of primary industries, despite what one honourable member



opposite said the other day, we must, because of what we have built up, go down in chaos and desolation. I do not believe it. There is nothing wrong with this country or its people. There is certainly nothing wrong with primary producers, the captains of industry or workers in industry. What is being forced upon Australia is not of their doing. They have produced and built this country up, but in spite of everything they can do they are now to be thrown to the wolves by the rotten financial structure, which, in order that it shall work, must have periods of distress as well as periods of prosperity.

Mr. Macgillivray referred to the credit squeeze in England. Mr. Butler, the Chancellor of the Exchequer, said that he would persist in the credit squeeze. Let us see what that is achieving. The following appeared in *The Leader*, printed in Melbourne, under the heading "United Kingdom Squeeze Hits British Farmer":—

London.—The credit squeeze may do serious damage to Britain's agricultural industry, says Mr. H. D. Walston, in the *Manchester Guardian*. Indications are that credit restrictions are not only accelerating the fall in agricultural production, but will also hamper attempts to increase efficiency.

What is more, it is unlikely to reduce significantly the spending power of the agricultural community, where farm workers outnumber farmers by three to one. The short-term effect is quickly making itself felt.

Bank letters urging, with varying degrees of firmness, substantial repayments of loans have resulted in a bigger than usual flood of grain on the market. The position has been aggravated by an exceptionally heavy harvest, which has strained storage capacity, and the arrival of grain cargoes held up by the dock strike. These factors together have led to a slump in grain prices—wheat from £22 a ton to £17 10s.; malting barley from £30 a ton or more to £22 10s.

The medium term result must be to make it harder for farmers to borrow short-term capital. Surely many farmers will decide against borrowing for the purchase of stock to be fattened during the winter.

That is the common practice in England. What are the consequences of the failure of farmers to purchase stock for fattening in England? It simply means that there will be less home-grown meat for consumption in England. Whether that will be to our detriment or not I am not prepared to say, but it will certainly be to the detriment of the British farmer. The British Treasurer should look after the British farmers. I have no objection to his doing that, but in the interests of exactly the same financial set-up over there as we have here he is prepared to

sacrifice those people in the interests of the system. Not only the farmers concerned, but everyone dependent on them will suffer to that extent, and so they will here. The press article continues:—

So here we may expect a decline in production—but it is a long-term prospect, which is most disquieting.

In today's *Advertiser* farmers are urged to reduce the acreage sown to wheat. We are told it is only a fool who will produce wheat that is unsaleable, and that Australian farmers should produce something else. What a particularly loose statement that is. What will they produce?

Mr. William Jenkins—Peanuts!

Mr. QUIRKE—Where they can. Consider, for instance, the South Australian agricultural areas with a rainfall of from 10in. to 18in. What are the farmers there to produce which will give them an equal return to that received from wheat? Is the squeeze in England for a reduction of home-grown wheat made so that Australian wheat can be imported into England in order that Australia can purchase the products of British secondary industries? I think there should be a horrible suspicion that it is. We know that England lives by importing foodstuffs and raw materials and exporting the high-priced products of secondary industries. If she is to keep in production she must export those products to be able to pay for her imports. We are in the same position. We have plenty of wheat to export, but at present Great Britain does not want it because she finds it cheaper to buy Argentine wheat, which is subsidized. I do not blame her for that, because she has to work out her own economy, but there is a close relationship between importing from Great Britain the goods we want and the building up of Australian credits there in order that we may purchase the goods we want. There is light in the darkness because the same thing happened in the 1930's. We provided cheap breakfasts in Great Britain and we will do it again, but in order to do so there must be provision for that country to take our goods. America gladly subsidizes her overseas exports and gives away, if necessary, astronomical quantities of foodstuffs. The Marshall Plan was a stabilizing factor for the American economy. Today that country has enormous quantities of foodstuffs stored. It is not unsaleable because there are no people to eat it, for about 60 per cent of the peoples of the world have less than the quantity required for subsistence, but the International

Agreement stipulated that the goods should not intrude into potential markets. That is why the foodstuffs are stored. Let us assume that they have been stored so long that they have decayed. Does that mean that the farmers lose? They have already been paid and the American economy will not break down.

If the British Commonwealth of Nations is to survive we must cease to be separate entities. It is necessary in the interests of the manufacturing industries of Great Britain for the Government there to subsidize exports when we are not sending sufficient goods to that country to enable us to purchase goods there. If we entered into a co-operation like that our surplus commodities could be given to China, India, and other underprivileged countries. We could help to build up their standards of living and internal economy so that they could purchase from us on a reciprocal basis. It appears a long way off, but perhaps not so far as we think. In addition to having low prices overseas for our commodities and an insufficient purchasing power, we have some commodities in which we could experience a shortage, because we have had good times in the last 10 years. The economy of this country is so heavily supported by primary production that we could one day be in trouble. The net value in 1953-54 of primary production was £1,106,000,000. The net value of factory production in that year was £1,082,000,000. On what does the security of Australia rest?

Let us look at the position of our secondary industries. A colossal sum has been spent in building them up, and an enormous number of men are employed. Yet, we find that wheat, wool, dried fruit, dairy products, wine, etc., are of greater value to Australia than the output of secondary industries. I do not use that as a reason for damning secondary industries; the people who built them up should be applauded for their work, but when we talk about arbitration and organized labour we should not forget that the foundation stone of Australia is found in wheat, wool, wine, dried fruit, etc., the markets for which are threatened. Our imports of principal commodities amount to £680,000,000. Our exports of principal products amount to £820,000,000, and practically all of it is primary production. Our exports and imports are kept stable by the production of primary industry. We should not fail to recognize how well the few people in primary production, as against the count-

less thousands in secondary industry, have worked for Australia, and how well they will continue to work if given the opportunity. Notwithstanding the great development of secondary industries in South Australia primary production exceeds secondary production. The net income from primary industries totals \$112,000,000 a year, and of factories \$100,000,000. The primary production of every State in the Commonwealth exceeds that of secondary production. In the interests of primary production we should raise our voices in protest at the stupid restrictions that are today being imposed internally upon the Australian people. It is not possible to run this country properly under a policy of credit restriction any more than it is possible in the Old Country. Primary industry can no more pay in advance for its production costs than the consumers of this country can pay in cash for the products of secondary industry. The sooner we realize that credit restrictions, as envisaged in the Commonwealth Government's latest demands, can do nothing but harm the better.

It is proposed to grant £3,250,000 to the Railways Department and £570,000 to the Tramways Trust, a total of £3,820,000. The total amount that the State will get from motor registration and licence fees is estimated at £3,400,000. With the amount of £250,000 for the Highways Department there will be £3,650,000 available for roads. Of course, there will be further money available as our share of petrol taxation, but my point is that the total money available for roads and bridges will not be equal to the subsidies for the railways and tramways. That cannot go on. Despite the best efforts of the Highways Department our roads are gradually falling to pieces, and in some places not just gradually. I do not know what has been done to improve it during recent weeks, but the road between Truro and the top of Accommodation Hill is in a bad state. I will not believe that this has been entirely caused by heavy transports. We have given the Highways Department an impossible task to maintain our roads with the money it has available. I see no reason why the people who produce most of the wealth of this country, those who are outside the metropolitan area, should have less money available for their roads and bridges than the amount spent in subsidizing the tramways and railways. In saying that I am not disparaging those who live in the metropolitan area. I have considerable sympathy for the Treasurer. I am not blaming

him, for his dismal statements clearly indicated where the trouble lay. He has not the money to carry out all essential works.

Mr. Macgillivray—Perhaps he could try to alter the system responsible for that state of affairs.

Mr. QUIRKE—That is the point I am coming to. One thing I hold against the Treasurer is that he knows how damnably this system is operating against the interests of South Australia and every other State, knows the root cause of the evil, but never have I heard him raise his voice in protest. He only deals with the superficialities of the system, but what is the use of talking about its effects without getting down to the fundamental causes? He is big and strong enough to raise his voice in protest. Is he going to support the restoration of taxing powers to the States? During his speech he referred to the iniquities of the present system of collecting and distributing taxation revenue, but what is the alternative? Has he given any indication of how it should be altered? Has he asked this House to support him in again obtaining taxation rights for this State? What is the use of squealing and grumbling and displaying complete frustration, as he did in his financial statement, unless he can say how the conditions that are affecting him adversely can be altered?

When I spoke on the Loan Estimates I said restrictions have been placed upon the amount of money available for housing. The member for Norwood (Mr. Dunstan) said it was difficult for people to buy homes and that the Housing Trust is six years behind scratch. I do not blame the trust for that. In the main we are responsible for that state of affairs. I want to see the people financed so that they can build homes of their own. Do members know that the War Service Homes Division cannot promise an applicant consideration for a home before December of next year? In a country like this no-one can convince me that such a state of affairs can be justified. Many people want to build homes with the assistance of the War Service Homes Division. They want to act as their own contractors under the supervision of the department, which does a good job, but there is not enough money. No-one can get me to believe that there is not enough money in this country for advances to people who want to build homes. What is the danger? Into each home goes practically every conceivable item manufac-

tured by secondary industry. The labour of the man who drives trucks to deliver sand to, the man who handles stone, bricks and lime, the plasterers and tradesmen, the hardware that goes into the house, the iron and the tiles on the roof and timber, all these keep the wheels of industry going, and the worst assault that can be made on the economy of the country is an attack on the building programme.

The most deadly, dangerous and insidious attack that can be made on the economy is to restrict the capacity of people to build houses. There is all the money necessary; money is the least tangible necessity, but it is the most sacrosanct. Every other industry can go down to the depths provided that the wizards of finance can have their way. I would like to hear the Treasurer fulminate against the iniquity of restricting housing construction both in the metropolitan area and the country. There are people in the country prepared to build their own houses and I would hate to think that we keep the Housing Trust going in order to keep all tradesmen employed by the Housing Trust. Some people say that that is a fact, but there are plenty of people who can overcome any shortage of tradesmen. In Clare today, although there are tradesmen engaged in building, there has been a reduction in house construction. A brick-maker in Clare came to me recently and asked me if I could sell his bricks in Adelaide. The restrictions and the astronomical prices paid for commodities have hit people in the country. I know that prices are high, but I do not question the necessity for that because it is part of the economy of our country. Goods cost five times as much in America, but the wage level is five times as high. These things do not matter provided that we get away from the idea that what was a sufficient sum of money 10 years ago is sufficient today. As soon as we alter that idea we will get somewhere.

I asked the Treasurer why the maximum amount allowable under the Advances for Homes Act is £1,750, and he said that he would gladly make it more if he had the money, but that he could not get the money because it would not be provided on the loan programme. This is essentially stupid. When one wants a house and has the skill and necessary materials, there is no excuse under heaven for not building it. When we in Australia realize that we will be getting somewhere, but I reiterate what I said on the Loan Estimates, that I am afraid of the results of the present policy, and I am not easily frightened. I am afraid, not for myself so much, but for

the people in the country because of what can happen to them—a reduction of production and of building just because they cannot have access to the medium that enables them to exchange their skill and labour for the things they need.

Recently I read in the paper that automatic machines have been constructed that will completely assemble a wireless set. A radio receiver is a complete mystery to me. All I know is that if I turn the right dial, which I do not always do, it will talk to me provided that somebody, somewhere is putting things over the air. When one turns the set upside down and sees the maze of wires, condensers and various other things, it is difficult to visualize a machine that could build such a thing, with all its component parts, without any direction from human hands except for starting and stopping the machine. It has been confidently forecast that eventually people will work only one day a week and that a minimum number will be employed directing the machines. As the writers have forecast, machines will dominate us, and we are so essentially stupid that I would not be surprised at that happening. With these technological advances, only one thing is holding it up. As Mr. Macgillivray said, when Baron Rothschild was asked to enter the Senate of the United States after the War of Independence, he laughed at that suggestion because he did not want anything like that. He financed the war, and out of what? Out of his skill in manipulating the credit of the country. It is on record that he asked why he should enter Parliament, and what Parliament had to do with it. He said, "Let me control the credit of the country and I will let who will make its laws."

Are we not in the same position today? What can we do about it? Who controls the Premier in what he wants to do? He knows, like every other honourable member, what is wanted. I want two water schemes in my district that are necessary for the welfare of the people. There is no shortage of materials to carry out this project. The Murray River is in flood up to the top of its levee banks, so there is plenty of water, but the people cannot get the water because there is not the money. Every honourable member has the same story about his own district. We are in no way different from the people who were controlled by Baron Rothschild; we are being controlled through the same medium. The Premier, whom we can class as one of the great men of Australia for what he has done

for this State, in order to achieve his ultimate greatness has to assist to kick into oblivion the thing that today is strangling him and his administration.

Mr. RICHES (Stuart)—Although members may not agree with everything that Mr. Macgillivray and Mr. Quirke have said, they must admit that those two members have given them plenty of food for thought, and it is only right that we should give much thought to the Australian monetary system, because most of us hoped that the events leading up to the last depression and World War II would demonstrate that our economic system was a delicate machine that could be manipulated either to the advantage or the detriment of the people. Indeed if the war has demonstrated anything at all to this generation, surely it is that the power of money is not always exercised in the interests of the people, but often held by a few instead of by the people as a whole. In introducing his Budget the Treasurer admitted that he was powerless to manage the finances of the State because he did not control the purse strings, and that decisions affecting the lives of the people were no longer made primarily by their representatives in this Parliament, but by those controlling the Australian monetary system. That is our present position which we will find increasingly irksome in the future; it resembles too closely the position immediately preceding the depression of the 1930's.

The Commonwealth Government is going to the same people as it went to on that occasion for advice, and the same steps are being taken. I would have thought that during the depression and the subsequent war we would have learned that, if a country has the necessary materials and manpower, there was no reason why any necessary developmental work could not be carried out. During the depression we were told that the shortage of money was an insurmountable obstacle because of which we could not house, clothe, or employ our people or carry out developmental works, but immediately the war broke out we had work, wages, clothing, food and shelter for everybody, and we did not have to go overseas to borrow money, either.

Mr. Brookman—More jobs are available now than there are workers to fill them.

Mr. RICHES—Possibly, but all the present portents are too closely comparable, for my comfort, to the events that led up to the depression, and although the economy has provided full employment for the past few years and we have experienced a boom, we must

remember that there was a boom immediately after the first world war and the steps taken in the late twenties which led to the depression are being taken again today. Twenty-five years ago our warehouses were full of goods; we were experiencing good seasons; we had produce to spare. The same conditions apply generally today, but we are taking steps to curtail production and to restrict credit. Soon it will be impossible for anybody to finance home building. Why is the Housing Trust curtailing its building activity?

Mr. Brookman—Will you tell us what should be done?

Mr. RICHES—I do not pose as a financial expert, but I refer the honourable member to people who know from past experiences what should be done and who do not wish to see another depression. It gives nobody comfort to see the same measures adopted today as were adopted 25 years ago when small and large business interests throughout Australia were told overnight that they must reduce overdrafts, which meant discharging men. Although our warehouses were overflowing with goods there was no money to buy them, and we had wholesale unemployment overnight. We were told that the only reason why Australia could not have houses, roads and pipelines constructed was not the shortage of manpower, materials or skill, but merely the shortage of money, and the same people who enunciated that theory said later that we would win the war within six months because Hitler would go broke! He did not go broke, however, and those people had to recast their thinking. I am sorry to see the lessons we should have learned during the 1930's forgotten and that we are turning to the pattern followed after the first world war and through the depression.

When our production and efficiency are so high, and developmental and reproductive works are crying out to be constructed, there is no need for any curtailment of credit. Credit has proved to be essential to the successful functioning of our economy, and when the source of credit supply is cut off, the consequent interference with the monetary system sets in motion a process that cannot always be halted. Although I do not hold myself out to be an expert in these matters, I have lived long enough and read enough to know that the actions taken by the Governments of the early thirties are being taken again today, and that the same people are giving the advice that resulted in the depression that was forced on Australians. Surely there is a real danger that we will see the same result.

Colour is lent to my statement by the speech of the Treasurer when introducing his Budget. He complained that although there was developmental work to be done in South Australia in the interests of the people, he was embarrassed by a shortage of finance and had to budget for a big deficit. We join with him in voicing our protest at the circumstances which have necessitated his budgeting for a deficit. What the present Federal Government sought to achieve by following its present economic policy has not panned out as promised. We were told that the Government's policy was to put value back into the pound, yet we read in today's *News* that the pound has reached an all-time low of 7s. 7d. based on 1939 values. The Government promised to stabilize prices and it attempted to do it by pegging wages. We were told that the increasing wages were the main contributing factor in increased prices, but we know that despite the pegging of wages the factors which make for price increases have still been at work and that prices have increased so much that the worker has been penalized to the extent of 13s. a week. There is just this difference between the action taken today and the action leading up to the first depression; then the Governments came out with the policy of wage reduction. I can remember that when the Federal Court sat in Port Augusta the judge dealing with a case received £3 a day expenses in addition to his salary and he awarded the magnificent sum of £2 19s. 6d. for a worker to maintain himself and wife and three children on. On this occasion wages are not being reduced, but they have been pegged while the cost of living has been allowed to increase, with the result that the purchasing power of the worker's wage has been reduced almost to the same extent as by those wicked, ruthless cuts that were imposed during the Premiers' Plan. It was the revulsion against that action which led me to take an active interest in politics and to seek nomination for Parliament, and it was upon that very issue that I first entered this House. Consequently it affords me no comfort at all to see how closely the events that are leading up to the economic change that is being forced upon the people of Australia today follow the pattern of the pre-depression years. I am firmly convinced that if the war taught us nothing else it taught us that that depression was man-made and could have been corrected by the proper handling of our monetary policy. I hope that wise counsels will prevail and that Australia will be saved from a repetition of those years.

The Premier made a plea for the restoration of taxing powers to the States, but I hope we will not go back to the experiences we had in the days when there were two forms of taxation. We then had the iniquitous system under which industrialists seeking to establish themselves went from one State to another inviting competition in taxation concessions before deciding where to establish their premises. South Australia and her people have fared very well indeed under uniform taxation; better than could ever be hoped for under a system of seven different sets of taxation. However, I agree with the Premier that South Australia is not receiving her fair share from the taxation pool. It appears to me that full cognizance has not been taken of the increase in population and increased revenue accruing to the Commonwealth from developments in South Australia. For instance, we have not received the full financial return from the expenditure South Australia has incurred in building up places like Whyalla, Woomera and other centres of activity. Normally they would have returned to the State Treasury quite substantial sums of money. The expenditure at Whyalla would have been a sound investment, but whilst the State had to undertake all the public expenditure associated with that town the revenue from taxation has been, by and large, received by the Commonwealth Government and the State has not received its fair return. So it seems to me there is need for an overhaul of the method of computing reimbursements. From the cursory reading I have been able to do that is the burden of the contention of the other States, with the exception of Victoria. There is logic in that, and if my memory serves me aright during the time of the Chifley Labor Government, when this uniform taxation system was first introduced, South Australia had no complaint on this score. The reimbursements were readily calculated and made available shortly after the conclusion of the financial statements, but there has been a gradual deterioration in the situation since then and it has become perfectly obvious to every member that today South Australia is not receiving the share of the Commonwealth taxation to which she is entitled.

As this will be the last time I shall have the opportunity of referring to several of the places in the district of Stuart as the member for that district as now constituted I wish to say that I feel it a very great privilege indeed to have represented the district, and when the redistribution of boundaries takes place I shall miss many of the associations that I have held

very closely. Even if I am permitted to come back into this House I know now that there are areas in my present district that I shall not be representing. I will miss my associations with Whyalla which I have represented since its earliest inception. I was a member of the Select Committee and of the special Whyalla Committee that negotiated with the Broken Hill Proprietary Company in the setting up of local government in Whyalla. My association with the Whyalla Town Commission has been most happy. This is my last opportunity for speaking as the representative of some important towns in the present district of Stuart. I was looking forward eagerly to my association with Maralinga which is another township springing up in the bush hundreds of miles from any other settlement of any size. Everything that goes into the construction of a modern village in the bush has to be brought from all parts of Australia and it is a thrilling experience to witness cities growing in the bush. There are problems associated with such growth and I pay a tribute to the people who selected the site and are building the necessary homes, roads and services for the village and the people who will populate the centre.

I hope it will not be long before there is further development at Whyalla. The Treasurer has not told us the result of his discussions in Canberra last week concerning Commonwealth assistance for the establishment of steelworks at Whyalla. We have reason to be satisfied that public attention has been drawn to South Australia's demand that its iron ore deposits should be used for the production of steel in this State for the benefit of Australia as a whole. Not only the citizens of Whyalla, but of South Australia generally, will not be satisfied until that is an accomplished fact. In the Governor's Speech the Government referred to the establishment of a steel industry in South Australia.

Mr. O'Halloran—It promised an inquiry into the matter but yesterday voted against a motion that would have resulted in such an inquiry.

Mr. Shannon—Have we not finished with that?

Mr. RICHES—The honourable member has certainly not heard the last of my agitation for a steelworks at Whyalla and he will hear more of it not only here but outside, in and out of season, because failure to establish such works represents one of South Australia's major disappointments. Woomera has been

seeking an all-weather road to connect it with Port Augusta. Although we have been told that the Commonwealth Government has made substantial grants to South Australia for the reconditioning of this road, it affords us little satisfaction that the only answer to questions relating to this matter is that it is not a State responsibility. If that is so I would be pleased to know whose responsibility it is because we have been repeatedly informed that the constitutional responsibility rests with the State and that the Commonwealth cannot, of itself, undertake road construction in South Australia and that its responsibility ends when it makes finance available. How much money has the Commonwealth Government made available specifically for expenditure on this road, and how much has been spent on it?

The people of Woomera are contributing something to South Australia by virtue of their residence in that centre and they are entitled to means of communication with centres of supply. In this age they should not have to go on short rations because the roads are impassable at certain times of the year. Throughout the winter the roads to Woomera have been impassable after every heavy rain. Milk is transported hundreds of miles to Woomera and meat is brought from the metropolitan area. The receipt of essential food-stuffs depends on transport getting through regularly. People in this centre should not be so seriously inconvenienced by the poor state of this arterial road. If the Government has not received sufficient finance from the Commonwealth Government to provide a decent road, it should make representations to the Federal Government accordingly. In some respects the Federal Government has been tardy in its relations with the district of Woomera and in several instances the residents have had to look to the old country for some of the amenities the Commonwealth should have provided. I believe that a portion of the defence vote could well be applied to providing an all-weather road to Woomera.

Mr. O'Halloran—It could be applied to improving a few other country roads, including those to Leigh Creek and Broken Hill.

Mr. RICHES—That is so. It would be of tremendous advantage to the defence of this country because our defence is dependent on road transport and our roads are not capable of meeting a situation which could arise if we were called upon to defend ourselves. This is my last opportunity also of speaking for the settlers on the East-West railway. I pay

a tribute to those who are rendering medical services in the outback areas of Cook, Tarcoola and Mulgathing, in particular to the Bush Church Aid Society whose praises I have sung and to whose work I have drawn attention from time to time. This organization maintains hospitals along the East-West line, staffs them with fully-qualified sisters and nurses and flies a doctor to the centres every month for regular consultations. It also provided emergency services in case of accident or serious illness. I still maintain that the Government has not recognized the services fully. I plead for the miserable sum of £500 on the Estimates to be at least doubled. This is only the second time in the history of the organization that the Government has made a grant to it. When it was first announced that £500 would be made available it was stated it was not regarded as sufficient and that the service was entitled to more, and I shall ask the Committee to express this opinion.

I have examined the grants to other institutions and ascertained that nearly every hospital and institution in South Australia rendering medical services has received justifiable increases this year, but not one increase has been made to the grants for hostels and hospitals in the area to which I am referring. This grant has remained the same as it was 10 years ago. There has been no increase to Tarcoola and Cook since they were first instituted. That is not good enough when other institutions have had adjustments made according to increased costs.

This is the last occasion I shall be able to speak for Quorn as its representative, but I know that the people there will be well represented in the next Parliament. The new representative, the Leader of the Opposition, has already made himself conversant with most of its problems. He did so long before the redistribution of seats was thought of, and the people of Quorn are grateful for the interest he took from the day it was first known that there would be a change of the railway route and railway policy, which could have a disastrous effect on the future of Quorn. I congratulate the corporation of Quorn and the citizens of the district who have not given up hope. I believe they will, by standing together, hold Quorn together and thus retain its place on the map. Much work has been done which is not generally appreciated or known outside. I shall bring up to date as far as possible the record of ways and means suggested of preserving this fine township. At a public meeting citizens were invited to suggest measures which

might be taken to improve the outlook of Quorn's future. One was that attention should be given to the provision of an adequate water supply which would enable primary producers to cater for the needs of the immediate district. At present Port Augusta, Whyalla and Woomera draw their milk supplies from as far south as Clare and even beyond.

Mr. O'Halloran—I think some of it comes from Murray Bridge.

Mr. RICHES—It does for some parts of the year. It was reported that the Boolcunda Creek runs all the year and that it contained suitable water, and so the Government was asked to investigate the possibility of providing storage on it, not necessarily for irrigation on a large scale, but to provide water for a number of dairy farmers who could concentrate on supplying the needs of the immediate vicinity of Quorn. We understand that this matter is being considered by the Engineering and Water Supply Department, and the people are looking forward confidently to the results of its investigations.

An application has been made to the Electricity Trust for the supply of A.C. power for Quorn. The Quorn Corporation is prepared to consider writing off its present power house so that the people can avail themselves of this A.C. supply. They have also approached S.A. Barytes Ltd., which has a mine at Oraparinna, one of the best barytes mines in Australia, and there are not many better in the world, and they are hopeful that it may be possible to establish treatment works in Quorn. The corporation has played a leading role in the negotiations to that end, and has been ably assisted by the Mines Department.

The Commonwealth Railways has also been asked to provide a transport service to enable railway men to live at Quorn and be transported to Stirling North to service railway stock operating from Stirling North to Leigh Creek. I understand that the Commonwealth Railways have agreed to the request and are negotiating for the purchase of a suitable vehicle, and that they have in mind purchasing a Volkswagen, following upon the successful running of a motor passenger service from South Australia to Western Australia by this means. If that is accomplished many men will elect to continue to live at Quorn rather than be transferred to another town. For that to be done successfully attention must be given to the road through the Pichi Richi Pass. Representations have been made for it to be sealed progressively. The Premier promised

the députation that he would ask the Commonwealth Government for financial assistance and he suggested an expenditure of £50,000 for the next two years, making £100,000 in all. That will not completely seal the road between Stirling North and Quorn but will be sufficient to make the road suitable for a safe and regular transport service for Quorn workmen travelling to and from Stirling North. We have heard nothing further about the Premier's representations but we hope that they will bear fruit.

The Quorn people also asked the late Senator McLeay to consider a suggestion that the existing railway line should be kept open for the movement of stock at least until the northern line is broadened as far as Marree, so that the Quorn stock market can be retained. Whilst the Senator did not hold out much hope he promised to have the matter investigated. Another suggestion the Commonwealth Government promised to consider is the possibility of having some of the work associated with the maintenance of rolling stock done in the Commonwealth Quorn workshops rather than have all the work transferred to Port Augusta. The South Australian director of The Industries Development Commission, Mr. Branson, was sent to Quorn at the request of the local corporation, again through the Commonwealth Minister, and he is submitting to the Commonwealth suggestions supported by the corporation. It is thought that the tourist traffic in the north could be developed to a far greater extent. We are encouraged to believe that there is a great potential in this regard by the substantial increase in the number of tourists who found their way to the north last spring. Never was country more colourful than were the hills of the Flinders during the last spring with the wild hops, salvation jane, the rich green of crops, and the daisies and other flowers that grow there in abundance. It challenged the beauty of wild flowers in any of the other Australian States. I recommend anyone who can get to Quorn for a week-end to have a good look at Pichi Richi Pass. I concede that this is an exceptional year but in all years there is much colour. There is a majestic beauty for about 10 months of the year, and at times when most of the other tourist resorts are closed. There is a great potential for tourist traffic in the north, and Quorn could well be the centre of it. There were three or four other matters I intended to mention, but I will not worry the House with them now. I wanted to mention the Port Augusta hospital and the lag in



attending to buildings by the Education Department, but I can effectively deal with them when the lines are before us. With these reservations I support the first line.

Mr. FRED WALSH (Thebarton)—During the 13 years I have been a member of this House I have not known the Treasurer who boasts about the number of Budgets he has introduced, to present one with less enthusiasm than on this occasion. I must commend the Leader of the Opposition for the way he replied to the Treasurer's remarks. On this side we heartily endorse all the criticism, and almost condemnation, of the Commonwealth Government's financial treatment of this State. Like other members I hope the Treasurer will not forget it when the next Federal elections are held. I appreciate the serious position into which the economy of a country can get if inflation is not controlled. I am fast coming to the view that we are heading for serious times, not so much because there is inflation, which exists in almost every country in the world, but because it is not controlled. When we compare the present position with that of 1948 when our economy was most stable—I question whether it was ever more stable—the outlook is a little frightening. The Commonwealth Government repeatedly tells us, and it is supported to some extent by State Governments, that there is no need to have qualms about the future, and that all our difficulties arise through prosperity. I cannot understand how we can be in serious difficulties in a time of prosperity. If we were not enjoying prosperity I could appreciate the fears of people who are worried about the future. In a period of prosperity and without having any official knowledge of what lies around the corner, we cannot understand the actions of the Commonwealth and State Governments, and also the Government of the United Kingdom. The serious position has been accentuated by the statements of the Commonwealth Treasurer on his return from a trip overseas a few days ago. The press contained the following report:—

Difficulties facing exporters of primary produce were threatening to get worse instead of better, the Federal Treasurer (Sir Arthur Fadden) said today. Sir Arthur Fadden, who has returned from a six-week overseas mission, said that unless satisfactory international solutions could be found, world trade could deteriorate substantially. A fall in the purchasing power of primary producers would result in the loss of markets to industrial countries.

Everybody can appreciate that, and it will be interesting to hear Sir Arthur Fadden's solution. Surely he will not wait until some international authority works out a solution

for him. The serious international problems may affect many countries, but we are more concerned about our own country. The article goes on:—

Representatives of other primary-producing countries had agreed that too much was being done to develop industrial countries, Sir Arthur Fadden said.

It was accepted in the past that Australia was a primary-producing country, and much of the fault lies at our own door if we continue to develop our industries. I doubt whether any country, in proportion to population, has developed industrially more than Australia has during and since the war. Even authorities on wheat are now telling us to grow less grain. Perhaps that is because in every wheatgrowing State there are large surpluses from last season's harvest, and even from the harvest before that. Markets cannot be found for that wheat, and many people are now telling growers that they should not produce much wheat until there is a market for it. That is logical, but only a few years ago we were told that the time was not far distant when Australia would have to become a food-importing country. Surely Australia can produce sufficient for a population of, say, 20,000,000 people and also have a surplus to sell to countries that do not produce enough.

Mr. O'Halloran—We could do that if our capacity were properly directed.

Mr. FRED WALSH—Yes. The home market will not remain buoyant if there is not sufficient purchasing power in the community. I fear that we are fast heading towards a situation such as that which obtained in 1929. I believe that neither the Commonwealth nor the State Government would be unhappy to unload responsibility on to a Labor Government if we encountered another depression. They have made a mess of things and have dissipated the overseas reserves that were built up during the regime of the Chifley Government in the years immediately following the war. Furthermore, the Commonwealth Government contemplates a saving in expenditure of £4,000,000 in its works programme for 1955-56, and it is also aiming to reduce other expenditure by £10,000,000 in order to reduce the demand on Australia's overtaxed resources. That information was given by Mr. Kent Hughes, who also said:—

The Government had critically examined and severely pruned the Commonwealth works programme at the time of the Budget. Nevertheless, the Government recognized an obligation to give the rest of the community a lead and to make all possible efforts to achieve further economies.

The Commonwealth Government says it wants to give a lead to private enterprise to curtail the expansion of plant and equipment and at the same time cut down production. I believe this will result in a large pool of unemployed, such as we had during the depression. I shudder to think of the position in which we shall find ourselves in 12 or 18 months if the present Commonwealth Government is not defeated at the next elections. A Labor Government would try to restore the economy of the country, and although members opposite may not agree with my views about the effect of the Commonwealth Government's present actions, I think they will at least agree that a policy of restricting employment by cutting down public works will lead to private enterprise following that lead and throwing many people out of employment. The position is alarming.

The member for Chaffey (Mr. Macgillivray) read a report of a conference of the United Kingdom Conservative Party held at Bourne-mouth early this month. He stated Mr. Butler said it was the policy of that Party to continue the credit squeeze but today's *News* states that the United Kingdom Government plans further drastic action to arrest the inflationary spiral. Australia will suffer repercussions sooner than we expect. I observed the effects of inflation in many other countries when I was overseas. As a result of Germany's financial policy immediately after World War I the people of Germany had to pay a bag of marks to buy a loaf of bread. Members who served overseas in World War I will recall that the franc at that time was valued at 10d. sterling. Today it is worth only one halfpenny, and in 1947 it was worth only one farthing. That will give some idea of the extent to which the value of money can fall. In an article in tonight's *News* by an economic expert, it is stated that the present purchasing power of the Australian pound is 7s. 7d. I am unable to understand just how that is worked out because I know that the Australian pound was devalued in 1930 or 1931 by 25 per cent compared with sterling. During the term of office of the present Federal Government the English pound was devalued by 25 per cent, and immediately the Australian pound was devalued by another 25 per cent, making its value 50 per cent less than the predepression value. That means that the Australian pound is now worth only 10s. compared with the pound sterling. The figure in the article might be a correct comparison in relation to the

purchasing power in the Commonwealth, but that does not matter much. If, for instance, an article that cost £5 in 1939 now costs £15 but the wage earner is receiving three times as much as in 1939, it does not matter very much, so long as there is reasonable control over the inflationary spiral.

Mr. Pearson—What about goods sold overseas?

Mr. FRED WALSH—People selling goods overseas are making a pretty good thing out of it. If they sell wheat or barley they get £1 sterling for every £1 worth of goods they sell, but if they want to buy something back they have to pay 25s. for every £1 worth they purchase. If a person has £100 and wants to change it when he goes overseas he will only get £75, but if he comes back with £100 in English currency he will get £125 Australian, less a few pence exchange. The devaluation of currency is in favour of the exporter, and that is one of the reasons why the Scullin Government indulged in it in 1930. The people who have to pay for imported goods are the ones who meet the bill for the exporter.

Time will not permit me to go too deeply into the subject and I do not profess to be an authority on finance or economics, but when one starts to consider the different views submitted by the so-called financial experts and economists from time to time one must fast come to the conclusion that, like lawyers, their opinions vary so much that no reliance can be placed upon them. One can go to one solicitor and obtain an opinion, but another will give a slightly different opinion that will encourage one to engage in litigation. Perhaps there is an object behind that, although I do not mean to derogate the legal profession.

The basic wage in relation to the reduced purchasing power of the pound has been mentioned. The continued freezing of the basic wage is causing people on this side of the House and those they represent very serious concern. Quarterly adjustments were suspended in 1953 when the basic wage in South Australia was £11 11s. Increases in the cost of living since then, according to the Commonwealth Statistician's latest figures, would have brought that up to £12 4s. I will now compare the position in South Australia and in other States. In New South Wales the Federal basic wage is £12 3s. and the State basic wage under their new legislation will be £12 13s. because of the new C series figures for the quarter ended September, 1955. In Victoria

the Cain Labor Government introduced legislation to provide for quarterly adjustments to the State basic wage which, prior to that, was tied to the Federal basic wage. As a result, the State basic wage is £12 6s., the same as the figure in the C series index, and the Federal basic wage there is £11 15s. In Queensland the Federal basic wage is £10 18s. and the State wage, adjusted by a review of the court from time to time, is £11 7s. The C series index for the September quarter indicates that the wage will be £11 10s., so there will be a discrepancy of 12s. between the Federal wage and the new State wage. In Western Australia, under the new C series figure, the State living wage will be £13 4s. compared with the frozen Commonwealth basic wage of £11 16s.—a difference of £1 8s.

The adjustments made by the Western Australian Industrial Court to wages of workmen under its control show that the cost of living there has not increased in the same ratio as it has increased in South Australia, although both the State living wage and the Commonwealth basic wage have been frozen here. Further, in Victoria the State living wage has risen by only 11s. over the past two years, which proves that the continuation of quarterly adjustments there has not reacted to the disadvantage of that State. I understand that the Tasmanian Government is contemplating the introduction of legislation similar to that operating in New South Wales and Victoria, and that means that the Playford Government is the only State Government which has not tried to relieve the plight of the worker. Further, no attempt has been made to give South Australian Government employees some relief from the disadvantages under which they labour because of the freezing of the basic wage. Because of the formula adopted by the Commonwealth Arbitration Court, the lower paid workers in the Government service have been denied marginal increases; therefore, they are considerably worse off than their less unfortunate fellows who have received marginal increases. If only for humane reasons, the Treasurer should consider paying the lower paid Government workers a wage at least comparable with that operating in private industry. All workers in the seven sections of the industry with which I have been connected for years have recently received increases. Three sections are covered by private agreement and in the main their wages were increased in accordance with the margins decision. In the aerated waters section and the wine and spirits section increases

were granted as the result of negotiation and application to the appropriate wages boards.

Time will not permit me to tell members the history of the introduction, continuance, and eventual suspension of quarterly adjustments. We were told that the Court suspended adjustments in order to relieve employers and in the belief that the cost of living had been stabilized; but how wrong was the Court! It will continue to be wrong, too, unless it agrees to unfreeze the basic wage in accordance with an application to be lodged soon by employees' organizations. What will be the attitude of the Playford Government to that application? If it does not do something about the position it will soon have difficulty in obtaining labor for public works.

The member for Hindmarsh (Mr. Hutchens) said he opposed further grants to the Tramways Trust unless Parliament were given a voice on how the money would be spent. I agree we should have a voice, but I do not think grants to the trust or expenditure on our railways should be in any way curtailed, because both forms of transport are essential to our everyday life. It has been said that tram and rail fares should be increased, but I oppose that suggestion because there are many people, particularly those in the outer suburbs, who must use public transport, and any increase in fares will adversely affect their standard of living. If reasonable transport services can be provided at reasonable fares the best interests of the State will be served, and the State as a whole should bear any losses that may accrue as a result of such a policy.

Mr. Hutchens—There should be a responsible Minister.

Mr. FRED WALSH—The whole transport system should be wrapped up in one department, for then as a Parliament we would have some say in the conduct of it. I do not believe, for instance, in the railways being handed over lock, stock and barrel to the Railways Commissioner and this Parliament and the Government having no say in the control. I subscribe to the policy of the Tramways Trust in the conversion of trams to buses. That may not be in accord with the views of some members, but they are my views, and as one who has had considerable opportunities for observation overseas I believe that it will be in the interests of the city of Adelaide to eliminate the trams from our streets. It may be contended that buses cannot handle big crowds as quickly and capably, but

I think they can if sufficient are provided, and one can gain a good idea of the manner in which they can handle traffic from the way they do it on the occasion of races at Victoria Park. I think buses are far safer than trams as they can be pulled over to the side of the road and the passengers can board or alight from them without interfering in any way with other traffic. On the other hand, where a portion of the road has to be set aside as a safety zone for trams danger is likely to occur, particularly to elderly people and children who are required to walk from the foot-path to the tram stop. Buses are also safer because of their far greater manoeuvrability.

In the matter of trolley versus diesel buses I favour the trolley-buses. I think they are cleaner. I appreciate the fact that there is a considerable amount of expense associated with the necessary overhead equipment, but with the growing number of buses the fumes from the diesel vehicles could possibly become a nuisance to the community.

I have been interested to learn that our late General Manager, Sir Wm. Goodman, went to New Zealand to inaugurate the tramways system in Wellington, and only a few months ago that Mr. Keynes, our present General Manager went to New Zealand to gather information about the conversion from trams to buses; a rather paradoxical situation it seems to me. I do not want my remarks to be misunderstood. I do not believe in one man buses, but in buses of considerable size able to cope with the traffic and everyone of them carrying a conductor. I do not believe in buses being handled and the fares being collected by the drivers, and the greater the traffic on the road the greater the danger becomes; the driver must attend to the collecting of fares; he must see that no-one gets on without paying and that everyone is aboard before he moves off, and at the same time control his bus. I look upon this as false economy, and I hope that the trust will not be embroiled in any dispute with the union, as has been the case in other States. It is time that the trust started to take over some of the more remunerative routes now left to private operators. I refer to such routes as the Ascot Park and Edwardstown services which are very remunerative but are not good from the point of view of the travelling public. I understand that for a long time the union

has been endeavouring to get the trust to run the services on Sunday morning on Port Road and Anzac Highway, at present conducted by private buses. All this means loss of revenue and they should be taken over by the trust because, if we have to make grants to the trust to keep it going, we should have some say in how the money is expended and in the methods the trust adopts to earn more revenue.

There is much more that I could say but I understand that there are other speakers who wish to follow me. I am in a similar position to Mr. Riches who referred to this being the last time he would have the opportunity to refer to some parts of the district he now represents. Just whether I will be here next session is in the lap of the gods, but I, too, am sorry that I shall have to break long associations that have been very kind to me during my term in Parliament, and I am deeply indebted for the confidence reposed in me. The Education Department has been asked to build a new primary school at Lockleys and use the present school as an infants school. This work should have proceeded long ago. The school is on an area of 2 acres and 30 perches into which are crowded 800 children. There is the original brick building of four classrooms and 13 wooden portable classrooms. The largest class contains 62 pupils. Educational authorities suggest that the greatest number of children a class should contain is 40 and that the ideal class is 30. The department owns land in Rowells Road, Lockleys, and some years ago when Judge Abbott was Minister of Education he said that it was contemplated that it would not be long before a new school would be built there. The land adjacent to that area has been developed by the Housing Trust and eventually another school will have to be built. I cannot imagine a more ideal site for a primary school than that in Rowells Road. The present school could then be used as an infants school. If that were done it would benefit the department, teachers and children. There are other matters I should refer to, but because of the lateness of the hour I shall refrain from so doing. I support the first line.

Progress reported; Committee to sit again.

#### ADJOURNMENT.

At 5.39 p.m. the House adjourned until Tuesday, October 25, at 2 p.m.