

HOUSE OF ASSEMBLY.

Thursday, August 23, 1956.

The SPEAKER (Hon. B. H. Teusner) took the Chair at 2 p.m. and read prayers.

APPROPRIATION (FLOOD RELIEF) ACT.

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

QUESTIONS.

BELTANA RAIL AND ROAD FACILITIES.

Mr. O'HALLORAN—The opening for traffic of the broad gauge line from Stirling North to Telford and the closing of the old narrow gauge line from Hawker to Copley by the Commonwealth Railways has resulted in the historical old town of Beltana being left without railway communication. I understand that the new line runs some miles to the west of the town. Will the Minister of Lands ascertain from the Minister of Railways whether a siding has been provided to suit the requirements of the people of Beltana and district and whether a road has been provided between Beltana and the siding?

The Hon. C. S. HINCKS—I will be pleased to confer with my colleague and bring down a report on Tuesday.

NUMBER PLATES ON VEHICLES.

Mr. MILLHOUSE—I frequently travel away from Adelaide on the Mount Barker Road and I have had the experience, which many people have had, of getting behind semi-trailers, many of them vehicles from other States. I have frequently noticed the number plates of these semi-trailers completely obscured by mud, which is an offence under the Road Traffic Act, but which seems to be a prevalent breach. Often there is good reason for it because a semi-trailer may have done a long journey under difficult conditions, but when a vehicle, newly loaded, is leaving Adelaide after the driver has had a rest there seems to be no excuse for this practice. Will the Acting Leader of the Government take steps to ensure that drivers of these vehicles, especially of those registered in other States, are more careful in future?

The Hon. C. S. HINCKS—I will take up the question with the Chief Secretary, ascertain the exact position, and bring down a report.

EMERSON CROSSING GATES.

Mr. FRANK WALSH—My question arises out of an item appearing in the Loan Estimates, namely, the duplication of the Edwardstown-Marino railway line, formerly known as the Goodwood-Marino line. The House has been informed that the section of the line between Goodwood and Edwardstown cannot be used only because gates have not been installed at the Emerson crossing, but I am informed that the gates are now at the Islington workshops. Will the Acting Leader of the Government ascertain from the Minister of Railways whether this is so and how soon the work will be completed so that this section of the duplicated line may be used?

The Hon. C. S. HINCKS—I will get the required information from the appropriate Minister.

FINDON SCHOOL.

Mr. HUTCHENS—On Tuesday and yesterday I asked the Minister of Education, representing the Acting Minister of Works, questions concerning the roofing of a combined toilet block and shelter shed at the Findon School, and yesterday the Minister read a report from the Architect-in-Chief stating that the roof was only temporary and would be replaced by another after the plasterers had completed their work. I felt that that answer was somewhat fantastic and accordingly further inspected the roof last evening. I now wish to correct my previous estimate of the iron used. I said yesterday that I thought 35 sheets of 10ft. and 105 sheets of 8ft. iron had been used, whereas I now find there are about 120 sheets of 10ft. and about 35 sheets of 5ft. iron on the roof. Further, I find that the iron is new and is not only nailed at the extreme top and bottom ends of the sheets, but also on alternate flutes on every intervening rafter with 2in. or 2½in nails. I submit that the statement that it is a temporary roof is fantastic and incorrect and I ask the Minister to look at the specifications for the contract, to ascertain whether the alleged temporary roof is to be replaced with an identical roof, the cost of replacement, and whether it really is temporary.

The Hon. B. PATTINSON—Yesterday, at the request of the honourable member, I referred this matter to the Acting Minister of Works. I discussed the matter with my colleague again this morning, but he was not in a position to give any further advice before this afternoon. He is studying the docket and

I think he will call for some report. I do not think it is practicable for me to inspect the specifications and the documents, nor is it desirable for two Ministers to deal with the matter at one time. I will refer what the honourable member has said to my colleague, and I promise the honourable member that a detailed report will be supplied to him, the House and the public.

NIGHT WORK BY WATERWORKS STAFF.

Mr. JENNINGS—Has the Minister representing the Acting Minister of Works a reply to the question I asked on Tuesday last with regard to the relining of water pipes on the Main North-East Road?

The Hon. B. PATTINSON—I have just received a reply from my colleague, which states:—

Recently a contract was let to Cement Linings Pty. Ltd. for the cement lining of approximately two miles of old 30in. steel main in the Main North-East Road between Fosters Road and Nottage Terrace. The work being carried out will considerably improve the capacity of the main and will extend its life for some years and should avoid the necessity of making excavations to effect repairs to leaks caused by small corrosion holes. It is essential that this main must again be in commission by not later than the end of September, 1956, and with this in view the contractors are working two shifts.

It is realized that their generator, which has to work 24 hours a day, may cause inconvenience at night time to people living close to where it is working. However, this is unavoidable and the work being carried out is in the interests, not only of the people adjacent to it and who receive their supplies from it, but to many other thousands of consumers in the metropolitan area. It is a case of some inconvenience to a few for the benefit of themselves and many others.

The main is being treated in lengths of approximately 1,200ft. and each 1,200ft. takes from two to three days to clean and cement-line and the generator is in one particular spot for the two to three days when it moves on 1,200ft. to the next operating point. The main must be in commission again by not later than the end of September and there is no possibility of completing the project if work is only carried out in the daylight hours and the department consequently cannot instruct the contractor to cease work during the night hours.

Mr. JENNINGS—I thank the Minister for his comprehensive reply, which he was able to get at comparatively short notice. Since I raised the question last Tuesday I have been inundated with further complaints and am now convinced that serious inconvenience is being caused to residents in the area, particularly in those homes where there are young children and aged or sick people. I

realize, as the Minister said, that this is a case where an urgent job has to be completed within a specified time. Because of the further complaints and the apparent inconvenience being caused, will the Minister refer the matter back to the department to see if relief can be given during some period of the night, even if it is only from, say, 9 p.m. to 5 a.m.?

The Hon. B. PATTINSON—Yes.

LORD MAYOR'S FLOOD RELIEF APPEAL.

Mr. STOTT—Can the Minister of Lands inform the House whether the money raised by subscription for the Lord Mayor's Flood Relief Appeal is to be administered by Sir Kingsley Paine, and whether it will go to rehabilitation or any particular specific purpose?

The Hon. C. S. HINCKS—I may not be absolutely correct, but I believe that the bulk of it will be administered by Sir Kingsley Paine. A most gratifying amount was given or promised at the opening of the appeal, which we are confident will be a huge success.

IMPORT QUOTAS.

Mr. TAPPING—The *Sunday Mail* of August 18th contained an article, by Alan Reid from Canberra, about the recent Premiers' Conference. He stated:—

Mr. Playford had many wingers, some of them most telling. When he as a Government sought an import permit, he was sent to private people who had an import quota. Just because they held a piece of paper they casually loaded 15 per cent on to the prices they charged him. He, in turn, had to pass these prices on to the public.

If that statement is correct, this is a scandalous practice. It is entirely wrong that the Premier should have to pay a premium of 15 per cent because a quota is held by someone else. This matter is so important that I ask the Minister of Lands whether he will get the Premier to bring down a statement next week to let us know the true position.

The Hon. C. S. HINCKS—I will do that.

SCHOOL VISITS TO WINERIES.

Mr. QUIRKE—On May 24th I directed a second question to the Minister of Education about the prohibition that has been placed upon school children, under escort, to visit wineries and the Minister said that during the recess he would confer with Cabinet and let me have a written reply. Has he a reply to my question now?

The Hon. B. PATTINSON—I carried out my promise and sent the honourable member a written reply. I am sorry if he did not

receive it, but I referred his question to Cabinet, which decided that these visits should not be made. I found afterwards that that followed a decision of Cabinet of many years standing, and I communicated the decision to the honourable member.

Mr. Quirke—I did not receive it.

The Hon. B. PATTINSON—I will have inquiries made immediately to see what happened to it.

STIRLING NORTH ELECTRICITY TARIFF.

Mr. RICHES—Has the Minister of Lands a reply to my recent question asking what the tariff will be to electricity consumers at Stirling North and when the Umceewarra aboriginal mission will be connected to the supply?

The Hon. C. S. HINCKS—I have received the following report from the assistant manager of the Electricity Trust:—

The residents of Stirling North will be charged the standard electricity tariffs applicable in the metropolitan area of Adelaide. It is expected that the Umceewarra aboriginal mission will be connected before the middle of September, 1956.

MYPOLONGA PUMPING STATION.

Mr. BYWATERS—Has the Minister of Irrigation a reply to my question of August 15 concerning the cost of the Mypolonga pumping house and the installation of the plant?

The Hon. C. S. HINCKS—I have a reply from the secretary of the Engineering and Water Supply Department which reads as follows:—

The following information is supplied in answer to your request of August 16, regarding the actual and estimated costs of the new pumping house at Mypolonga and the equipment contained therein.

The work in hand at Mypolonga comprises:—

- (a) The installation of electrical pumping equipment for the supply of water to irrigation blocks and houses at Mypolonga together with suction and delivery pipes and alterations to the existing building.
- (b) The installation of electrical pumping equipment for the drainage of swamp lands, the necessary suction and delivery pipes and the erection of a building to house this plant.

The estimates and costs to 30/6/56 of the above work is as follows:

	Est. cost vide estimate of July, 1955 (E.W.S., 288/38)	Cost to 30/6/56
Pumping plants ..	18,100	10,507
Buildings and other works ..	23,900	23,073
	£42,000	£33,580

Mr. BYWATERS—Last night I received a telephone call from a member of the advisory committee on irrigated areas at Mypolonga. The people there are vitally concerned with the position of the pumping station. In a fortnight a start was to have been made to irrigate about 1,000 acres of high land orchards, and they are very concerned because of the condition of the pumping station and have suggested that an auxiliary plant be placed there for emergencies. They are prepared to lay the cement foundation. Has the Minister of Irrigation a statement regarding the position of this pumping station, and what is the position regarding auxiliary measures in the event of an emergency?

The Hon. C. S. HINCKS—The honourable member rang me this morning indicating that he intended asking this question, and in the meantime I have endeavoured to locate Mr. Ide, who is in charge of the pumping stations in these localities, but without success. I think I mentioned yesterday that the Engineer-in-Chief's department is very concerned with the number of pumping stations which may go out of action, and that an endeavour was being made in all cases to secure emergency pumping plants. I will follow up the inquiry and advise the honourable member tomorrow.

COUNTRY ELECTRICITY SUPPLIES.

Mr. HEASLIP—The Minister of Lands, in reply to an earlier question, stated that Stirling North will receive electricity at the same rates as the metropolitan area. Can the Minister say whether Wilmington and Melrose, which are quite close to Stirling North, will also receive their electricity at metropolitan rates?

The Hon. C. S. HINCKS—I will be very happy to take up the matter with the Minister concerned.

DILUTION OF SUPER-GRADE PETROL.

Mr. STEPHENS—Has the Minister of Lands a reply to the question I asked several days ago regarding the mixing of first and second grade petrol by distributors?

The Hon. C. S. HINCKS—There has been a misunderstanding between the honourable member and myself on this question, and I think the honourable member was really referring to the resellers.

Mr. STEPHENS—That is so.

The Hon. C. S. HINCKS—I have a reply from Mr. Schumacher, the secretary to the Minister of Industry and Employment, which reads:

1. There is no regulation which requires petrol storage tanks at retailers to be sealed.

It is understood, however, that in the 1930's when the two grades of petrol were being sold most of the oil companies sealed tanks containing their brand of petrol.

2. As there is no regulation on this matter no inspections are made to see whether standard petrol is put into tanks connected to super grade pumps. As the standard grade petrol is subject to price control such a practice would of course, be a breach of the Prices Act but would be difficult to prove.

I suggest that Mr. Stephens be advised that, if he can name any retailers of petrol who he suspects are indulging in this practice, inquiries will be made. It would appear that the oil companies would welcome this information and investigation as any action along the lines alleged by Mr. Stephens and the publicity attached thereto would be harmful to the companies concerned with the present intense competition.

Mr. STEPHENS—I agree with the Minister that there was a misunderstanding between us. In my question I was referring to the retail distributors and not to the oil companies. Since I asked the question I have had a telephone call from an officer of the association representing the oil companies and he, like the Minister, asked if I could give the name of the person concerned. They wanted to catch him if they could and were trying to do it by getting four gallons of petrol from him and having it analysed. I have heard of several other cases since. The representative of one big oil company rang me about the matter and when I explained the position he pointed out that petrol pumps were not sealed now and said that the difficulty was to catch the culprits.

He mentioned there were no means of testing the quality of petrol in South Australia; even when an overseas boat called here with supplies and they wanted to test the petrol they have to send a sample by plane to Melbourne. Will the Minister of Lands ascertain if that statement is correct and does not he think the Government should obtain a petrol testing machine for the protection of buyers?

The Hon. C. S. HINCKS—I was rather surprised at the honourable member's statement that there is no means of testing the grade of petrol in this State, and amazed to hear that petrol samples are flown in an aeroplane to another State for testing. If possible I will get the information the honourable member seeks.

PORT ROAD INTERSECTIONS.

Mr. HUTCHENS—Has the Minister of Lands a reply to the question I asked the Premier on May 24 relating to the provision of signs at Port Road intersections?

The Hon. C. S. HINCKS—I have much sympathy with the question because I frequently travel this road. I have received the following report from the Minister of Roads:—

It is considered that there are only three true intersections with the Port Road, viz., John Street to Government Road; Woodville Road and Cheltenham Parade. Cross road signs should be erected only at intersections where, because of some obstruction, the existence of the intersection is not obvious to the average motorist. Fortunately those on the Port Road do not fall within this category. Consideration has previously been given to the proposal to erect signs, but it was found that if erected on the left-hand side they would be obscured by parked or ranked vehicles and if placed on the plantation side, they could not readily be seen by traffic.

Conditions on the Port Road are actually much better than on numerous other roads in the metropolitan area, where the same claim might be applied. Drivers in the metropolitan area should normally exercise extra care at intersections, especially as the existing, though undesirable, amount of advertising signs so detracts from the efficiency of any cautioning signs as to render them almost ineffective.

MURRAY RIVER FLOOD.

Mr. KING—Is the Minister of Lands in a position to report on the present situation of the Murray flood?

The Hon. C. S. HINCKS—I rang Mr. Katekar this morning at 10 o'clock and he reported as follows:—

The level at Renmark on the wharf gauge registered 30ft. 7in., a rise of 1½in. overnight; Wentworth, stationary; Mildura, 1½in. fall; Euston, ½in. fall. During the past 24 hours no serious breaks have occurred in the Renmark area. There has been slight trouble with the drains and sumps involving the use of pumps; also a few alarms with the trouble being quickly brought under control. Trouble occurred yesterday morning in the shopping area from one of the drains and a diver from Lock 4 went down and blocked the gap and it is now satisfactorily under control. The diver will remain in Renmark to be on call.

Weather fine here this morning. South-west wind blowing and no rain in sight. Mr. Dumbrell from the Children's Welfare and Public Relief Department now at Renmark, at Ogilvy's office, ready to go into action on sustenance. Army cooker has arrived, making the ladies very happy. The position overall is fairly quiet with nothing really serious happening. The graph overall shows a definite curving and although this morning's rise was totally unexpected, hoping for a stationary level very shortly.

Members will agree that this report is slightly better than any we have had recently, but the position is still serious.

MONTEITH AND MYPOLONGA SCHOOLS.

Mr. BYWATERS—Yesterday I asked the Minister of Education a question concerning the Monteith and Mypolonga Schools which are in the Murray flood area. He promised to bring down a detailed report this afternoon. Has he that report?

The Hon. B. PATTINSON—I have received a voluminous report and I will take from it only matters of interest. Last week arrangements were made for the District Inspector in the Upper Murray, Mr. Smith, to devote the whole of his time and attention to the floods. Instructions have now been given for the District Inspector in the Lower Murray, Mr. Butcher, to do likewise and leave all other work to concentrate on arrangements at Mypolonga, Mannum, Murray Bridge, Monteith and other places along the lower River Murray. Mr. Butcher has been given all necessary powers to make arrangements that may be required. At Monteith a levee around the school and residence has been built. Seepage from it has occurred to a considerable extent and water came to a depth of 1ft. on the foundations of the house and was under the wooden classroom. Yesterday afternoon the Director of Education authorized the installation of an electrical pump from Murray Bridge to meet the danger. The pump reduced the amount of water inside the levee and the position is now under control. It is clear that the levee protecting the school and residence will need strengthening and steps are being taken immediately to do it. An interesting point is that the parents desire their children to remain at the school as there is no immediate danger to any of the children but if there is any sign of danger the children will be moved to the Murray Bridge School immediately and arrangements have been made for this to be done at short notice. This transport to Murray Bridge will continue for so long as the emergency lasts, at the request of the parents.

The Jervois school stands on high ground and is not endangered in any way. The Mannum school buildings and residence are still not endangered by the flood. All children on the west bank are attending normally and families whose homes are flooded are billeted in the E. and W.S. camp. Some children from the east bank are boarding in Mannum and attending the school normally. The Mypolonga school buildings have not so far been affected by the flood although there is water in the school grounds to within six yards of the building. A levee is being constructed for the protection of the school building. The main

pathway to the school is flooded. The school is functioning as usual and the attendance of children has been little affected by the flood. Late this morning advice was received that the outer bank had broken. Confirmation of this and further reports are expected hourly. Steps will be taken to attend to it.

I reported yesterday that last Friday the Director of Education communicated with the heads of several of the larger schools in the metropolitan area asking if inquiries could be made, through the children, of the parents about displaced children in the Murray areas being billeted at their homes. The heads of the schools called public assemblies of their students and told them of the plight of the children in the Murray districts and I received a staggering figure this morning. Up to 10.30 a.m. today the Director had received advices from heads of the metropolitan schools that 3,955 children could be billeted if desired. We all realize that this is not necessary, because so many parents have made arrangements privately. This is a magnificent response by parents and also by the children, whose human sympathy has been touched.

PERSONAL EXPLANATION; CHILDREN'S VISITS TO WINERIES.

Mr. QUIRKE—A few minutes ago I asked the Minister a question relating to visits by school children to wineries and upon receiving his reply I at once had a guilty conscience. The question I intended to ask was an entirely different one. By some confusion of thought I got the two questions mixed. I regret if I in any way reflected upon the unswerving courtesy of the Minister in the way he answers and responds to honourable members' questions. I had no such intention.

LOAN ESTIMATES.

In Committee.

(Continued from August 14. Page 290.)

Grand total; £28,135,000.

Mr. O'HALLORAN (Leader of the Opposition)—Before dealing with any of the particular items included in the Loan Estimates; I would like to make one or two general comments. For many years the Opposition had urged that more detail should be submitted regarding the nature of the work done during the previous financial year and the work to be done during the current financial year. Last year the Treasurer at last conceded our point and this year he has included even

more detail. It is to be hoped that this means of enlightening the House will now become an established custom—as it should have been all along.

Another observation I would like to make is that the general tenor of the Treasurer's propaganda, conveyed by means of his Estimates speech, is in line with Labor's policy. It demonstrated emphatically how true it is that the Government should take a positive and energetic part in developing the country and its industries and even embark upon commercial and industrial enterprises designed to benefit the people. For an anti-socialist Government led by an avowedly anti-socialist Premier on behalf of an anti-socialist party this is indeed encouraging; and it may even turn out that some of the grand works being undertaken at public expense will confer upon the people benefits commensurate with the tremendous expense involved.

It would be much more honest on the part of the Treasurer—and certainly fairer to the Labor Party in this State—if he publicly recanted all his previous utterances of an anti-socialist nature; but, of course if he did so, he would have practically nothing to go to the people on at election time and no bogey with which to stampede them into returning a Liberal and Country League Government. I need hardly add that the Labor Party does not agree with the Treasurer's particular brand of socialism. It is not so much the tins in which he puts forward his type of socialism for general distribution to which we object, but the labels attached to the tins. We believe that a policy is either one thing or the other. If we are to have the full-blooded private enterprise policy in which the Treasurer and his followers profess to believe, we should have it, but not a quasi-planned economy under which, when it suits the Treasurer and his Party to control something in the public interest, that control is assumed and is in the main successful, but when it does not suit the Government to take control, its very failure to do so has a detrimental effect on the economy of the State.

We feel strongly that public money is being spent in the wrong way and that the real development of the country is being neglected. Under the Treasurer's policy the future of the people is being jeopardized because that policy is based fundamentally on the L.C.L. principle that the metropolitan area must be crowded with population and industries so that the L.C.L. electoral system will function satisfactorily for the L.C.L.

Still another feature of the Treasurer's public works policy is the apparent desire to increase the State's public debt as rapidly as possible, without any provision for future reckoning. As I pointed out last year, the State's public debt has been increasing by about £25,000,000 a year since 1950; and this year we are to add another £28,000,000.

There is nothing inherently wrong, of course, with an increasing public debt, provided that it represents real development; but, as I have already intimated, there has been very little real development. Moreover, the interest bill—and sinking fund payments, about which the Treasurer used to make such a fuss a few years ago, but which he seems to have forgotten now—is looming larger and larger in the revenue accounts of the State. And interest charges will loom even larger in the future not only because of the larger amounts of money borrowed but also because of the higher rates we are now being called upon to pay.

Loan policy in general is unsatisfactory. Interest rates have been allowed to rise, thereby rendering everything dearer. Under the Chifley Federal Labor Government loan policy was conducted with greater consideration of economic issues, and, incidentally, interest rates were low—about $3\frac{1}{2}$ per cent. An increase of 1 per cent in interest rates means an additional £10,000 interest per annum for every £1,000,000 borrowed. An increase of $1\frac{1}{2}$ per cent—which is roughly the difference between rates paid under the Chifley regime and those now being paid—means an increase of £18,750 a year interest on every million pounds borrowed. On £28,000,000 the difference would be £525,000 a year.

When the present Liberal and Country Party Government in Canberra set out on a deliberate policy to increase interest rates it had no regard for the investors who during the war patriotically invested their money in loans at the rate of $3\frac{1}{2}$ per cent at which the Chifley Government had stabilized the interest rate on public borrowing. Secondly, they had no regard for the ultimate effect on the savings of the people whom they professed to protect. Concerning the first category, one has only to peruse the daily Stock Exchange quotations to see how those people have been affected by the change in the rate of interest deliberately made by the present Federal Government. The bond for which they paid £100 and which they hoped to sell for £100 at any time before maturity when they would require the money to buy a home or provide for their

old age is now worth substantially less. Concerning the second category, everybody knows the sad story. These bonds are now worth less than £90 per £100, and when they have to be disposed of those fortunate enough to be in a position to speculate on the Stock Exchange in this type of security are the ones who derive the benefit.

It was argued that interest rates would have to be increased so that there would be a *pro rata* increase to people who put their savings into current Government loans and other forms of investment, but that was not the principal effect. The principal effect was that inflation was loosed at a terrific speed in this country and the people who suffered most from it were those whose incomes were more or less fixed by the interest rates on their investments, yet the Federal Government said it desired to protect them. As a result the Federal Government that took this step, the step which was detrimental to the economy of the country and which has been largely responsible for the difficulty in which we find ourselves today, is harming the very people it said it wanted to protect.

I also draw attention to the fact that loans are now being raised to meet earlier loans falling due and, of course, higher rates have to be paid on conversion. So it can be seen again how the rate of inflation has spiralled because of increased interest rates. Money borrowed 10, 12 or even 15 years ago at the then prevailing rate of interest and represented by bonds is now falling due, and money has to be borrowed at the prevailing high rate of interest to meet them. That money was spent on public works and other undertakings on the assumption that the interest rate would be that at which it was borrowed. Now, when we have to renew the loans at a higher rate of interest, the interest charge of those undertakings is automatically increased. That, of course, in turn worsens the financial position of the undertaking and results in some very undesirable features to which I shall refer later.

Notwithstanding the provision in the Financial Agreement Act regarding the amortization of loans in fifty-three years, it is obvious that many assets for which we still owe have long ceased to exist. There is a popular fallacy that because we have under the Financial Agreement Act provision for a sinking fund that will liquidate a certain loan within a period of 53 years, we are, in effect at least paying our way. Some people even believe that we are not only paying our way

but liquidating some of the old indebtedness. Of course, the position is the reverse; we are not only not paying our way, but we are not making any substantial reduction in the total indebtedness of the State. I think I showed that pretty conclusively in speaking on the Loan Estimates last year, when I pointed out that in a very brief period the total indebtedness of the State had increased from £117,000,000 to over £242,000,000.

I shall not refer to those figures again, but I would like to say a word or two on the question of wasting assets. We borrow money for railways which, under the Financial Agreement, has to be amortized over a period of 53 years, but very often the asset for which that money was borrowed has ceased to have any economic or earning value long before the 53 years mentioned in the agreement has expired. According to this year's Loan Estimates we are borrowing considerable sums of money for the purchase of rolling stock which will be used to replace other rolling stock bought with borrowed money some years ago, the loan for which has not been paid, and of course the asset represented by that loan will be relegated to the scrap heap once the new stock is available. Much of the loan expenditure in this State is what might be called long term expenditure in the sense that the assets on which the money is being spent will not be earning for several years. This is particularly true of the power stations at Port Augusta. Apparently, several million pounds will be spent over a period of years before the second power house will come into operation.

Another unsatisfactory feature of current loan policy is the increasing reliance that is being placed on overseas loans. The average member of the Federal Parliament is not completely seized with the importance of this. I know we have no control over it in this Parliament, but I do think that we should be giving it some consideration and talking about it, thus creating public opinion against what I believe to be a dangerous financial policy. We are the International Bank's largest customer—that is, we have borrowed more from it than any other country.

Let us consider the reason for the constitution of that institution. It was born of World War II. from a general desire of the people of all nations to get together to secure development along orderly lines, and particularly to increase the standard of living in what were considered to be underdeveloped countries. It was created with a very worthy object. The reason for wanting to increase the standard of

living in underdeveloped countries was to prevent those people from becoming a prey to the accursed dogma of communism. It is something that I and members of the Labor Party wholeheartedly approved of, because we are all implacable in our opposition to communism. We realize that the way to fight communism is not to leave under-privileged people in various parts of the world in the wretched conditions they have had to endure far too long, but to raise them to something like a human standard, as the investments and activities of the International Bank were intended to raise them. It was never intended that the International Bank should finance countries like Australia.

Mr. Jennings—Australia is the biggest borrower!

Mr. O'HALLORAN—That is what I am complaining about. It was never intended that the bank should finance a State like South Australia, though the Treasurer frequently proudly asserts that we are amongst not only the most prosperous States of the Commonwealth but the most prosperous parts of the world. Australia was supposed to contribute to the funds of the International Bank. We made a small contribution, but we have borrowed much more than we have contributed, with the result that the bank has had to stint its assistance to under-privileged people. What do we find now? The Prime Minister is now negotiating with the bank for another loan for Australia. In support of this I quote from an article in the *Advertiser* of August 3. It states:—

Washington, August 2.

The Australian Prime Minister (Mr. Menzies) is reported to have opened discussions on a new dollar loan for development. According to one source, he is seeking about \$250m (over £111m.). With a total of \$258,500,000 borrowed from the World Bank since 1950, Australia is already the bank's biggest single borrower. The list is:—\$100m. in August, 1950; \$50m. in July, 1952; \$54m. in March, 1954 and \$54,500,000 in March, 1955.

I stress that these borrowings have all taken place during the regime of the Menzies-Fadden Government.

Mr. Quirke—Has the International Bank looked at our prospects yet?

Mr. O'HALLORAN—I understand that the bank has had a couple of looks at the cake and has decided that it is owned by some people who are not difficult to deal with and therefore it will make further investments in this country; in other words, purchase rights in that cake. After all, Australia is a very

succulent cake indeed. It is a country with great natural resources, with business people of considerable ability, with workers who are without peer and who will develop our natural resources and produce great wealth, which is the security offering to overseas investors. My point is that the money we borrow overseas increases our overseas commitments. In addition to having to buy certain commodities from overseas we have to meet interest and sinking fund on these loans, which also increase our exchange difficulties. Australia should not have to resort to overseas borrowing. We were able to finance the greatest war in history from our internal financial resources. Why can we not finance the development of the country from the same source?

Mr. Hambour—What about lend-lease?

Mr. O'HALLORAN—The Americans rendered a great service to this country during the war, but Australia rendered a great service to America too. We provided bases and trained fighting men who formed the backbone of our resistance which saved Australia and helped to save America. Uncle Sam was not altogether a benevolent uncle: we were in a partnership under which America gave us some things and Australia provided others. The ultimate result was a credit balance to Australia under lend-lease. It is pathetic that Australia should be reduced to the straits in which it finds itself as a result of the hopeless incompetency of the Federal Government, a Government without a policy or plan or a fixed idea, and unfortunately a Government which is supported by our Premier and his henchmen. The Federal Government has gone around the world trying to borrow a few pounds here and a few pounds there to purchase, amongst other things, earth-moving equipment, certain types of which had to be imported, but much equipment was purchased overseas that could have been bought from Australian manufacturers. Some machinery has not been used to the best advantage. Expensive earth-moving equipment should not be lying idle for 16 hours a day; it should be possible to work it for two shifts.

Mr. Heaslip—That would not happen in private enterprise.

Mr. O'HALLORAN—It happens under a private enterprise Government which is staunchly supported by the honourable member, who is one of the arch apostles of private enterprise. Is the only objective of private enterprise to ensure efficiency when it can make a profit for itself? Has the honourable member no sense of community service? Are

the apostles of private enterprise not prepared to give of their best in the service of the State and the community? That is the position as I see it, and it is not denied by members opposite.

We have a Liberal and Country Party Federal Government to blame for the present chaotic state of the Australian economy. Most finance corporations and many trading companies are in a position to offer fantastic interest rates on debentures available to the public, and these same finance corporations and trading companies can still make fantastic profits. The threat of serious inflation with which we are now faced is due to the failure of the Menzies-Fadden Government to implement a definite and determined policy of credit control. That Government, has, in fact, been continually changing its mind as to what should be done, and whatever it has done has been wrong in principle or wrong in practice.

I now turn to one or two recent news items dealing with this particular subject. In the *Advertiser* of July 26, the following article appeared:—

Consolidated Finance earnings higher. Sydney, July 24.—Consolidated Finance Corp. Ltd., hire-purchase financier, earned a profit of £377,652, before tax, for the year to June 30, an increase of £107,421.

The higher profit was earned on capital increased at the beginning of the year by a one-for-three share issue.

The latest result is disclosed in a preliminary statement.

Last year's final consolidated profit was £175,735, reached after £108,615 provision for tax and contingencies.

Dividend is 15 per cent for the second successive year and will require, with pref. charges, about £188,000.

Hire-purchase debtors jumped by £1,092,034, or 33 per cent to £4,421,698, during the year.

All the subsidiary companies operated at a profit during the year, directors state.

I draw the attention of the House to one very significant paragraph which reads:—

The higher profit was earned on capital increased at the beginning of the year by a one-for-three share issue.

That is what has been going on all along the line, and that is why the economic position of Australia is what it is today. The Federal Government resolutely refuses to do anything about it. I know it is true that the Right Honourable the Prime Minister called a conference last year and that a gentleman's agreement was entered into whereby these traders would not expand their activities. That agreement was honoured for a little while, but then the traders announced that as the period over which they had agreed not to expand their

activities more than a certain amount—I think 10 per cent—had expired, it was to be business as usual as far as they were concerned.

In *The Mail* of August 4, there appears an advertisement by the Finance Corporation of Australia Ltd. The advertisement reads:—

An issue at par of £1,000,000 registered first mortgage debenture stock. A fully secured investment of special interest to South Australians, offering up to 7 per cent per annum. It then goes on to quote the various rates of interest for the various terms, and mentions the following figures:—3½ per cent for three months, 5½ per cent for two years and 7 per cent for five years. This is going on almost weekly. What hope have we of getting substantial amounts of money invested in Government loans at 5 per cent when these loans are advertised simultaneously at up to 7 per cent? Honourable members may ask what the alternative is. The alternative is to do what we did during the war, when if a loan failed we used national credit in order to meet the deficiency. If it was sound to use it then, surely it is sounder to use it now.

Mr. Jennings—We should have control of capital issues as well.

Mr. O'HALLORAN—Yes, we also want capital issues controlled. We want to stop these one-for-three rackets that are going on today. It is impossible to pinpoint the actual profit of any organization, by which I mean the actual profit in relation to the original capital investment, because of the division of shares and the issue of bonus shares. The Liberal and Country Party—with which the Liberal and Country League in this State is intimately associated and which the Liberal and Country League always supports at election time or referendum time—strongly opposed the continuance of Federal price control as exercised during the war, and strongly opposed the referendum that sought the people's approval of the proposal to transfer price control permanently to the Federal Government. The Premier asserted that he could control prices in this State, but his assertion was based on a wrong premise because price control must fail unless it has a substantial Federal ingredient. In other words, because of constitutional limitations it is not possible for a State effectively to control prices. The fellow next door, who can trade without let or hindrance because of section 92 of the Constitution, can pay a higher price and price control fails as a result.

What evils have flowed from that short-sighted and self-interested policy of refusing to revert to Federal price control? Among

other things, the administration of Liberal and Country Party Governments in the Federal sphere and the Liberal and Country League Governments in the State sphere has resulted in rapidly rising costs, and the cost of the public works commenced in South Australia during the last few years is a striking manifestation of this. Not one estimate of cost in respect of any public work of any magnitude has been within cooee of the actual cost. The Adelaide-Mannum pipeline is a glaring example. I mention that pipeline because the Public Works Committee was told when it investigated the practicability of this proposal that it would cost a little under £4,000,000. I understand that already about £10,000,000 has been spent, and it is not yet completed. They might have meant that the £4,000,000 would be required to complete the project after the first £10,000,000 had been spent. I do not know. In this respect I am not charging the Engineering and Water Supply Department, or those responsible for the estimates, with inefficiency or lack of capacity to protect the community's interests. They have been the victims of something beyond their control—something that was not foreseeable at the time they made their estimates. In other words, they have been the victims of the instability for which the Government is responsible.

Let us look at the Morgan-Whyalla pipeline scheme. It was completed during war years when there were difficulties of supply and transport, at a time when the economic policy of the Chifley Labor Government, following the Curtin Labor Government, had established stability in this country. What was the result? The scheme, which was estimated to cost more than £3,000,000, was completed for £2,540,000. I give that illustration to show how rising costs and instability have inflated the costs of public works, and the terrific impact, if allowed to continue, they must have on the public works programme we are authorizing under these estimates.

During the last seven years there has been no stability whatsoever about the Australian economy because the wrong policies have been followed; and now, although it is obvious that a uniform, nationwide policy of price control (including capital issues and credit control) should be adopted, we have the sorry spectacle of a Commonwealth-State conference at which nothing has been achieved. The people were led to believe that, as a result of that conference, all the economic problems of this country, which are essentially national prob-

lems, would be met on a national level; but to say that the conference was abortive is to put it mildly. As the *Mail* said, it will be "Inflation as usual on Monday".

I shall now deal briefly with a few special items, the first being housing. The Commonwealth Housing Agreement is now altogether different from what it was intended to be when originally introduced by the Chifley Labor Government. The Premier says that fewer rental houses will be built as a result of the new agreement. The reason is that by direction of the Commonwealth a greater proportion of the money available is to be used for building purchase homes. There are a number of aspects associated with this question, but I shall refer only to two now. First, consider the problem which is posed to a contractor building homes. I emphasize the term "contractor" because the Treasurer very adroitly skipped from under when Mr. Quirke asked him a question yesterday about home building finance. If I understood the question correctly, it did not have relation to the finding of money for the purchaser of a home to meet the cost, but to the financing of the normal building activities of contractors until such time as they could sell the home they built and obtain payment. The result of the bank squeeze which is going on in order that the banks can participate in the orgy of profits resulting from the spread of hire purchase is a shortage of money for home building.

Mr. Quirke—Country builders are running out of jobs.

Mr. O'HALLORAN—That is so. Because building activities are in fewer hands the cost of building must inevitably increase—in fact it has already increased in this State as regards one particular type of activity, according to a return furnished to the Federal Parliament last session giving a comparison of costs of war service homes, including the land, in the various States, as indicated by the following figures taken from the War Service Commissioner's annual reports for 1948-49 and 1954-55:—

State.	Average cost, 1948-49	Average cost, 1954-55	Increase, %
	£	£	
New South Wales ..	1,836	3,386	84
Victoria	1,759	3,176	80
Queensland	1,654	3,017	82
South Australia ..	1,617	3,276	102
Western Australia ..	1,750	3,136	78
Tasmania	1,658	3,158	90
Australian Average .	1,712	3,191	86

Mr. Lawn—Where was the increase highest?

Mr. O'HALLORAN—In South Australia, where it was 102 per cent, 16 per cent higher than the Australian average. I suggest that the effect of retarding competition, which must inevitably follow, will be a further increase in the cost of house building in this State. Although we may be prepared to provide additional sums for home purchasers, how on earth are they going to finance the deal? The people who should be assisted to get homes are the young married people and those with young families, but they could not, be they as saving and careful as they liked, save enough to meet the difference between the amount which is being advanced today under existing legislation and the cost of building a home. The people who will benefit are those who are not so deserving—I do not suggest that they are not deserving—as young folk. It will not only make it difficult, if not impossible, for young folk to purchase their homes, but by cutting down on the building of rental homes we will make it more difficult for them to get any type of shelter over their heads. Members will realize that bad housing conditions are responsible for a great percentage of the broken marriages of recent years and also for much of the juvenile delinquency which has assumed such appalling proportions. The Treasurer said:—

A factor which is causing the trust some concern at the moment is the general shortage of funds available to would-be borrowers from banks, building societies and other lending institutions.

That proves up to the hilt the contention raised by Mr. Quirke yesterday and by myself this afternoon. Of the 1,384 houses completed in 1955-56 in the country, 728 were built at Elizabeth, but Elizabeth is only technically outside the metropolitan area. In 1956-57, of the 1,569 houses to be built outside the metropolitan area, 1,184 will be built at Elizabeth. Of the 1,384 houses, 1,065 were built at Elizabeth, Mount Gambier, Port Augusta and Port Pirie—about 77 per cent. This year, 1,420 of a total number of 1,569 will be built at those places—about 90 per cent. I mention these facts to prove that the Treasurer, his Government and his Party, who profess to believe in decentralization, have never given anything but lip service to the principle. The figures reveal that the biggest proportion of the building programme is concentrated in Elizabeth which, after all, is only a northern suburb of Adelaide, and in one or two other larger towns where special circumstances exist. Notwithstanding this, the

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Treasurer spoke at length yesterday about the decentralization of local government.

Mr. Hutchens—It is the funny story of the year.

Mr. O'HALLORAN—There have been a lot of funny stories this year and no doubt there will be many more. The unfortunate feature is that in normal times when people generally are reasonably well off they desire to be amused and they swallow these stories.

Mr. Quirke—Circuses are not new.

Mr. O'HALLORAN—They were initiated by the ancient Romans. I think the Treasurer might be described as a lineal descendant of Nero. We must continue to educate people into having a real pride in their country and a desire for its development, not only in the interests of a few fortunate people who own shares which can be divided and the profits multiplied, but in the interests of the whole community in order to build up in this south land of ours a great bastion for the white race.

I propose now to refer briefly to water and sewer rates. I distinctly recollect the Treasurer saying that his Government did not intend to increase water rates. Those rates were not increased, but the Government increased water charges. There was a reassessment of properties for the purposes of water rating. That would have brought in additional revenue and would have involved the property owners—the ratepayers—in additional charges, but then there was an increase in the cost of water superimposed on that. Rebate water, which used to be sold for 1s. 8d. a thousand gallons was increased to 2s. and excess water was increased from 1s. to 1s. 6d. It does not make much difference to the ratepayer whose new rate is £10 a year when formerly it was £6 whether it is called increased water rates or increased water charges. Sewer rates have also been increased. Mention is made in the Loan Estimates that Gumeracha is to be severed.

Mr. Hutchens—Who lives there?

Mr. O'HALLORAN—As the humorist used to say, "I dunno, my son." It is very peculiar that Gumeracha should be singled out for special attention.

Mr. Quirke—I think it is in the Torrens watershed.

Mr. O'HALLORAN—Yes, but I remind the honourable member that at Peterborough there is an underground water supply—as there is also at Naracoorte—and although we have no sewerage system we have large numbers of

septic tanks discharging effluent into the basin which furnishes the underground supply for the town. No one suggests that the health of the people at Peterborough is in danger. I think there would be less danger in the salubrious atmosphere of the Adelaide hills if a few septic tanks discharged their effluent on to the surrounding vacant paddocks.

Mr. John Clark—It looks as if we need a Premier from Peterborough.

Mr. O'HALLORAN—If we had a Premier from Peterborough all sections of the State would receive excellent service. I have a list showing South Australian towns with a population of 1,000 or more, as disclosed by the 1954 census. Gumeracha is not listed because it has a population of less than 500. No town with a population of 1,000 or more should be without a sewerage scheme, and my list shows that we have 52 towns with that population. I ask leave to have the list included in *Hansard* without being read.

Leave granted.

Town.	Population.
Angaston	2,239
Balaklava	1,525
Barmera	3,070
Berri	4,230
Bordertown	1,847
Bridgewater	1,406
Burra	1,599
Crystal Brook	1,404
Clare	2,203
Cummins	1,015
Eudunda	1,126
Gawler	6,050
Gladstone	1,156
Jamestown	1,877
Kadina	3,238
Kapunda	1,614
Keith	1,126
Lobethal	1,580
Loxton	3,301
Maitland	1,190
Mannum	2,164
Millicent	2,838
Minlaton	1,268
Moonta	2,323
Mount Barker	2,082
Mount Gambier	10,891
Murray Bridge	5,012
Nangwarry	1,159
Naracoorte	4,070
Nuriootpa	1,983
Penola	1,591
Peterborough	3,675
Pinnaroo	1,153
Port Augusta	6,985
Port Lincoln	6,104
Port Pirie	14,818
Quorn	1,813
Renmark	6,078
Riverton	1,002
Salisbury	5,891
Stirling West	1,643
Strathalbyn	1,767

Town.	Population.
Tailem Bend	2,174
Tanunda	1,870
Tumby Bay	1,088
Victor Harbour	2,482
Waikerie	2,265
Walleroo	2,509
Whyalla	8,615
Woodside	1,480
Woomera	2,861
Yorke town	1,104

Mr. O'HALLORAN—I do not want members, least of all the Premier who represents Gumeracha, to think that I am opposed to that town having a sewerage scheme. I am delighted to know that it is to get one but I would like to know that some of the larger towns are nearer getting a scheme than we at present believe. I was pleased to learn the strides being made by the Forestry Department. Of course, that is part of a policy adopted by the Liberal and Country League many years ago, but it does not deter me from admiring what has been done. Great things have been accomplished and more will be accomplished in future. I wonder whether sufficient thought has been given to the establishment of saw mills. I am not an authority on this matter but I wonder whether it would not be better to establish more mills on a zoning basis rather than establish a few large mills. I am thinking of having the mills nearer where the timber is grown, because heavy timber loads do much damage to the lightly constructed roads that we have in the South-East. It may be more economical to zone the mills rather than cart the heavy logs over long distances on lightly constructed roads. From the Treasurer's figures the average cost of a forest house at present is £2,560. I have seen some of these excellent houses and they compare favourably with houses erected by other building authorities. There are two reasons for their cheapness: one is the cheap land, the other is the cheaper raw material. Years ago I advocated putting in saw mills and milling tempered boards for houses rather than importing costly prefabricated houses. My remarks were not heeded and I regret that, because we could have kept down the cost of housing for a large number of worthy people in our midst.

I turn now to railway expenditure. There has been much argument between the Commonwealth railway authorities and the people living along the northern narrow gauge line about the service they are to get. They are entitled to some service but I will not dwell on that matter this afternoon because it is outside the scope of the Loan Estimates. It

is proposed to spend £1,830,000 on rolling stock, but of that amount only £30,000 is to be spent on narrow gauge rolling stock. The Peterborough division of the narrow gauge system is important and is a profitable unit for the railways. It has been said repeatedly that it practically carries the rest of the railway system on its back. Many tons of concentrates are carried from Cockburn to Port Pirie at a comparatively high freight rate, which means a worthwhile contribution to railway revenue. The Eyre Peninsula division is also important because it carries much cereal to the seaport. My point is that most of the money is to be spent on broad gauge rolling stock. The Minister of Agriculture has complained about the poor type of rolling stock in his area and I now complain about the poor type in my area. According to reliable information I have received from people at Terowie, who are associated with the transshipment, the cartage of goods between Adelaide and Broken Hill via Terowie has diminished considerably in recent months. It has diminished to such an extent that whereas in July last year 42 men were employed and working much overtime on transshipping only 18 are employed today and not even full time. Some loss of traffic is due to the opening of the new broad gauge line from Stirling North to Telford, but not much because these transshippers were never employed handling coal traffic. The Terowie Progress Association, comprising mainly business people, has informed me that the railway is losing a considerable amount of freight because of the shortage of narrow gauge trucks. Broken Hill people are unwilling to wait a week or so when they can have their goods carted speedily over roads without let or hindrance. This is having two effects: the loss of railway revenue and the destruction of the lightly constructed road between Ucolta and the New South Wales border.

Of course, someone will say we should not spend money on narrow gauge rolling stock because the line is to be converted to broad gauge. True, it will be converted some day, but I fear that day is more distant than many people think. In the meantime what is wrong with building rolling stock capable of conversion? The Commonwealth Government built a number of 30-ton freight cars for the narrow gauge line and these were converted almost over-night to broad gauge requirements and now run on the line between the Port Augusta powerhouse and Telford.

If there is one railway line in this State which should be seriously considered for dieselization it is the narrow gauge line in the north because in normal dry seasons the shortage of water impedes the use of steam locomotives, and it is there that the great advantage of dieselization would manifest itself. Yet there is no suggestion that we should purchase diesel engines for use on that line. I am not happy about all the expenditure on broad gauge rolling stock when so little is being spent on the important narrow gauge lines which are at present suffering from a shortage of rollingstock.

I am not happy about the development we are getting as a result of the expenditure in the Loan Estimates because the type of development which is the surest and ultimately the most profitable and lasting is the development of the land by the settling of people in family maintenance areas where production can be increased as a result. What do we find in the Loan Estimates concerning land settlement? The sum of £5,000 is provided for closer settlement and £50,000 for the purchase and development of land for settlement under the Crown Lands Development Act, the latter sum to be spent on bringing some poor types of Crown Lands into production by clearing, fertilizing, etc. Only £55,000 out of a total of £28,000,000 is to be spent on land settlement. That is not enough. What is going on today? Down the street onions are selling at 2s. lb., and I do not know the current prices of potatoes.

Mr. Frank Walsh—In Brisbane yesterday they brought £173 a ton.

Mr. O'HALLORAN—Yes, and that will be reflected in our price. In recent years the area of land under potatoes in South Australia has been reduced by half; 12,000 acres was once under cultivation but now, despite our ever-increasing population, only 6,000 acres is used for growing potatoes. Isn't that an argument for the closer settlement of land suitable for potato growing? My policy would be to acquire the land on just terms from existing owners and let it to people prepared to grow potatoes for the South Australian market. That would be a sound economic policy resulting in the settlement of many people on the land and the alleviation of one of the most serious items of pressure on the cost of living spiral. I commend the Treasurer and his Government for the development of two socialistic projects: the Electricity Trust with its coalfield at Leigh Creek and powerhouse at

Port Augusta, and Radium Hill with its local treatment plant and associated treatment plant at Port Pirie.

Mr. Jennings—Private enterprise!

Mr. O'HALLORAN—No, undiluted community enterprise in which the Labor Party believes. I recently visited those fields and was pleased with the efforts of the young men who have grown up with the undertakings and now occupy responsible executive positions. They are full of enthusiasm and exude confidence, and in their hands I have no doubt about the future of the undertakings, which are the type of undertaking in which members on this side believe. Labor believes there is a half-way house between monopoly capitalism with all its evils and Communism with its greater evils. That half-way house is democratic socialism, and members on this side stand firm-footed in favour of it.

Mr. HAMBOUR (Light)—This afternoon was the first time I have heard the Leader of the Opposition throughout one of his speeches and I congratulate him, for he was both easy to listen to and sincere in all he said. He covered every subject from a luscious piece of cake to sewerage. He was very kind to the Treasurer; early in his speech he eulogized his leadership and his Government.

Mr. Lawn—You should wait until the Treasurer comes back and he will give you a pat on the back. You are trying to square him off for what you said a few weeks ago.

Mr. HAMBOUR—I am not looking for pats or the back. I repeat my admiration of him. The Leader spoke about complete socialization.

Mr. O'Halloran—I did not mention complete socialization, but socialism, which is a vastly different thing.

Mr. HAMBOUR—I believe there is some good in almost everybody and that there is some little good in the aggregate in the members of the Opposition. If that is so I will be a party to using it, which I think makes for good government. Surely members opposite would not like anyone to think they have no good in them. If the Premier used any socialism in his policies, principles or application, then I think it will be accepted by all members of the House if it is good. The Leader said that Socialism is his Party's complete province and that the Treasurer should not intrude on that section of his Party's policy.

Mr. Lawn—He did not say that.

Mr. HAMBOUR—Members will find it in *Hansard*. The honourable member sometimes gets very confused. Once, when reading a speech, he credited it to the wrong member. The Leader went on to complain about borrowing and indebtedness. I believe borrowing is perfectly sound and need have no limits provided it is properly invested, and also that this Government is investing its money wisely and well. On the one hand he complains about the amount of our indebtedness but later complains about the insufficiency of money for certain purposes. I looked at the list provided in these Estimates and could not find one item on which members opposite will not seek more money. We cannot restrict borrowing and at the same time have more money available for loan expenditure.

Let us take probably the most significant item, housing. Nobody denies that houses are wanted. I do not think any member will criticize any lines except to maintain that some are insufficient, so how the Leader can criticize borrowing on either local or foreign markets I cannot understand. Perhaps he feels justified in criticising overseas loans, but that criticism can only be levelled if the money is unwisely spent. I believe that any borrowed moneys well spent will pay good dividends. This country definitely needs development, and to have development it must have money. I would prefer to see the money borrowed rather than have our economy inflated because of the issue of credit.

Mr. Davis—How much money is spent in the country to develop it? It is all spent in the metropolitan area.

Mr. HAMBOUR—The honourable member would like me to open a tirade against the metropolitan area.

Mr. Davis—I would not.

Mr. HAMBOUR—I have no illusions about where I stand in politics. I am a country member and am here to represent my constituents. The honourable member for Port Pirie comes from a half-breed locality—he has a little metropolitan area in the middle north. I can see his viewpoint, and can sympathize with it.

Mr. Davis—I sympathize with country people.

Mr. HAMBOUR—I accept your sympathy. The Leader made a great play on lend-lease undertakings, but forgot to mention that we repaid our portion with foods and equipment which could be produced in Australia. However, today foreign countries do not need these things because they are capable of

producing them. If members analyse lend-lease they will find that all the payments were to be made in America, which does not require these things, so we have no hope of settling any debts by giving them back what they then took.

The Leader spent so much time criticizing the Federal Government that it amounted to a compliment to this Government. Although each member possibly has an item that does not satisfy him, it is perfectly clear that the Opposition will find it difficult to criticize the apportionment of loan moneys. If any member wishes to pay this Government a compliment, he has only to continue the Leader's criticism of the Federal Government.

The Leader mentioned that foreign loans were used for the purchase of equipment that could be made here. I disagree with that. I think that the loans taken up with the International Bank are used specifically for items we cannot produce and for which we cannot find overseas funds to purchase. Then the Leader of the Opposition went on to ridicule private enterprise. He said that private enterprise would not perform any function unless it got a profit, but that does not apply only to private enterprise. Would not members opposite expect the same? If they criticized excessive profits they might have a case occasionally, but it is not fair for them to say that private enterprise will not carry out any function without a profit. We all owe the essence of our being to our personal efforts. I am sure Labor supporters would not work unless they got some profit from their labours.

Mr. Riches—There are so many things that private enterprise cannot do adequately, such as the provision of housing.

Mr. HAMBOUR—That is true, and that is where the Government must step in and serve the people. The Leader of the Opposition also said that price control had failed, so I presume that when the Prices Bill comes on again next week members opposite will vote against it.

Mr. Dunstan—The Leader said that price control fails if it is not supported by all States.

Mr. HAMBOUR—Yes, but it is not supported by all States, and Mr. Bolte, the Premier of Victoria, has no intention of controlling prices. Therefore, it must fail, according to the Leader of the Opposition. How can we have more homes unless we have the necessary finance? The member for Burra (Mr. Quirke) raised the question of

financing contractors, but he should know only too well that a house builder can get all the necessary finance from the man for whom he is building. Progress payments are made as a house is being built.

Mr. Quirke—Where can the house owner get the money?

Mr. HAMBOUR—That is what I wanted the honourable member to say. Previously he asked where the house owner could get the money, but afterwards he asked where the contractor could get the money. A certain amount of money is provided for building houses, but it is insufficient. We want more money for houses so we must borrow more. Therefore, I hope members opposite will support any move to borrow more for house building. What I now have to say may offend many people outside the House as well as some members, namely, that it is most unfortunate that many young people who should be buying homes prefer to buy motor cars. Few of them can afford both. A motor car costs as much as a deposit on a home, and I would like a census taken of the number of people who have no equity in their home, but who own a motor car. Any person who feels justified in putting his life savings into the purchase of a motor car should not qualify for Government assistance for the purchase of a home. I realize that many motor cars are used for commercial purposes, but people cannot expect to own a motor car for pleasure and also have Government assistance to purchase a home.

Mr. Lawn—Don't you think anyone should have a motor car until he has purchased a house?

Mr. HAMBOUR—A man should not buy a motor car until he has at least some equity in a home.

Mr. Riches—Do you mean that school teachers, for instance, should not own motor cars?

Mr. HAMBOUR—The honourable member is picking out isolated cases. Of course, few bank managers own a home, but I am speaking of a person who owns a motor car and squeals to members of Parliament because he cannot get Government assistance to purchase a home. The Government must be given credit for finding the assistance it has, and unless people help themselves they should not get Government help. An adequate water supply is vital to my district. Water is a cheap commodity and I am sure that South Australians are happy to pay the price they have to pay for it. Many people would be

glad to pay double the price if they could get it. All members opposite are very conveniently situated as far as water supplies are concerned. They are not concerned about the people who have no supply, but with the price they have to pay for their assured supply. The railways have been blasted right and left for their inefficiency and deficits, but I must praise the department for its new diesel railcars.

Mr. Frank Walsh—Is one running on the Eudunda line yet?

Mr. HAMBOUR—Yes, and it is most comfortable, and I assure the Railways Commissioner and the Government that the people are happy to have it. I hope that many other country lines will have a similar service soon.

Mr. Davis—You are one of the favoured few.

Mr. HAMBOUR—The honourable member and his cohorts have been complaining about the high price of potatoes. I suggest that members give a lead and show people how to grow potatoes in order to help balance their budgets. I am a very amateur gardener, but potatoes are one thing I can grow successfully.

I want to offer one or two criticisms of my own. I am very concerned about an answer I received from the Premier this week on the question of machinery loans, which have been the basis upon which councils have been able to continue their work in the improvement of South Australian roads. If that policy is to be discontinued and councils have to finance the purchase of plant within their revenue, I am afraid the efficiency of their work is going to deteriorate considerably. I would also suggest that the Government consider the sealing of roads. Much money is spent on repairing the base, whereas a permanent surface to a road could be put down for very little extra cost—I think about £700 a 16 foot-mile for the necessary material, and the extra cost of cartage and the labour involved would not be great. However, I will have an opportunity later to speak on specific items, and will content myself now with congratulating the Government on its Loan Estimates.

Mr. HUTCHENS (Hindmarsh)—I listened to the Premier and the Leader of the Opposition with interest. My knowledge of the ramifications of national and State finances is limited, but the economic position which exists today prompts me to make some observations in regard to the Loan Estimates and the economic position in general. I know that the usual thing is to make some overall observations and then deal with specific items at a later

stage. However, there is one line on the Loan Estimates which I would like to deal with now, and that is in connection with the Leigh Creek coalfield. Members of this Parliament were recently taken on a very good educational visit to the Port Augusta powerhouse, the Leigh Creek coalfield, and Whyalla. I admit that there was not sufficient time to make a full and proper observation of the Port Augusta powerhouse or to study the proposals in hand for a second powerhouse. However, I feel that all members must have been amazed to learn of the benefit that will accrue from the completion of the second powerhouse at Port Augusta. We were supplied with brochures and were shown practically every detail of the Leigh Creek field. I feel that members who were paying their second or third visit were surprised and pleased at the progress made.

We were all interested in the type of machinery that is being used to carry out the necessary work at Leigh Creek, but I regretfully come to the conclusion that the most important factor associated with the field went without notice. I feel that we who enjoy the advantages that accrue from the operation of Leigh Creek should be grateful to the splendid band of workers in that area. I do not intend to make any class distinction whatsoever, because I feel that in the field manager, Mr. Robin, we have a man of very great capabilities, allied to which is a great understanding of the employees under his control. It was gratifying to know that there are other people at the Leigh Creek coalfield who are making the best endeavours to see that the town has all possible facilities, and that a spirit of understanding exists between the department and the workers in this town. I refer to the great efforts made by Mr. J. Keane, a representative of the workers. He is associated with a Mr. Mowbray, who is interested in the Trades and Labour Council of that area. They work together with one idea in mind, and that is that the greatest understanding should exist between all sections of the field. I feel that we should acknowledge that the people of Leigh Creek are civic-minded and are leaving nothing undone to make the town as good as it can be. In that respect I wish to acknowledge the great work that has been done by a Mr. M. Keane, supported to a great extent by the R.S.L. in that area under the leadership of their president, Mr. Faddy. I want to say again that I deeply appreciate what these people are doing. They display a willingness to serve the State to the best of their ability, sometimes without any return at all.

The Leader of the Opposition, in addressing himself to the first line, opened by saying that on this occasion the Treasurer had gone to no end of trouble to explain to the House the Loan Estimates and the allocation of funds. There were one or two things that were made very clear, and they were to the effect that there was less money available and that the works programmes of previous years could not be carried out. I feel that the Treasurer's speech and events of the immediate past have established very clearly that the Liberal and Country Parties of this country have been somewhat dishonest, to a degree disloyal, and are now disabled. I say that the Commonwealth Constitution is obsolete and an obstruction to national progress. The present Constitution is kept without amendments by playing on the simple thinking of petty parochialism, and the system is retained in its present form in order that the Liberal and Country Party Governments may have periodical reigns in the Federal and State Parliaments of this country so that conservative capitalism may be retained. It is time people realized that the Federal Government should possess greater powers.

Mr. Jennings—Sovereign powers?

Mr. HUTCHENS—Yes.

Mr. Brookman—Would you do away with State Parliaments?

Mr. HUTCHENS—I will answer that later. Under existing circumstances the Federal and State Governments can indulge in buck passing, which is to the national detriment, and glamour chasing and globe trotting Party coalitionists can enjoy the privilege of occupying the Treasury Benches of this great nation. I ask leave to continue my remarks.

Leave granted.

Progress reported; Committee to sit again.

UNIVERSITY OF ADELAIDE COUNCIL.

The Hon. T. PLAYFORD (Premier and Treasurer) moved—

That three members of the House be appointed, by ballot, to the Council of the University of Adelaide, as provided by the University of Adelaide Act, 1935-1950.

Motion carried.

A ballot having been held, Messrs. Geoffrey Clarke, Dunstan, and Laucke were declared elected.

ADJOURNMENT.

At 4.52 p.m. the House adjourned until Tuesday, August 28, at 2 p.m.