

HOUSE OF ASSEMBLY.

Tuesday, September 18, 1956.

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

QUESTIONS.**MURRAY RIVER FLOOD RELIEF.**

Mr. O'HALLORAN—Has the Treasurer forwarded a case to the Commonwealth Government for financial assistance to repair damage caused by the disastrous Murray flood? If not, when is it likely to be forwarded, and what is the amount of the claim?

The Hon. T. PLAYFORD—Considerable difficulty has been experienced in getting the actual figures of the losses because the flood has been so widespread and until recently further damage was being caused every day because the river was still rising in many places. We have not yet made a full submission to the Commonwealth Government, but a preliminary submission was made some time ago on the question of hardship, and the Commonwealth replied that it was prepared to deal with hardship cases on a fifty-fifty basis. We hope that the claim being prepared will be ready for forwarding to the Prime Minister this week. Sir Kingsley Paine has been on the river making investigations, and I think he is still there. We have also had investigations made by departmental officers, and we have tried to make a general assessment of damage through the Treasury officer who has been assisting in connection with the actual work of combating the floods.

Mr. BYWATERS—Can the Premier say what the cost of administering flood relief will be and whether it will come out of the Lord Mayor's Flood Relief Appeal Fund?

The Hon. T. PLAYFORD—The practice in previous relief schemes was for the Government to meet the cost of Government officers engaged in their administration. It has not been charged to a scheme. On previous occasions we have received voluntary assistance from local committees and local governing bodies, and I assume we will receive their co-operation now. No charge will be made against this fund for administration work undertaken by Government officers.

Mr. KING—Will the Treasurer give the same financial assistance to private irrigationists and authorities, such as the Renmark Irrigation Trust, as to Government pumping stations on the Murray so as to enable them to

resume operations where pumping has been interfered with by the flood?

The Hon. T. PLAYFORD—Of course, the Government has an absolute responsibility to re-establish Government pumping stations because they are Government property and the settlers in those areas have been settled by the Government, but we have no legal responsibility regarding private irrigation settlements. However, I assure the honourable member that we will do our utmost with the funds available to give every assistance that is practicable and fair and reasonable. I do not know how much money will be available from the Commonwealth Government to assist in this matter, but just as we have tried to prevent damage to private property the general policy will be to give the most practical assistance possible to private swamps. However, we have not the same legal requirements regarding private swamps as we have with Government swamps. It is not fair and reasonable that the Government should take the whole of the responsibility for the flood: it is not exactly a Government flood; but we will give practical assistance wherever possible.

Mr. KING—Can the Premier indicate what assistance may be expected by councils in the Murray River flood areas—for instance, the Renmark Irrigation Trust and the Renmark Corporation—to de-water their areas, reconstruct roads and restore sanitation? They are afraid that the longer the work is deferred the longer it will take to rehabilitate their districts. Will the Premier consider setting up a committee, or extending the powers of established committees, to investigate the financial and practical difficulties associated with these problems?

The Hon. T. PLAYFORD—This question comes back to a matter of finance. The amount at present available is about £210,000 from the Lord Mayor's Fund—excluding the Government's £50,000 donation—and £300,000 already provided by the Government. Later this afternoon I propose to submit Estimates including a further £500,000. In addition the Commonwealth has promised an unspecified amount to meet cases of hardship. This will be contributed on a fifty-fifty basis with the State. The Government has to submit a case in respect of finance for rehabilitation purposes and we do not know what we will get from the Commonwealth. The first priority for assistance must be for cases of hardship: the second, for rehabilitation purposes—and I point out that generous consideration will

be given to private swamps as well as Government swamps—and the third for the restoration of amenities. In some instances the restoration of amenities will have to be delayed because of the financial implications involved. I have stretched the Budget to the absolute limit to try to meet the exigencies of the flood, as members will see when we consider the Budget presently.

METROPOLITAN AREA DEVELOPMENT.

Mr. MILLHOUSE—Last year Parliament amended the Town Planning Act and a section was inserted providing for the preparation of a development plan for the metropolitan area. Can the Premier say whether a town planning committee has been appointed, and what progress has been made in the preparation of the development plan?

The Hon. T. PLAYFORD—The committee has been appointed, but I do not know how far the plan has progressed. I will make inquiries and let the honourable member know.

ADVANCES FOR HOMES.

Mr. FRANK WALSH—Today's *Advertiser* reports that the Bank of New South Wales is increasing its advances on homes from £350,000 to £550,000 a month. Can the Treasurer say whether that increase applies only to New South Wales, or can South Australia expect to participate?

The Hon. T. PLAYFORD—I have no direct information on the matter, but I heard an announcement broadcast that the bank was increasing its advances to the extent the honourable member mentioned. I presume this will not apply to South Australia because the Savings Bank that has been established by the Bank of New South Wales is not operating in this State, but I will make inquiries and advise the honourable member.

FREEZING WORKS IN SOUTH-EAST.

Mr. HARDING—What progress has been made in negotiations to have slaughtering and freezing works established in the South-East?

The Hon. T. PLAYFORD—The negotiations have not proceeded satisfactorily from the Government's point of view. When the Noarlunga Meat Company's case arose the firm that was interested in establishing works in the South-East became rather less interested. I believe it had an idea that it would be a good thing to establish in the metropolitan area instead of in the Mt. Gambier area, but that is only surmise. Now that the Noarlunga Meat Company's case has been settled I believe

the State is in a fairly strong position to require decentralization. Mr. Rice has been making investigations at Wallaroo and has issued a report which I can make available to the member for the district, but I will now ask Mr. Rice to investigate the position in the South-East and advise the Government of it.

POTATO SUPPLIES.

Mr. TAPPING—Has the Minister of Agriculture a reply to the question I asked on September 5th about the Western Australian Government's legislation to regulate the export of potatoes to South Australia and the eastern States?

The Hon. G. G. PEARSON—I have received the following report on this matter:—

Inquiries have been made regarding proposed steps by the Western Australian Government to prevent depletion of their potato supplies through export to the eastern States. There is no indication at this stage as to the type of legislation proposed, but it is understood it will provide for the acquisition of potatoes at the time of digging. Furthermore, the present Potato Marketing Act in Western Australia provides for the licensing of potato acreages and it may be that irregular exports on the part of growers could be prevented by threatening offenders with deprivation of licences to plant in the ensuing season. The limited supplies of Western Australian potatoes, secured by the South Australian Board's distributors over the past month or so, have now dried up entirely. However, odd free-lance transport entries have been made in recent weeks outside of the Western Australian Board's control. The first regular relief from Western Australia will come about the end of October when the board anticipates arranging through its distributors regular entries of the Western Australian new season's harvest.

TENNYSON BRIDGE.

Mr. COUMBE—Will the Minister of Education ascertain from the Minister of Roads when the Tennyson Bridge across the River Torrens at Walkerville is likely to be completed, and whether the delay has been due to materials being diverted to assist in flood relief work or to other causes?

The Hon. B. PATTINSON—I shall be pleased to take up the matter with my colleague.

NEW ADELAIDE OVAL.

Mr. DUNSTAN—Can the Premier indicate how far negotiations have proceeded for the transfer of land from the Walkerville district to the St. Peters district for the purpose of establishing an oval on the bank of the River Torrens? In view of the fact that the coming Empire Games are to be held in Adelaide, has

the Government considered providing assistance to this project of developing an oval close to the metropolitan area, and, if not, will it do so?

The Hon. T. PLAYFORD—As to the first question, the Minister of Local Government has been considering this matter and has discussed it on a Treasury level with me on a couple of occasions and is preparing a report for Cabinet. As to the second question, the Adelaide City Council is the inviting authority for the Empire Games and from a conversation I had with the Town Clerk this morning I know that it is now actively taking up the question of establishing an oval suitable for the Games. The Town Clerk pointed out that whilst the Adelaide Oval is suitable for many fixtures, many of the installations required for the Empire Games must be of a permanent nature and the council, therefore, believes it is necessary to establish a second oval. That matter is being investigated by the Lord Mayor and his councillors, who in due course will prepare a statement for the Government concerning what alterations, if any, of the law are desirable, together with the plan they propose to put into operation.

Mr. Lawn—Hands off the parklands!

The Hon. T. PLAYFORD—I have no knowledge of what proposals will be advanced, but no doubt the Lord Mayor will consider all interests before he makes a request to the Government for support. When it comes before Parliament it will no doubt receive full consideration.

CADELL PRISON FARM.

Mr. HAMBOUR—On May 9 I asked the Minister of Works a question concerning work on the proposed Cadell Prison Farm. I realize he has been on the sick list for some time, but will another Minister obtain a reply to that question?

The Hon. T. PLAYFORD—Yes.

PORT PIRIE LOCOMOTIVE SHED DRAIN.

Mr. DAVIS—A drain runs from the locomotive sheds at Port Pirie into the harbour. For a number of months a quantity of oil has been coming down that drain. I have inspected the drain, as have the council health inspector and engineer, and believe that the oil is coming from the locomotive sheds. The drain enters the harbour where fishing boats unload and is damaging the boats as well as making the water unpleasant where the fish are washed. Will the Minister representing the Minister of Railways request that a full investigation be made with a view to eliminating this nuisance?

The Hon. B. PATTINSON—Yes.

QUALITY OF F.A.Q. WHEAT.

Mr. LAUCKE—In this morning's *Advertiser* the Chief Agricultural Adviser, Mr. A. J. K. Walker, made a timely reference to the fact that f.a.q. wheat for the 1955-56 harvest had shown a marked decrease in baking quality compared with previous seasons. The importance of this announcement lies in the fact that whilst the protein content of the standard sample was 10.7 per cent and quite up to the average for the past 20 seasons quantitatively, the vital correlation between amount of protein and quality of protein was not present, due to the increased production of Insignia and similarly poor quality varieties, which in standard f.a.q. has had the depressing effect on overall average quality. With the rapidly developing quality consciousness of overseas buyers of wheat and flour—many of whom are specifying minimum protein figures of a given protein quality—our important flour markets in the United Kingdom, Ceylon, Indonesia, Malaya and Mauritius may be affected. Will the Minister of Agriculture give consideration to the inauguration of a campaign to encourage the seeding of approved quality varieties in areas where these will yield approximately as many bushels per acre as the notoriously weak flour varieties?

The Hon. G. G. PEARSON—The question of quality of wheat and its segregation according to the quality and marketing according to grade has been a vexed one and has been discussed at various levels, particularly in recent years. The honourable member pointed to a problem when he said that not only is the quantity of the protein in wheat of importance, but also the quality of the protein; it is perhaps of even greater importance. Those people who visited the Adelaide Show recently and saw the wheat exhibits there, and the accompanying graph produced by the farinograph, which indicates the quality of the protein, must have been extremely interested. The general policy in connection with wheat quality is difficult because it is almost impossible to offer a sufficient premium inducement to growers to grow high quality wheat of poor yielding capacity as against the better commercial types of wheat, which, although not so good in quality, produce a much heavier yield. As a general matter of policy I feel that the objective of the department is to inspire the elimination of the poorer quality varieties as better varieties are available from time to time from breeders to replace them. A somewhat similar method is used in the culling of sheep. In this way we can gradually

improve the general f.a.q. standard of wheat. That is the policy that the department is at present pursuing. The protein varies according to the variety of the wheat, the area in which it is grown and the season in which it is grown.

Mr. Quirke—And the fertility level of the soil.

The Hon. G. G. PEARSON—That is another factor. It is not easy to lay down a definite policy in regard to segregation or the purchase of wheat according to type or grade, because the actual protein content in the wheat can be ascertained only by a careful chemical analysis, and the quality of the protein can be ascertained only after baking tests, and that is impracticable from the point of view of segregating wheat at the tail of the grower's wagon. I feel that an improvement of the f.a.q. standard can be and is being effected over the years by the gradual displacement of less useful varieties by those which yield as much and produce a better quality protein.

COUNTRY SEWERAGE.

Mr. QUIRKE—Has the Premier a reply to the question I asked on August 28 regarding deep drainage for Jamestown and Clare?

The Hon. T. PLAYFORD—The Engineer-in-Chief reports that, although Clare and Jamestown are listed for investigation and preparation of sewerage schemes, due to pressure of work on other schemes considered to be of a higher priority it has not yet been possible to carry out the necessary investigation.

KARKOO-MOUNT ISABELLA PIPELINE.

Mr. BOCKELBERG—Has the Minister representing the Acting Minister of Works a reply to the question I asked on September 4th about the reticulation of water from Karkoo to Mount Isabella?

The Hon. R. PATTINSON—The Acting Minister of Works has supplied me with the following reply:—

This is a request for extension of the main from the Tod River trunk main at Karkoo, easterly into the Hundreds of Shannon and Brooker as far as section 36, Hundred of Brooker. The proposal would involve the laying of over 11 miles of main, at an estimated cost of £62,000 (1955 estimate). The Engineer in Chief states that this main would have to carry high pressures, necessitating the use of cast-iron pipes. A recent examination showed, however, that it would be possible to use the cheaper cement-asbestos pipes for at

least portion of the length of main involved. On this basis, the estimated cost could be reduced to £40,900. In view thereof, the financial aspects of the extension will be re-examined and the request will then be considered by Cabinet in conjunction with other extensions sought in the Tod River and other areas.

AMENDMENT OF SCAFFOLDING INSPECTION ACT.

Mr. LAWN—Has the Premier a reply to the question I asked on September 4 regarding an amendment of the Scaffolding Inspection Act?

The Hon. T. PLAYFORD—I have received the following report from the Minister in charge of the department:—

It is considered that the Scaffolding Inspection Act is adequate for its purpose, which is to ensure that scaffolding is strong and safe. The Act contains adequate provision to ensure that notice is given to an inspector of the proposed erection of scaffolding, and inspectors have wide powers of inspection and of giving directions necessary to prevent accidents and ensure that scaffolding complies with the regulations. No amendment to the Act is considered necessary.

Mr. LAWN—The Act provides that if scaffolding is erected certain things must be done, but it does not say that it is necessary to erect scaffolding. There have been accidents this year on buildings where there was no scaffolding, and if scaffolding had been erected many of them would not have occurred. Will the Government consider amending the Act to make it necessary for scaffolding to be used if a building is to be erected above a certain height?

The Hon. T. PLAYFORD—I understand that the Scaffolding Act does not apply to certain areas in the country, but I believe that what the honourable member has in mind is that in certain instances city buildings that are being constructed overshadow the pavement and that this creates danger to pedestrians.

Mr. Lawn—No, to the workmen.

The Hon. T. PLAYFORD—There is no need for any further amendments to the Act because the administration has all the powers it requires in the metropolitan area.

Mr. Lawn—That applies only as regards inspections. If scaffolding has not been erected the Act does not apply.

The Hon. T. PLAYFORD—I understand that the erection of scaffolding is necessary for certain classes of work specified in the Act, but I will make inquiries for the honourable member.

NIGHT WORK BY WATERWORKS STAFF.

Mr. JENNINGS—Has the Minister representing the Minister of Works any further information following on the several questions I have asked about complaints of the noise of machinery used at night in cement-lining water mains along the Main North-East Road?

The Hon. B. PATTINSON—I have a further reply from my colleague, in which he states:—

Measures tried by the contractors, Cement Linings Pty. Ltd. to lessen the noise made by the engine driving an electric generator were not successful. In consequence, the manager of the company flew to Adelaide from Sydney and met the Engineer for Water Supply and the company's South Australian representative on the site. As a result, the company airfreighted a special silencer from Sydney. This silencer, which was installed on August 31, proved very effective. The Engineer for Water Supply states:

"I visited two homes in the street at the point where the machine was operating and in each case little complaint could be made of the noise inside any of the rooms of the houses. Since the silencer has been operating, I have not heard of any further complaints."

I hope that the honourable member will not hear any either.

TOWN PLANNER.

Mr. DUNNAGE—I understand that applications have been called for the position of Town Planner. Can the Premier say whether they have been considered and, if so, when an appointment will be made?

The Hon. T. PLAYFORD—I cannot give the date of appointment, but I will inquire and advise the honourable member later.

FISHING HAVEN FOR SOUTH END.

Mr. CORCORAN—Has the Minister of Agriculture a reply to my question of September 4 concerning the probable date of commencement of work on the proposed fishing haven at South End, Rivoli Bay?

The Hon. G. G. PEARSON—As indicated earlier, the money for the fishing haven is from a fund provided to me for that purpose and the work is done by the Harbours Board. I therefore obtained a report from the General Manager of the board (Mr. H. C. Meyer) who states:—

The first work to be undertaken in connection with the construction of the jetty at South End will be the excavation of the cliffs—about 30ft. high—and the cutting of an approach, and this work can be commenced early in October.

NORTHERN ROADS.

Mr. O'HALLORAN—Has the Minister of Education, representing the Minister of Roads, a reply to my recent question concerning possible additional grants to councils in northern areas for the purpose of repairing the damage done to roads during the recent wet winter?

The Hon. B. PATTINSON—Through my colleague I have received the following report from the Commissioner of Highways:—

It is realized that all roads have suffered excessive wear due to the exceptionally wet winter but the most serious are those affected by the River Murray floods. It is not possible to make an accurate assessment until the waters have subsided. The matter is continually under review but it is evident that greatly increased funds will be necessary in order to restore all these roads to their original condition. Funds at present available to this department will not be sufficient to deal with this additional work.

SCHOOL TRANSPORT SERVICES.

Mr. HAMBOUR—Has the Minister of Education a report on the activities of private bus owners transporting school children?

The Hon. B. PATTINSON—No. I think the honourable member is referring to a much larger and more comprehensive report on school transport generally, embracing Government buses, subsidized services, and services operated by independent contractors. Last year I appointed a committee comprising Mr. Poole (an engineer in the Engineering and Water Supply Department), Mr. Jackman (Chief Engineer in the Highways and Local Government Department), and an Officer of the Department of Industry. They have made extensive inquiries in this State and other States, and the chairman (Mr. Poole) was about to prepare his report a couple of months ago when his services were demanded as engineer in charge of flooded areas along the Lower Murray River, and that has delayed the report. I am just as anxious as the honourable member to receive and read it, and I shall inquire further when the chairman will be able to resume his normal activities.

HOSPITAL CHARGES.

Mr. TAPPING—Has the Treasurer a reply to my question of September 4 concerning Government policy on charges to be made on Government hospital patients that are chronic sufferers and therefore unable to become members of a medical association?

The Hon. T. PLAYFORD—In the administration of charges at public hospitals careful

consideration will be given to all cases of hardship, but the mere fact that a person is not a member of a hospital benefit scheme—whatever the reason—will not automatically relieve him of the obligation to pay if he is in a position to pay. I assure the honourable member, however, that all cases will be dealt with sympathetically.

EMERGENCY HOUSING.

Mr. DUNSTAN—I have found in my district recently that the housing shortage has become more acute than I have ever known it, and I believe that is the experience of metropolitan members generally. I have advised many of my constituents that have found themselves in great difficulty to apply to the Housing Trust for emergency housing, but several of them have informed me recently that the trust has refused them application forms for emergency housing. Can the Treasurer say whether it is the policy of the trust, in view of the long lag in coping with emergency housing applications, not to take any more applications at the moment? If not, on what basis are people given application forms?

The Hon. T. PLAYFORD—The recent census does not support the statement that the housing shortage has become more acute in the older-settled portions of the metropolitan area; rather it shows that many people—in some districts as many as 3,000—have moved out from the centre of the metropolitan area to the more outlying new housing areas. I do not know why application forms for emergency housing were not available, but I will make inquiries and let the honourable member know. Whether or not there was a waiting list, I would have thought every person would have the right to apply.

MARALINGA ATOMIC TESTS.

Mr. LOVEDAY—In view of the continued delay in the atomic tests at Maralinga, will the Premier ascertain from the Commonwealth Government whether there is any danger from radio-active fall-out to occupied areas and what might be the genetic consequences?

The Hon. T. PLAYFORD—A number of public statements have been made in the Commonwealth Parliament, and the Commonwealth Government gave an absolute assurance that no explosions will take place unless the conditions render them absolutely safe for the civil population. A special committee was appointed in connection with this matter and I have no doubt that it will insist on, and the defence

authorities readily comply with, the safety requirements. I have no apprehension at all on this matter.

COUNTRY RAIL CARS.

Mr. HEASLIP—Can the Treasurer reply to the question I raised when speaking on the Loan Estimates about the vote for diesel mechanical railcars, and can he say whether any of them will be placed on the Adelaide to Wilmington line?

The Hon. T. PLAYFORD—The Railways Commissioner reports that it is intended to place these railcars on the Adelaide-Gladstone run when sufficient cars are available.

PETERBOROUGH SEWERAGE SCHEME.

Mr. O'HALLORAN—I understand that some years ago preliminary surveys were made for a sewerage scheme for Peterborough, but that the matter was not proceeded with because the town's water supply was not adequate for a sewerage scheme. Now that steps are being taken to improve the water supply will the Minister representing the Minister of Works ascertain what stage was reached with the previous surveys and whether investigations will be continued to obtain an estimate of the cost of the scheme for the information of the local council?

The Hon. B. PATTINSON—I will take up that matter.

NORTHERN ELECTRICITY CHARGES.

Mr. HEASLIP—Has the Premier a reply to the question I asked recently on whether it is the policy of the Electricity Trust in future to base tariffs on distance from the nearest power station?

The Hon. T. PLAYFORD—The chairman of the Electricity Trust reports that the question of the tariff for Quorn was determined on the special circumstances applying and has been accepted by the corporation. He also states that a tariff for Wilmington does not arise at present as the owner of the undertaking there is not prepared to sell at a price considered reasonable by the trust. The distance from the power station is one factor to be considered, but the amount of power required, the cost of the line, and other factors affect the question.

RENTS OF GOVERNMENT HOUSES.

Mr. LAWN—Can the Premier say whether Judge Paine's inquiry into the matter of increases in Government house rents has been finalized?

The Hon. T. PLAYFORD—His Honor conducted a full investigation and I think he has gone a long way towards preparing his recommendations, but he has now been given the task of inquiring into flood relief on behalf of the Government. I discussed the matter with His Honor and it was agreed that he would undertake the flood relief work, but that any determination he made concerning rents would be back-dated so that any person whose rent was to be decreased would not be prejudiced in any way.

DRIVING LICENCE QUALIFICATIONS.

Mr. QUIRKE—On August 16 I asked whether the Government intended to introduce legislation to provide for a higher age limit and a driving test prior to the issue of any driver's licence. Has the Premier a report on that subject?

The Hon. T. PLAYFORD—The reports the Police Department have prepared as to the period a person has been driving before being involved in an accident do not strongly support the necessity for introducing a test before a licence is issued. I believe the State Traffic Committee has recommended that a test be held before new drivers are licensed.

Mr. Geoffrey Clarke—Only for drivers of passenger-carrying vehicles.

The Hon. T. PLAYFORD—I stand corrected. The holding of tests would present an administration problem and might result in lengthy delays to country drivers. The tests would have to be conducted by competent persons and could not be haphazardly carried out. I know of no recommendation for an alteration of the age at which a person may secure a licence.

STABILIZATION OF AUSTRALIAN ECONOMY.

Mr. QUIRKE—In this morning's *Advertiser*, the Premier is reported as having said at the annual Federal Convention of the Printing and Allied Trades Employers Federation last night, "Every Government in Australia, both State and Commonwealth, must get down to the hard fact that our economy must be stabilized." That, in a few words, outlines the greatest problem confronting Australia today.

The SPEAKER—The honourable member must not debate the question.

Mr. QUIRKE—Can the Premier say whether there has been evolved among the States and the Commonwealth any basic formula for attacking this problem or whether, in view

of the urgency of the matter, he has any basic grounds upon which to approach this problem and make submissions to the other States?

The Hon. T. PLAYFORD—One completely abortive conference was held. The various authorities had different solutions and were not prepared to accept others not politically in accordance with their views. However, the Prime Minister is returning to Australia and I believe a further conference with the States will be held. I have already indicated that this State will be represented and take a full part in any discussions at any time. At present no concrete plan has been circulated among the States and I believe it will take some time before we can find common grounds because of the diversity of political interests involved.

OUTER HARBOUR BREAKWATER.

Mr. TAPPING (on notice)—How many tons of rock were used in the rehabilitation of the Outer Harbour breakwater?

The Hon. B. PATTINSON—The answer is 114,694 tons.

HEMATITE QUARTZITE DEPOSITS.

Mr. LOVEDAY (on notice)—

1. Which leases held by the Broken Hill Proprietary Company in South Australia contain low grade hematite quartzite deposits suitable to be treated by the beneficiation process?

2. What is the estimated tonnage of low grade ore of this type in each of these leases?

3. What is the estimated life of deposits of high grade iron ore held by the Broken Hill Proprietary Company at Iron Knob at the present rate of quarrying and transporting?

The Hon. T. PLAYFORD—The Director of Mines reports:—

1. All leases held by the Broken Hill Proprietary Company Limited contain low grade hematite quartzite deposits. As far as the department knows their amenability to treatment by beneficiation has not been investigated to any extent, either on a laboratory or pilot plant scale.

2. Tonnages have not been estimated for the taconites on the Broken Hill Proprietary Company Limited's leases but they are undoubtedly large and for the Middleback Ranges altogether Dr. K. R. Miles has calculated a figure of five thousand million tons.

3. At the present rate of exploitation, amounting to three million tons per annum, the estimated life of the high grade iron ore deposits held by the Broken Hill Proprietary Company Limited at Iron Knob, including both the Iron Knob and Iron Monarch leases, would amount to approximately 15 to 20 years.

Mr. LOVEDAY (on notice)—In view of the report of the chairman of directors of the Broken Hill Proprietary Company Limited that company installations now planned costing 100 million pounds include attention to development of low grade hematite quartzite deposits in Australia, could the Minister ascertain:—

- (1) Which deposits are referred to and if these deposits are in South Australia?
- (2) Whether the pilot plant for beneficiation of these ores, referred to in the report, will be established at Whyalla?
- (3) Whether the company intends to install any further plant such as blast furnaces or steel-making equipment at Whyalla in this 100 million pounds programme?

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

- (1) It is presumed the deposits are mainly the hematite quartzites in the Iron Knob and Middleback Ranges of South Australia.
- (2) As far as is known to the Government this has not yet been determined.
- (3) The Government has no information of any additional iron or steel-making equipment planned for Whyalla.

UPPER SOUTH-EAST LAND SETTLEMENT.

Mr. Tapping for Mr. HUTCHENS (on notice)—

1. What areas in the hundreds developed under the provisions of the Land Settlement Act Amendment Act, 1949, by the Australian Mutual Provident Society in the Upper South-East, in the Ninety Mile Desert have been purchased by the State and allocated for soldier settlement?

2. How much money has been provided by the Commonwealth for such purchases?

3. Are these areas made available to settlers on perpetual lease or on a freehold basis?

4. How many units have been allocated to settlers by the Australian Mutual Provident Society?

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

1. 5,805 acres in the hundred of Willalooka; 1,571 acres in the hundred of Cannawigarra.

2. £104,033.

3. Six blocks have been made available under War Service Perpetual Lease conditions with a right to apply for freehold after ten (10) years.

4. Twenty-nine.

ROAD AND RAILWAY TRANSPORT ACT AMENDMENT BILL.

The Hon. T. PLAYFORD (Premier and Treasurer) 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 amend the Road and Railway Transport Act, 1930-1939.

Motion carried. Resolution agreed to in Committee and adopted by the House. Bill introduced and read a first time.

The Hon. T. PLAYFORD (Premier and Treasurer)—I move—

That this Bill be now read a second time.

This is an important Bill that deals with the difficult problem of interstate transport and of unregistered vehicles that are operating on our roads. It provides that any person who operates an unregistered commercial vehicle within South Australia shall pay a contribution towards the maintenance of our roads. As the only vehicles which can be driven in South Australia without registration are those exclusively used in interstate trade the Bill will apply only to this class of vehicle. I emphasize that the Bill does not apply to anyone at present registered under the Road Traffic Act. The Bill represents another stage in dealing with a problem which has already been before this Parliament on more than one occasion. Until the end of 1954 vehicles registered in other States were allowed to run in South Australia without registration under the Road Traffic Act, but if they carried passengers or goods for hire on roads declared to be controlled routes under the Road and Railway Transport Act they were subject to charges under that Act. The charges imposed were quite reasonable.

At the end of 1954 the Privy Council, in the case of *Hughes and Vale v. N.S.W.*, held that this system of imposing charges upon vehicles used in interstate trade was unconstitutional. However, some remarks in the judgments of the Privy Council and the High Court indicated that a law providing for "reasonable regulation" of interstate vehicles would be held valid, and it was a fair inference from what was said that a system of registering vehicles such as was prescribed in our Road Traffic Act would be regarded as reasonable regulation. Acting on this hint, the Government, with the approval of Parliament, made regulations bringing the vehicles of interstate carriers under the Road Traffic Act. This law,

in its turn, was challenged in the High Court and held to be invalid. It appeared that some of the previous judicial utterances as to what constituted reasonable regulation could not be taken at their face value.

The position therefore now is that vehicles engaged in interstate commerce are, in South Australia, not subject to the Road and Railway Transport Act and do not have to be registered under the Road Traffic Act. They are in the unique position of being the only class of vehicle at present using the roads without making a contribution to the Highways Fund. In the view of the Government this state of affairs should be altered, and the Government believes that it can be altered without violating the Constitution. The High Court itself has given some guidance as to the methods which may properly be adopted.

In the second *Hughes and Vale* case some of the judges of the High Court, including the Chief Justice, clearly expressed the opinion that the States had power to levy charges for the use of their roads by vehicles engaged in interstate trade. From what was said it seems likely that a road charge would be held valid if it complied with the following requirements:—

- (a) It must not discriminate against interstate transport.
- (b) It must avoid unnecessary hampering of the movement of interstate vehicles.
- (c) It must be a reasonable payment to the State as a contribution towards the maintenance and upkeep (but not the capital cost) of roads.
- (d) The rate of the charge should be fixed by Act of Parliament and not left to the determination of an administrative authority.
- (e) It must be based on the extent of the use of the roads by the vehicles on which the charge is imposed, *e.g.*, it must be based on mileage run, weight of vehicle or some other factor of this kind.
- (f) The proceeds from the charge should be set aside for road maintenance.

In framing this Bill these principles have been kept in mind. Members will appreciate that the conditions which have to apply are most onerous and it took some time to determine what was the best method of providing a law that would stand a challenge on any one of those grounds and at the same time provide for a reasonable charge toward the upkeep of the roads over which these vehicles operate.

The scheme is to impose a road charge computed according to the mileage run in South Australia, on every unregistered vehicle using our roads. The amount of the charge per mile depends on the tare weight of the vehicle, and is at the rate of one penny for each complete ton of tare weight, with a fractional part of a penny for parts of a ton. To simplify calculation the rate is expressed as one-twentieth of a penny for each hundredweight. In arriving at this rate the Government has considered a number of calculations made by the Commissioner of Highways and his officers as to the costs of road maintenance. The costs vary a good deal according to the roads which are taken into consideration and other factors. The rate in the Bill is below the average of those worked out by the Commissioner and cannot be criticized on the ground that it is more than a fair contribution.

The vehicles to which the Bill applies are those falling within the definition of "unregistered commercial vehicle." This expression is defined to mean a motor vehicle the tare weight of which is $2\frac{1}{2}$ tons or more and which is not registered. It includes both passenger and goods vehicles. As I mentioned, the only vehicles which can lawfully run on South Australian roads without registration are those engaged exclusively in interstate trade. It follows that this Bill will only apply to vehicles engaged in interstate trade.

It may be admitted that the Bill treats interstate vehicles differently from intra-state vehicles, but it does not discriminate against interstate vehicles in the sense of imposing greater burdens on them than on intra-state vehicles. If the owner of an interstate vehicle considers that the road charge imposed on him by this Bill is too high, it is open to him to register his vehicle in South Australia, in which case the road charge will not be payable.

The machinery for securing the payment of the charge is that the owner of an unregistered commercial vehicle which operates on South Australian roads must deliver to the Transport Control Board returns showing its mileage run on South Australian roads. The returns must be made monthly unless some special arrangement is made between the board and the owner of the vehicle. The road charges must also, in the absence of a special arrangement, be paid monthly at the time when the returns are delivered to the board. The charges for each month will have to be paid not later than the middle of the following month. It will be the duty of every owner of an interstate vehicle to see that proper records are kept of journeys

taken in South Australia by the vehicle. The records must be kept on the vehicle itself and must be entered up daily. If a person drives an unregistered commercial vehicle without carrying the proper records on the vehicle, he will be guilty of an offence.

The road charges payable can be recovered from the owner of the vehicle concerned either by local court proceedings or by summary proceedings in a police court. In addition, if the owner of a vehicle is charged with not having filed a return, the police court can, in addition to fining him for that offence, make an order against him for payment of any road charges which the court finds to be due. All money collected under the Bill as road charges must be paid into the Highways Fund and used exclusively for road maintenance.

Mr. O'HALLORAN secured the adjournment of the debate.

APPROPRIATION BILL (No. 2).

A message was received from His Excellency the Governor recommending the House to make appropriation of the several sums set forth in the accompanying Estimates of Expenditure by the Government during the year ending June 30, 1957, for the purposes stated therein.

Referred to Committee of Supply.

THE BUDGET.

In Committee of Supply.

The Hon. T. PLAYFORD (Premier and Treasurer)—For the year ending June 30, 1957, the expenditure proposals which I shall place before the House will amount in all to £65,982,000, whereas I anticipate that receipts will amount to £65,129,000. On balance, therefore, the proposals indicate a deficit of £853,000 for the current year. When account is taken of the accumulated deficit to June 30, last of £1,510,000 the prospect is that at June 30 next the Consolidated Revenue Account of the State will be in deficit to the extent of £2,363,000. I stress this large figure to members as some measure of the current financial difficulties facing the State.

Several factors have combined to place the State in this difficult position, but, in the main, they derive from the heavy dependence upon Commonwealth grants, both through the tax reimbursement arrangements and the operations of the Commonwealth Grants Commission. I have, on many previous occasions, pointed out that the uniform income tax arrangements particularly prejudice this State's finances,

both because the State is deprived of an adequate and flexible source of income, and because it is deprived of the natural return through income tax from the State's development and prosperity. At no time more than the present has the unsatisfactory nature of the Commonwealth-State financial arrangements been so apparent. It is noteworthy that in 1956-57 the Commonwealth proposes to return to this State in tax reimbursement grants only about 27 per cent of the income taxation raised from the State.

This year the tax reimbursement grant will be about £15,710,000, and the special grant recommended by the Commonwealth Grants Commission is £5,800,000, making a total of £21,510,000 in all, which is 33 per cent of the total anticipated receipts from all sources. The increase in the combined total of these grants as compared with last year is £2,234,000, but bearing in mind that last year's grants were insufficient to cover the State's needs to the extent of £1,430,000, and that the increased basic wage of 10s. per week will absorb about £850,000 a year, no part of the increased grants remains available to meet the expanding social service needs of the rapidly developing State, the increasing interest bill on funds to finance development, the additional costs arising from inflation, and the especially heavy additional costs arising out of the disastrous River Murray floods.

The Commonwealth and State Governments have latterly all been most concerned with the threat of renewed inflation. The Commonwealth, as the Government having major control of banking, trade, and principal sources of taxation revenues in income tax, customs and excise, has taken extensive financial measures as a counter to that threat. The States must recognize that, if it is a vital part of the counter-inflationary policy that the expenditures of the general public must be curbed to be kept within the material and labour resources available, then likewise State expenditures must also be limited. In its treatment of the States the Commonwealth has adopted the policy of limiting their expenditure by strictly limiting the loan and revenue finances available to them. The Commonwealth Grants Commission likewise, in its recommendations respecting the smaller States, has obviously adopted a similar policy, based no doubt upon its primary principle that the smaller States shall be placed in no better financial position than the larger States which do not receive special grants.

Unfortunately the States, and particularly the three smaller States, are being forced to face a peculiarly difficult problem which is not experienced by the Commonwealth Government—that is, a prospective shortage of cash. The Commonwealth revenues not only suffice to cover its normal expenditures, but they cover virtually all capital expenditures of the Commonwealth and provide a further sum of the order of £100,000,000, which is to be lent at full interest rates to the States for their capital purposes. This State, on the other hand, has insufficient revenues for its normal expenditure purposes, and there can be no question of providing any capital funds from current State revenues. At the same time the borrowed funds available to the State are insufficient to meet the bare needs of the rapidly expanding South Australian economy for homes, schools, hospitals, water, transport, and the like. In point of fact the Loan Estimates already before this House necessarily contemplate expenditures in excess of borrowings. The cash resources of the State in the form of miscellaneous deposits and trust funds are strictly limited, particularly as it has been a cardinal principle of the Commonwealth Grants Commission to refuse to recommend grants which would allow a State to build up reserves. Accordingly in the formulation of the present revenue and expenditure proposals the Government has necessarily had to proceed upon the basis that it cannot find the cash to finance a further deficit of any more than modest dimensions. It has been forced to proceed thus, even though the Commonwealth Grants Commission will, in due course, consider both the 1955-56 deficiency and the prospective 1956-57 deficiency, and will possibly recommend grants designed to make good at least a portion of those deficiencies.

In one particular the Commonwealth Grants Commission has so far refused to recommend for inclusion in its special grant funds to cover expenditure authorized by this Parliament as a charge against revenues. This concerns the appropriation made in the Supplementary Estimates in June, 1953, of £620,000 in aid of developmental roads and roads of access in country areas. In its 1955 report the Commission, in effect, disallowed this expenditure for consideration in the assessment of special grants because it regarded it as of the nature of a disposal of a surplus and not as a normal and necessary revenue charge. Members will recall that last year I proposed

means of absorbing this amount by way of loan through the Highways Fund and its gradual liquidation out of that fund. However, subsequently, on my representations, the commission agreed to review the matter. The 1956 report of the commission has not yet been printed, but from advice I have received as to the grant recommended in that report it would appear my further representations have not yet been successful. I do not propose to adjust the amount by charging it to Loan Account, nor do I propose at present to proceed to fund the amount as a deficit. The present highway requirements are such as to render most inappropriate any subtraction from current road expenditure to absorb this amount, and the matter will be further discussed with the commission.

Though the sum voted in June, 1953, was a relatively large one, it was not out of line with highway requirements of the time, nor was it out of line with the assistance other States have given from revenue to roads from time to time. Taken overall I am sure this State has managed both its revenues and expenditures with at least as great self-reliance and economy as any other State, and well within the commission's own standards. In such case I feel the commission has been unduly hard in this disallowance, particularly as it has recognized that this State qualifies for favourable adjustments on account of other features of its public finances. It would seem to me that unless Parliament has the right to decide the appropriate manner in which it shall expend the funds available to it the whole concept of responsible government within the federation falls to the ground. The commission cannot hold, and does not hold, that South Australia in relation to other States has, in the aggregate, overspent. What it has said, in effect, is that notwithstanding we had not spent to the full extent permissible upon other functions, yet because we proposed to spend the funds on roads, believing that need more urgent than (say) the extension of free social services to those who can well afford to pay, we must be deprived of a corresponding amount of grant. If State expenditure is to be subject to such a veto, then South Australia is in danger of ceasing to be a self-governing State, and the ultimate apportionment of its funds between the various services will be controlled by an outside body.

When making its submission to the Commonwealth Grants Commission in respect of

its requirement in the form of a special grant for 1956-57 the Government and its officers based requests upon the basis that all governmental finance in 1956-57 would necessarily be upon a more frugal basis because of counter-inflationary measures. It took into account the prospect that the larger States would be forced to increase a variety of taxes and charges, and accordingly the commission's standard to be applied to the smaller States would be correspondingly raised. The South Australian requirement for a special grant, after allowing for a standard of social service and other expenditures clearly within the commission's standard, and for taxes and charges well up to its standards, was submitted to the Commonwealth Grants Commission as at least **£6,582,000**. This was before there was any indication that the River Murray floods would be anything like as disastrous as actually they have been. The commission, no doubt having in mind that the larger States might face appreciable deficits in 1956-57, abated our requirement by £782,000 net and has recommended a grant of £5,800,000. Undoubtedly and understandably the commission has intentionally set the figure at the very minimum it considered could be eventually justified, and it is quite possible that it will subsequently recommend a further grant to offset any 1956-57 deficit. But, unfortunately, the State must meantime live within very limited financial resources. Now it has become apparent that the State's obligations in respect of flood damage will be very great—together with a previous appropriation of £300,000 a total provision of £800,000 is now proposed—and it has been necessary to recast the financial proposals to keep the deficit within manageable limits.

In the first place expenditures have been in all cases most carefully reviewed to ensure all reasonable economy, and in many cases planned expansions and extensions, though desirable, have been deferred. Secondly, many revisions of taxes and charges have been undertaken, some of which would have been carried out in any case. Others, however, were dictated by the necessity to reduce the prospective deficit. In addition to increased charges which have already been made, I propose the following revenue adjustments:—

- (1) I will ask the House to increase stamp duty on cheques from 2d. to 3d. This is expected to produce £105,000 in a full year, and £80,000 for the remainder of 1956-57.

- (2) Liquor licences and fees will be increased by varying amounts ranging from no increase on the small country hotel to treble the present rate at the maximum. The variation will be made under the Fees Regulation Act, and the requisite regulations will be laid on the table of the House shortly. The variation is estimated to produce an additional £100,000 in a full year and £50,000 extra during the remainder of this year.
- (3) Increase in inward wharfrage by about 25 per cent on average and outward wharfrage by about 20 per cent on average, except that no increase is proposed on the inward wharfrage on coal or in the charges applying to livestock or farm produce which passes over two wharves in the course of local shipping. An increase in pilotage charges of about one-third is also proposed. Regulations to prescribe the new rates will be promulgated shortly. Increased revenue will be about £240,000 in a full year, and about £180,000 during the remainder of this year.
- (4) It is proposed shortly to lay on the table of the House regulations under the Fees Regulation Act to effect a **re-arrangement** of the fees charged by the Lands Titles Office. This will have the effect of increasing revenues by a net £30,000 in a full year, and by £20,000 during the remainder of this year.

There are a number of miscellaneous fees charged by Government departments for services rendered, for licences, and the like, which have not been reviewed for many years. Although individually the revenues are not great, certain fees are now seriously out of line with costs and the Government proposes to review them in the course of the next few months and to table the appropriate amending regulations. The increased revenues will not be substantial but may be of the order of £20,000 this year.

In making a careful review of what revenues might properly be increased in order to meet the State's prospective cash difficulties and reduce the deficit to manageable proportions, I have endeavoured to avoid those increases which would raise costs and prices. Particularly have I avoided those which would affect the ordinary living costs of persons of modest means. Any steep increases in freights, fares,

power, light, and gas charges would be quickly reflected in living costs with consequent demands for an increase in wages. Some increases in charges have been absolutely unavoidable, but I feel sure that if one examines the measures which have already been taken or are now proposed it will be seen that none of the additional charges should be reflected in increased prices of commodities in common use.

Despite the adjustments made in other States, the Government is most reluctant to authorize increases in passenger fares of either railways or the Tramways Trust, and I am pleased to inform members that no such increases are contemplated. There have been increases from 2d. to 3d. in the rate of duty on receipts in Victoria. I do not propose to do likewise for already there is a considerable measure of evasion of this duty throughout Australia, and there is no doubt an added impost will be a further incentive to evasion. In another State where the stamp duty on receipts was increased from 2d. to 3d. the Government made it compulsory for everyone receiving £2 or over to issue a receipt, but that has meant that the industries of that State have had to bear postage and other costs totalling about 1s. on each receipt merely to give the Government the additional revenue of one penny. Admittedly, that would be a way to increase revenue in this State, but at a dreadful cost to the community.

Mr. Quirke—Most of the increased imposition would go to the Commonwealth.

The Hon. T. PLAYFORD—Postage would, but I point out that such an imposition would be an intolerable burden on industry at a time when costs are particularly high. Some States have introduced a new tax in the form of a duty on hire-purchase transactions, and have expressed the opinion that the tax will fall upon hire-purchase financiers. This, too, I have avoided as it seems to me that there is a very strong probability that this tax will be passed on to the consumer and constitute an added burden to many persons not well able to bear it. Again I have so far avoided the reimposition of entertainment taxation on the grounds that it falls most heavily upon persons least able to afford it. All these taxes and increased charges, however, which have latterly been imposed by other States will necessarily come within the consideration of the Commonwealth Grants Commission, and this State can expect to continue to avoid them only if it makes up the difference by other charges or by corresponding economies elsewhere.

THE YEAR 1955-56.

Payments for the year were estimated at £60,513,000, and receipts at £59,765,000. The actual payments amounted to £60,832,000 or £319,000 in excess of the Budget estimate, and actual receipts amounted to £59,402,000, which was £363,000 below the Budget estimate. The actual deficit for the year amounted to £1,430,000 against an estimated deficit of £748,000.

The higher deficit was mainly due to expenditures above the Budget estimates on hospitals, education, and metropolitan water supplies and sewers; and actual receipts from stamp duties, harbour dues, rail freights, hospital fees, and recoveries from interest and sinking fund failing to reach the estimates.

ESTIMATES FOR 1956-57.

RECEIPTS.

I have tabled the Estimates of Revenue which show, under the various headings, the estimates of receipts for this year compared with actual receipts for 1955-56, and the explanations now given have reference to that paper.

State Taxation is expected to yield £9,386,000, which is £1,311,000 in excess of actual collections last year.

The principal increase in taxation revenue comes from land tax, which is expected to yield approximately £823,000 more than the actual receipts for 1955-56. This increase is derived entirely from the application of the existing schedule of rates to the statutory re-assessment of values of all land. The land tax legislation provides for a fresh valuation to be made every five years, and the latest valuation takes cognizance of the increases in the values of all lands, rural and urban, which have occurred since the last quinquennial assessment.

The estimate for stamp duties is £1,500,000, an increase of £93,000 over last year's figure; this takes account of the increased duty on cheques already referred to. I have estimated succession duties at £1,950,000, which is £103,000 in excess of last year's receipts. However, it should be pointed out that it is not possible to make a very close estimate of revenue to be derived from this source as the duty payable is dependent on the number and value of the individual successions and the degree of relationship of testator and beneficiary, and these do not tend to follow any clear pattern. Public hospital rating payable by corporations and district councils is expected to amount to £81,000 in 1956-57, compared

with £42,000 in 1955-56. The increase in the scale of publicans' licences, club licences, and liquor permits, to which I have already made reference, should bring in a total of £115,000 to Revenue this year. This is £52,000 more than actual receipts last year.

PUBLIC WORKS AND SERVICES AND OTHER RECEIPTS.

In all £33,020,000 is estimated to be received in respect of public works and services and other receipts of a departmental nature, and this figure exceeds last year's receipts by £2,218,000. Receipts on account of *Education* are expected to amount to £396,000, which is £75,000 in excess of last year's figure. This increase represents the increased contributions which are due from the Commonwealth, and which are applied towards the annual costs of the University. *Harbours* revenue is set down at £2,000,000. The Government proposes to effect increases in wharfage charges which will attract additional revenue. The restrictions imposed upon imports by the Commonwealth Government will have a restrictive effect on inwards trade and consequently upon our revenues. In the net I have estimated that receipts for this year will exceed 1955-56 receipts by approximately £70,000. Railways traffic receipts are estimated at £13,380,000, and the increase of £355,000 on this account is due to increase in rates on contract haulages, increases in book rates, increased tonnages of Broken Hill ores, of barley and general merchandise, and increased coaching revenues.

Waterworks and Sewers, £3,474,000—an increase of £518,000. The principal increase is in Adelaide sewers as a result of the increased sewer rate. The balance of the increase in this department's revenues arises from the number of new connections made to water and sewer services. *Produce Department* revenues at £230,000 are estimated to run along very much the same lines as last year. *Irrigation*, £234,000.—The estimate made for 1956-57 is £61,000 less than actual receipts last year. This estimate has regard to the fact that the flooding from the River Murray will affect the ability of some settlers to pay amounts due to the Government as a considerable area of land has been put out of production.

Hospitals.—The total receipts of the Hospitals Department are estimated at £1,225,000, which exceeds last year's receipts by £249,000. This increase arises substantially from the charges which have been introduced for beds in public hospitals. Other increased receipts arise from reimbursements from the Common-

wealth Government under the tuberculosis arrangements and from amounts to be received from a greater number of staff in payment for board, lodging, and meals. *Interest and Sinking Fund Recoveries*, £5,632,000—an increase of £605,000 over 1955-56 receipts. The increased receipts on these accounts follow increased loan monies made available as advances to semi-governmental undertakings, for housing, and for departmental activities.

Departmental Revenue.—The estimated receipts of the various departments are set out in detail in the Estimates, and where increased receipts are considered likely such arise in the main from increased activity rather than any variation in charges. The exception to this is in relation to Registrar-General of Deeds Department where an increased scale of charges will be brought into operation. The revenue of this department will increase from £106,000 received last year, to approximately £131,000. A substantial increase in estimated revenue appears also under the heading "Sheriffs and Gaols and Prisons," but this arises almost entirely from a change in accounting procedure. Whereas previously materials for prison trade shops were purchased through a working account and only the profit taken into revenue, it is now proposed to meet all costs from revenue, and pay all proceeds to revenue.

There are two items within the heading "Miscellaneous" which call for some explanation. Rents from temporary housing are estimated at £207,000, which represents an increase of £50,000 over last year's receipts. This will be obtained from increases in rents of temporary houses. The Government has been concerned at the heavy annual deficiencies which have accrued in connection with this scheme—£135,000 in 1955-56; and as the rents have not been increased since the commencement of the scheme and as they are out of proportion to other rents, it has been decided that some increase is justified. Even after the rent adjustment the annual deficit will exceed £80,000. There is another factor that makes it desirable to increase rents. The temporary housing scheme was introduced to assist people in an emergency, but we have found in some instances that when permanent houses have become available to tenants in temporary houses they have not taken them because of the difference in rent. The temporary houses were established by the Government purely to relieve hardship, not as permanent houses. Of course, these tenants lose their right to a permanent home, but the temporary houses were not pro-

vided at the taxpayers' expense as cheap housing for people who could afford to go into permanent houses. The tenants' refusal to go into permanent houses has resulted in the emergency houses becoming permanent houses in many instances, and the turnover in emergency houses has therefore been greatly reduced and the distress of many people badly needing housing has not been alleviated.

The Estimates also provide for an increase from £120,000 to £240,000 in the contribution to be made to Revenue from surpluses arising from the profitable exploitation of timber from Government forests.

Territorial Revenue.—The total receipts from territorial sources, which include land sales, land rents and licences, royalties on minerals, etc., is estimated at £508,000, which is £37,000 less than was received last year. In 1955-56 a large parcel of Crown lands was acquired for War Service Land Settlement, and whilst further acquisitions are likely in 1956-57 it is expected that they will not approach last year's figure.

Commonwealth Grants.—The amounts to be received from the Commonwealth Government pursuant to the Financial Agreement, pursuant to the recommendations of the Commonwealth Grants Commission, and in accordance with the uniform tax legislation, total £22,214,000, which exceeds last year's grants by £2,234,000. I have not included any figure in the Estimates as a grant from the Commonwealth Government towards meeting the cost of flood protection and restoration works. I have had some discussions with the Acting Prime Minister and Treasurer of the Commonwealth and he has invited me to submit detailed estimates to him covering the various aspects of flood damage. I am at present examining the situation and as soon as I am in a position to reliably gauge the extent of finance necessary to cope with this disaster I shall submit a case for Commonwealth aid.

PAYMENTS.

Details of the estimated payments for 1956-57 are set out in the Estimates of Expenditure which have also been tabled. On pages four and five are set out details of annual payments, the appropriation of which is contained in special legislation. These payments for 1956-57 are estimated to amount to £16,490,847, which exceeds payments actually made last year by £1,395,041. The principal items shown therein are:—

Government Contribution to the South Australian Superannuation Fund—in respect of pensions for Government employees	808,000
Transfer to the Highways Fund of net proceeds of motor taxation for expenditure on roads	2,907,000
Interest and Sinking Fund payable in respect of State Debt	12,474,000

On page seven of the Estimates there appears a summary, under Ministerial heads, of the payments which I estimate will be required during 1956-57, and for which appropriation will be sought in the Appropriation Bill, which will be introduced when discussions on the Estimates are completed. These payments are estimated at £49,191,153, which is £3,454,580 in excess of actual payments last year. I propose now to mention some of the more important features of our proposed expenditures.

It will be seen that the amount proposed for the Police Department is £1,666,000, which represents an increase of £98,000 over last year. This increase will provide funds to permit the police force to be brought to the strength considered necessary to ensure public safety. Provision is also made for replacement of several police motor vehicles and for the purchase of radio, workshop, and other equipment.

The sum of £309,000 is provided for the *Sheriff's Department*. This is £58,000 greater than last year's payments and the extra provision is required to meet the cost of a new award granted to gaols and prisons employees, to provide the additional staff necessary to cope with an increased prison population, and to feed and maintain this increased number of prisoners. In addition, as I mentioned earlier, the full cost of materials for manufacture in the prison shops is now met from Revenue, and the full proceeds of sales of completed articles are credited to Revenue. One experiment made at Yatala Labour Prison is worthy of comment. Members will be aware that for some years now prisoners have been employed in the manufacture of cement bricks. At the present time there are two brick-making machines in operation producing 75,000 bricks per week. No less than 8,500,000 bricks, of very good quality, have been turned out at Yatala and these have made a very substantial contribution to the Government building programme and to South Australian Housing Trust rental houses.

Hospitals Department, £4,047,000—an increase of £541,000 over last year. Salaries

and wages at various hospitals are expected to require £291,000 more than last year, and this is due, not only to the necessity to staff the maternity section of the Queen Elizabeth Hospital, which will open later this year, but also to the fact that it is now possible to fill vacancies at the various hospitals. For a number of years all hospitals have carried on despite shortages of nursing, domestic, and maintenance staff, and the efficiency with which they have coped with the situation redounds to their great credit. The situation, as regards hospital staff of all types, appears easier now than for some years and there is every likelihood that strengths will be brought nearer establishment than has obtained for many years. Provision is also included to meet increases in salaries which have been granted to nursing staff.

The provision made under the various contingency lines exceed last year's actual payments by £249,000, and embraces materials and supplies for the new Queen Elizabeth Hospital maternity section, increased cost and usage of commodities and drugs, and increased cost of maintenance of nursing and domestic staff at all hospitals. Provision is made for the purchase of special X-ray and X-ray photographic apparatus for Royal Adelaide Hospital at a cost this year of £19,100, and, in addition, under the respective hospitals, there appears provision for the purchase of special medical and surgical equipment, and for necessary motor vehicles.

The sum of £577,000 is provided for Children's Welfare and Public Relief Department, representing an increase of £55,000 over last year's payments. The amount provided will permit the increasing of staff at the various reform schools and home for deserted children and State wards. Moreover, the experience of this department is that more people are seeking relief than was the case at this time last year, and it has been necessary to increase the provision on the Estimates accordingly. It should be pointed out that this relief is not unemployment relief, which is a Commonwealth responsibility, but represents the cost of maintaining deserted wives and children whose husbands or fathers are in custody or who have just disappeared, and from whom the dependants can expect no contribution towards maintenance.

Department of Public Health, £200,000.—The amount provided is £66,000 greater than last year's payments. This increase is due primarily to the expansion of the school medical service, and to the implementation of the poliomyelitis vaccination programme which

is well under way and which has been very favourably received by the public.

Chief Secretary, Miscellaneous, £1,658,000—an increase of £240,000. The appropriation consists principally of grants to be made by the Government towards establishment or maintenance of hospitals, and for other health, social, and charitable purposes. The principal proposals are:—

	£ This year.	£ Last year.
Adelaide Children's Hospital	440,450	247,471
Anti-cancer Campaign Committee	16,323	24,625
Home for Incurables—maintenance	55,000	45,000
Institute of Medical and Veterinary Science . . .	120,000	117,000
Keith Hospital—extensions	6,110	—
Mothers' and Babies' Health Association	57,600	55,074
Northern Community Hospital—extensions	21,886	—
Queen Victoria Maternity Hospital	211,350	174,167
Salisbury—New hospital . .	100,000	—
S.A. Blood Transfusion Services	35,000	30,782

An amount of £98,000 is provided for subsidies to institutions this year compared with £162,000 last year. Principal among this year's special subsidies are:—

	£
Crippled Children's Home, Somerton . .	4,000
District and Bush Nursing Society . .	16,000
Kalyra Sanatorium	57,929
Minda Home	5,000
St. Andrews Hospital—towards extensions	10,000

Conditional subsidies to hospitals, where hospital authorities are required to raise some moneys through their own resources, will require £134,350, compared with £127,230 last year. The sum of £64,000 is provided for special subsidies to enable hospitals to purchase new equipment. Actual subsidy payments last year amounted to £52,000. Other special payments to be made this year are:—

	£
For Ambulance Services	30,000
Royal Institution for the Blind . . .	20,000
S.A. Institution for Blind, Deaf, and Dumb	10,000

Under the *Treasurer* there are two sections which invite comment. *Publicity and Tourist Bureau and Immigration Department*—£275,000. This is an increase of £50,000 over last year's payments and the main items contributing to this increase are as follow:—

£15,000 is provided for the erection of a kiosk at Mount Lofty Summit.
£21,000 is included for subsidies to local governing bodies towards the provision of recreation areas and swimming pools.

£25,000 is provided for a grant to be made to the Glenelg Corporation towards the construction of a boat haven. This project will convert the Patawalunga Creek into a recreation reserve which, when complete, will constitute a tourist attraction which will be a credit to the State.

Treasurer, Miscellaneous, £5,679,000—an increase of £255,000 over last year. Under the Advances for Homes Act the Treasurer is required to pay to the State Bank the full amount of expenses of administration of the legislation, and the amount of £52,000, now included in the Estimates represents that cost for 1955-56 as certified by the Auditor-General. The principal increases in provision this year are those which have regard to our obligations under the Commonwealth-State Housing Agreement where the amounts to be paid to the Commonwealth for principal and interest—£488,000—are estimated to exceed last year's payments by £128,000. The full amount is recovered from the South Australian Housing Trust. Provision is also made to pay to the Commonwealth interest and principal monies due under the Rail Standardization arrangement amounting to £67,000.

An amount of £510,000 is provided as a contribution to the Municipal Tramways Trust towards its working expenses. It will be of considerable interest to the House, as it is of gratification to the Government, to note that this subsidy has gradually reduced in each of the last few years as the following figures of subsidy paid show:—

	£
1953-54	700,000
1954-55	600,000
1955-56	570,000
1956-57	510,000

The amount provided for Lands Department—£734,000—exceeds last year's payments by £159,000, and the principal individual expenditures which require to be financed this year are £77,000 for expenditure in connection with the photogrammetric survey and £112,000 for this State's contribution towards amounts to be written off on valuation of War Service Land Settlement blocks. An aircraft will be chartered this year to carry out special surveys which have been recommended to the Government by the Parliamentary Standing Committee on Public Works. These investigational surveys necessitate the purchase of special photogrammetric equipment which will enable detailed contour maps to be produced in far less time and in greater detail than is possible using field survey parties.

The sum of £55,000 is included for maintenance and special projects at the Botanic

Garden, compared with £51,000 last year. An amount of £15,000 is provided for grants to the National Park Commissioners, the comparable amount last year being £19,000.

The amount provided for Engineering and Water Supply Department this year is £2,474,000, an increase of £234,000 over last year. This increase arises from the expanding services of this department. Each year sees new connections made to water supplies and to sewerage schemes, and these new connections involve additional operation and maintenance charges. In particular it will be noted that this year will see a full year of operation of the new sewerage areas at Salisbury and Elizabeth, and also of part of the new scheme at Port Lincoln. It will be seen that the total payments on Adelaide Water District and Adelaide Sewers are expected to reach £871,000 and £489,000 respectively. The Adelaide Water District supplies a very cheap service to the public in the metropolitan area, but the revenues derived from this governmental activity in 1955-56 were £239,000 short of the cash payments necessary to maintain the undertaking. It is estimated that the position in the current year will not improve and that the cash shortage will amount to £272,000. Adelaide Sewers, a very necessary service which is supplied at an extremely low charge, returned a small surplus of £39,000 for 1955-56, and the cash surplus for 1956-57 is estimated at £340,000.

The sum of £208,000 is included in the Estimates for Aborigines Department, compared with an actual expenditure of £178,000 last year. These funds will be used, either directly in the care of aborigines on Government establishments, or indirectly by the development of reserves for nomadic natives and through grants to church missionary organizations. In particular, £14,000 is provided for progress on renovating and equipping Campbell House, a grazing estate in the vicinity of Meningie, for use as an aborigines station; £12,000 for maintenance of aboriginal children at institutions and homes; and £21,000 for the purchase of houses. In this last regard some conspicuous success has been achieved in the experiment of building houses in selected localities and placing good type natives or part-natives in a situation where they can take their places as ordinary members of the community.

Public Works, £1,036,000.—Under this heading funds are provided to carry out maintenance and provide furniture for Government buildings; £300,000 is provided for such pay-

ments in connection with schools and associated buildings; £356,000 for hospital buildings; £76,000 for police and courthouse buildings; and £271,000 for various other Government buildings.

Education Department. £6,838,000—an increase of £675,000 over last year. The principal increase is made in relation to salaries and wages where, at £5,346,000, the provision exceeds last year's payments by £525,000. In some part this increase is due to the fact that a new award for teachers, effective from October 1, 1955, will have to be met for a full year in 1956-57. However, the principal factor making for this increase is the necessity to increase the teaching staff to cope with increased enrolments. During the past 10 years enrolments in both primary and secondary schools have nearly doubled from 70,000 to 137,000 pupils, and during that same period approximately 65 new schools have been provided. In addition to providing further accommodation by extending and altering existing schools, about 1,300 prefabricated timber classrooms have been brought into use. In the light of this information the need for obtaining the services of more trained teachers is all the more obvious. Another item which continues to grow is the cost of conveying children to school by school buses. The sum of £331,000 is included in this year's Estimates for this purpose, and this amount is £37,000 more than was spent for similar purposes last year.

General Purpose Grants to the University of Adelaide.—The provision made for this year supplementary to the £44,000 provided by special legislation is £660,000 or £40,000 less than the actual grant made in 1955-56. This does not mean that the University will be required to cater for its increasing numbers of students with less funds. The reduced provision arises out of two factors. Firstly, the financial arrangements with the University are made on a calendar year basis and the governmental accounts on a financial year basis. The latter, in 1955-56, reflected certain abnormal payments to the University to cover salary adjustments which are not expected to be repeated in 1956-57. Secondly, the University will probably secure increased funds this year from its own direct sources of income.

Grant to School of Mines.—This year's grant, which is set at £220,000, an increase of £20,000 over last year, has been approved by the Government after a detailed examination of the proposals of the School of Mines and of its finances. The Kindergarten Union, too,

is required to submit a budget showing details of its proposals in relation to pre-school education and the finances available from its own resources, and, on the basis of those figures, the grant to be paid will be £120,000, which exceeds last year's grant by £10,800. The total grant to be paid to the Institutes Association, as a subsidy towards the expenses of running the various institute libraries and towards procurement and distribution of books, is £19,000. A special grant of £900 is proposed to finalize assistance to the Association in the matter of making good damage sustained in the earthquake a couple of years ago.

The sum of £590,000 is provided for expenses in connection with the operation of services provided by the Agriculture Department. This amount, which is £38,000 in excess of last year's payments, will permit the department to provide some extension to the very excellent advisory service available to primary industry. It will be noted that last year approximately £64,000 was spent in fruit fly destruction work which became necessary as a result of outbreaks in the Edwardstown and Unley districts. An amount of £41,000 is provided in this year's Estimates to complete the work of cleaning out the affected area. The cost of fighting the fruit fly during recent years has been very large indeed. In carrying out inspections and stripping in affected areas approximately £832,000 has been spent over the past 10 years.

The amount provided under Minister of Agriculture, Miscellaneous, is £157,000, which is £149,000 less than was spent last year. However, last year's expenditure included £172,000 for payments in connection with ridding the State of the grasshopper plague, and if this is excluded from last year's figures the increased provision for this year is of the order of £22,000, which is due almost entirely to an increase in the grant to be made to the Waite Agricultural Research Institute. Other than this grant, which this year is included in the Estimates at £135,000, the principal payments to be made under this heading in 1956-57 are—

	£
Grant to country Agricultural and Horticultural Field Trial Societies	3,000
Subsidy to Volunteer Fire Fighters Fund	1,000
Subsidy towards purchase of fire fighting equipment by volunteer fire fighting associations	7,000
Grant to Fauna and Flora Board	3,000
Provision for payment of veterinary scholarships	3,000

The provision for the irrigation and drainage sections of the Department of Lands is £452,000, which exceeds last year's payments by £37,000. As far as irrigation is concerned, it is not possible at this juncture to make any reliable estimate of the amount of pumping which will be possible during the year. Whilst many thousands of acres of irrigated land have been inundated there still remain at this stage many thousands of acres which will require both general and special irrigations. Pumping costs will probably be considerably higher as the pumping stations will, in many cases, be operating under unfavourable conditions, and in any case will all require special maintenance.

Under Minister of Irrigation, Miscellaneous, an amount of £500,000 is provided to meet costs associated with the prevention, reduction, control and alleviation of damage, hardship, and loss arising from the flooding from the River Murray. With the £300,000 already authorized by the Appropriation (Flood Relief) Act, 1956, there is therefore £800,000 available for these purposes. The full extent of the cost of protective works is still a matter for conjecture as, despite small drops in the level at various points, the river is still dangerously high and work on the embankments will have to be continued for some time to come. Some members have been able to visit the river areas and know first-hand the extent of the task of keeping the water out of the settlements, and have seen the extent of the damage which follows failure to keep it within the hastily thrown-up banks. I think, however, that it is well worth while quoting to you some figures regarding the river levels. The previous highest river for which accurate levels are available was the 1931 flood and the figures I now give relate to the maximum height of the river in 1956 above the 1931 flood level, and also above the pool level, which is the normal controlled level of the river.

Location.	Height of river above 1931 flood level.	Height of river above pool level.
	Feet.	Feet.
Renmark	3.7	11.7
Berri	4.0	15.0
Cobdogla	6.8	20.7
Waikerie	7.4	25.5
Cadell	7.2	28.3
Morgan	7.7	26.6
Mannum	6.4	15.1
Murray Bridge	5.1	10.9
Jervois	2.6	7.0

These figures give members some idea of the vastness of the problem involved in endeavouring to confine the river within bounds, and the remarkable thing is that success has been achieved in so many areas. The amount which will be required to finance protective works, to relieve cases of hardship and distress, and to effect rehabilitation when the river level recedes will be very great. At this juncture I would not be prepared to make an estimate of what the total cost will be. This is an occasion when the people of South Australia have shown very clearly their sympathy and generosity and their readiness to help their fellows. I suppose one of the most gratifying aspects of the fight against the flood has been the spontaneous action of the many thousands of persons who have volunteered to help by actual labour and by loan and gift of equipment. Despite all this the further funds required for rehabilitation will be very high, and as already indicated I have made an approach to the Acting Prime Minister for a special grant to assist with this work. As soon as the picture becomes clear estimates will be submitted to the Commonwealth in support of this State's application.

The provision for Mines Department is £781,000, which exceeds last year's payments by £75,000. The Mines Department will this year undertake for the first time in South Australia seismic surveys, using modern equipment from the United States of America. The decision to undertake this work follows encouraging signs of the presence of oil near Port Augusta and on Yorke Peninsula. Airborne magnetometer surveys will be continued. Exploratory drilling for iron ore will be intensified, using small mobile drills as well as the larger percussion and diamond types. The Research and Development Branch of the department will continue laboratory and pilot scale investigations on the treatment and utilization of South Australian minerals. An investigation of particular interest will be that relating to the production of uranium metal from South Australian raw materials.

Harbors Board.—Expenditure by the Harbor Board is estimated at £1,425,000, an increase of £83,000 over the amount spent in 1955-56. Salaries and wages will absorb £35,000 of this increase. The operations of this undertaking for 1955-56 resulted in a cash surplus of £72,000 but it is anticipated that the effect of import restrictions will affect the board's operations to an extent which will result in a small deficit of £6,000 for 1956-57. Over a period of years the Harbors Board has consistently returned a surplus to revenue.

Railways.—The amount of cash required to meet payments by the Railways Department for operating purposes during 1956-57 is estimated at £15,249,000 compared with actual cash payments last year of £14,964,000, an increase of £285,000, or only 1.9 per cent. The following figures indicate the firm control exercised over costs by the railways administration, notwithstanding increased wage awards and prices over recent years.

Year.	Receipts. £'000.	Payments. £'000.	Deficit excluding debt services and pensions. £'000.
1952-53 ..	11,616	14,756	3,140
1953-54 ..	12,806	14,365	1,559
1954-55 ..	13,107	14,757	1,650
1955-56 ..	13,045	14,964	1,919
1956-57 ..	13,400	15,249	1,849
(estimate)			

The rises in wages and prices have been very largely balanced by economies in operating arising out of the introduction of diesel electric locomotives for freight traffic and diesel rail cars for passenger traffic, together with improved efficiency in rostering of staff, loading of trains, and utilization of rolling stock. At the same time the volume of traffic has been maintained in the face of road competition. This improvement has occurred at the same time as every other State railway system in Australia has been making rapidly increasing losses.

PUBLIC DEBT.

The public debt of the State as at June 30, 1956, was £256,090,000, which represents a net increase of £19,628,000 for the year. This net increase is made up as follows:—

Loans raised—	£	£
New money	22,627,000	
Conversions	11,106,000	
		33,733,000
Less—		
Conversion or redemption of matured securities	11,106,000	
Redemptions by National Debt Commission	2,999,000	
		14,105,000
Net increase in public debt		£19,628,000

The new money borrowings for the year were obtained from the following sources:—

1. Raised by the Commonwealth Government on behalf of the State pursuant to the Financial Agreement	22,615,000
2. Monies invested by the Parliamentary Superannuation Fund	5,000
3. Monies invested by the Silicosis Committee	7,000

NATIONAL DEBT SINKING FUND.

Under the Financial Agreement both State and Commonwealth Governments are required to make contributions to the National Debt Sinking Fund for redemption of State debts. During 1955-56 the National Debt Commission received £561,000 from the Commonwealth and £2,401,000 from South Australia as contributions in respect of this State's Public Debt. At the beginning of the year the commission held a balance of £221,000 for debt redemption purposes on behalf of this State. During the year, in addition to contributions from the respective Governments, interest amounting to £4,000 was also earned by the fund. From the total of £3,187,000 available, the commission, during 1955-56, purchased and redeemed securities on behalf of this State at a cost of £2,945,000. At June 30th, 1956, a balance of £242,000 was in the hands of the commission for further redemption of debts.

GENERAL FINANCIAL AND ECONOMIC MATTERS.

Twelve months ago I warned that, despite the general air of prosperity with a wide choice of well-paid employment, high activity, good profits, very few shortages, and an excellent seasonal prospect, the outlook was less encouraging than for some years. Since that time the signs that the economy was getting out of balance have increased, notwithstanding measures undertaken by the Commonwealth Government. Australia's overseas trade trends have been particularly unbalanced and are only being controlled by arbitrary and rather unsatisfactory restrictive measures. A more favourable feature has very recently entered the trade picture in the recovery in wool prices to the highest level for two years. However, there seems little prospect of an early solution of the balance of trade problem through higher export prices generally, nor is a complete solution likely through the internal financial programme of eliminating excessive domestic demands, although the latter programme is necessary to prevent a worsening of the situation. South Australia may take some pride in that its very high productivity per person engaged in rural industries is contributing greatly to rectifying the nation's adverse balance of trade. In point of fact over the 12 months to June last, South Australia's direct overseas exports of £98,000,000 exceeded its direct imports of £63,000,000 by £35,000,000, whereas for Australia as a whole there was a disturbing adverse balance. It is significant, too, that South Australia has taken a major part in the

production of motor vehicles, which are now entering overseas trade in quantity.

Both in the control of living costs, and in the stabilizing of production costs, South Australia has been more successful than have most other States, and that despite the fact that this State's rate of expansion and degree of business activity and employment have been greater than elsewhere. However, it is quite impossible to isolate completely the local economy from the effects of price and cost changes elsewhere in Australia, and South Australia is undoubtedly suffering from the less satisfactory management of affairs in other States. It is much to be deplored that it has so far proved impracticable to develop a common and coherent Commonwealth-State approach to the problems involved in stabilizing costs and prices.

The seasonal outlook for 1956-57, apart from the serious local damage caused by the River Murray floods, is generally good. Rainfall in practically all areas is well above average and in many instances actually already exceeds for 1956 the average annual rainfall. The abnormally heavy rains have somewhat restricted wheat planting, but there is expectation that the increased barley plantings will largely counterbalance this. Pasture growth has been excellent and will last until late in the season. Water storages are full throughout the State.

During the forthcoming year a very heavy burden will be placed upon public and private finances alike to relieve the hardships caused by the Murray floods and to proceed with the rehabilitation of the stricken areas. The effort by the local residents during recent weeks in flood protection work has been beyond praise, whilst the work of volunteers from other areas has been of great assistance and encouragement. Private subscriptions to the Lord Mayor's flood relief fund indicate a widespread public desire to give practical help. The Commonwealth offer of assistance is likewise greatly appreciated.

The Budget which I have now prepared for presentation to the House is the eighteenth which I have been privileged to present. We face undoubted difficulties and problems, more difficult perhaps for a small and rapidly developing State than for any other. As I suggested last year, such difficulties are not unexpected in a country which is attempting a rate of migration and development which has seldom been reached and never before sustained by any community. There is unanimity throughout the country that we should continue

our programmes of migration and development and therefore we must and will face and overcome the problems which accompany them.

I publicly thank the officers of the Treasury Department for the sterling work they do in controlling the public revenues and expenditures of this State. The Grants Commission has often publicly stated that the documents prepared for presentation to this Parliament by the Auditor-General and the Treasury Department could be accepted by other Governments as models of clarity and correctness. I am no accountant and take no credit for the maintenance of the high standard of the work of the Treasury; it has been due to the efforts of Messrs. Drew, Seaman and Carey and other Treasury officers who are putting their life's work into seeing that the finances of South Australia are maintained on a proper basis. On behalf of the Government I thank them for the high order of their services to the community. I move the adoption of the first line.

Progress reported; Committee to sit again.

HOMES ACT AMENDMENT BILL.

The Hon. T. PLAYFORD 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 amend the Homes Act, 1941-1952.

Motion carried.

Resolution agreed to in Committee and adopted by the House. Bill introduced and read a first time.

LANDLORD AND TENANT (CONTROL OF RENTS) ACT AMENDMENT BILL.

The Hon. T. PLAYFORD (Premier and Treasurer), having obtained leave, introduced a Bill for an Act to amend the Landlord and Tenant (Control of Rents) Act, 1942-1955. Read a first time.

The Hon. T. PLAYFORD (Premier and Treasurer)—I move:—

That this Bill be now read a second time.

The main purpose of this Bill is to extend the duration of the Landlord and Tenant (Control of Rents) Act by another twelve months, that is, until December 31, 1957. House building in South Australia has continued at a high rate and the position as regards the commencement and completion rates of houses is the most satisfactory in the Commonwealth. This is amply evidenced by particulars given in the current bulletin of the Department of National

Development which deals with building progress during the March quarter of this year, the latest quarter upon which information is available.

During this quarter the commencement rate of new houses and flats fell by 3.9 per cent throughout Australia as compared with the March quarter for 1955. It fell in every State except South Australia, the fall being as high as 25.8 per cent in Tasmania. In South Australia, however, the commencement rate increased by 9.3 per cent and 2,003 dwellings were commenced in this State during the quarter. I think members on both sides of the House will be extremely pleased by these figures. The position as regards the completion of dwellings also favours South Australia. The overall completion rate fell by 2.5 per cent. In this State the completion rate increased by 12.9 per cent and 1851 houses were completed. The only State where this completion rate was exceeded was Tasmania where the increase was 27.4 per cent, but the bulletin points out that this marked rise in completions indicated that, as jobs were completed and fewer new contracts were let, labour was diverted to those projects that remained unfinished.

At the end of the 1956 March quarter 6,446 dwellings were under construction in South Australia as compared with 5,481 for the previous year. In every other State the 1956 total of dwellings under construction is less than that for 1955. It is therefore not surprising that the bulletin contains the comment that in South Australia the increase in the completion rate, together with the corresponding increase in commencements, reflects a continuing boom in house building in the State. The bulletin summarizes the Australian house building position as follows:—

There was a small but noticeable fall in activity in the March quarter in New South Wales, Victoria and Tasmania, a continued downward trend in activity in Queensland, a period of under employment of building capacity in Western Australia and a continued strong level of activity in South Australia. These statements are abundant evidence that the housing problem in this State is being attacked with vigour and some success, but the position is still that the supply of housing is insufficient to overtake the housing shortage which, in large degree, was brought about by the virtual cessation of building in the war years which has been accentuated by the very large increase in population during recent years.

Mr. Quirke—Do these figures apply to all house building or only trust building?

The Hon. T. PLAYFORD—To all buildings. The figures include trust and other buildings.

Whilst the rate of applications for housing to the Housing Trust cannot be regarded as an exact assessment of the housing shortage, and it must be remembered that there is some duplication of applications between the various schemes, the fact that 11,751 applications were made to the Trust during the last financial year under its various housing schemes whilst the corresponding figure for the previous financial years was 10,806 is abundant evidence that the housing shortage is still with us, although it is by no means as acute as it was some years ago and is being overcome. The Government is therefore of opinion that it is necessary to extend the operation of the Act further, and this is provided for in clause 4 of the Bill.

As will be apparent from an examination of the Bill, the Government also does not propose any alteration to the degree or extent of the control provided by the Act. During the past few years, there have been very substantial relaxations of the controls created by the Act. Business premises have been completely freed from control. Similarly, there is now no control as to rents or evictions over dwelling-houses completed since December 3, 1953, over premises which were not let between the beginning of the war and December 3, 1953, or over dwelling-houses let under a lease in writing for two or more years. Where the premises consist of a shop and dwelling this exemption from control relates to a lease for one year or more. Again, where the parties to a lease agree in writing to a tenancy for a fixed term, there is no control over the rent payable under the lease.

As regards rents to be fixed under the Act, the law has been progressively altered to give increases in rent and the present position is that the rent of a dwelling is fixed on the basis of the standard rent prevailing at September 1, 1939, plus 33½ per cent, whilst full allowance must be made for increases in rates, taxes, costs of maintenance and other outgoings. As regards control of evictions, the Act has been progressively altered in favour of landlords. At present, if a landlord needs his house for himself, his son, daughter, mother or father he can become entitled to possession by giving six months' notice to the tenant.

In a number of other cases, possession can be obtained with six months' notice without the court having power to examine the relative hardships of the parties. In cases of breach of tenancy by the tenant, the Act gives no protection to the tenant. In addition, many grounds are prescribed where notice to quit may be given for a short period but where the court will have regard to the relative hardships of the parties. The Government is of opinion that, in the light of the existing housing position, the Act, in its present form, preserves a reasonable balance between the interests concerned and is suggesting that the existing degree of control be extended for another year.

Clause 3 deals with a matter which, in the opinion of the Government, requires legislative enactment. A number of agencies are now operating in Adelaide which, for a fee, will supply to an inquirer the address or addresses of premises which are available for letting. The fee may be as much as £10 to £12. After payment of the fee, the addresses are supplied. The rents of the premises at the addresses supplied are usually high and the accommodation is often poor. It is obvious that this practice can lead to extortion from persons unfortunate enough to be in need of housing. Similar practices in the United Kingdom led to the enactment of the Accommodation Agencies Act, 1953, and clause 3 is substantially similar to the relevant provisions of that Act. Clause 3 provides that it will be an offence to demand or accept money for registering a person's name in a list of prospective tenants or for supplying the addresses of dwellings which may be available for letting. It is provided that the clause is not to affect the payment of the remuneration of an agent who acts for an owner and is paid by the owner and that the clause will not apply to the fees of a solicitor acting as such.

It is also provided that if a person procures the letting of a dwelling to another person the clause will not apply to the payment of a fee after the service is rendered. Obviously, an agent acting for the owner or a solicitor is entitled to his proper remuneration. Similarly, if a person actually procures the letting of a house to another person, he should be entitled to be paid for his services. It is also provided by the clause that, if any amount is paid in contravention of the clause and the person accepting the money is convicted of an offence under the clause, the convicting court may order him to repay the money to the person by whom it was paid. In the event

of such an order not being made, the person by whom the money was paid will be entitled to sue for its recovery.

Honourable members will see that the Bill re-enacts the present landlord and tenant legislation for another year, with the one exception that this particular practice which the Government does not believe to be a desirable one is prohibited within the terms that I have explained to honourable members.

Mr. DUNSTAN secured the adjournment of the debate.

WATERWORKS ACT AMENDMENT BILL.

Second reading.

The Hon. T. PLAYFORD (Premier and Treasurer)—I move—

That this Bill be now read a second time.

Its object is to remove limits fixed by the principal Act on the minimum water rates which may be charged under the Act. At present the principal Act enables the Minister of Works to fix minimum water rates, but provides that the Minister may not fix a minimum rate in excess of 5s. for vacant land to which water is not laid, and 15s. for other land. These limits were fixed in 1932. They are no longer appropriate. Since 1932 the cost of supplying water has been increased greatly by general increases in costs and the cost of pumping water from the River Murray.

There have been many examples in recent years where the laying of a water main has increased the value of vacant land tenfold. It is felt that those who benefit from such enhancement should contribute more towards making the supply available, especially when the average cost now-a-days of laying a main past a vacant block is approximately £50. Also, a minimum rate of 15s. where a property is connected to a main is not in proportion to the value of the water supply to the owner of the property.

In the circumstances, the Government has decided to remove the limits fixed by the principal Act, and to leave the amounts of minimum rates to be fixed by the Minister. As the Minister has under the principal Act an unfettered discretion in fixing ordinary water rates, it is reasonable that he should also fix the minimum rates at such amounts as appear appropriate. It may be mentioned that there is no limit under the Sewerage Act on the minimum rates which the Minister may fix for the Adelaide drainage area, so that this Bill will give the Minister similar powers to those he exercises under the Sewerage Act.

The Bill will not affect rates payable during the present financial year, but will apply to rates payable in succeeding years.

Mr. O'HALLORAN secured the adjournment of the debate.

PRICES ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from August 16. Page 317.)

Mr. O'HALLORAN (Leader of the Opposition)—I have no serious complaint about this Bill, which simply continues price fixing legislation for another 12 months. I agree with the Minister that it is essential to continue price control, particularly while wage pegging is in operation, though I do not agree with the continuation of wage pegging, which is a flagrant injustice to the workers. In his second reading speech the Minister said:—

The Government adheres to the policy of not imposing unnecessary controls; but information in the possession of the Government clearly indicates that there is still a strong case in South Australia for the continuance of price control in the interests of the public. In the commerce of this State there is not at present sufficient free competition to protect consumers against excessive prices. Price fixing arrangements of various kinds are common and effective. A trader who endeavours to charge less than the price determined by his trade association may often find himself in difficulties; for example, he may find his supplies cut off. Generally speaking, the trade associations are able to prevent price reductions.

I agree entirely with those remarks, but they disclose one of the weaknesses of our legislation, namely, the fact that our price-fixing legislation is not permanent. We should have permanent legislation based on the lines of the Queensland Profiteering Prevention Act. The Minister referred to organizations used to keep prices up and hold up supplies to traders not prepared to charge the prices fixed by outside bodies. These organizations fondly hope that price control in this State will soon be discontinued, but if they knew that it was a permanent feature of our legislation perhaps we would not have the exploitation evident today. Moreover it is obvious that a department that does not know from year to year whether it is to continue cannot give the same orderly consideration to the control of prices as one that knows it is to be a continuing body.

In making these remarks I am not reflecting on the present Prices Commissioner or his predecessor. Our Prices Commissioners have given excellent service within the limitations

of the administration. One of the peculiarities of the administration has been that whenever by some rare stroke of chance it has been found possible to reduce the price of any commodity the announcement has been made by the Premier with the sounding of brass and the beating of drums, but when it has become necessary to increase prices, as unfortunately has been all too frequently the case, the Prices Commissioner has to endure the odium of announcing the increase. About a fortnight ago the prices of ham and bacon and other popular lines were reduced and, of course, the Premier made the announcement, but more recently the price of fritz and smallgoods was substantially increased, and the announcement was made by the Prices Commissioner.

Our price-fixing legislation should be permanent, and there should be a section, as in Queensland, relating to the control of combines and monopolies. There is nothing in our legislation giving the Government power to deal with these combines that the Minister so scathingly referred to. When I delivered my policy speech prior to the last election I pledged the Labor Party to exhaust the State's constitutional powers in order to protect the people from combines and monopolies. The Queensland Government has used its constitutional powers in this direction to considerable effect. Probably one of the best measures of whether the public is being unduly exploited can be found in the living wage, which is the reflex of prices contained in a comprehensive regimen used by the Federal Statistician to arrive at a fair basis for the living wage.

The last issue of the *Public Service Review* gives a comparison of the increases in the living wage in the various States between 1953, when the basic wage was pegged, and 1956. The living wages in the various States, as at August this year, were New South Wales, £13 3s.; Victoria, £13 3s.; Queensland, £11 17s.; South Australia, £12 1s.; Western Australia, £13 1s. 6d.; and Tasmania, £13 12s. It must be remembered that the South Australian figure of £12 1s. would have been £12 13s. but for the flagrant injustice inflicted on South Australian workers by the suspension of cost of living adjustments and the failure of the State Government to do anything about it. Those figures show that the living wage in Queensland is £1 6s. below the figure for New South Wales and Victoria, £1 4s. 6d. below Western Australia, £1 15s. below Tasmania, and 4s. nominally below South Australia, but actually 16s. below after allowing for the 12s. previously mentioned.

Those figures also show conclusively that the impact of the Queensland legislation providing for permanent price control and power to deal with combines and monopolies is the most effective in Australia. Our present legislation is an example of the fact that private enterprise, which is so often lauded by members opposite, cannot be trusted completely to carry out the business of the community in the best interests of the public. The natural corollary to free enterprise and free competition is the formation of the organizations such as those mentioned by the Minister to eliminate competition and thus to exploit the public. However, this Bill, as far as it goes, is good and I support the second reading.

Mr. MILLHOUSE (Mitcham)—I am entirely opposed to the principle of price control unless it can be justified on some grounds. I frankly admit that I have been occasioned much anxiety and doubt in the last few months by this question of continuing price control for a further 12 months, but after careful thought and consideration I have decided that I cannot support its continuance, and I oppose the second reading. I believe that price control, of itself, is bad unless it can be justified. I do not wish to be regarded as hard hearted and out for the employer at the expense of the employee—in other words, trying to benefit one section of the community at the expense of another, but I sincerely believe that price control is not in the best interests of the community and that all sections will soon benefit far more by its removal than by its continuation under the present circumstances.

I would have had no hesitation in opposing price control but for the current debate in Australia about our economic position and the conditions that have arisen in the last few months; but many people today are using the fact that wages have been pegged as a reason for continuing price control. They say, "If you peg wages then it is only fair that you should peg prices as well, otherwise we shall have inflation unchecked." Having considered the problem, I do not believe for one moment that that is a valid argument in favour of price control. I do not believe inflation can be checked by a control of prices. Price control itself is an inflationary factor because of the expenditure involved in its administration. I do not suggest that is a large amount, but it is certainly something to take into account. What is the position in South Australia? The figures supplied by the Premier reveal that although an increasing number of items are

being decontrolled the cost of administering price control is increasing. In 1953-54, the cost of administering the Prices Branch in South Australia was £68,027, of which the salaries paid to inspectors—and a less euphemistic term could be used to describe them—accounted for £47,603. In 1955-56, the total cost was £78,082, of which the inspectors received £56,112. In other words, while the number of goods controlled has decreased the expense of policing the Prices Act has substantially increased.

I do not believe that price control will cure inflation. I believe—and, of course, this could be argued *ad infinitum*—that the causes of inflation have to be sought elsewhere. Such factors as full employment—a good thing in itself and, of course, to be defended at all costs if possible—affect our inflationary position. The fact that there is a greater equality of income in the community in the last 10 years has made a tremendous increase in its purchasing power and that also must be taken into account. Perhaps one of the biggest factors is Australia's policy of immigration—in itself absolutely desirable and necessary, but nevertheless a strong inflationary factor. Another factor is our overall Australian policy of National development.

If it is agreed that these matters cause inflation, can price control prevent it? I do not think so, because to be effective it must extend over the whole range of the community's activities and throughout Australia. What is the position today? Three of the most important and powerful Governments are apparently totally opposed to price control, or, if not that, unwilling to re-introduce it. The Commonwealth Government has stated it will have nothing to do with it, and the Commonwealth is the one authority which could impose control over the whole of Australia. On a State level, both Victoria and New South Wales are unwilling to re-introduce it. The fact that New South Wales has a Labor Government and Victoria a Liberal Government indicates to me that this is not really a party political matter. As the three most powerful Governments are unwilling to reintroduce price control it is apparent there can be no effective system in Australia. Price control, to be effective, must extend over the whole range of the community's activities, but what is the position in South Australia today? We have what might be termed, "selective price control." Some articles are controlled, others are not. That, to me, seems to nullify the effectiveness of the whole principle.

Mr. Davis—Do you believe in controlling all prices?

Mr. MILLHOUSE—No. I do not believe in price control at all. In South Australia price control does not extend over the whole range of services in the State. As time elapses, more and more goods are decontrolled and only a few of them are recontrolled. That robs price control of its effectiveness to halt inflation and is basically unfair in that some people are hit by controls while others are not. Some people are partly affected, some are not affected at all and others are totally affected by it.

When price control was at its peak in Australia in 1951 and 1952 it did not halt inflation. At that time I think every State operated price control. With control there is an army of inspectors who go around investigating cases for increases or decreases, but at a time of inflation all they can do is to sanction inevitable increases in prices. It seems to me that the maximum price fixed for an article frequently becomes the minimum price that traders are prepared to charge. In other words, even though they might be able to sell at a lower price on the free market, they are unwilling to do so when the price is fixed. Price control increases the demand for goods while it decreases the supply because there is less incentive to produce. It simply diverts the public's demand to other items the prices of which are not controlled and which are in better supply.

I turn now to the Minister's second reading speech which, if anything could be, was an apology for the continuation of price control. In saying this I do not mean to be disrespectful to the Minister, but it was a very short speech and contained only four reasons for the continuation of price control. The first reason was:—

In the commerce of this State there is not at present sufficient free competition to protect consumers against excessive prices.

In other words, there is not free competition. The old basis of price control, which was brought in as a war-time emergency, has apparently been replaced by a new one—that price control is to prevent the exploitation of the public by monopolies. The public should not be exploited, but I believe appropriate steps could be taken to stop profiteering and exploitation if such things were happening. However, I do not believe this is a sufficient reason for the continuation of price control as we have it in South Australia. On the contrary, I believe that the present system encourages rather than discourages the creation of trader's associations and monopolies,

because traders naturally band together to advance their own interests in opposition to price control. In other words, so long as we have price control there cannot be adequate competition in those industries in which there is price control, because the control discourages competition.

Mr. Quirke—It promotes inefficiency.

Mr. MILLHOUSE—It does, because it protects the weaker brethren. The only way to get back to proper competition is to abolish price control. The second point mentioned by the Minister, if it were not on such a serious topic, would be laughable. It was as follows:—

The Government continues to receive numerous complaints of overcharging from the public.

That is probably the case. Anyone who has made a bad bargain, if he feels someone will protect him, will make a complaint, and that seems to me to be the main reason for this statement. I do not think that is any justification for this measure. On the face of it the third point has a great deal to commend it. That point is:—

While the living wage remains pegged as at present it would be unjust to abandon price control. The control is especially valuable and necessary on the items of food and clothing which enter into the C series index.

We hear a lot about the C series index, and I have always been prepared to accept what we hear as being perfectly accurate, but I doubt very much that it is an accurate summary of the position. I have a copy of the 1952 Labor Report which contained a list of the items in the C series index, and also the 1953 Labor Report which contained a list of items in the interim index, which may take the place of the C series index because it contains many items that the C series index does not contain—in other words, it brings the pre-war index up-to-date. I also have a complete list of all goods and services subject to price control in this State, which I obtained from the Parliamentary Library. A great number of the services and goods that are at present controlled and which have been the subject of controversy in the last few weeks, do not appear in the index at all. I refer particularly to chemists' charges and hairdressing fees. Neither of these appear in the C series index, yet both are controlled in South Australia. In the interim index some provision is made for them. This interim index may replace the C series index if the Arbitration Court restores quarterly adjustments, and in that index the only

chemists' items mentioned are proprietary medicines, cough mixtures, tonics, A.P.C., Cascara, ointment and baby food. None of the items that have been recontrolled in South Australia in the last few weeks appear on that list, nor did they ever appear in the C series index. Hair-cuts were not taken into account in the C series index, but they are in the interim index. I mention these things to refute the statement that price control helps to keep prices down.

I also have the interim retail price index showing the index figures for the six capital cities for the last quarter, the last 12 quarters and the last few years. In this, 1953 is taken as the base year, and the figure for that year is 100. In 1951 the figure for Sydney was 74.6. There is a footnote stating that not very much account should be taken of the decimal point. At that time the figure for Adelaide was 74.7, for Melbourne it was a little over 75 and for Brisbane a little over 76. In New South Wales there is no price control, and the figure for Sydney has increased from 74.6 in 1951 to 108.5 for the June quarter of 1956. In Adelaide, where there is price control, the figure has gone from 74.7 to 109.7; in other words it has increased more than one unit more than it has in New South Wales where there is no price control. Although I know that statistics can often be twisted, these figures seem to show conclusively that price control in this State is not effective in keeping the cost of living down.

I have another table showing a comparison between the C series index and the interim index, which indicates that the two are close together although the interim index is a little less than the other. In the six capital cities the weighted average for the June quarter this year was 111.8 in the C series index and 110.8 in the interim index. This indicates that the cost of living has increased more in South Australia than in New South Wales.

Mr. Lawn—What about Queensland?

Mr. MILLHOUSE—You are going to come off fairly well there. In 1951 the index figure for Brisbane was 76.4 as against 74.7 for Adelaide. In the June quarter of 1956 the Brisbane figure was 109.5 and the Adelaide figure 109.7, so that the increase in Queensland has been a little less than here. Adelaide and Brisbane are now almost on a par.

Mr. Quirke—But they are both higher than Sydney.

Mr. MILLHOUSE—Yes, and both are under price control. It seems to me that this talk of the C series index is entirely inaccurate. The

fourth point is one in which assertion must be met by counter-assertion. It is simply:—

Finally it may be said that price control has not worked any real hardship to anyone. That is an assertion which is very difficult to deny and contradict.

Mr. Shannon—And just as difficult to affirm.

Mr. MILLHOUSE—That is so. Ask anyone who has been prosecuted under the Prices Act whether it has worked any hardship. Ask any trader in any of the lines which are under price control whether price control is a hardship, and I have no doubt what his answer will be.

Mr. Corcoran—What do the chemists think about it?

Mr. MILLHOUSE—We will come to them. I do not exempt chemists from the class of persons who say that price control has been a real hardship. I have dealt with the four reasons given in the second reading speech for the continuation of price control in South Australia, and I believe that I have shown that none of them are really effective.

I turn to the machinery of price control in South Australia, and I have a list, prepared by the Parliamentary Librarian, which as nearly as possible is a complete list of the items which are declared goods and services in this State. One thing that intrigues me is that the items "non-intoxicating drinks" and "ice-creams", for some reason best known to the Prices Commissioner, are declared goods and services in South Australia. That is an example of the absurd lengths to which the Prices Branch has to go in trying to make control water-tight. Item 386 under Division 20 on that list shows the following items:—

Non-intoxicating drinks of the following kinds—

- (a) aerated waters
- (b) mineral waters
- (c) drinks made from fruit juice, cordial extract, or syrup, with the addition thereto of water or aerated water or without the addition thereto of any other ingredient.

With the small legal training I have had I am able to follow that, but surely this is the absurdity:—

- (d) drinks of which milk forms an ingredient.

A milk shake is controlled apparently because milk is an ingredient. But then, I suppose in a frenzy of worry that there may be some loophole, the Prices Branch has included the following item:—

- (e) drinks of which milk forms the sole ingredient.

I have not the faintest idea what that may be, unless it is plain milk. Why should that be included in the list of declared drinks? I think it shows the absurd lengths to which price control has gone. I suppose it means that if one goes into a cafe and asks for a cup of tea which includes milk he must pay the controlled price because that is a drink of which milk forms an ingredient, but if one has a cup of tea without milk the proprietor can charge what he likes. The Prices Commissioner may have a perfectly legitimate answer to that, but I cannot find any answer to it in the present regulations under the Prices Act. It seems to me to be one of those gross absurdities which has always crept into price control whenever it has been attempted over the last 2,000 or more years. If we look through history we will see that whenever price control has been attempted it has always ultimately defeated itself and failed, and I believe that is what will happen again.

To summarize, I make the following points in opposition to price control: (a) it is bad in principle; (b) it is no cure for inflation; and (c) none of four reasons put forward in favour of price control hold water. I appear to be in a minority, but I oppose the continuance of price control this year and will vote against the second reading.

Mr. LAWN (Adelaide)—The honourable member for Mitcham said that he intends to vote against this Bill but he has not told us why.

Mr. Shannon—He did tell you.

Mr. LAWN—If the honourable member can tell me what the member for Mitcham said against the Bill I shall be happy to hear it. He has not told us why he is opposing the Bill. He said that price control was a bad thing unless it could be justified, but does not that apply to everything? We have a law which says that a person must not assault another person in the street. Was that law passed merely for the fun of it, or because Parliament thought that it was justified? Do we interfere with the freedom of people in any walk of life unless we feel that the interference is justified? The member for Mitcham went on to say that the removal of price control would mean that all sections of the community would benefit. The seller of potatoes would certainly benefit, but no one can tell me that the housewives would receive any benefit when potatoes are fetching anything from £160 to £200 per ton.

Mr. Shannon—Go over to Sydney and tell them that.

Mr. LAWN—Does the member for Onkaparinga say that the member for Mitcham justified his action when he said he intended to oppose this Bill?

Mr. Shannon—He quoted figures which show conclusively that costs in Sydney, where potatoes are £180 per ton, are still cheaper generally than here.

Mr. LAWN—The honourable member for Mitcham did not handle that aspect of his address with any credit to himself or this House. Let us examine what the honourable member for Mitcham said about the C series and interim series index. If the removal of price control on potatoes benefits all sections of the community, I have a very confused understanding of what prices and benefits to the community mean. The honourable member then said that the expense involved in price control is inflation, and that administration costs to the State were £68,000 in 1953-54 and £78,000 in 1955-56. He said that that is inflation, but does not that apply to everything? It costs thousands of pounds a year to administer the police force, and surely the member for Mitcham would not advocate the abolition of that department because it is inflationary.

Mr. John Clark—What about our courts?

Mr. LAWN—I was coming to that. It costs hundreds of thousands of pounds a year to administer our industrial courts, both Federal and State. The member for Mitcham appeared to be suggesting that we should abolish price control and save £78,000 this year, and presumably his next step would be to abolish our industrial courts which cost some hundreds of thousands of pounds a year. If that is his only effort to curb inflation I suggest he give up the attempt because he is not competent to deal with the subject. During his address he said that this Bill will not prevent inflation or that we cannot prevent inflation. I was not sure what he said, and when I asked him to repeat his remarks he said he would not be drawn away by any red herrings thrown across his path. The honourable member reminded me of some solicitors I have heard attempting to present hopeless cases in the courts. He said that we cannot have an effective control of prices, and he went on to assert that price control to be effective must extend to a greater range. I cannot imagine a more inconsistent statement than that.

I found it difficult to follow the honourable member this afternoon, having in mind that he was addressing himself to a Bill which

extends price control for a further 12 months. He also said that price control did not halt the rapid inflation in the years 1951 and 1952. I would not disagree with that statement. We have not had proper price control since the war. I remind the honourable member that his Party was responsible for advocating the present price control set-up. When the Labor Party went to the people in 1948 and advocated control on a Federal basis the Liberal Party said that we could do it better on a State basis. The Premier said in full page advertisements, "My Government can and will control prices," yet we have a junior member like Mr. Millhouse, who may have superior knowledge to that of the Premier and may prove himself to be a greater statesman, making such statements as we have heard this afternoon. Although the Premier said in 1948 that his Government could and would control prices, Mr. Millhouse said that under our present system we cannot have effective price control. Government members should get together and see if they can arrive at some degree of unanimity. We have had all this stabbing in the back by members of the Liberal Party, and I hope that in the present financial crisis we may have some stabbing in the back, as it may prove to be the best thing.

Mr. Millhouse said, "Price control means there is no incentive to the producers." What he was saying, but did not realize it, was that there is an incentive to people to grow potatoes where there is no price control. He was putting up the case that the person who wants to produce and sell and grab the lot wants to buy his labour in the cheapest market and sell his goods in the highest market without control. He wants the wage earner to have his wages controlled and pegged, but other men who sell their goods to be able to do so on the highest market, even if they have to be sent to Sydney where they fetch more, or even if they have to be brought back from Sydney to be sold here. The effect of what he said was there is no incentive to the seller of the goods where there is price control, and that means there is an incentive to produce goods which are uncontrolled, which is not a good thing for the community, although it might be a good thing for the people on whose behalf Mr. Millhouse was speaking.

He mentioned items which might be used in future instead of those in the C series index. What has that to do with the matter now before the House? He said that such things as medicines and hair cuts were not included in the C series index. What has that to do

with the Bill? I have often said there are many items outside the index which should be included. Is the honourable member suggesting that the workers should not have hair cuts or should not go into chemists' shops to buy medicines? What was his reason for such a statement? What difference does it make to the Bill whether or not some of the items controlled by the Prices Branch are in the C series index? We on this side know that the public are being exploited wherever it is possible, including exploitation in items which are in the C series index. The honourable member went on to compare the South Australian basic wage with the wages operating in New South Wales and Victoria and mentioned that those two States did not want to reimpose price control on a State basis because they had found from experience that administration was better on a Federal basis. I interjected and asked him to give the Queensland figures. Official records show that in the last three years the cost of living has increased less in Queensland than in any other State. Whereas South Australia has price control, Queensland has a control of profits. Furthermore, the basic wage had not been pegged in that State during the last three years, but there has been free movement with increases from time to time, but in this State the basic wage has been frozen and is still pegged at the 1953 figure, except for the 10s. a week increase granted by the Commonwealth Arbitration Court in June. The quarterly cost of living adjustments have been passed on to the workers in Queensland, and despite that that State has had a lower price increase than South Australia. The member for Mitcham did not give a true picture of Queensland.

Mr. Millhouse—I only gave you the figures you asked for.

Mr. LAWN—You did not say that the increase in prices in Queensland in the last three years had been lower than in South Australia despite the fact that there had been no pegging of wages, and that is the true story. I feel that I can now place before the House at least one reason why price control should continue. Apart from mentioning chemists' charges, the honourable member made no reference to the recent investigation by the Prices Branch into such charges, although he had asked questions during the session while the investigation was proceeding. He knows that the inquiry took place and the reasons for it, and those reasons are available to him either from the chemists or the Prices Branch. I suggest that the fact he had nothing to say

this afternoon about it shows that the action of the Prices Branch was justified. Earlier this year there was a press announcement that chemists would increase their charges to give them a 50 per cent profit on all items. I wrote to the Premier on that occasion and he referred the matter to the Prices Branch for investigation, and immediately the president of the Pharmaceutical Guild announced over the air that chemists would no longer proceed with their intention. First, let me tell why the chemists wanted that 50 per cent profit on all lines, and in some cases it was not limited to 50 per cent. The Pharmaceutical Guild had approached the Commonwealth Government for an increase in dispensing fees for all prescriptions made up for the Social Services Department. The Government inquired as to the amount of profit derived by the chemists in the various States, and because there was no uniformity the Government said, "Until you can show that there is uniformity of charges in the various States, we are not prepared to grant your request." That is the reason the South Australian Pharmaceutical Guild took the action it did in July in order to increase its charges.

The information I am giving cannot be challenged. If they desire to try to do so, members can submit a copy of my remarks to the president or secretary of the Pharmaceutical Guild or to any chemist. Much has been said in the press recently regarding the investigation by the Prices Branch, and I invite any honourable member to submit to the guild a copy of *Hansard* containing my speech and let it give its reply through the House. When the announcement was made in July that all dispensing fees would be heavily increased the chemists were basing their figures on a charge of 29s. 2d. an hour for qualified labour. The manager of a chemist's shop receives £20 3s. 6d. a week of 42 hours or 9s. 8d. an hour, a registered assistant £16 6s. 6d. for a 40-hour week or 8s. 2d. an hour, and a female chemist 75 per cent of that amount; yet the chemists were basing their dispensing fees on a rate of 29s. 2d. an hour. The chemists made the increases immediately after the payments to employees for skill had been considerably reduced. About two years ago the wages board increased the wages by about £3 a week, but as a result of an application by the Guild the Industrial Court referred the matter back to the board and, although there had been a 10s. a week increase in June this year, the wages were reduced by 30s. a week. I drew the attention of the Premier to

the proposed increased charges by the chemists and he referred the matter to the Prices Department, and we all know what happened. I have a statement which gives the following information:—

All drugs used in prescriptions are subject to 100 per cent mark-up on cost, plus a breakage factor. Potassium bromide is bought at 1 lb. rates (actually often in 7 lb. lots). 100 per cent is added and then to obtain the 10z. price this pound price is divided by 12, not 16.

When I went to school I was taught that there are 16oz. in 1 lb.

Mr. Geoffrey Clarke—There are two methods of weighing—troy and avoirdupois.

Mr. LAWN—I have been told that it should be divided by 16. The statement continues:—

To get smaller quantities this ounce price is divided in a similar fashion so that in actual fact the chemist gets a fantastic return for all drugs and chemicals, as they are ordered in doses of 10 to 20 grains, which is approximately half an ounce to the bottle. In addition to this, chemists charge a professional fee for dispensing services. This fee varies with different types of prescription. The normal one is for liquids which are mixtures, gargles, liniments, lotions, paints, and in the new list ear and nasal drops. These are divided into (1) simple, (2) compound (liquid), (3) compound (solids). In the new list there is (4) emulsions and eye lotions.

Further information I have states:—

(1) Simple—this consists solely of pouring a liquid from one bottle to another. If a doctor orders a bottle of compound syrup of Ferri Phosphate (which is Parish's Chemical Food under the official name), the cost of filling a bottle from the bulk bottle is called a simple dispensing fee. These were raised from—

	s.	d.	s.	d.
1oz.	1	0	to	3 0
2oz.	1	3	to	3 0
3oz.	1	3	to	3 0
4oz.	1	6	to	3 0
6oz.	1	6	to	3 5
8oz.	1	6	to	3 5

This represented a rise of from 100 per cent. to 300 per cent, yet wages had been decreased by 30s. a week. The information further says:—

(2) Compound Liquids—this consists of mixing two or more liquids. If a doctor ordered 4oz. of Parish's Food and 4oz. of another liquid (even water) it becomes a compound of liquids. These fees were raised from—

	s.	d.	s.	d.
1oz.	1	9	to	4 0
2oz.	2	0	to	4 3
3oz.	2	0	to	4 6
4oz.	2	3	to	4 6
6oz.	2	6	to	4 10
8oz.	2	6	to	4 10

(3) Compound (including solids)—this is the biggest racket of them all. To aid dispensing it is easier to measure a liquid than to weigh a solid. For this reason chemists keep all of the common solids dissolved in water, in certain proportions, so that if a doctor orders, say, $\frac{1}{2}$ oz. of potassium bromide in a bottle the chemist keeps a solution of the chemical in water in the proportion of, say, 1 oz. in 4 oz. of water. Then instead of having to weigh the $\frac{1}{2}$ oz. of solid he merely pours out 2 oz. of solution (which contains the $\frac{1}{2}$ oz. of drug). To make the solution in bulk the majority of chemists merely dissolve the drug in a calibrated jug and stir until dissolved. If a prescription calls for a solid drug the chemist charges a mortar fee for each prescription, even though he does not use one, but uses these bulk solutions. He is supposed to use one to grind the solid drug with water to make it dissolve. Thus this racket is really the worst because the majority of mixtures fall into this category. These rises were:—

1 oz.	2s. 2d. to 5s.
2 oz.	2s. 5d. to 5s. 3d.
3 oz.	2s. 5d. to 5s. 6d.
4 oz.	2s. 8d. to 5s. 6d.
6 oz.	2s. 11d. to 5s. 10d.
8 oz.	2s. 11d. to 5s. 10d.

So before a drug is placed in an ordinary bottle the customer is slugged 5s. 10d.

I will not mention the other matters referred to in the statement. One thing the chemists did was this: if the price came to 4s. 11d. they fixed it at the nearest 3d., so the 4s. 11d. was made 5s. I have a lot of information about these charges by the chemists and it was all sent on to the Premier who caused a special investigation to be made. The department was astounded when it heard of the position. Further information was sought and it was readily given, and that section of our business community had its wings clipped in the matter of prices. This afternoon. Mr. Millhouse said that by the removal of price control all sections of the community would benefit, but if there were no control over charges imposed by chemists the only people who would benefit would be the chemists. The employees and the general public would not benefit. We know what is happening with the prices of motor vehicles and it is time the Government looked at the balance sheets of the firms producing the vehicles. Their charges are not fair and just and they should be subject to price control. We have a form of price control in rent control, but that matter is dealt with in separate legislation. Let members opposite imagine what would happen if we had no rent control. Surely Mr. Millhouse does not believe that if there were no price control all sections of the community would

benefit. There is no understanding the reasoning of members of the Liberal Party. They have only one thought in mind—big business. They want to buy labour in the cheapest market and sell their goods at the highest possible prices, exploiting the public as much as possible. They do not respect friendships and forget loyalty to one another. Whilst they can make greater profits, even if it is at the expense of someone else in business, it is all right. They do not want free competition.

Mr. HAMBOUR—On a point of order, Mr. Speaker. The honourable member does not know my attitude on this Bill. He is accusing me of many things of which I am not guilty, and I take exception to it.

The SPEAKER—The honourable member for Adelaide is in order, but I ask him to address the Chair and not to refer to members individually.

Mr. LAWN—I did not refer to the honourable member. He must have a guilty conscience.

Sitting suspended from 6 to 7.30 p.m.

Mr. LAWN—Generally speaking, Liberal members believe not in looking after the interests of the community as a whole, but rather in obtaining every pound of flesh they can, whether they are in business or representing businessmen. For some unaccountable reason the member for Light (Mr. Hambour) has taken some of my remarks as applying particularly to him, but if his guilty conscience led him to that conclusion I regret it, for I was speaking about all members of his Party and not specifically about him.

For some time Labour members have drawn attention to the way increases and reductions of prices have been announced. At public meetings I have heard the member for Enfield (Mr. Jennings) challenge listeners to check his statement that the Treasurer announces price reductions, whereas the Prices Commissioner is left to tell the public about price increases. Further, I have heard some of Mr. Jennings' listeners agree with his statement. Now the position has become so obvious that even the press has given it prominence and only yesterday a local newspaper contained a cartoon depicting Playford's "Tomtookies". Whether Mr. Hambour is a Tomtookie or not I do not know, but I trust that my remarks have convinced him that he should support this Bill. I remind him and the member for Mitcham (Mr. Millhouse) that in other States where the electoral system is not sewn up by gerrymander as it is in South Australia, the lifting of price

and rent controls has resulted in a considerably increased vote, if not victory, for the Labor Party at the following election. Although I regret that the Bill is not exactly what the Opposition would like to see, in the circumstances I support it.

Mr. GEOFFREY CLARKE (Burnside)—The member for Adelaide (Mr. Lawn) attacked the member for Mitcham (Mr. Millhouse) merely because Mr. Millhouse exercised the right to express his opinion, which he, as a member of the Liberal Party, is perfectly free to do. Mr. Lawn said that Mr. Millhouse was "stabbing his Party in the back" and allowed other members to assume that there was disunity in the Liberal Party merely because its members expressed their own views as they were entitled to do. Such a statement seemed odd, coming from a member of the Labor Party. He should not talk about disunity for I recollect reports of conferences attended by members of his Party at which there was no unity. The debate on this Bill should be on an economic issue and it should be discussed dispassionately with reason and calmness; such an approach, if adopted by Mr. Lawn, would not have lent itself to the stump oratory we have heard today.

I did not wish to introduce the pharmaceutical profession into this debate, but some of Mr. Lawn's ill-informed statements must be replied to. He is not privy to the information on which the Prices Commissioner has pegged pharmaceutical prices, nor has he, I believe, in his possession the case made out by the Pharmaceutical Guild for a revision of its prices. I am not a spokesman for the Pharmaceutical Guild, but in fairness to that body, which represents a reputable profession, a summary of its case should be put before the House in refutation of Mr. Lawn's rather wild statements. I quote from the submissions made within the last two days to the Prices Commissioner by the Pharmaceutical Guild in support of the variation of prices which have existed in that profession since 1953. The document states, *inter alia*:—

We submit that the official scale of fees for compounding and dispensing in South Australia, including container charges, which were to have commenced on July 1, 1956, were soundly based, having proper regard to time and responsibility involved, and a reasonable return to the proprietor to cover costs and a moderate margin of profit.

The document goes on to point out that this increased compounding charge does not affect pharmaceutical benefits, pensioner benefits, or

repatriation prescriptions, which cover just under 50 per cent of all prescriptions made up by chemists.

Mr. O'Halloran—But it affects the man who pays for his medicine.

Mr. GEOFFREY CLARKE—Yes, as every wage increase affects the price the consumer must pay for his goods. I am not arguing that: I am stating a case in refutation of charges made by Mr. Lawn. The document proceeds:—

In support of our case we particularly refer to the undermentioned:—

(1) The rate of 29s. 2d. an hour is reasonable, having regard to the professional skill that is required, the responsibility that is borne, and the fact that a substantial portion of the pharmaceutical chemist's time is of necessity engaged in work not directly chargeable to customers. It is not out of place to mention here that it is the chemist's duty to check dosage and chemical incompatibility of ingredients—that is his responsibility by law. The law also throws upon him a heavy responsibility in respect of the control and use of dangerous drugs and poisons coming into his possession. They are all borne by the pharmaceutical chemist. The last scale of fees commenced operation in March, 1953, and was reprinted for South Australian use in 1954. Since then there have been instances of pharmaceutical chemists rents in Housing Trust shopping centres increasing by 100 per cent or more, and others probably in the same or higher ratios. Other costs, such as rates, taxes, insurance, light, gas, postage, printing and stationery, wages, etc., have also increased.

Mr. Fletcher—Those chemists are opposed to friendly societies.

Mr. GEOFFREY CLARKE—I am not suggesting that they are opposed to or are in favour of friendly societies. I am placing before the House the additional costs that chemists have had to bear. The document goes on:—

The old scale of fees needed revision and this has been done to cover new drugs and methods of dispensing. At the same time extensive time surveys have been made and fees adjusted accordingly. Only a relatively small proportion of the chemists' turnover—8.03 per cent based on South Australian statistics—is represented by extemporaneous dispensing fees. Contrary to statements made that increases in dispensing fees would have a serious effect on this quarter's adjustment in the C series cost of living index, we have been advised on good authority that dispensed medicines and proprietary medicines are not items covered in this index and as far as we are able to ascertain never have been.

Fees charged by other professional bodies, such as medical and dental associations, have been progressively increased by the authority of their own professional bodies. Although the calculation of 29s. 2d. per hour has been based on the award of £20 3s. 6d. per week

there are 59 pharmacists employed as managers who earn from £20 8s. 6d. to £40 per week and 29 Friendly Society Medical Association managers that average £25 10s. per week. All other pharmacists are owner-managed. Those additional costs have to be borne by the proprietors and it would not be unreasonable to expect to recover the actual salaries paid rather than based on award rates.

The member for Adelaide (Mr. Lawn) said that customers of chemists had been "slugged," to use his own word. I ask him whether he feels that employers and users of wool, who are in fact all of us, were slugged when a wage-fixing authority decided that the wages of shearers were too high and said they must come down. Did we say that the employer or the consumer was being slugged when a wage rate was reduced? The honourable member should not have used a word of such a sinister and improper implication in the sense in which he used it.

The Bill's purpose is to renew price control for another year. This is a discussion on an economic question, and it is not a doctrinaire question. If it were doctrinaire every member on this side of the House would oppose the Bill, but we are looking at it from a much wider aspect than a mere doctrinaire approach. Since all the elements in production are ingredients in costs it is proper to consider some of those elements in this debate. I propose, therefore, to consider in some detail the set of paradoxical conditions which beset us today in attempting to arrive at some solution of our economic troubles. Price control is suggested only as a partial remedy. Indeed, to attempt a remedy would tax the whole of the British pharmacopoeia and then probably the complete cure would be worse than the disease.

I want to look critically at some of the views expressed from time to time about this vexatious matter of price control. The Treasurer has said on a number of occasions that when a line comes into plentiful supply and there is reasonable competition he will remove it from price control. The assumption is that competition is the life of trade. This is the first of these paradoxical things that I want to look at. Frankly, none of us, not even the member for Adelaide, likes competition, particularly in electoral matters. It may be good for the State and our constituents if we have competition in electoral matters, but, to be truthful, I do not like competition for my seat in Parliament, and when we are looking at this assumption that competition is the life of trade it all depends from which angle we view it. It may be good for the State if goods are in plenti-

ful supply and there is competition as regards quality and the services offered, but no trader really likes competition any more than the member for Adelaide likes it for any office to which he may aspire.

We are also told that competition may benefit the consumer. I can well imagine that the housewife is delighted when there is a glut in some line that compels the seller to cut the price to cut his loss. Members opposite may say that the price of a certain article is down and that is a good thing. The seller may have to cut the price of a perishable article in order to sell it. As this discussion is on some aspect of economics we must use the jargon of the economist to some extent. I point out that labour itself is a perishable commodity. If a man cannot sell his labour today my friends opposite will not say to him, as they would say to a seller with too many turnips or bars of soap, "Cut your price and get yourself a job at less than the usual rate." Such a thing is good enough for the seller with an excess of turnips or apples, but they do not say that to the man who cannot find a job. If a man cannot sell his labour today he cannot sell that same labour tomorrow, and he makes a loss. If a man cut the price of his labour members opposite would say he was scabbing on his mates. These remarks show that it all depends on what way we look at these things.

Let us examine competition from another angle. Some members will say it is a good thing if the price of primary produce is high at home so that it can meet competition abroad where it sells at less than cost of production. I anticipate that some will say that the price of butter should be kept down by a subsidy rather than up by a fixed home price, but whether the home price is kept up by a fixed retail price or down by a subsidy amounting to the same return to the producer, the Australian economy as a whole meets the cost, although I admit that in detail its incidence is different. If a manufacturer, however, seeks to get the best price he can on the Australian market so that he can compete for overseas markets, price-fixing attempts to keep his price down. If his goods are not controlled he is frowned upon for exploiting the Australian market in order to meet overseas competition. If a foreign country subsidizes its exports so that other parts of the world can buy those goods in competition with their own high-priced goods, it is called dumping and is widely held to be a bad thing. Obviously, when two things are different they are not the same.

Looking at it from another point of view, the consumer—the customer—has a different view of the matter, even though he is a manufacturer or a worker in Australian industry. As a consumer he says, "It would be a good thing if we had free trade. Then we could enjoy all the varied products of other countries at cheap prices." However, the same man, as an employee, on another occasion says, "We shouldn't let in all these cheap foreign goods because they will create unemployment and reduce our standard of living."

Mr. O'Halloran—What worker advocates free trade?

Mr. GEOFFREY CLARKE—I am suggesting that there are many workers who, if they could be got away from their doctrinaire outlook, and were asked, "Do you think we are paying too much for this imported product?" would say, "Yes, we ought to be able to buy it cheaper". There are many goods coming in now that go to make up the workers' standard of living and were not thought of 20 years ago. However, when those workers get together, collectively they say, "Those goods should not be allowed to come into Australia." What they say depends on where they are standing at the moment. As customers they say, "Why shouldn't we allow the cheap goods to come in?" I have yet to learn of people refusing to buy imported goods if they suited their taste and their pockets.

In this doctrine of tariff protection for Australian industries—which used to be called infant industries—the worker finds himself in line with the manufacturer. The manufacturer says, "We should limit our imports to necessary raw materials that can be used in our manufacturing businesses", but the merchant, importer, wholesaler and consumer say, "If we don't trade with other countries how can we expect them to trade with us?" I mention these factors to illustrate the complex nature of this economic problem. There is no simple solution to any one economic disease. I stress that in different circumstances the same people say different things.

The economist or banker says that we must have a balance of trade in our favour to build up our overseas balances. That, he says, is a good thing, but let us examine it from Britain's point of view. If it is a good thing for us to have a favourable trade balance with England, it must conversely be a bad thing for her to have an adverse trade balance with us. It solves a problem for us, but creates one for her. As citizens we may say that it is a good

thing if some primary producers give away their surplus products to the poor, but if the United States does that very thing it immediately becomes—at least to the Australian primary producer—a bad thing. I make these points to show that price control, which was the outcome of really complex economic factors, cannot be said to be the one solution for these very different points of view that are expressed by the same people when standing in different positions.

My purpose in developing this theme is to prove that there cannot be one completely right view on the question of price control. The whole problem is hedged about with reservations and self-interest. To me, as a doctrine, price control is as objectionable as wage-pegging is to the Opposition. There is rarely such a thing as a perfect price. The Opposition will no doubt counter that by saying that in practice there is rarely such a thing as a perfect wage. In practice, there can never be a perfect wage nor a perfect price. A price can be perfect only when the producer would rather have the money than the goods and the consumer would rather have the goods than the money. Wages are not the only element that affects price. It is true that wage changes affect prices quickly and that they affect practically every ingredient of costs, but there are other things that affect prices. Tax policy affects costs, but risk taking, fashions and elasticity or inelasticity of demand also do so. All of these have their influence on the ultimate profit or loss of a producer.

These things are not always understood by price fixing authorities. It is very easy to take a set of figures and compute from them what a statistician or a public official deems to be a perfect price, but without having practical experience in a trade, profession or calling the official may not know what effect fashions can have on the cost element in one way or another. If it has not been said already, I am sure it will be said in this debate as an argument for the continuation of price fixation that the workers should not be the only section to contribute to economic stability through suspension of quarterly adjustments of the basic wage. No person with any claim to a fair appraisal of the situation would expect it. I would remind the House, however, that no class has made a greater contribution to stable costs in this State than landlords, for whom the prices they have received for the service of housing have been very strictly controlled in this State, and who were slightly relieved two or three years ago.

Mr. Quirke—Are there any landlords left?

Mr. GEOFFREY CLARKE—I think there are a great number of landlords who still have their rents pegged at a rate that is close to an uneconomic margin. Members on this side of the House see that an injustice would result if one section were asked to accept too large a dose of the nasty medicine that we will have to take to cope with our economic problems. In supporting the retention of selective price control, I point out that I regard it, to use the pharmaceutical idiom, as a counter-irritant at best and a corrosive poison at worst; it has no curative value in itself. At best, it imposes a share of the sacrifice that all will have to make to combat the menace—and it is indeed a menace—of rising costs.

No doubt some will suggest an excess profits tax as an alternative to price control or to run with it. The late Mr. Chifley, who is so often mentioned in this House as a financier of great skill, turned down proposals on these lines as completely unworkable. I defy anyone to invent a definition of excess profits that will deal equitably with the great variety of businesses and great variations in their capital structures that have to be taken into account if one is to determine what are excess profits. It would be a great tribute to the responsibility of the business community if more of the great undertakings of the British Commonwealth could do what Imperial Chemicals Industries has done. In the *Advertiser* of July 30 last under the heading "London Report," it was stated that that undertaking had pegged the price of more than 10,000 of its products. That was a fine gesture; indeed, it was very much more than a gesture as a contribution to the price problem facing Great Britain today. A few weeks ago Sir Anthony Eden warned the United Kingdom against inflation, referring to it as "The new Battle of Britain." This was before the Suez crisis overshadowed domestic economic events in England. Sir Anthony said:—

We are all in this battle and upon its outcome our homes, our jobs, and our children's future depend. We have to halt rising prices. Commenting on this, an editorial in the *Advertiser* pointed out the following:—

Sir Anthony Eden has shown how very clearly the importance he attaches to the nation's struggle against inflation. Australia cannot afford to take a more complacent view of her own emergency. This country faces even sharper inflationary tendencies, produced partly by a wage system which leads under present conditions to the continual leapfrogging of wages and prices.

I have agreed with the policy of suspension of quarterly adjustments of the basic wage; I must in equity accept a continuance of selective price fixing, notwithstanding my dislike of it. At the same time I urge some flexibility in administration. There are circumstances that amply justify an employer paying above an award rate, and there are under price fixing many cases that justify a differential price, such as when service or quality or some other feature takes a product out of the rut. I would like to see a thorough examination of the implications of price fixing. I still feel that it is only a counter-irritant and not a remedy. This is not a statement based on a doctrinaire outlook. I am aware, as the Premier has pointed out, that price fixing is not a new thing. I still do not like it, but we need to look at this matter from a completely detached point of view. If we are to meet inflation we need some common ground on which all the conflicting viewpoints to which I referred earlier can be thrown into the ring and sorted out. No view will be completely acceptable either to groups or individuals within groups. I know of one trade group that does not want price control lifted, and of another trade that was suffering heavily under price control, as the working proprietors until recently actually received less than their employees.

I plead for an understanding approach by officialdom in the day to day consideration of the many vexatious problems that price control brings with it. Prices officers have a solemn obligation to act judicially and not to be swayed by their own prejudices in promulgating orders. Indeed, the administration of price control sometimes relies on informants, and requires the utmost consideration of the case. I feel that we have not had a completely independent examination of the results of price fixing on our economy, and I hope we will have this before we are again asked to re-enact this legislation. I trust that there will be some completely detached and impartial investigation of its doubtful merits.

Mr. FRANK WALSH (Edwardstown)—I support this Bill. I do not intend to endeavour to develop the theme opened by the honourable member for Burnside (Mr. Geoffrey Clarke), because it is not a question of selective price control but of control for South Australia. Selective price control is an effort to fix the prices of some articles in the hope that the Government may succeed in arresting inflation. My approach to it is that history

must repeat itself in the interests of the nation. Until 1948 the Commonwealth Government maintained really effective price control, and this was reflected in the living wage at that time. In the first quarter of 1948 the basic wage was 108s. a week, and at the end of that year it was 116s. a week. In addition to price control there were subsidies introduced by the Government to stabilize certain essential commodities. I believe that the Government of that time really had control over prices, and I do not know of anyone who was denied the essential commodities. There does not seem to be much hope, either in this State or in a combination of the States, for really effective price control today. It was claimed that with the abolition of Federal price control the States could take care of it, and yet only a few years later the same Government admitted that it cannot control prices. It has pegged wages for nearly three years in an attempt to keep down costs, yet the basic wage today is £12 1s. as against £5 16s. at the end of 1948 when there was an effective price control operating in this country. I cannot agree with the assertions of the member for Mitcham this afternoon. I doubt whether there has ever been a demand for the type of goods under price control, but I would agree that when it is announced that there is to be rationing of commodities there is a sudden demand for those particular goods. He went on to say that appropriate steps could be taken where there was exploitation of any particular commodities. He is opposed to the system of price control and to the officers conducting prices investigations, so it would be interesting to know to whom he is going to appeal on the question of exploitation of any commodity. He said that the present system of price control in South Australia is not effective, and that the cost of living has increased. As I have already indicated, there was an effective price control in operation up till 1948 when the Government of the day decided to ask the people of Australia for the power to continue price control. The opposition won, to our detriment.

The question of chemists' charges has been dealt with. I know that in some cases chemists have extended a very valuable service in the interests of the community. I am referring particularly to the resident chemist. I have had occasion to visit a resident chemist outside of normal hours and have not had to pay any extra charge, and I understand that that applies whether dispensing is involved or not. I believe that some of them have notified

doctors and police where they can be contacted in an emergency after normal trading hours. There are many different factors involved in dispensing, and I am given to understand that if a chemist makes up seven scripts in an hour on an average he is doing very well. I am not denying that some of them have made very handsome profits, but if we took away their shop front displays and confined them to dispensing and the selling of normal chemist lines the position might be very different. It seems a little odd to me that a chemist should have elaborate displays advertising confectionery, and I sincerely hope that when an investigation takes place between the Pharmaceutical Guild and the Prices Commissioner it will be found that no embargo need be levelled against any of these people. There are other chemists' lines that probably are not recognized by law, and if some are dealing in those lines there must be a very handsome profit for them. However, it is not my intention to develop that theme.

On the question of price control generally, I repeat that there was a real approach to it during the early post-war period, and this was vital to Australia. There were certain minor increases in the living wage, but if it were found that at the end of 12 months there was an increase of perhaps 6s. to 9s. a week, the country could easily carry it. I hope that as a result of the discussion there will be a more commonsense approach, but I cannot advocate a return to the living wage applying in 1948, because so many costs have increased since then, particularly those affecting home builders. Increased interest charges have had an effect on inflationary tendencies, which have got out of hand. I look forward to a return of the policy operating between the close of the war and 1948 when this country had a standard of living equal, if not superior, to that in any other part of the world. I support the second reading.

Mr. HAMBOUR (Light)—I intend to support the Bill, but for different reasons from those advanced by some previous speakers. The measure definitely deals with our economy, and I can speak from personal experience on the application of this law. To say that I like it would be telling an untruth, as it is not an easy condition to work under. To say that it is aggravating, irritating and expensive to the people who have to work under price control would not be an exaggeration. Members of the Opposition have said that

Commonwealth price control would be much more effective than State price control. State price control is more severe than Federal control. The margins allowed by the present Prices Commissioner are not as good as those under the previous commissioner, who had been appointed by the Federal Government. A difficult situation arises in that we have a Liberal Premier in Victoria and a Labor Premier in New South Wales who will not fall into line, but for entirely different reasons. It is not for me to presuppose what those reasons are. Price control is not as effective as it could be if all the Premiers were to co-operate. The figures submitted by Mr. Millhouse prove nothing. Mr. Lawn made an outburst against chemists, but if they committed a breach against the Act by charging extreme prices they would be dealt with. I think we should call the honourable member the "honourable pharmacist."

Mr. Lawn—The increases I referred to operated when chemists were not subject to price control.

Mr. HAMBOUR—I know that. The Prices Commissioner will deal with any breaches in due course.

Mr. Lawn—Only if this Act continues, but the member for Mitcham does not want it to continue.

Mr. HAMBOUR—What that member said did not impress me, and what Mr. Lawn said did not impress me very much. I warn the honourable member not to allow anyone outside to prepare the subject matter on anything he tells the House.

Mr. Jennings—You should tell the Premier that, too.

Mr. HAMBOUR—I presume that the document Mr. Lawn presented was prepared by a chemist who had a grudge against the more prosperous chemists. Would honourable members suggest that a court award for wages should be the maximum that should be paid to the persons concerned? If the court awards £17 a week for a certain industry for a 40-hour week, do members suggest that that should be the maximum paid for those services? I do not believe in that. I believe that the court sets up the minimum pay, and in my opinion most men if they are worth their salt at all are worth more than the minimum.

Mr. Davis—You admit that the wages fixed by the court are not correct?

Mr. HAMBOUR—I am not concerned with what the court does. If a man is worth more than the court says he should get, he should be paid accordingly. Mr. Frank Walsh should

consider his words better when he says that there should not be selective control. It was said that goods in the C series index figures should be the only lines under price control, but I do not agree because all lines abused should be covered. We should have legislation to deal with goods in short supply or where the public are held to ransom. When we had price control under a Labor Government lines were in short supply and there was a ready sale. The position has now changed and about 75 per cent of the commodities today are in surplus. There are lines under control which give the trader a smaller margin of profit than was the case under the Chifley regime, yet they are in more plentiful supply than ever before. The Prices Commissioner has a difficult task to perform. He controls lines that should not be controlled. It is said that price control is a counter to inflation. It is a contribution towards counteracting it but much more must be done to deal with it properly. We hear a lot about migration these days. Every migrant coming to Australia adds £100 a year on to our import requirements and when he is employed here more capital goods are required. Whilst we have migration there must be difficulty with our overseas balances. Lines in short supply must be controlled but that is where control should start and finish.

I could speak at length on the administration of price control. I had the experience of spending 1½ hours with the Prices Commissioner and his officers, who are endeavouring conscientiously to do the right thing for the general public, yet they are probably more abused than members of the police force. Some of them are perhaps wrong in their approach to some problems but it would be impossible to get perfect officers in this unpleasant task. Their work could be made easier if they were directed to concentrate on lines where there is abuse. Within the next six months, if Victoria does not come under price control, we will have Victorians coming to South Australia to get goods for sale in their own State, and they will be goods in short supply. This legislation will not cover a position where I could sell a product to a Victorian at a profit without the price coming under control, and he in turn could sell it back to me without there being any price control. Lines in short supply will be going backwards and forwards between the two States. In 1919 goods in short supply were sold in this way and I can remember having the unpleasant experience of unpacking

goods, putting them into stock, and then packing them again to be sold back to the person who had sold them in the first place. Possibly we will have that state of affairs within the next six months. Members opposite believe that anyone who makes a profit is a profiteer. The wealthiest men in the world have made their money out of small margins. Bankers have made their profits out of approximately 1 per cent.

Mr. Stephens—How long is it since the bankers have got only 1 per cent?

Mr. HAMBOUR—I do not want to argue the matter of banks any further but I made that statement because I believe they did work on only 1 per cent. Merchandising has been carried on in America on the basis of a profit as low as 1 per cent net. There is no price control and firms rely on their efficiency. The 1 per cent is obtained over and over again and it means that some firms can pay a dividend of 30 per cent. No-one should be expected to handle merchandise at less than 1 per cent net.

Mr. O'Halloran—There is a high cost of living in America.

Mr. HAMBOUR—It has no relation to our cost of living. America has the natural resources, machines and the know how. Wages are double what they are here, but they are earned because of the greater production. I hope we can raise our standard of living to that of the people of the United States of America. We are only deluding ourselves if we think we enjoy their standard. The industrial worker there has a high standard of living, but the same cannot be said of the primary producer.

I thought of moving an amendment to this Bill, but as the legislation is to operate for only 12 months my amendment might not be acceptable. I ask the Government, however, to note it and introduce a measure to declare illegal the enforcement of minimum prices. I believe that such a measure would be supported both by the supporters and opponents of price control.

Mr. O'Halloran—It would receive a hundred per cent support from this side.

Mr. HAMBOUR—Such a measure would gain support because it would bring cartels and monopolies into line.

Mr. Millhouse—How?

Mr. HAMBOUR—By Act of Parliament.

Mr. Millhouse—That is easier said than done.

Mr. HAMBOUR—Similar measures are being enforced in other parts of the world and it could be done here.

Mr. O'Halloran—It is done in America.

Mr. HAMBOUR—Yes, by anti-trust legislation. Although I do not pretend to have much legal knowledge, I have framed the following amendment:—

It shall be an offence for any person or persons to penalize in any way any other persons for the non-observance of minimum prices. I am concerned about certain happenings in the liquor industry, and when I speak about the liquor interests members should not think I am speaking about a matter on which I am prejudiced. At one time the organization formed to regulate liquor prices was known as the United Licensed Victuallers' Association, but today it is the Brewing, Wine, Distilling and Allied Industries Council of South Australia. Members will appreciate the strength behind that name. I was warned outside this House by a prominent licensed victualler, "You'll buck the strength", but he wished me luck. His warning has not daunted me. I intend to move in this matter, but I should like the Government to handle it because I am still a novice in this place and would probably find it difficult to steer a Bill through its full course.

During the last four or five years wine producers have gradually increased wine prices although the grapegrower has gradually received less. This matter should be looked into. I remember that 27 years ago I was told what I had to do and at what price I had to sell, and I resented it. Five years ago I had a grocery business in the country and thought I could do what I wished with the commodities at my disposal as they were paid for. One commodity was a flaked soap and I decided to sell it for what I thought I could. I did so for a week, but I was duly reported and notified that if I did not conform with the list of prices my supplies would be cut off.

I do not have to tell members about the control in the soap industry. I do not want to indulge in personalities or mention individual firms, but the bigger they get the stronger they get and the stronger the language they use. They tell you what you can do and there is nothing else for it but to obey their dictates or they cut off supplies of their goods, which is wrong. I could also mention proprietary lines which are sold under the same conditions; you are told at what price you will sell them.

Mr. Davis—Some prices are marked on the bottles.

Mr. HAMBOUR—Yes. The Prices of machinery and motor cars are fixed by the distributors and they must be sold at those prices. The

smart buyer, however, gets a car and deals with it as a trade-in. I wonder how the machinery firms doing business in the country arrive at their prices. They are not too big to be looked into. If a man is to be prosecuted for selling butter at a halfpenny a pound over a fair price, should another man be allowed to get away with charging £200 over the fixed price for a machine? If we are to adopt the principle we should apply it to the community generally. The Housewives Association does not miss a trick when it comes to prices charged by the small man, but what about the bigger commodities for which higher prices are paid without the buyer knowing whether he is getting value or not? How can a layman or even a man with some technical knowledge know that he is getting real value when he buys a machine for £4,000?

I should like to see the application of price control distributed where it can do the community the most good. We should implement it properly and not stop at things that are of little account. Today many lines are subject to a discount varying with the quantity bought. For instance, in one case if I buy one article I receive no discount, for 12 articles I receive five per cent, for six dozen 20 per cent, and for 288 a 30. per cent discount, with a five per cent discount above that. I would be interested to know how that firm ascertains its margin of profit. If it sold all its output in single units it would do very well, but if it sold only in lots of 288 it should lose money. Price control should be applied to some of the major items in our economy.

A man is expected to pay a thousand pounds or more for a farm machine, yet he has nothing to guide him on the value he is getting, whereas when tea is sold at a price higher than the fixed price every housewife knows that she is being overcharged. Why should a big organiza-

tion be able to get away with overcharging by perhaps £500 on each machine?

Mr. Shannon—Have you had a look at this year's results of firms selling farm machinery?

Mr. HAMBOUR—I have looked at balance-sheets all my life, but balance-sheets are not conclusive. I want a fair deal for everybody. I would like investigations made, not necessarily for the purpose of prosecutions, but for the purpose of seeing that the community is getting a fair deal. I hope the Government will consider proposals dealing with minimum prices.

The Hon. T. PLAYFORD secured the adjournment of the debate.

HIDE AND LEATHER INDUSTRIES LEGISLATION REPEAL BILL.

Received from the Legislative Council and read a first time.

ROYAL STYLE AND TITLES BILL.

Received from the Legislative Council and read a first time.

STAMP DUTIES ACT AMENDMENT BILL.

The Hon. T. PLAYFORD (Premier and Treasurer) 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 amend the Stamp Duties Act, 1923-1954.

Motion carried.

Resolution agreed to in Committee and adopted by the House. Bill introduced and read a first time.

ADJOURNMENT.

At 9.22 p.m. the House adjourned until Wednesday, September, 19, at 2 p.m.