

HOUSE OF ASSEMBLY.

Tuesday, September 25, 1956.

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

QUESTIONS.**PARTY NAMES ON BALLOT-PAPERS.**

Mr. O'HALLORAN—The last convention of the Australian Labor Party held in South Australia recommended to the Parliamentary Labor Party that it press for an amendment of the Electoral Act to provide that the names of the political parties to which candidates belong be shown on the ballot-papers at Parliamentary elections. I read in the press that a somewhat similar discussion took place at a meeting of the Premier's own party. Has this matter been considered by the Government, and if not, will it be considered?

The Hon. T. PLAYFORD—It has not yet been considered by the Government. I believe it is true that my Party passed a resolution somewhat similar to that passed by the Labor Party. The matter will be examined in due course and I will advise the Leader when a decision has been reached.

COUNTRY ELECTRICITY EXTENSIONS.

Mr. HAMBOUR—Has the Treasurer anything to report on the policy of the Electricity Trust concerning extensions in the country?

The Hon. T. PLAYFORD—As I reported once before to the House, it is the policy of the trust to assist in country extensions in every possible way. Recently the trust eliminated the surcharges up to a certain date. I have now seen correspondence that indicates that it has decided to cancel charges on electricity tariffs for consumers who were connected during the calendar year of 1951. Previously the decision had been to cancel surcharges prior to 1951; therefore the latest decision extends that benefit for another year. This decision will be implemented with meter readings on and after October 1, 1956.

DEMOLITION OF HOMES FOR PETROL PUMPS.

Mr. TAPPING—Yesterday's *Advertiser* contained the following report under the heading "Homes Ousted by Petrol Pumps":—

An outbreak of house-buying by oil companies to put up new service stations in the suburbs has been met by an equal outbreak of protests from local residents, councils and Members of Parliament. Councillor A. R.

Patterson, a former Mayor of Hawthorn, has accused oil companies of "waging a stupid, vicious warfare against each other." Good, livable houses were being demolished to make room for service stations which, in many cases, were not needed, he said. On a Parliamentary level, the Minister of Public Works (Sir Thomas Maltby), who has the power to override a council's decision, has said he is concerned about the demolition of habitable houses. He is examining the position, and will make "submissions" to Cabinet.

As the position in South Australia is almost identical with that in Victoria, will the Treasurer consider this matter?

The Hon. T. PLAYFORD—I do not admit that the position in South Australia is identical with that in Victoria. In South Australia petrol prices are controlled and it has long been the policy of the Prices Department to completely ignore any increases in costs that may be incurred because of the installation of one-brand petrol stations. There is therefore no incentive in South Australia for the intense drive to establish stations that there has been in Victoria. Further, in the Adelaide metropolitan area petrol companies some time ago voluntarily undertook not to establish any additional stations—

Mr. Tapping—There have been many additional ones in the past 12 months.

The Hon. T. PLAYFORD—Additional stations have been established in the last 12 months but stations have also been abolished. Further, some have been established outside the control of the companies altogether, and the petrol companies cannot give assurances regarding private individuals. This matter has been the subject of debate in the House. The number of stations established in South Australia is not excessive taking into account their volume of business.

WHYALLA TRUST HOMES.

Mr. LOVEDAY—In view of the statement by the Premier concerning the immobilization of Housing Trust Funds used for the building of rental houses, the fact that in Whyalla for some time past 20 private homes for sale could not be sold, and the fact that 39 trust purchase homes in Whyalla cannot be sold, will he take up with the Housing Trust the question of letting future contracts for the erection of rental homes alone in Whyalla until there is a demand for purchase homes?

The Hon. T. PLAYFORD—I will have that matter examined. It is rather good news to hear that houses are available for occupation, at least in some centres.

PENSIONERS' CONCESSION FARES.

Mr. LAWN—On August 16 I asked the then acting Leader of the Government whether the Government had considered granting concession fares to pensioners and he said he would obtain a report. Can the Treasurer say whether this matter has been considered by Cabinet and, if not, will he refer it to Cabinet to see whether concession fares similar to those operating in some other States can be granted to pensioners?

The Hon. T. PLAYFORD—This matter has been examined by Cabinet at various times and the decision arrived at that the Government is not in a financial position to grant any concessions at present.

PORT ROAD TRAFFIC HOLD-UP.

Mr. STEPHENS—Last week I asked a question about Port Adelaide and Semaphore buses being held up in Hindley Street, and the Premier replied:—

I have received a report which states that trolley buses were held up on August 10, 1956, due to students' procession and to the attendance of the fire brigade appliances at the C.M.L. building.

Will the Premier get a report on this matter from the police, for I believe that the call-out of the Fire Brigade was what the police refer to as a malicious call. Four fire appliances were taken to the C.M.L. building and this caused traffic congestion and some danger to the firemen and the general public. I have been given to understand that the call was most likely connected with the students' procession. Will the Premier ask the police for a full report so as to prevent such an occurrence in the future?

The Hon. T. PLAYFORD—Any person who breaks the law by giving a wrong call to the Fire Brigade is guilty of a breach of the regulations and liable to be prosecuted, but I cannot take the matter any further than that because I cannot assume that any particular person was guilty unless there is some proof. If there were any proof I have no doubt the police would take the necessary action.

Mr. Stephens—Will you call for a report from the police?

The Hon. T. PLAYFORD—If the police knew anybody was guilty of calling out the Fire Brigade maliciously they would take the necessary action, but neither the police nor the Government can take action by assuming that somebody, or some class of persons, did so. If we did not know who made that call it would be entirely wrong to assume it was made by a particular class of persons.

ADELAIDE TRANSPORT CONFERENCE.

Mr. LAWN—I understand that yesterday a conference commenced in Adelaide representative of the Government and some semi-Government passenger transport authorities. Can the Premier state what South Australian bodies are represented at that conference?

The Hon. T. PLAYFORD—I will get a list of the bodies, but I believe the Australian Governments are represented. I know the New South Wales Government is. I saw in the press that a national plan was put forward for the expenditure of some £396,000,000.

Mr. Lawn—I am only concerned with the South Australian bodies.

The Hon. T. PLAYFORD—I will get a list of them, but I assume that the Minister representing transport would be the only person.

STATE CREDIT BALANCES.

Mr. LAWN (on notice)—What was the amount of balances standing to the credit of the State at June 30, 1949, and for each of the years since?

The Hon. T. PLAYFORD.—The balances of Government funds at June 30 each year were as follows:—1949, £4,080,206; 1950, £3,908,183; 1951, £4,358,308; 1952, £2,301,949; 1953, £5,234,461; 1954, £7,140,005; 1955, £5,148,909; 1956, £2,670,127.

HIDE AND LEATHER INDUSTRIES
LEGISLATION REPEAL BILL.

Read a third time and passed.

WATERWORKS ACT AMENDMENT BILL.

Read a third time and passed.

HOUSING AGREEMENT BILL.

Committee's report adopted. Bill read a third time and passed.

THE BUDGET.

In Committee of Supply.

(Continued from September 18. Page 601.)

Legislative Council, £10,094.

Mr. O'HALLORAN (Leader of the Opposition)—The Opposition is in complete agreement with the Treasurer's references to the calamitous floods along the River Murray and with the proposals included in the Budget for further assistance to relieve the situation. During the last fortnight I have had the opportunity of travelling from Renmark to

Wellington inspecting the flood-damaged localities. It is a disheartening experience to witness the amount of personal hardship and material damage that has been caused as a result of what is probably the greatest flood in the river's history. I will not hazard a guess at the ultimate cost. It will probably be well into next year before we can arrive at anything approaching a satisfactory figure. In the meantime we have voted £300,000 and propose to vote a further £500,000, people are still subscribing liberally to the Lord Mayor's Flood Relief Fund and I confidently anticipate that about £1,000,000 will be available from Commonwealth sources as a result of the Treasurer's application to the Federal Government. Up to the present, as far as I know, the only indication we have had from the Commonwealth is that it will be prepared to subsidize on a pound for pound basis the money available from South Australian resources.

The Hon. T. Playford—The Commonwealth has given the assurance that it will subsidize personal hardship cases on that basis.

Mr. O'HALLORAN—I stand corrected. However, I think it will require all the money in sight at the moment to deal with the hardship cases. If we are going to do anything towards the permanent rehabilitation of the areas and take more effective measures to protect them from future floods, considerable expenditure will be involved and the Commonwealth will have to come to the State's assistance. The Commonwealth has the financial resources: we have not. I assure the Government of the Opposition's support in any request it may make to the Commonwealth for further assistance in this regard. The Treasurer said that this is not a Government flood. By that I take it he means that the Government, or Governments, should not take the full responsibility for all the expenditure necessitated by the flood. I point out that already there has been a tremendous amount of voluntary effort put into combating it, not only by those in the areas concerned but by volunteers from all over the State, and there has been a generous response to the Lord Mayor's Fund. We should recognize the valiant fight that is being made to protect the areas, and where protection is impossible to minimize the effects of the flood. That should stir our imagination and ensure that we will do all that can be done to restore the productivity of the areas at the earliest possible moment.

The delay that must necessarily take place between now and the time when the real

damage can be assessed may have the effect of blunting the public's memory, but the public's memory and Parliament's memory should not be blunted and it should be impressed upon the Federal Government on every occasion that considerable assistance will be required within the next 12 months or so.

The special feature of this year's Budget speech was the Treasurer's intrusion, to an even greater extent than usual, of criticism of the financial relations between the Commonwealth Government and the State Government. On this occasion the Treasurer has been severely critical of the Commonwealth Government and the Grants Commission, but one suspects that his criticism is political rather than *bona fide*. What does the Treasurer's outburst really amount to? In a word, it is a complaint that he cannot get as much money as he would like. Without, for the moment, assessing the value and usefulness of the policy he has been pursuing—a policy which has been characterized by extravagant expenditure on ambitious projects—I would remind the Treasurer that we must all cut our coat according to our cloth.

It comes ill from the anti-socialist leader of an anti-socialist Government that he should be exploring every possible avenue of taxation in order to increase Government revenue, but he has, of course, been riding on the crest of the wave and no doubt feels that he cannot afford to lose caste by not being able to continue to do so. He has established a reputation for producing the things he wants out of the Commonwealth hat, as it were, and like all dictators he can only go on by acquiring more and more of the wherewithal with which he has been achieving his purpose.

Before dealing with the actual Estimates of Revenue and Expenditure, I would like to refer to some of the Treasurer's statements regarding the Commonwealth-State relationship, of which he has complained so bitterly. For example he said:—

"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 re-imbursement arrangements and the operations of the Commonwealth Grants Commission".

In this reference, as in others made by the Treasurer, to these matters it is necessary to note that when he uses the word "State" he means the State Government rather than the people of South Australia. That is a clear distinction. According to the Treasurer, the people of this State, except those who have had the misfortune to suffer damage and loss

owing to the flooding of the Murray, are not in a difficult position for they are the most productive and prosperous people in Australia. It is the State Government that is embarrassed financially! As for the difficult position in which the Treasurer finds himself, it is obvious that his own policy, together with the policy, or lack of it, of the Federal L.C.P. Government, is responsible. If members take the trouble to examine the State's revenue and expenditure over a period of ten years, figures for which are brought together in appendix 4 and appendix 5 respectively, they will find that Commonwealth grants, by way of tax re-imbursement and special grant, have loomed large during that period, as they have ever since uniform taxation was introduced in 1942-43. They have never been less than 34 per cent of the total revenue during the ten years referred to, and have averaged 36 per cent for the period. The aggregate Commonwealth grants for the last ten years was £135,000,000, the total revenue of the State being £376,000,000. I think the Treasurer's real objection is that they do not represent an even greater percentage of the State's revenue. Again the Treasurer said:—

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.

What does the Treasurer mean by "adequate"? It would appear that the Treasurer, suffering as he does from a sort of megalomania, would not find any amount of revenue adequate. Whatever he got would be too small, for reasons which I have already submitted. Revenue available to him has grown from £17,000,000 in 1946-47 to £59,000,000 in 1955-56. This year it is to be £65,000,000. These amounts do not include revenue accruing to such semi-Government instrumentalities as the Electricity Trust and the Forestry Department, for example, which are really Governmental functions. The rapidly increasing amounts involved are, of course, to some extent indicative of the inflationary forces which have been allowed to operate during the last seven years, but they are also indicative of the enormous and unco-ordinated expansion of Government activities that has taken place under a so-called anti-socialist Government. That is one reason why the Treasurer finds the revenue, and the loan funds, available to him inadequate.

Reverting to the Treasurer's statement quoted, I question whether he is entitled to say that the system of Commonwealth Grants is not flexible. Here again a study of the figures in appendix 4 shows that the amounts which have been made available by way of tax re-imbursements have been increasing considerably. In 1946-47 the re-imbursement was £3,458,000, whereas last year it was £13,876,000, about four times as much as in 1946-47. This year it is to be £15,710,000. Every year during that ten year period the re-imbursement has been larger than in the previous year. The word "flexible," as applied to revenue, implies that sometimes the amount that is levied by way of taxation might be greater, and sometimes it might be smaller, according to requirements, but the only interpretation the Treasurer places on the word is surely that this revenue will always be greater. There would be no point in his complaint at all if the tax re-imbursement for any year were less than the year before!

But insofar as we might be discussing revenue raised by the State Government itself by way of income tax, the true meaning of "flexible" should be contemplated. If we had the power, which the Treasurer sometimes suggests he is seeking to have returned to him, of imposing State income taxation he would have the responsibility of seeing that the flexibility of the sources open to him were used in order to get increased revenue to meet Budget commitments. The amount of tax re-imbursement made available to the State Government is, or at any rate may be, determined in accordance with a formula that takes into consideration population and wage levels, and is thus intended to reflect such changes as the Treasurer has mentioned. But if that basis of distribution does not reflect these factors to the Treasurer's satisfaction, he has surely only to mention the fact to the Prime Minister, and I have no doubt he will see that the difficulty is solved!

As for the grants authorized by the Commission, these vary from year to year and on the whole have increased during the last ten years. As a matter of fact, these special grants are made expressly for the purpose of providing the flexibility to which the Premier referred. They have been made for many years under the authority of section 96 of the Federal Constitution, and the general principles followed by the Commission charged with determining the grants have not changed materially, although, perhaps, its attitude on certain matters, such as social services for example, has

been varied as a result of representations made by the claimant States. I understand, also, that dual nature of the annual grant is a fairly recent development, but this may be regarded as a change in method rather than in principle. For some years following the conclusion of the war, the chief purpose seemed to be to enable the smaller States of South Australia, Western Australia and Tasmania to achieve a balanced budget, and in the case of South Australia during those years the special grant was exactly sufficient to do this, but it should be obvious that the Grants Commission will not recommend a grant to balance a State budget whatever the circumstances. Although, generally speaking, the special grant has been increasing more or less in proportion to tax re-imbursement, the true nature of the grant is expressed in the variations, up and down, that have characterized the last ten years or so. For example, the grant for 1954-55 was £2,250,000, the lowest since 1946-47, when it was £2,000,000. The total of the special grants for the ten years was £41,325,000, an average of approximately £4,133,000 a year.

We may say that the financial policy followed by the Treasurer during the last few years at least has been determined largely by a desire to obtain more and more from the Commonwealth in the form of special grant. He has kept a careful watch on State finances not so much in order to ensure that the ship of State is sailing on an even keel as to place himself in a position to qualify for a larger grant. One of the manifestations of this policy has been the appropriation, just before the end of a year, of as much as possible in order to finish the year without a surplus.

There have been really two motives behind this. If the Treasurer can produce some hundreds of thousands of pounds at a dramatic moment to be devoted to "popularity" purposes and thereby derive publicity from it, he regards that as shrewd politics. At the same time, by getting rid of a surplus before the end of the year, he normally qualifies for a larger grant than he would otherwise get.

This is all very clever—or, at least, is intended to be—but it is of doubtful statesmanship and, one might add, of questionable ethics; although, in view of all the circumstances, including the principles on which the Commission appears to proceed and the unsatisfactory financial position brought about by the Federal Liberal and Country Party Government, any State Treasurer might be tempted to do the same.

However, one appropriation which the Treasurer considered particularly smart, has apparently backfired on him; and he has not yet recovered from the action taken by the Commission as soon as it detected the subterfuge. I refer to the attempted appropriation of £620,000 to the Highways Department towards the end of 1952-53. The Premier mentioned this in his in memoriam notice on page 4 of his speech. Actually, the Commission's rejection of this "smart" move was perfectly logical, and if the Treasurer had only stopped to think, he would have realized that the Commission could not have acted otherwise than to treat the amount as a real surplus. But the Treasurer regards this as harsh treatment and he has even been prompted to declare that 'unless Parliament (that is, the South Australian 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 Federation falls to the ground'.

This is, of course, an extreme assertion, induced, no doubt, by the annoyance which the Premier felt at being, in a manner of speaking 'outsmarted' by the Commission; or perhaps it is merely another attempt on the part of the Treasurer to dramatize the position. Whatever the true position, this particular outburst emphasizes the Treasurer's view that Federation is quite satisfactory—in fact, ideal—while the Federal Government is making available as much as the Premier wants but quite unsatisfactory when it is not.

Actually, we have a sort of sham Federation which is neither one thing nor the other; but whereas the Treasurer and his Party speak with one voice about it at one time and with another at another time, we have always contended that the system of Federal Government vitiated, as it is, with all manner of uncertainties, has been and continues to be a bar to the real progress of the people of Australia. If there is the slightest suggestion, however, that anything should be done towards overcoming the difficulties inherent in the Federal Constitution, Liberal and Country League supporters rise up in defence of the system.

We recently had abundant examples of that in this Chamber when I moved that State representation be attached to a committee that had been set up by the Commonwealth Government to examine the Constitution and, if considered advisable, to recommend amendments. Members on this side, acting in good faith,

believed firstly, that it was vitally necessary to amend the Constitution, and secondly, that the proposed amendments should be considered by a body representing Commonwealth and State Parliaments. After all, the States have a prior right in this matter, for they existed before the Commonwealth was brought into existence as a result of the necessity which had been realized by the leaders of the States more than 60 years ago.

The passing of the years since 1900 has brought into bold relief the necessity for amendments to the Federal Constitution so that it shall not be frustrated in its efforts to assist the people and to further develop this country. It is remarkable that the only time the Commonwealth Constitution appears to work with any degree of satisfaction or success is during wartime when, under the defence powers, the orbit of the Commonwealth Parliament is extended to become as wide as the poles are apart. Things are done during wartime which are for the benefit of the community and the successful prosecution of the defence of the nation, but which cannot be done in peacetime to develop the country and build up its potential.

Indeed, the Treasurer criticizes certain aspects of Federation, particularly Commonwealth-State financial relationships, yet when members on this side move a motion which they are confident would bring about relief he opposes it willy-nilly, his only argument being that his party is perfectly satisfied with Federation. If that is so, then why all the complaints? Why the moaning at the bar on this and previous occasions? Government members must either believe in Federation or be willing to assist those who seek to amend the Commonwealth Constitution to make it a more effective instrument of the national Parliament.

Section 96, under which grants are made to the so-called weaker States (from which, according to the Treasurer, South Australia is rapidly parting company) was an original provision of the Federal Constitution. It is not something that has been inserted since as an after-thought. It is part and parcel of Federation, and what the Premier now complains about is Federation. But, as I have said previously, the Premier wants Federation when it suits him—and on his own terms. It may be interesting, in view of the constitutional and financial implications of the principles expressed in the grants made by the Commonwealth, to recall the actual wording of the

relevant section of the Federal Constitution. Section 96 is as follows:—

During a period of ten years after the establishment of the Commonwealth and thereafter until the Parliament otherwise provides, the Parliament may grant financial assistance to any State on such terms and conditions as the Parliament thinks fit.

The Parliament referred to is, of course, the Federal Parliament, and the practical expression of the terms and conditions referred to is to be understood as the operation of the Commonwealth Grants Commission. Who shall say that, even as interpreted by the Treasurer, the commission's action in reducing a grant because he appropriated a surplus of one year to the Highways Fund for the following year and pretended that it was an appropriation in the ordinary way of State finances, was beyond its powers or not in keeping with whatever principles the founders of the Constitution might have had in mind in enacting section 96? But, according to the Treasurer, the commission's action was a blow at the sovereignty of the State!

Let us note what the commission had to say on this subject; in its report for 1954 (No. 21), paragraphs 111 to 114, under the heading "Motor Taxation in Relation to State Budgets and Road Funds", and paragraph 141, under the heading "South Australia", refer to it. The report states:—

At the Adelaide hearings South Australia contended that if an adverse adjustment were made against a claimant State for motor taxation, there should not also be an adjustment in respect of appropriations to road funds from consolidated revenue which might have to be made to compensate for the relatively low revenue from motor taxation. Otherwise the State would be involved in a double disadvantage, namely, that it "would not only be forced to starve its roads, but also suffer a reduction in its special grant". South Australia's argument was directed particularly to a special appropriation of £500,000 from consolidated revenue to the Highways Fund which was made late in the financial year 1952-53. This appropriation was intended to build up the balance in the Highways Fund at the end of that year and was not actually expended on road works during the year. In 1952-53 rates of motor taxation in South Australia were relatively low, and it was therefore to be expected that this would entail a large unfavourable adjustment. South Australia contended that "as the Commission will, we assume, provide for the adverse adjustment in its motor tax calculation, there is, we submit, no case for any further adjustment. For if the State had in fact raised £500,000 more in motor taxes and paid them into the Highways Fund there would have been no necessity for this special provision and likewise no adverse adjustment on account of tax, so leaving the net position after adjustment just the same."

In the Commission's view this amount of £500,000 is not bound up in the general question of adjustments for motor taxation, but is a special item which, in the circumstances, should be considered as a correction to the published budget result. The amount in question was not actually spent during the year under review. Moreover, it appears to the Commission that the South Australian contention overlooks the point that, if the appropriation had not been made, the budget surplus for 1952-53 would have been £500,000 more and that therefore the negative amount of the first part of the grant would have been £500,000 more.

In paragraph 141, on page 48, referring to the procedure adopted in correcting the published budget of the State, the commission dealt with three items of this kind, totalling £820,000. Its comment was as follows:—

As these amounts were not actually spent in 1952-53, the total of the three items should be added to the published budget surplus in order to show a budget result which is comparable with the budget results of the other States. When the year in which these amounts are spent becomes the year of review, they will be further examined.

Commenting on the position in general, the Treasurer said:—

At no time more than the present has the unsatisfactory nature of the Commonwealth-State financial arrangements been so apparent. But surely no statement could be more fatuous, even if it is a fact that those arrangements are unsatisfactory. Under a Federal Labor Government, it was always understood that South Australia received fair and even sympathetic treatment, and why should an L.C.P. Federal Government be any less well-disposed towards South Australia? Actually, the basis on which the Commonwealth makes financial assistance available to the State has not changed; and if, as the Treasurer implies, the Commonwealth is keeping too much for itself and is ignoring the just claims of the States, why does he not do something about it in the right quarter, instead of merely complaining about it in this Parliament? Whenever the Treasurer has an opportunity to do something effective about this, namely, to change the personnel of the Commonwealth Government, he always comes down on the side of the present Government. Just before the last Federal election it was found that a battery had been used on a certain horse in a race in this State, and, speaking at Glenelg in support of a certain candidate, the Treasurer said that no battery was required to keep South Australia going and that he had every confidence that the electors would return the Prime Minister and that he would get a better deal

from the Menzies-Fadden Government than from a Labor Government. However, he now complains bitterly in his Budget speech about the present Federal Government.

It is as well to remember that uniform taxation is being supported, or maintained, merely by the condition that if a State imposes income taxes, it will not be eligible to receive income tax re-imbursements from the Commonwealth; and, in principle, the restoration of income taxing powers to the States is as simple as the repeal of the States Grants Act, which makes that stipulation. It will be recalled, also, that many years ago the present Prime Minister, Mr. Menzies, publicly announced that he intended to restore those powers because he was sick of the States being "on the Commonwealth's back"! Nothing has been done about it, despite the Prime Minister's avowal and the Treasurer's frequent statements in this House, but the Treasurer never talks at election time about restoring the State's taxation powers. It is a very good thing, particularly for the people on the lower incomes, that the States have not got their taxing powers back. We have uniform taxation throughout Australia, which means that people on the same income, wherever they live, pay the same taxation. How different to the position in the old days when we had power to levy income tax and when this Parliament continually overtaxed the people on the lower income groups and blatantly refused to impose proportionate taxation on the higher income groups.

Mr. Shannon—Sir Richard Butler—

Mr. O'HALLORAN—I am glad the honourable member mentioned Sir Richard Butler.

Mr. Shannon—I did not have a chance to say anything more.

Mr. O'HALLORAN—In 1927 the South Australian Government reached an all-time low so far as imposing punitive taxation on people on the lowest incomes was concerned. At that time the exemption was reduced far below the existing basic wage. I remember a gentleman saying at that time, "Even the washerwoman at the tub has to make her pitiful contribution to the pitiless Liberal Moloch."

Mr. Shannon—You are being unfair to the Premier of the day. I was going to refer to the Butler Government of 1933-1938.

Mr. O'HALLORAN—I would not suggest that the punitive conception of 1927 was Sir Richard Butler's own idea. I think he probably hated it as much as anybody else but was pushed into the position by those superior

powers who dominated the taxation position at that time and who desired that any increased taxation should be taken from those on the lowest rung of the social scale. What happened at the subsequent election in 1930 was a salutary lesson for those who determined that policy. They were swept into political oblivion and had three years to ruminate on the consequences of their folly. When they came back in 1933 they increased the exemption so as to benefit basic wage earners.

The Treasurer has said that the Commonwealth, in returning £15,710,000 by way of tax re-imbursement, as it proposes to do this year, will return only 27 per cent of the income tax raised in South Australia. This implies that the total South Australian income tax for 1956-57 will be about £58,000,000. I should like to know how the Treasurer has arrived at this figure, as I understand it is extremely difficult to ascertain how much income tax is raised in each State. Apart from that, however, it should be observed that the Treasurer has again sought to confuse the State and the State Government. A considerable amount of income tax levied in South Australia, other than the share allotted to the State Government, is spent by the Commonwealth in this State, and it must not be forgotten that the Treasurer, while strenuously opposing all moves for the transfer of powers to the Commonwealth, was not particularly interested in opposing the suggestion that the Commonwealth should take the responsibility for social services when a referendum on that subject was held some years ago.

It is about time the Treasurer approached the whole problem of Commonwealth-State finance more sincerely. Of what use is it to complain to us as members of the State Parliament about the alleged difficulties under which he is labouring—difficulties which, incidentally, are of his own making because he has too easily allowed himself to fall into the rather obvious error of thinking that other people are paying for whatever progress is being made and that whatever finance he needs in order to implement his idea of advancing the interests of the people of South Australia will be forthcoming just for the asking? If 27 per cent of the income tax raised in South Australia is not sufficient for the Treasurer's purposes, what percentage does he suggest would be sufficient? Another 4 per cent, incidentally, would just about account for last year's deficit and the deficit anticipated for 1956-57. Would that be enough to satisfy him?

The Treasurer has said that as the people have been called upon to spend less the State Government should also spend less. Of course, if the Government spends less, those whose incomes are dependent on Government expenditure will also have less to spend—and the influence of Government expenditure is much greater than that of the mere amount actually fed into the economy of the State. However, the Treasurer proposes to spend about £6,000,000 more this year than he did last year, so in that respect he is not setting a good example to the people. A less obvious but much more relevant aspect of this is that as far as Government expenditure is concerned, there should be a reasonable balance between it and the expenditure of other sections of the community. I have frequently said that the Treasurer has had too many irons in the fire at the same time and has been trying to get them hot too quickly at the expense of other development or other economic activities in which the people are or should be engaged.

The State should be allowed to develop in the true sense of the word—and I feel that this Government has not done enough to ensure that happy result. Instead, the Government has entered more and more into competition with other agencies which are, or would otherwise be, productive and which require money, manpower and materials; whereas it should not further increase pressure on these factors of production. Greater production is the solution of the difficulties with which not only this State Government but also the Commonwealth Government is faced, but it must be greater production without the increasing inflation of which we have been the victims for so many years now.

Much of the Treasurer's expenditure is unproductive either permanently because of the nature of some of the public works undertaken, or temporarily because of the fact that so much money is tied up in them for so long before they can become productive. The Adelaide-Mannum pipeline is an example of the first type of public work referred to—and the cost of operating it is tremendous—which has helped to encourage inflationary tendencies. Other huge projects, like the Port Augusta power stations, have a similar effect because they take so long to complete. In addition, the Treasurer has greatly expanded the public services, with the extension of Government enterprise, as, for example, the Mines Department, which ten years ago cost the Government £76,000 but last year cost £708,000 to run. I do not complain about the expansion of the

activities of the Mines Department. The expansion of those activities, the provision of various avenues of research to expand the possibilities of exploiting the State's mineral resources, the provision of treatment plants and the development of mines is on all fours with our policy, but it is not in line with the professed policy of the Government Party. It is a Socialist policy, not an anti-Socialist policy. If put into effect by people who really believe in the principles of socialism there would be an ordered plan of development rather than the "whoa and go" ideas that characterize the alleged plans of this Government.

The Treasurer said, "In its treatment of the States the Commonwealth has adopted the policy of limiting their expenditure by strictly limiting the loan and revenue available to them." Without holding any brief for the present Commonwealth Government, which, among other things, has become notorious for its ineptitude in financial matters, I would say that that Government is more or less forced to limit the spending of the State Governments, at least on loan account, because it has experienced so much difficulty in raising loans. I mentioned this point the other day when speaking on another Bill. One of the first stupid actions of the Menzies-Fadden Government when it came to power was to set out on a campaign of inflation by increasing interest rates. The result was that investors, who saw their bonds' value depreciated in the markets as a result of higher interest rates for new loans, lost confidence in Government investment. The Commonwealth, in order to support State loan programmes, has had to tax people about £100,000,000 more than is necessary. It is an incongruous position. Individuals and industries in South Australia are struggling under the weight of the additional taxation. The Commonwealth is lending that money back to the States—particularly to South Australia—which have to pay full interest on the amounts they receive. It is the most peculiar financial set up I have seen, but members opposite would not dare criticize it because it is part and parcel of the financial legerdemain of the Menzies-Fadden Government.

This is perhaps a shrewd method of meeting the obvious reluctance of the people of Australia to contribute to Commonwealth loans, but—and here I am inclined to agree with the Treasurer—it does seem unfair that the Commonwealth Government should regard the amount so advanced as a loan to the States, on which interest must be paid. However, that is just another unsatisfactory feature of

the whole financial set-up, about which the Treasurer complains but about which, apparently, he does not propose to do anything.

Before leaving this important question of Commonwealth-State relations, I will refer to social services and, in particular, to hospital services. Recently, the Treasurer announced that charges would be introduced for patients at the Royal Adelaide and other Government hospitals. The matter was debated in this place and I will not refer to the argument again, but the Government's action is a most retrograde step. If the Opposition is successful in securing power in this place that will be one of the first actions reversed. It is clear that the Treasurer had in mind an increased Commonwealth grant when he made this decision, for if he charged more for hospital services he would be entitled to receive more money from the Commonwealth. Actually, by imposing charges in hospitals the Treasurer will benefit doubly, and that no doubt was the real reason for the imposition. Some discussion took place on the significance of the Commission's treatment of the whole question of social services and the expenditure incurred by the various States thereon, and I will quote from the Commission's report for 1954, to which I have made other references. Paragraph 95 of that report is as follows:—

There have recently been indications that both the purpose and the effects of the adjustments in respect of social services are misunderstood. The budget corrections and adjustments made by the Commission, as an aid to the formation of judgement concerning the amounts of the grants to be recommended, are all part of the process of endeavouring to measure what the budget result of each claimant State would have been, if consistent financial and accounting methods and similar standards of expenditure and of taxation and other charges had been applied in all States. Corrections and adjustments are made in respect of those groups of revenue and expenditure in which comparison between the States is possible. Social services expenditure is one of those groups.

Paragraph 97, continuing the subject, says:—

It has been suggested that the amount of the grant recommended for payment to a claimant State is reduced because an unfavourable adjustment for social service expenditure has been made for that State. This is not so. The amount of the grant recommended for payment to any claimant State remains the same whether its social service expenditure is equal to or greater than the adjusted standard based on the average experience of the non-claimant States.

The amount by which social service expenditure exceeds the adjusted standard affects equally the published budget result and the

unfavourable adjustment for social service expenditure. These effects cancel out in the Commission's calculations and leave the amount of the grant unaffected. What the actual level of social service expenditure will be is the responsibility of the State Government. The Commission endeavours to measure what the special grant should be to enable all Government services to be provided at standards not appreciably below those provided in the standard States. Decisions concerning the use of State revenue, including special grants, rest with the State Government.

That bears out abundantly what Opposition members said in the recent debate on hospital charges. It proves that the action of the Government is designed to get more revenue from an unfortunate section of the community. I spoke earlier about an article from last week's *Advertiser* dealing with a reported statement by Mr. C. A. Smith, managing director of the Ford Motor Company of Australia when opening the new £40,000 Franklin Street showroom of Eclipse Motor Co. Pty. Ltd. Portion of the article is as follows:—

More than 200 guests, including the Premier (Mr. Playford), the Minister of Roads (Mr. Jude) and the Lord Mayor (Mr. Philips) attended. Mr. Smith said:—"In the post war years, South Australia, through the foresight, drive and enthusiasm of an outstanding Premier (Mr. Playford), has made seven-league strides in developing secondary industries and attracting new ones. There has been nothing haphazard about this. It has been well planned and it hasn't seriously hampered your economy.

If it has not seriously hampered economy, why all this scraping of the very dregs of the pot to get revenue from here, there and everywhere in order to balance accounts? As to the making of seven-league strides, country areas have continued to lose population to the metropolitan area and practically all the migration intake into the State has been induced to remain in the city. The huge expenditure on schemes such as the Adelaide-Mannum pipeline, and to a lesser degree the duplication of electricity power stations, has become necessary. The former satisfactory financial position of the Engineering and Water Supply Department has been completely wrecked and additional charges have been imposed on the community in order to present a more favourable aspect. The position in the Education Department shows that there has been no conception of what is actually required. In the metropolitan area there are overcrowded classes and a shortage of teachers. In some cases registration of schoolchildren has been refused for five months.

Mr. Jennings—Did you hear the Minister's statement on this matter?

Mr. O'HALLORAN—Yes. The statement shows that figures can be juggled to mean anything. As I understand the position, in order to get the proper average, instead of taking the average of primary schools, the only section relevant, the average of all schools, including small country schools with five and 10 children, was taken. The fact is that there is a dearth of accommodation and teachers. Some teachers have had to leave the department because of the effect on their health of the work they had to do.

Mr. Jennings—Some have gone to the other States because of better conditions.

Mr. O'HALLORAN—Yes. The Minister said the other day that in order to maintain even the present bad standard it had been necessary to close 18 country schools. Two of them were in my electorate. I do not object to the closing of one, because of the bus service difficulty, but I object to the closing of the other, for last quarter it had an average attendance of 23 and there is a potential increase of 17 in the next quarter. Copley, the town concerned, is reaching some importance because of its being a transfer station on the North-South railway line. The Minister has promised to try to get a teacher for the school.

I have made a rough calculation of what the Treasurer's Budget proposals will mean to the people this year. In increased stamp duty they will pay £80,000, and it will increase next year by £105,000. Revenue from liquor licences will increase by £50,000, and next year £150,000, and from wharfage charges by £180,000, next year £240,000. Land titles fees will bring in another £20,000 this year, miscellaneous £20,000, hospital fees £200,000, and council contributions to hospitals £39,000. This extra contribution by the councils will mean a direct charge upon the ratepayers. Increased revenue from land tax on the higher assessments will be £823,000. During the war the quinquennial assessment was a feature of our land tax legislation, but it was suspended because of manpower difficulties. It remained suspended for long after the war. I have pointed out again and again in this place that there should be a re-assessment of State land values, for the pre-war assessments were wrong, and if there were a realistic assessment it might have a checking effect on the spiral of land values. Nothing was done until a few years ago when we had a phenomenal increase. The average revenue from land tax

in this State for several years has been about £570,000 and the amount is expected to increase this year by £823,000.

Total revenue from sewer rates is to increase by £200,000 or 25 per cent. Strangely enough, this is one branch of the Engineering and Water Supply Department that has been run at a profit and last year the excess of income over expenditure was £34,000, yet the people are to be mulcted of another £200,000 this year. The great bulk of these imposts will be borne by the lower income groups. Water charges have been increased. Although the Treasurer promised that water rates would not be increased—and, indeed, he has kept his word—he has ordered an increase in assessments, which means that water charges have been increased. Surely it matters not whether the money is paid in the form of increased rates or increased charges; if a man's water rates were £6 last year and £10 this year, the cost of the water has risen by £4. These charges are reacting on the financial well-being of the lower income groups.

In his Budget speech the Treasurer said the State's expenditure would be increased by £850,000 this financial year as a result of a decision of the Commonwealth Arbitration Court last June to partially relieve the workers of the burden of wage-pegging by granting a 10s. a week increase. That increase must be paid to all Government workers, but I remind members that State Government workers in the eastern States have had their wages increased in accordance with the C series index, and if South Australian workers had received the same consideration as workers in those States, then according to the figures in this Budget it would cost South Australia another £1,020,000, which means that the workers engaged in the South Australian Public Service are that much worse off in purchasing power than their brothers in the eastern States. Is this all part of the grand plan to be implemented in seven-league strides? What I cannot decide is whether those strides are taking us forward or backward, but I consider that, from the point of view of the great majority of people we are going in the wrong direction.

The emergency housing scheme is carried on by the Housing Trust as the agent of the Government and I understand that the capital expenditure on the scheme has totalled £2,386,000. Further, the rents were originally calculated so as to amortize that expenditure over 10 years. The Treasurer said that £135,000 had been lost on these houses in the last financial year, and that it was therefore

proposed to increase rent so as to reduce the loss to £80,000 this year. I cannot understand, however, why this increase is necessary, because the amount set aside for the recovery of the capital expenditure has not full regard to the realities of the position.

Mr. Jennings—Those homes will be here for the next 30 years.

Mr. O'HALLORAN—I realize that the Treasurer said that in cases where the dwellings had been removed it had been found that they had little or no residual value, but I agree with the member for Enfield that most of these dwellings will be on their present sites and in use for the next 30 years; therefore why increase the rents? I realize, too, that the Treasurer said that the current rents were so attractive that some people who had been allotted permanent homes preferred to remain in emergency homes; but surely there is a better way to deal with that type of person than by raising the rent paid by unfortunate widows, pensioners and many other types of low-income people who must continue to live in emergency homes for some time because of their difficult economic position. I am not satisfied with the Treasurer's explanation and, unless we get a more satisfactory explanation during the debate, I intend to take strong action when that line is being discussed.

It is proposed to increase by 7s. a week the rents of all Housing Trust rental homes except those completed in the immediate past. I consider that, as a result of the increase in the rate of interest provided for in the Housing Agreement, there is no alternative to this action and that this is one occasion on which the Commonwealth Government is, with a loaded double-barrelled gun, forcing the States to accept a policy of increased interest rates irrespective of the effect it will have on the housing and standard of living of the people; but I blame the Treasurer and his supporters because, after all, they are supporters of the present Commonwealth Government and have never been vocal in opposing this act of piracy committed against a defenceless section of the community. I do not blame the Housing Trust, because by and large it is doing an excellent job under difficult conditions. Having had the rate of interest increased by 1 per cent, the trust had no alternative but to increase rents to recoup itself, for there is no provision now, as there was in the days of the Commonwealth Labor Government, for a subsidy to recoup housing authorities when the cost of housing may mean that the economic rent is greater than the actual rent. That has gone by the

board under the Menzies-Fadden regime at Canberra and will only be restored by a Federal Labor Government. When that time comes we can consider taking steps to see that organizations such as the Housing Trust are not forced to charge exorbitant rents, but to fix reasonable rents for their rental homes.

As the member for Burra said the other day, this is the most important question considered in this House: the proper housing of the people under circumstances which their economic position will enable them to enjoy. Recently I read a book by an American writer entitled *The One Millionth Delinquent*. He referred to the growth of delinquency in the United States of America and compared the results of properly documented and factual examinations of various groups of boys and girls, some in institutions for delinquent children and others who had not become delinquents. He showed that the cause of delinquency in 60 per cent of the boys and almost 70 per cent of girls was bad home conditions and listed these under three headings: first, sub-standard housing; secondly, divorce which meant that only one parent was in charge of the children; and thirdly death, which deprived children of one parent. That tragic story is being enacted in South Australia. Surely we are approaching the position with which authorities in the United States are seeking to deal. Although various community-minded people are forming associations and doing their best to stem the tide of delinquency, I consider that the best way is to provide decent housing conditions for all families.

I am not happy about our road programme. I understand that this financial year over £7,000,000 will be spent by the Highways Department and a further £2,500,000 by the various councils on roads. This means a total expenditure of about £9,500,000 compared with £8,640,000 last year, but I am not satisfied with the steps being taken by the Government to protect our roads. I shall not embark on criticism of the Highways Department because I do not think it, or councils, or any other road-constructing authority, has been able to build roads to carry the heavy traffic our roads now have to take. I have made various suggestions previously, but they have always fallen on deaf ears. To build roads capable of carrying unlimited loads would cost a tremendous sum. When I was in America three years ago it was costing authorities there over £100,000 a mile in our currency to build these highways,

but if anyone thinks we can spend as much as that on our roads he has another guess coming.

We have such an enormous mileage of roads that we cannot afford to build roads to carry very heavy traffic, so I say again that we should introduce a laden weight limit on heavy transports. A lightly-constructed road between Terowie and Broken Hill is being knocked to pieces by heavy transports and buses. This traffic started only recently, but in the summer months the whole of that road will be pounded to powder and will blow away. What it will cost to restore it is anybody's guess. The people in that district produce great wealth to keep the city and the State going and provide favourable trade balances, without enjoying the amenities of those in the metropolitan area, yet their road is being knocked to pieces by interstate hauliers who make no contribution to our road funds. When I travelled our hills highway over the weekend I noticed it had deteriorated greatly since I went over it three months ago. The changeover from trams to buses in the metropolitan area will result in the roads being greatly damaged. I did not think I would live to see pot holes in King William Street, but there are many there now. Most of them are on the shoulders of the road at bus stops, but when that road was constructed it was not thought it would have to take such heavy traffic.

The Treasurer is pleased that £510,000 will be sufficient to keep the Tramways Trust going for another 12 months. Already many tram lines have been torn up, but I am wondering whether the conversion from trams to buses is good economically. I have read in the press that various councils are concerned about the effect on their roads of running buses. One council has refused to sanction buses until its road is put in proper condition. Under the tramways system the trust had to maintain its tracks, but by running buses it will have to make only a small contribution towards the cost of roads. In the future we may have to face up to an extensive subsidy from Parliament to enable councils to maintain their roads or a substantial increase in bus fares. The Treasurer takes pride in preventing increases in bus fares, but I doubt whether he had anything to do with it because the Tramways Trust's subsidy this year is not much less than it was last year. Furthermore, the total subsidies that have been paid to the trust are approaching a figure nearly double the amount that

Parliament was told would be sufficient to re-organize completely the whole metropolitan transport system.

I am concerned about the implications of the changeover in the northern railway system. The abandonment of the old narrow gauge line in favour of the new broad gauge line from Stirling to Leigh Creek has brought about a considerable retrogression in Quorn. Many railway employees have had to transfer to Stirling North or Port Augusta, and the loss of business in Quorn has been considerable. People living between Quorn and Copley have been deprived of some public services. In some cases they have been reduced to one effective train and mail a week, and deliveries of fruit and vegetables and other perishables have become uncertain. I have already referred this matter to the Treasurer, but I believe the only satisfactory solution will be for the State to make an agreement with the Commonwealth to take back the old narrow gauge line. This may entail some subsidy from the Commonwealth, but if it does I stress that the Commonwealth has a duty to provide a subsidy. However, I hope that a satisfactory solution will accrue from negotiations proceeding between the Treasurer and the Federal authorities so that the lot of the people living in those northern areas will be improved in the near future.

Mr. KING (Chaffey)—I support the Budget, and I praise the careful way in which it has been framed. The Treasurer had to seek additional sources of income to meet a difficult cash situation, and he used considerable restraint in his methods of raising more money. As he said in his Budget speech, the items on which he is raising additional revenue leave the family budget practically untouched. It is obvious from the care taken in framing the Budget that the Estimates provide a reliable forecast of what the actual position will be at the end of the financial year. We only have to compare last year's actual figures with the Estimates to see the soundness of the Treasurer's previous forecast, so we can feel secure that the figures now presented reflect the correct financial position of the State. That is a tribute to the Treasurer and his officers, who always show great judgment in preparing the Budgets.

I notice that the Electricity Trust, the Housing Trust and uranium undertakings are barely mentioned in the Budget, but also that the Woods and Forests Department is becoming a revenue producer. These State enterprises are being conducted on sound lines and are paying

their way. They are making a tremendous contribution to the progress of the State. The fruit industry, part of which I represent, and the furniture and housing trades would have been in a sorry plight if it had not been for the activities of the Woods and Forests Department, which supplies cases and softwoods. However, I look forward to the day when the Murray Valley will produce its own timber requirements, as well as the requirements of other areas.

The financial statements, and appendices, make comparisons with previous years, but one must make swift mental calculations to correct the differences in money values, otherwise comparisons are meaningless as a measure of progress. The pound sign, as well as the pound itself, has lost much of its value. Perhaps a surer picture of the progress of the State could be shown statistically. This would be more realistic because it would be in terms of more reliable standards, such as work done, gallons used, and tons carried. This could be done by using information included in the Statistical Register. The position shown by our balance-sheets is confused by the existence of assets and liabilities acquired at old, new and intermediate prices. I wonder whether we could now afford to buy some of our present assets at today's prices and pay today's interest rates and sinking fund commitments on our liabilities.

Under the present system of allocation of Commonwealth revenues one-third of our income (£22,000,000) comes from the Commonwealth. Of this, an item of £703,816 ("contribution pursuant to the financial agreement") has remained at the same figure for over 25 years, notwithstanding that money values have greatly altered. This item has an interesting history going back to the beginning of Federation. In 1900 the Commonwealth was obliged to return three-quarters of customs and excise duty to the States for 10 years, but in 1910 the Commonwealth exercised its right to drop this obligation and pay to the States 25s. per head of population. In 1927, when the States and the Commonwealth were competing for loan moneys and interest rates were high, a conference was held and as a result the amount of £703,816 was substituted by the Commonwealth Government as a contribution towards State interest commitments. This amount is immutably fixed in the Constitution as part of the Financial Agreement and is unchangeable without a referendum. As the value of the pound dwindles, the value of this

contribution shrinks accordingly. No doubt this is taken into account when other grants are being assessed.

I think the biggest bombshell that was dropped on the Treasurer's table this year was the financial implications of the calamitous Murray flood. I was pleased to hear the Leader of the Opposition say that his party regarded this tragedy as non-political. It is something which transcends all matters of politics, creed and party. Just as the people of the State rallied to the help of the people in the Murray Valley, so the Treasurer accepted without quibble the additional burden on his strained finances and this year has already allocated £800,000 to meet the costs associated with the prevention, reduction, control and alleviation of damage, hardship and losses arising from the flood.

As the Treasurer remarked on another occasion, this is not a Government flood, but a national disaster. It is national in its origin and its repercussions will affect the national economy for a long time to come. I think everybody recognizes that the water causing all the trouble is coming from catchment areas extending from Queensland in the north to Victoria in the south and covering thousands of square miles. Our section is the final artery through which this water is delivered to the sea. The people on the Murray live in a valley 100ft. deep, carved out by the river over many centuries and where the river normally meanders through clay flats deposited there as it has occasionally flooded, and there is nothing much they can do when the catchment areas get more water than they can possibly cope with. All our man-made restrictions are not capable of dealing with the quantity of water flowing down the river.

It is a national disaster because it will take us a long time to recover from the loss of production in the flooded areas. My own district produces dried fruits, wine grapes, fresh and canned fruits, citrus and vegetables and contributes to the State's economy through some secondary industries. The people concerned in these pursuits are all affected. There is not a brick works on the river at present capable of producing a brick or an agricultural tile. The industry cannot get back into production until such time as the water drains away and even then it is feared that some of the clays may have been rendered unfit for brickmaking. The threat to the industries on the Upper Murray is still great and the losses are grievous.

I am more concerned with the effect on people than with the effect on properties. Some people have carved out their properties from the river banks; others have taken over land and developed it and put their life savings and endeavour into it, only to see everything swept away in one fell swoop overnight. We can compare them with a craftsman who spent his lifetime in creating an object of art only to see it destroyed overnight, knowing that he has not sufficient years left in which to rebuild it. I know of a widow with four or five children who was burned out not long ago. As a result of a public subscription sufficient money was procured to enable her to erect another house. Not long ago the river swept her out and I doubt if the house will be fit to live in when the flood recedes. That is only one of a great many cases of extreme hardship.

While it is too early to assess the full financial implications of the flood damage, it is possible to contemplate the upheaval caused by the river in flood. In South Australia between 2,000 and 3,000 people have been forced to leave homes. About 500 or 600 homes are involved. Many of these may be uninhabitable, severely damaged or washed downstream. At Cobdogla the side of a house which had been washed down river was taken from one of the creeks. About 100 business premises and factories, a hospital and school have been inundated. Over 1,000 school children have had to be accommodated elsewhere. About 150 to 200 vineyards and orchards have been affected and many homes on those holdings are under water. The production from those areas has been lost for the time being, if not forever. In the reclaimed areas between 12,000 and 14,000 acres of rich pasture lands are under feet of water with little prospect of reclamation for a considerable time. Thus, in one blow, we have lost assets built up over 50 years and more—assets which have contributed millions to our national income in the value of goods produced as well as in excise, income tax, sales tax and other items of revenue. It is not reasonable to suppose that with our State revenue severely depleted we can meet even the extra running expenses incurred, let alone the capital cost of rehabilitation. If we cannot replace the nation's assets how can we restore the national income the assets produce? Our State revenues are proscribed and committed. They cannot absorb more than a fraction of the total loss and cost of restoration. Local authorities, too, can scarcely balance their budgets in ordinary

times, let alone face the road restoration costs arising from the flood. Legally, they cannot borrow enough to tide them over the present emergency.

Let us consider whether the effort put into flood protection so far has been worth while. Whilst we are not yet out of the wood—with a river falling too slowly and more water to come—we can point with pride to our achievements. We have protected a far greater area of fruit properties than we have lost. Renmark, in the main, is saved. Levees protect other towns and parts of them. Up to 1,000 homes with other premises and industries are sheltering behind the banks. The value of the property saved in the fruit areas would be several times that of the area conceded to the Murray. One good aspect is that, so far as can be ascertained, there has been practically no unemployment arising from the flood. There has been plenty of work to do and those who have lost their jobs through their employers losing their businesses have been absorbed in other directions. Funds have been made available to enable the employment of those persons locally. We cannot afford to lose the local population which is all we have left to fight the flood in the case of an emergency.

On the question of flood protection and rehabilitation, we should take great care to see that as this is a national tragedy and a large proportion of the funds will come from the Federal Treasury, private individuals who are developing this country and who have fought the flood are treated as generously in all ways as those who have sheltered behind levees erected with Government assistance. I am referring to people about whom we do not hear much—people who have their own power plant or who obtain power from the Electricity Trust. These people will also need assistance and should not be overlooked.

The river area looks like the front line of a battlefield. Help has been given unstintingly by State and Commonwealth Departments. The Government has been moving step by step with the progress of the flood. The Minister of Lands and his department have been in the forefront and the Minister's appeal for sandbags produced well over 1,000,000 bags without which considerably more damage would have resulted. The Government appointed Mr. A. C. Gordon the flood liaison officer and he has efficiently assembled machinery, materials and volunteer labor which has enabled us to win the battle. The Engineering and Water Supply Department made its men, materials and skill available whether it was

a Government or a private project that was endangered. The Education Department moved with the times and as schools were threatened the children were moved out. They were well out of the Renmark High School before it was flooded and about 700 children from the primary school were accommodated elsewhere. Before that happened the Highways Department was engaged in a struggle to maintain the ferries for as long as possible until the water finally put them out of action. One must pay a tribute to the wonderful work of the settlers themselves and to the volunteers who came to their assistance. The volunteers came from all walks of life and from near and far bringing with them their own materials, transport and in some instances, their own camping gear. They did not make any demands on the local people. What they brought they gave freely in their endeavours to beat the flood. The Lord Mayor's Relief Fund—the success of which is apparent—proved beyond doubt that the people of this State realized the magnitude of the disaster that has befallen us.

The next problem confronting us is the relief of the hardship to those people who have been forced from their homes and whose livelihood has been threatened. The river is taking a long time to recede and those people who made emergency accommodation available to help others may desire to see them accommodated elsewhere. The housing problem is considerable. I think the Housing Trust is sympathetic and it is in a position to help. It may be able to provide houses under the primary producer's scheme and it may be able to provide emergency housing. It may even be able to make it possible for some people to purchase new homes. I hope sufficient funds will be available to pay some of it to people who have been washed out of their own homes so they can pay a deposit on a Housing Trust home and be settled in straight away. We should do it immediately we know we have sufficient funds available for the purpose. I realize that we can do nothing except in accordance with the money available, and in that connection we will not know very much until the Commonwealth Government has indicated the extent of its assistance.

Another important matter is the defeating of seepage and where possible the de-watering of areas. At present the Renmark people, who felt the first impact of the flood, are considering de-watering some areas where there are only a few inches of water. If the experiment is successful we may be able to save some of the vineyards and tree areas that have water

through them at present. The seepage problem is as deadly at it is insidious. Colossal salt readings have been taken in some of the waters and where the strata is suitable for percolation the salt may go back as far as a quarter of a mile from the bank. If we can keep the salt water under control we may be able to keep the land in a fertile condition. I have been reading some information on this matter and have been interested in the Dutch idea. The State Drainage Committee is leaving Adelaide tomorrow for the river areas to look at the seepage problem and its inquiries will add to our fund of knowledge on the matter. We have an excellent opportunity now to pump the salt water from the blocks over the bank into the river on the other side, thus allowing the water in the river to wash away the salt. If we leave it until the river goes down we will pump the salt water on to dry land and then not get rid of it. It would then prove injurious.

The total area which could be affected by the seepage depends considerably on the soil types and on the head of water inside the bank, as well as the head of the water on the other side. While the river stays up the effect of the salt will become more pronounced. If the river were to go down quickly we would be able to solve some of the problems but while it remains up the head of the water on the outside of the bank will maintain the seepage danger. We thought the land would be affected for two chains inside the bank but it extends more than that in some cases, and less in others. The Government has made available a large sum of money to the Renmark Irrigation Trust in an attempt to de-water some of the properties and to tackle the salt problem. It has been found in some instances where we have been pumping the salt water out that the salt content behind the bank has been reduced, and in some cases there is only a small quantity, which would not be injurious to plant life. We hope that by carrying on along these lines we will be able to keep the fertility in some of the soils.

Mr. Bywaters—Does the £12,000 to be made available have to be repaid in one year?

Mr. KING—I do not think so. The loan of £12,000 is for one year free of interest, and at the end of the period the position will be reviewed. I have no further information than that, but I do not think the Government would expect the money to be repaid at the end of 12 months. An important point is that we must get as much land as possible into production quickly. That is important in order

to have a healthy community and to preserve an asset that will produce national income. Arising from this flood is the question of the rehabilitation of displaced settlers. We will not know until the river goes down whether it will be worthwhile sending some of them back, and then it will be necessary to decide what we can do for them. We have never experienced such a flood. There is the question of the restoration of services. Some roads at the top and bottom ends of the river are under water. Some roads have been cut up by the heavy earth-moving machinery. Thousands of tons of material have been carted over the Renmark roads. It was necessary there to build 20 miles of clay bank up to 10ft. high and in some places 40ft. wide. A little calculation will show how much soil had to be moved to build the bank. There are other places where similar banks have been built. The engineers of the Renmark Corporation and the Renmark Irrigation Trust say it will cost about £80,000 to put the roads back into good condition.

We must have the co-operation of the Commonwealth and other States in making a thorough examination of all the factors leading to the flood. People along the river hope that the State Government will work along the lines suggested by the Murray Valley Development League, which has consistently said that the valley should be treated as one problem. We will be helpless if we have another flood of the same magnitude unless the people in charge of the catchment areas do something to improve the position. We can talk a lot about re-afforestation, denudation of forest areas, overstocking of land and the building of dams where water can be placed in times of flood to be used later, but these things concern mostly the other States. South Australia is on the receiving end but with the co-operation of the other States we should be doing all we can to mitigate the effects of floods. As soon as possible there should be a conference of all responsible people and a plan for the whole of the Murray Valley should be enunciated for the future good of not only South Australia, but Australia as a whole.

There are a few lessons to be learned from the flood. One is the siting of plantings of vines and trees. Horticulture has shown us that a lot of mistakes have been made in these plantings in the past. There are soil types along the river far more suitable for horticulture than some of the alluvial soils at the bottom of the valley. Maybe we should have another look at the

scheme recently rejected for Lyrup by the Commonwealth Government. A considerable acreage of good soil is available there for irrigation purposes. Certainly there was a high lift but in the long run it may be cheaper to pay extra pumping costs than to lose capital expenditure through floods. There is nothing to suggest that we will not have a repetition of the present flood. The catchment areas are still flooded and the sub-soils are full of water, so it would not take very heavy rains to cause properties along the river to be again flooded. The flats are still under water and I doubt whether on the flats and in the catchment areas there will be sufficient drying out before we have the next rainy season, and then there could be a flood almost of the same magnitude as the present one. The techniques of pumping have improved to such an extent that whereas once it was regarded as uneconomic to pump water for irrigation purposes above 40ft. it is now pumped 120ft., and a good job is being done. That is due to the electrification of pumping stations, the use of modern pumps, and the efficiency of the producers who understand irrigation problems more now than they did 20 years ago.

It would be better to put people back on their feet rather than to abandon holdings, provided, of course, that we have the money to do it. I would not like to see the setting up again of the Drought Relief Board, which came to the rescue of cereal growers in the depression days when wheat was 1s. 6d. a bushel. I would not like to see the Debt Adjustment Act applied. It would be better to put hope into the hearts of settlers and to enable them to go on producing. From the Government's point of view we must consider the problems arising in connection with the roads leading to the ferries. As the flood has come down, the road approaches to our ferries have gone out one by one. The Minister of Roads said that in February he hoped to commence work on the building of a new road from Renmark to Paringa. It is fortunate that we have not started that work because now it would be feet under water. We must consider the effect of compressing water into a restricted channel. Every time a bank is put across the river or parallel to it there is a restricted channel and a higher level of water. Every time we restrict the river into a narrow channel we also restrict the quantity of silt that is moved on down the river, for some of the silt falls into the bed of the river and automatically makes its level higher. Whereas the river once used to wander through the valley and spread its silt over the

surface, today its route is confined by artificial banks, which means that we are contributing to our own problems.

Horticulture on the river is a particular problem because in reclaiming flooded areas we have little to follow by way of precedent. The Department of Agriculture, which is familiar with other problems in irrigated areas, has not yet had to deal with the restoration of flooded land, and this will present a big field for inquiry and experiment. We must discover as quickly as possible the way to deal with soil suffering from salt and seepage. I am afraid that many properties will be so badly affected that the area behind the banks may be difficult to restore. In many cases this will be a serious problem because in a place such as Renmark where the average holding is 10 acres the loss of four or five acres will make the remainder an uneconomic proposition for the settler.

The Hon. G. G. Pearson—Pasture irrigation may be considered.

Mr. KING—That is a matter the Government may consider later, but that science is in its infancy. It has been claimed that many sheep can be carried by pasture irrigation, and that would give quite a good living.

The Hon. G. G. Pearson—I have heard of as many as 12 sheep to the acre.

Mr. KING—I have heard of even more but I cannot give exact figures. Much work has been done on pasture irrigation along the river and I can put the Minister in touch with people who, by their results, have shown that there is hope in dealing in that way with flooded land. Indeed, if the land is found to be unsuitable for horticulture we may have to apply something like the marginal lands scheme, which was so successful in the Murray Mallee years ago, to some settlers on the Murray Flats. We can only go so far as the money will allow us and to the extent that the Commonwealth Government will subsidize us pound for pound. When we have put down our last pound the Commonwealth will be relieved of any further responsibility unless—as I hope it does—it prefers to make an *ex gratia* payment because, after all, this is a national responsibility.

Mr. Bywaters—Money is being found for Maralinga.

Mr. KING—Yes, but most of it by the British Government. I hope that we will continue to develop the wonderful Murray Valley by a combination of Government and pioneer enterprise. We have there the water, power and initiative, and we need only the finance to lubricate the wheels of industry. If

we get that we will then see the Murray Valley rise like the phoenix from the ashes. All depends on Federal assistance: if the Federal Government does not help, the job will take longer and will have to be done by our elbow power. In the meantime I look to the future with interest. I support the first line.

Mr. FRANK WALSH (Edwardstown)—I, too, support the first line. I agree with the remarks of my Leader (Mr. O'Halloran) concerning the rehabilitation of flooded areas on the Murray River. I was interested to hear the statements by the member for Chaffey (Mr. King) on this subject, particularly about how the settlers were trying to minimize the effects of seepage. In company with some other members I visited the flooded areas and pay a tribute to the work done there. One must visit these areas to realize the immense damage done. The settlers have done a wonderful job in erecting banks to keep back the water, but this should be treated as a national problem and not merely as a local tragedy. Much money will have to be spent on the roads in the area and a tremendous tonnage of earth removed. In the past the fishermen along the river have made a vital contribution to the food supply of this State, but today many of them have seen their riverside homes flooded. Are they to be assisted so that they may continue to supply this State with food?

I intend to deal not with the full contents of the Budget, but only with a few matters. The amount of the Education grant is to be increased, but although I realize that attempts are being made to meet the educational requirements of the additional numbers in our schools, I fear that unless the Government adopts a different approach to the problem and provides more money, the shortage of accommodation and teachers will continue. The Kindergarten Union, which is doing a splendid job in the interests of pre-school children, is to be encouraged by a grant of £120,000—an increase of almost £11,000. I believe, however, that there is room for a better approach by some local councils, although some go out of their way to assist voluntary committees to establish and maintain kindergartens. The Kindergarten Union itself is doing a wonderful job in overcoming some of the obstacles in the way of local committees.

The sum of £660,000 is to be provided for the Adelaide University. Although I would be the last person to deny any citizen the right of a primary, secondary or university standard

of education, I believe that a responsible Government, backed by a responsible Parliament, is entitled to expect a greater appreciation of the high standard of university education made possible by this grant than was apparent recently. An Adelaide newspaper in its edition of Friday, August 10, states that more than 2,000 people watched more stunts by Adelaide university students on that day. It is reported that a university degree was conferred on the world's most famous blonde (Marilyn Monroe) and reference is also made to Sir Lawrence Olivier and Colonel Nasser. A mock ceremony conferring degrees on certain people took place on the very steps of this House. I desired to keep an appointment but, because of the people congregated on the steps, was not permitted to leave by the normal exit provided for members' use. I consider that, as Colonel Nasser was impersonated on that occasion, a confiscation of rights was indicated. Every person has certain rights and privileges, and I object to my motor car being used as a grandstand by people viewing the pranks of University students when there are acres of land and many buildings at the University itself, which has one of the best ovals in the metropolitan area. Parliament votes large sums to the University, and it is time we took a stand and asked ourselves whether we shall allow Parliament House to be used by a section of students for stupid pranks. If they want to indulge in them I suggest to them, and the University Council, that they use the University oval and grandstand.

During the first session of this Parliament I asked the Treasurer whether he intended charging patients at the Queen Elizabeth Hospital when it was used as a general hospital and also whether he intended charging patients at the Royal Adelaide Hospital. I was told that this matter could be raised on the Budget debate, but Parliament has not been given that opportunity. Actually, an announcement was made in the press without members on this side of the House at any rate being consulted. Recently it was announced in the press that the honoraries at the Royal Adelaide Hospital were considering charging patients. I have already sent one protest in about charges at the hospital, and we do not yet know what the full effect of hospital charges will be. If the honoraries charge patients many people will suffer grave hardship. Many people will be happy to pay for treatment in the new cancer block, but there will be many others who will not be able to pay.

Many suburban councils are perturbed about their contributions to the Royal Adelaide Hospital. The Mitcham Corporation has a population of about 37,000. Under the old scale of rating it subscribed £1,722, but under the new scale it will have to pay £3,659. Under the old scale the Marion Corporation, which has a population of about 40,000, paid £715, but under the new scale it will have to pay £5,409. Let us examine the position of two other councils with rapidly developing areas. Both Enfield and Woodville have populations of about 60,000, but Enfield will pay only £2,827 and Woodville only £4,802. The financial position of those two councils is not nearly so difficult as that of the Marion council, where ratepayers are facing increased charges. The new waterworks assessment was introduced before the Government imposed increased water charges. The ratepayers have had their council rates increased, their waterworks and sewers assessments and rates have been increased and their land tax has gone up. I do not know why the council's contribution to the Royal Adelaide Hospital has been increased, but if ratepayers there have to go into that hospital they will be charged up to £3 a day. Moreover, if the honoraries charge patients for treatment they will have much higher bills to meet.

I recently stated here that many people were not earning as much as they were 12 months ago. The Chrysler Corporation has put off many people and has reduced the amount of overtime worked. It intended spending £5,000,000 at Tonsley in the next 12 months, but the curtailment of the motor car programme and aircraft production has resulted in retrenchments. All the increased charges that I have mentioned are making it harder for people to make ends meet. Many people hope to own their homes one day, but increased rates of interest are presenting great difficulties. This Budget will mean increased taxation on many people who depend on their pay envelope for their living. We have been informed recently that some Housing Trust rents will be increased, but let us first consider our road programme.

Mr. Stephens—Is there any road programme?

Mr. FRANK WALSH—I cannot find any, though today's *Advertiser* contains a photograph of certain highway officials who are considering the state of our roads. In an article about a road accident that occurred yesterday the *News* states:—

Doctors said the road for a main arterial route was shocking. It had been cut up by

trucks and overloaded semi-trailers. Motorists were confronted by washaways unexpectedly. It was easy for inexperienced drivers to be caught. Several cars had rolled over in the past few weeks. Shoulders of the road were not strong enough, the doctors said, causing semi-trailers to park half on the road.

Last year over £6,000,000 was spent by the Highways Department, and that was before the flood. I do not know how much was spent on the highway between Murray Bridge and Bordertown, but it was a colossal sum, yet it was necessary to make apologies here for years for not sealing the surface through Moorlands. The statement I have quoted was made by people who are called out at all hours to attend victims of conditions caused by bad management of the Highways Department. If there had been a complete programme it would not have been necessary for us to rise time and time again to say that the equipment in the possession of the Highways Department was not being fully utilized. In a few weeks' time the Olympic games will be commencing, and it is not hard to realize what will happen to the main arterial roads in view of their present condition. Most people attending the Games will use their cars, and not the railways.

I do not know if the Government proposes to amend the Road Traffic Act this year, but there is need for amendment. Last session I should have helped the present Minister of Agriculture, who was then a back bencher, on a certain aspect of road traffic legislation. We then imposed hardship on a very hard-working section of the community in the metropolitan area by limiting the speed of vehicles carrying between 5 and 10 tons to 20 miles per hour. Those vehicles do not work efficiently at less than 25 miles an hour. However, the measure was introduced in the dying hours of the session, and was rushed through without much discussion to assist the Government. The time is long overdue when we should tell interstate hauliers what roads they can use. We have already provided a speed limit for different tonnages, but in and around the metropolitan area sometimes vehicles 45ft. long park outside our homes. Is it not right to expect councils to pass by-laws limiting tonnages in suburban streets? I do not see why I should pay rates for the upkeep of roads to be used by these large vehicles, many of which are registered in other States and thereby not being taxed in this State. The Country Carriers Association has done a good job in distributing goods to the country. That organization has a city depot, as interstate operators should also have.

The proposed rent increases are an imposition on the people. In October 1946 the Treasurer was authorized under the Building Materials Act to spend £50,000 to provide emergency accommodation. I estimate that from that sum 167 of those homes were made available in the Springbank area, either subdivided Air Force huts or similar huts brought from other districts and reconstructed there. The converted huts were estimated to have cost £160, and the reconstructed huts about £250. Some were converted at Warradale, but after money had been spent on them the Army took them over. In April 1950 the first single unit emergency homes were occupied. I have interviewed many people in the area but have not been able to find any who have refused permanent accommodation, as was alleged. Some of the people had been in these homes for between 12 months and five years.

The rents of all these homes will be increased by 7s. 6d. a week. This will be done by the Housing Trust at the request of the Government. The Air Force huts have been converted to accommodate two, three or four families, and have no real conveniences. In some cases the occupiers have to walk 30 or 40 yards to the lavatory, and sometimes four families have to share a laundry. Despite these disabilities, the rents are to be increased by 7s. 6d. a week. The single unit huts, commenced in 1950, are 12 feet in width, the length depending on the size of the family. Rents were 24s. to 26s. and there is to be a further increase of from 10s. 6d. to 12s. Therefore, in individual cases the rent will amount to 37s. a week. All have a lavatory, laundry and bathroom. The dust nuisance in the area is pronounced and the local corporation says it is not in a position to bituminize the roads. Some buildings are situated where roads have been surveyed. There are 167 emergency homes and the assessment of the Mitcham Corporation amounted to £4 4s. 6d. a year in 1951-52. There was no reassessment until this year, when it was fixed at £5 5s. There are also 288 homes, which presumably are single unit structures, and in 1951-52 they were assessed at £6 10s. a year and this year it has been advanced to £6 15s., an increase of about a penny a week. For air force hutments the rent has been increased from £1 to 27s. 6d. a week and rents for some homes have been advanced from 18s. to £1 5s. 6d., whereas for some single unit homes the rent will be increased from 24s. a week to 36s. or 37s. a week.

I should like to know what these emergency homes actually cost to erect. I feel sure it

would be less than £500. According to debates in the Chamber there was to be an amortisation period of 10 years in which it was expected that they would pay for themselves. The air force hutments have been in use since 1947. Some have unlined roofs. In the same area in 1951 there was a shop for which the rent was £1 10s. a week. Later it was increased to £2 5s. and in 1951 it was subdivided, and the rent for one section was £2 10s. a week and for the other £2 15s. So is it to be wondered at that people are concerned about the position? For some solid construction homes there has been an increase of 7s. 6d. a week in one locality. According to the contract, permanent rental homes were to be complete, including a rain water tank, but some people are still paying the full rent despite the fact that no tank has been provided. The people are concerned about the £4 deposit they were asked to pay the trust before taking over a home, in addition to a week's rent in advance. They consider they are entitled to some consideration on that account. These homes, unlike some of the others I have mentioned in the Springbank area, have a fence. The rent for some six-roomed homes will be increased by 5s. a week and for a five-roomed home the advance will be 7s. 6d. I should like to know whether competitive tenders are called for the erection of Housing Trust homes, who is responsible for purchasing land for the trust, and what commission is paid to a land agent who is not in any way associated with the trust. I should place more reliance on a person like the town clerk of Marion who has made investigations from property owners, and been able to place his hands on certain sections of land. I have in mind the Tonsley Park area. It would be interesting to know what has been done with the £14,001 paid by an oil company to the Housing Trust for the first site for a service station at Elizabeth. I admit that the Housing Trust is authorized to buy and sell land and to build homes for letting or selling and that it can make grants in certain circumstances. The oil company must believe that a colossal number of people in Elizabeth will own motor cars, otherwise it would not have paid £14,000 for less than an acre of ground.

The Treasurer recently referred to the number of industries that would be established at Elizabeth, but on a recent visit I could see no sign of them. The only persons I could see there were those engaged in constructing roads and erecting homes. I am anxious to know when these industries will be established there.

The Treasurer outlined the various means by which he intended to increase the State's revenue. My main concern is that consumers will not be forced ultimately to bear the cost. In most instances when increased charges are imposed on producers they are eventually passed on to the consumers.

The hire purchase system enables many people to procure certain facilities, but the Government should seriously consider controlling the excessive profits derived by the promoters of hire purchase. Those who avail themselves of hire purchase are being fleeced by high interest charges. It is time this Government accepted its responsibility for protecting these people. I support the first line.

Mr. CUMBE (Torrens)—I congratulate the Treasurer on having introduced such a courageous Budget under such difficult conditions. The temptation at such a time is either to cut expenditure ruthlessly or to increase taxation charges savagely. Neither of these courses has been followed, but a satisfactory balance has been achieved. It is noticeable that where increased charges have been imposed, the family man has not been affected; no items directly affecting the C series index have been altered. The Treasurer's aim has apparently been to avoid increasing the cost of living on such items as transport charges and entertainment tax. The increases will affect the business community far more than the individual person. The increased stamp duty on cheques will affect the individual accounts by about 1s. or 1s. 6d. and the increased charges on wharfage will, in the main, affect business organizations. They are charges on overhead, although in some instances they may be passed on. They do not in any way encourage greater production. Greater production is a theory that has been preached for many years and one with which I am in complete accord. Under the present system of uniform taxation this Government cannot offer much encouragement to private business to encourage production. The encouragement should come from the Federal Treasury by way of greater depreciation allowances. That is possibly the best method of assisting private business.

Although the Government has been forced to restrict some of its public work's programme it has only pruned out the fancy work. It has maintained its policy of steady development. Australia is a great young country—a land with a great future. The Governments—State and Federal—have a moral obligation to push ahead with capital works and developmental programmes. Other speakers have

referred to the calamitous River Murray flood, but notwithstanding that setback the Government is pursuing its programme of public works.

Many generous grants are proposed to enable various organizations to continue their charitable works. Without this assistance many of them would be compelled to close down. There are many organizations in my district—especially in North Adelaide—which have indicated their appreciation of the Government's assistance which has made it possible for them to continue their works of mercy.

I have a criticism of the relationship of the State with the Grants Commission. The position is that once the Grants Commission makes money available to the State it should be the responsibility of this Parliament to determine how that money should be expended. At present, if the money is not spent on the item for which it was advanced it cannot be used on another service. This only tends to force the State, in some instances, to spend carelessly. As the representatives of the people Parliament should decide how the money should be spent. After all, a large proportion of the money we receive from the Grants Commission is originally contributed by South Australian citizens as income tax. If the present position continues we will ultimately reach the stage when we cease to be a self-governing State and Parliament will be a body whose funds are allocated by an outside organization not directly responsible to the people.

All members are vitally concerned with the question of roads, not only as it affects their districts, but as it affects the State and the Commonwealth. The problem of roads is rapidly developing from a secondary to a major one. Roads and their maintenance are becoming a national problem. I am not thinking of district or minor roads, but of our highways and connecting roads between capital cities. They must be maintained in proper condition, but that is getting beyond the resources of any one State. We remember the hold-up that occurred in New South Wales when vehicles and trailers could not proceed because of the bad condition of the road. Then all our transport organization was disrupted. In view of this, it is not difficult to imagine what would happen in similar circumstances in wartime. Each year the Commonwealth votes large sums of money for defence, but little for national development. As part of the defence programme some of the money,

instead of being allocated to doubtful training programmes, should be spent on developing roads, which are a vital method of communication in times of war.

Lately I have been reading reports of military battles during the two world wars. I read of the great Burma campaign where the building and maintenance of roads was of vital importance to the troops, despite the efficient air cover. Roads are important in any defence plans and more money should be spent on them. What is done in other countries is even more important in Australia, where there are vast distances between capital cities. If the Commonwealth assisted with finance in the maintenance of connecting roads, even if the construction work were done by the States, no more money need be voted in the over-all defence plan. South Australia would then be able to devote its energies to the minor connecting roads, and so help local government. Our road problem is becoming more urgent day by day. Realistic thinking on a national basis is necessary. Parliament should consider this matter, not on a Party basis, but on the widest possible basis, and support the proposal I have submitted.

Mr. TAPPING (Semaphore)—Recently the Commonwealth Government introduced a "horror" Budget. The State Budget can be called a "sorrow" Budget, for it will bring considerable sorrow to many people because of increased charges. Our people will now have to pay for treatment at a public hospital. Most of the burden will fall on people on the lower rung of the income ladder. Under the old set-up many people went to the Royal Adelaide Hospital when they could not afford to go to a private hospital. Under the new method people who go to that hospital will face a charge they cannot meet. The Treasurer has said consideration will be given to people in certain financial circumstances but there is no guide as to which people will be involved and what will be the means test. Under this new method some people will owe money after receiving public hospital treatment and will owe it for many years. Undoubtedly people who cannot afford it will have an added burden thrust upon them.

Mr. Frank Walsh referred to rent increases that will affect the people on the lower rung of the income ladder. Rents of emergency homes will be increased by from 10s. 6d. to 12s. 6d. a week. Under the Landlord and Tenant (Control of Rents) Act landlords must charge according to the decision of Parliament and the

rate has been increased from time to time. The cost of constructing an emergency home was about £700, and the proposed rent increase is unjust. The average rent of an emergency home now is 25s. a week. If 10s. 6d. is added to it the increase will be about 30 per cent. The homes were built in 1950 and a return of 25s. a week is good for the capital invested. We are told that the loss last year on emergency homes was £135,000. I was amazed to hear that. It is necessary to have a Minister of Housing because the housing position is becoming chaotic and we are losing money each year on our programme. I am not reflecting on the Housing Trust in any way, but under the present set up it is a law unto itself, and that is wrong. If we ask a question in this place about the operations of the trust it is directed to the Treasurer who gets a report from the trust, which is submitted to the member who asked the question, but that is not good enough. Like the other States, we need a Minister responsible only for housing. There are not enough houses for our people, and the moral aspect of that shortage has to be considered. We would be doing something if we appointed a Minister of Housing. In connection with the building of houses the Labor Party has advocated an advisory committee consisting of architects and people associated with the building trade. It could be an honorary committee and the views of its members could be pooled in the interests of the State. That would be better than having everything subject to the dictates of the trust. There should be a Minister of Housing responsible to Parliament. Is it all a question of maladministration? I do not know that it is, as I have no evidence of it in connection with the losses that have occurred, but in my district there is a sign of maladministration on the part of somebody. I have referred to it previously but nothing has been done. Ten homes at Draper have been uninhabited for 12 months because of nearby waters causing an unhealthy condition.

[Sitting suspended from 6 to 7.30 p.m.]

Mr. TAPPING—Prior to the adjournment I referred to 10 homes in the Draper area which have not been occupied for the past 12 months or so. These homes would carry an average rental of 25s. a week, and the loss of rent to the trust would be £650 during the year. If this incompetence that has been displayed in my district extends to others the cost must be terrific. I point out that when the emergency scheme was introduced in 1950 we were

told by the Premier that this would be a temporary measure and that when the 10 years terminated the homes could be dismantled and taken to the country areas to be used for housing men engaged on Government works. However, these homes at Osborne have not been moved from adjacent to tidal waters, and as a result they have been lost to tenants. Not only do they remain idle, but they have been considerably damaged by vandals and from my observations the damage in the last 12 months would probably amount to £2,000. These homes are becoming worse for want of attention. Assuming they cost £600 a unit when built in 1950, these homes, representing a capital value of £6,000, have not been used to the right advantage. Although the vandalism has been reported, the damage goes on. I suggest that this is a very urgent matter and that the Housing Trust might take some action to see that the houses are dismantled forthwith in order that they might be put to proper use in another area considered reasonable and hygienic.

The increase in rents is most unjust. The Premier knew that by increasing rents as he has done he would not be affecting cost of living adjustments, whereas under the old scheme of quarterly or half-yearly adjustments of the basic wage rents played a big part in the regimen. I submit to the House that because people living in the temporary homes are forced to pay an increase of 12s. 6d. a week in rent, and because their wages have been frozen, their pay envelopes have been reduced by 12s. 6d. a week and their purchasing power has thus been further impaired. The Trades and Labour Council has applied to the State Industrial Court for an increase in the basic wage or for some form of quarterly or half-yearly adjustments. Concurrently with that, however, the employers, through the Chamber of Commerce, have also asked the court to rule that such a hearing not be held and that no evidence be taken on the matter. It seems that the employer is determined that the wage shall remain static. At the same time the increases which have occurred suggest that whilst the purchasing power is being reduced other matters are being increased, and those on the bottom rung are suffering both ways.

The stand which I take in regard to rent increase is supported wholeheartedly by people who live in my district at Semaphore and Albert Park, and in those two areas there are many hundreds of trust homes. The people are so agitated about this position that they have called a protest meeting at Albert Park

next Sunday morning. They have summoned the members for the district to go to the meeting and explain why this has occurred at this inopportune time, and I shall repeat what I am now saying because these things are facts and cannot be disputed. I can never appreciate why the loss sustained on these homes amounted to £135,000 over the year, but if we take into account the faulty administration which has been proved in regard to the Osborne and Draper areas we can understand why such a big loss has occurred. I trust the Premier will take heed of these comments with regard to the Housing Trust of South Australia.

I asked a question of the Premier this afternoon concerning homes that have been acquired and demolished for the purpose of building service stations throughout the State. This point has been emphasized by members on both sides of the House during the past two or three years, and we have been assured by the Premier—and no doubt he by the oil companies—that the number of service stations has not increased; in other words, that new service stations are being built to replace others that have gone out of business. But that is not the position. I have observed on the Port Road and in other districts of the metropolitan area that homes are being acquired and demolished in order that service stations can be built. This is a very serious position, so much so that the Liberal Government of Victoria has agreed that there is a case to answer and the Cabinet of that State is considering what steps should be taken to ensure that homes are not demolished for this purpose. This is not a political point but one on which we are all agreed. The home building rate is not increasing whereas the population is, and if homes are being taken from the people in this way there must be a hardship thrust upon the community. If we are sincere in our desire to house the people and safeguard the moral standards of this State, it is imperative that we do something about it. I am not prepared to accept the word of the oil companies, because the evidence is most conclusive that more and more service stations are being erected and the position will get worse unless this Parliament takes rigid action.

When I first heard the impact of the Budget on pilotage fees in the ports of South Australia I felt that an injustice was being done to the shipping industry which would react on the people. Having compared the proposed increased rates with those charged at other Australian ports, however, I am willing to

admit that the proposed rates are not burdensome. The following figures will prove that increased pilotage fees in South Australia will still be the lowest in the Commonwealth, because to berth a steamer of 7,200 tons gross (4,800 tons net) costs £115 in Melbourne, £75 in Sydney, £70 in Brisbane, and £40 in Fremantle, whereas the cost at Port Adelaide under the increased fees will be only £32.

The Treasurer said earlier that the increase in Harbors Board fees would mean increased revenue of £240,000 in a complete year, but, although I do not complain about the increased pilotage fees, I resent the increase in wharfage charges. Although there may be a case for a slight increase, surely a 25 per cent increase in inwards and 20 per cent in outwards wharfage charges are too great. In Melbourne the inwards overseas wharfage charge is 7s. 6d. a ton weight or measurement, whereas in Adelaide it is 9s. 4d. In Victoria the wharfage charge on interstate goods is 5s. a ton, but no charge is made for outward wharfage—a policy vastly different from that followed in South Australia. In Sydney the general overseas wharfage rate is 8s. 4d. a ton inwards and 3s. 8d. outwards. In Brisbane the overseas wharfage rate is 16s. 2d. inwards, the interstate rate 13s. 5d. inwards, and the general outwards rate 8s. 9d. a ton. In Fremantle the inwards wharfage rate is 13s. 6d. and the outwards 10s. a ton. In Hobart the rate is 13s. 4d. inwards and 8s. 4d. outwards.

South Australia has therefore the third highest wharfage rate, and I consider the proposed increases are too steep. Although the member for Torrens (Mr. Coumbe) said the increases proposed in the Budget would have no repercussion on the cost of living, I consider that the wharfage paid by the shipping agent must be passed on as an increased cost to the consumer, and as the cost of living adjustments have been frozen this is a further burden on the people. I realize that the Harbors Board has embarked on an extensive programme of wharf building and improvement, but to discourage shipowners from bringing their cargoes here will result in their by-passing our ports and a consequent loss of trade by this State. Rather than use steamers many interstate merchants will send their goods by road, as is being done in many cases already.

Surely the member for Torrens, when speaking about the financial position of the State, overlooked the fact that an increase in Housing Trust rents must mean a reduction in the real income of the wage-earner. Many people have blamed the Federal Government for the present

acute financial position of this State; indeed, the Treasurer has even referred to the unfair distribution of taxation revenue between the States. I point out, however, that Mr. Playford does not want to collect income taxation because he realizes that uniform taxation has meant progress in South Australia over the last few years and that, if he were to take back taxing powers, he would have to charge a higher rate than that charged in other States, which would mean that we would be in a parlous position.

Mr. Quirke—What are we in now?

Mr. TAPPING—We would be in an even worse position.

Mr. John Clark—There is nothing wrong with uniform taxation.

Mr. TAPPING—No, it is fair to all Australians, whereas under the old system each State had a different rate of taxation and South Australia consequently suffered.

Mr. Brookman—Do you think South Australia has been adequately reimbursed by the Commonwealth?

Mr. TAPPING—I am willing to admit that it has not, but if South Australia collected its own taxation it would be in a parlous position. Why is it that Victoria would be satisfied to resume its taxing powers? Because it is more closely settled than any other State and is therefore in a more favourable position. Mr. Bolte wants taxing powers back, but Mr. Playford does not. During his first 14 or 15 years as Treasurer everything went Mr. Playford's way, but today South Australia is suffering financially the same as other States. Whereas in the years of prosperity anyone could have run the affairs of the State satisfactorily because revenue was easy to raise, today it will need superhuman effort to get the State out of its financial difficulties, and I assure the Treasurer that he will have the full support of Labour members in any logical move he may make to solve the present problems. We realize that South Australia is in a difficult financial position and that it may deteriorate; therefore, the combined efforts of both sides of the House are required to overcome the problem. I support the first line.

Mr. HAMBOUR (Light)—Before dealing with the Financial Statement I shall refer to the River Murray flood, and put forward a suggestion regarding the case to be placed before the Commonwealth for assistance. We are fortunate that the members for Murray and Chaffey and the Hon. C. R. Story, M.L.C., are conversant with the devastation caused by the

flood and qualified to speak on what is necessary to rehabilitate settlers and industries on the river. I suggest to the Treasurer that he appoint a deputation, including these three gentlemen, to wait on the Prime Minister to put South Australia's case. The Prime Minister has been absent from Australia for some months and, I am sure, has no conception of the damage. Sir Arthur Fadden has been considering South Australia's case, but he has had troubles of his own that I am sure all members deplore. South Australia's case has been prepared by the Treasurer and his officers, but the three gentlemen I have mentioned could introduce a personal touch because their districts are those that have been most adversely affected.

The member for Semaphore (Mr. Tapping) praised the Government for having the cheapest pilotage in Australia, but then condemned it for having only the third cheapest wharfage. However, we can be proud of those achievements, and with greater effort and the assistance of members opposite we could perhaps take pride of place in both aspects. Much has been said about whether South Australia receives from the Commonwealth as much money as it is entitled to. I cannot see that South Australia has received a particularly good deal from the Commonwealth, whether from Liberal or Labor Governments. This year we have a credit balance of exports over imports of £35,000,000, and that sum would be a particularly fine contribution to the development of this State if we could lay our hands on the necessary import licences and foreign moneys so that we could bring more men and materials to develop the State.

Mr. O'Halloran—You would not agree that South Australia should confiscate that sum for its purposes?

Mr. HAMBOUR—I do not suggest that. I say that South Australia makes more than its fair contribution to the Commonwealth. The point is that we are part of the Federation of Australia.

Mr. Jennings—Would you like New South Wales to go to war against us?

Mr. HAMBOUR—I would like New South Wales divided into two States; then South Australia might get a little more. We must assert ourselves and see that South Australia goes further to the forefront, and we hope we can get a better deal from the major States. Unlike many members opposite, I compliment the Treasurer on his efforts for South Australia.

Mr. Davis—That is your duty.

Mr. HAMBOUR—I thank the honourable member for telling me my duty. He has been very good to me since I have been a member of Parliament. He has acted like a Dutch uncle; some of his advice has been a bit Dutch, but I have been glad to receive it because it has been given in a spirit of goodwill. The Budget before us shows a record expenditure for South Australia. We have heard much about money and how we should finance our projects, but to me money represents toil and talent, and those two factors result in production.

Mr. Davis—Did you say "toil"?

Mr. Hambour—The honourable member would not know anything about toil. He would probably use the well-worn word "work", but I do not think he would be particularly acquainted with work. Men respect money because they have to pay a price for it, and if money were made available as easily as members opposite desire I am afraid many people would lose their respect for that commodity. Unfortunately, people today show little appreciation of money and what it will buy. They treat it cheaply, and the more cheaply they treat it the greater the inflation.

Mr. O'Halloran—Do you think that money should be the master of production?

Mr. HAMBOUR—I believe money should be the exchange for services rendered, but many people are not prepared to give proper service. I think it is admitted by all that inflation would not matter much if we were not so dependent upon imports and foreign currencies that are necessary for the development of this country. Every member wants to see Australia progress. We must continue our migration programme because we must have a bigger population, but we must increase our overseas credit if we want to bring more people here. The member for Port Pirie will probably think I am parochial, but unfortunately the bulk of our exports result from the efforts of primary producers.

It is time industrialists asserted themselves and made an endeavour to export portion of their production. I was pleased to hear that General Motors-Holdens will export some of its production, and I believe other industries in Australia could follow its example even if it were necessary to export at less than actual cost.

Mr. Davis—Don't you think that firm has been beaten to the jump.

Mr. HAMBOUR—I do not think so. The much despised Japanese manufacturer, who

has the reputation of being the cheapest producer in the world, cannot produce the equivalent of the Holden car for double its price. If the Japanese cannot compete, only two countries in the world could possibly do so—Germany and America. General Motors-Holdens will get the market in Southern Asia, and I believe the efficiency of that firm is due not only to efficient management but to the co-operation of its employees, who are proud that they have been able to produce what they have and compete with others. When in Japan I was asked by the representative of a big company if I could get for his firm the distribution of the Holden in that country. However, at that time there was no surplus for export.

Mr. Lawn—The services of the workman have not been recognized by the company.

Mr. HAMBOUR—I am surprised that the ex-secretary of the Builders Union should say that.

Mr. Jennings—Don't you think he would be in a good position to know?

Mr. HAMBOUR—If he is, he does not always tell the House the correct position. I think every member will admit that General Motors-Holdens' employees are as well paid as the rest of the workers in this State.

Mr. Lawn—Not as well paid as the profiteers.

Mr. HAMBOUR—The honourable member would not know what a profiteer is. He believes that just because a person makes money he is automatically a profiteer. He is not prepared to concede anything for ability, which is essential for success in any industry. We in Australia, and in South Australia particularly, are being lulled into a sense of false economic security. That has taken place over the last 16 or 17 years, and started with the second world war.

Mr. O'Halloran—It started in 1933 with a Liberal Government.

Mr. HAMBOUR—The Leader knows that his interjection does not carry any weight, because there are Labor Governments in Queensland and New South Wales, and in those States there is great trouble and turmoil. We have had a Federal Labor Government, but development did not take place until it went out of office.

Mr. O'Halloran—It defended Australia during the worst war in history.

Mr. HAMBOUR—I am not suggesting that it did not win the war! When introducing the Budget, the Premier said that this year services will cost considerably more than last year. We know that wages and prices of materials have increased, but I feel we can

all do much better, and by "all" I mean this Parliament, the Public Service, all public employees and all the people of this State. I feel the time has come for us to take the lead, assert ourselves and have a full realization of our responsibilities. I suggest that the Government appoint Parliamentary select committees to find the cause of the hundreds of complaints we get outside this House on the Public Service and administration generally. I do not like to hear people complaining about Government employees not doing a fair day's work. If members opposite have enough fortitude to join the select committees to investigate the work done for the money paid and see whether the Government is receiving a fair deal, we might get somewhere. We should start at the top and go right through to the humblest employees.

Mr. Lawn—You want sweated labour.

Mr. HAMBOUR—Many people would sweat sitting down listening to the honourable member. I am not prepared to blame the humble workmen, who I believe are sincere in their efforts to do their bit, but I believe there could be trouble on the middle and top rungs. If the administration or organization is not good, the result must be bad, but if the organization is good the workers will give good results. We should have an investigation into the organization of the Architect-in-Chief's Department for instance. I have no knowledge of the Architect-in-Chief himself and have never met him, but I have heard many complaints about that department. They may be all wrong and unjust. It would be nice to know. One and a half pages at the back of the Estimates are allotted to the Highways Department telling us how its money is to be spent. I should like to know more. We should have a Parliamentary committee doing some work, instead of members sitting here trying to amuse themselves. They might produce something positive.

Mr. Lawn—What do you want inquired into?

Mr. HAMBOUR—I want to eliminate waste and bad management. The Public Service has been built up over the years, but has been lulled into a sense of false security. We as the employers of the Public Service must do what private enterprise does and get everyone to pull his socks up, deliver the goods and give better value. I believe that another Select Committee to investigate the possibilities of decentralization could be an advantage to the State. All I have heard from the Opposition

on this subject has been fanciful. Although we have some industries in the country we could do much more to stimulate the establishment of others and widen their scope. Instead of the industries in the country shrinking, let us see if we can expand them. That would be a contribution. I am sure that one, two or three industries could be established in country districts. There is a foundry in my district of which I am very proud, and it is capable of producing most articles within the range of that industry. With a little assistance from and tolerance by the Government I feel that it could be expanded. We will have difficulty in holding young people in the country unless we do something further in this direction, and to do that we must provide them with work that is interesting and equal to what they can obtain in the city. Another suggestion which has some merit relates to the attraction of aged people to the country after they have retired from their workaday life and are looking for a home. We may be able to interest them in small cottages in the country where they could have a block of land and really live a life. If the Housing Trust were to build small flats in the country, aged people could be induced to occupy them in the remaining days of their life by gardening and taking part in other pursuits which are easy and congenial. There would be no trains or trams for them to worry about. Services in the country are better than in the city and the people are kinder. For instance, hospital services are excellent. I feel that if a committee were appointed as I suggest, people could be induced to go into the country, and I hope that that question will receive consideration. Work on such a committee would occupy the time of members on both sides, and perhaps of members of both Houses. They might by their intelligence, such as they have, make some contribution which would result to the benefit of the State. I leave that thought with the Government, and if it likes to act upon it I am sure some good will result.

There is confusion about what the Government is responsible for and should be responsible for in the condition of roads. We can divide our roads into four categories—highways, main roads, district roads and Federal rural roads. The last-named include school bus routes. This year the Premier, in reply to a question, informed me that our Federal rural grant had been increased by £400,000, but all the councils I have questioned on this matter have informed me that their allocations have been reduced. I

am prepared to concede in all sweet reasonableness that the Government must keep a reasonable reserve of funds for flood relief and the rehabilitation of roads in the flood areas. Honourable members opposite show how futile their efforts are because the disrepair of roads in their district does not obtain where I come from. We have kept our roads up to a reasonable standard and I feel we will be able to maintain them.

Mr. Davis—The member for Torrens did not say that tonight.

Mr. HAMBOUR—I do not live where that honourable member lives, and his complaint relates to another question entirely—that of damage done by buses which are replacing trams. The highways, in the main, are constructed by the Highways Department. There has been considerable road work in the South-East in recent months and about £700,000 was spent by councils on highways work in 1954-55. Last year's figures are not available. This is a matter that could be investigated by a decentralization committee. The Government proposes to establish a bitumen plant costing about £40,000 in the South-East. I do not believe it should indulge in expenditure of that nature. I do not entirely agree with the member for Alexandra (Mr. Brookman) that the Highways Department should hand over its work to private enterprise. I believe a union of State activities and private enterprise would be in the best interests of the State. The Shell Company has rendered excellent service in promptly surfacing roads. It established a bulk bitumen plant at Maralinga which has been taken over by the authorities, but the company is now engaged in providing mobile bulk installations. I feel that that phase of road making could be handled exclusively by the oil companies and the Government should not set up another installation which would require employees to regulate it. The oil companies will deliver bitumen right on the spot and that is definitely the most economic proposition. The Government should seriously consider that aspect.

Mr. Corcoran—Who would undertake the preparation of the roads?

Mr. HAMBOUR—That work could be handled quite efficiently by local councils. I am sure there are sufficient council overseers in whom the Highways Department has confidence. They could go ahead and prepare the base of the roads.

Mr. Corcoran—What about the materials for the base?

Mr. HAMBOUR—There are qualified men in the country who know what materials are best suited for a road base.

Mr. Corcoran—They may, but they cannot get the materials.

Mr. HAMBOUR—I will admit that in the honourable member's district there is difficulty in obtaining crushed metal and base metal, but because there is a disability in the South-East we should not penalize the whole State. We could decentralize road making. It is virtually impossible for the Highways Department engineers to supervise all the work at present, but I believe the Government is attempting to secure additional competent engineers to undertake that work.

Councils are more concerned with main roads which, generally, are completely constructed by them at the State Government's cost. In the past these have been loose surface roads, which are uneconomic and undesirable. They are generally lateral roads or roads of a semi-major nature and the Highways Department allows about £80 a year a mile for their maintenance. I disagree with that principle. I realize it would cost a considerable amount to surface them. I have obtained figures relating to the cost of surfacing a 16ft. road. The materials required are 1,500 gallons of primer costing over £200, 1,500 gallons of hot bitumen costing about £220, and 100 cubic yards of crushed metal costing about £100.

Mr. Corcoran—We come again to the question of availability of suitable materials.

Mr. HAMBOUR—Most of the material used in the north of the river road had to be carted over 30 miles. In any event, in most cases bitumen has to be carted from the metropolitan area. It is not an impossibility to carry the other material from the nearest source. I believe the Highways Department has had to pay £3 5s. a yard for crushed metal from Victoria. The point I am making is that a road with some degree of permanency could be provided. The present roads are being blown away. I believe that when the base of the road is prepared the road should be sealed.

Mr. Shannon—If the cost of the material is about £500, what would be the cost of applying it?

Mr. HAMBOUR—The Shell Company will deliver a 1,500 gallon load of bitumen 70 miles for £26, and spread it. We pay 16s. 3d. a ton for metal at the crusher and it has to be carted 36 miles. It costs 42s. a ton spread on the road. Through a spreader it is put straight on to the bitumen. The cost of surfacing is infinitesimal compared with the cost of the material.

Mr. Shannon—The Highways Department figure is much in excess of your figure.

Mr. HAMBOUR—The department will quote up to £20,000 a mile. I do not include the cost of the base at all in my figure.

Mr. Stephens—Have you thought about cement roads?

Mr. HAMBOUR—No.

Mr. Stephens—They have been a success wherever put down.

Mr. HAMBOUR—I hope the honourable member will tell us something about them when he speaks. District roads are completely the responsibility of local government. Education Department bus routes are not altogether a district responsibility, and the Government has accepted a partial responsibility for them. Last year these bus services cost about £339,000, but we must add to that the cost of the roads on which they travel. I have a case that was accepted by the Education Department and rejected by the Highways Department. The transport of 13 school children would save 28 miles between them. Six children to follow them would save another 15 miles. It would mean that the bus would have to travel another mile and the cost to the Government of putting the road in order would be about £750. The council would also have to make a contribution. It is argued that these routes are suggested at the instigation of councils so that they can get cheap roads at the cost of the Government. That may be so in isolated cases, but not in this one. One department has sanctioned the change in the bus route and another department has rejected it. I want to know who has the say, and I intend to find out. Mr. Coumbe spoke about road damage by buses, and recently a deputation from metropolitan councils waited on the Highways Department on this matter. In the last four years the State has paid £2,280,000 to the Tramways Trust. If the trust changes to bus services that will not be nearly enough money. Was the matter of road maintenance remembered when conversion to buses was considered?

Mr. Corcoran—It was a short-sighted policy.

Mr. HAMBOUR—I do not know about that, but was any provision made for road maintenance? I have no axe to grind with the Tramways Trust, but this matter should have been considered before it was decided to rip up the tram lines.

Mr. Lawn—When the Treasurer reads your remarks tomorrow you will be on the mat.

Mr. HAMBOUR—I wish the honourable member would not be so silly. I was not brought up in a political school. I am on this

side of the House because I believe only this Party can provide sane government for the State. If the Opposition ever puts up something likely to be a profit to the State I shall be happy to vote for it. The sum of £660,000 is to be voted for the University. I hope the expenditure will give us the educated people in our community of whom we are now very short. I hope the University will not be used, as some people say, as a marriage bureau for young people who go there and take degree courses without having any serious intention of using the knowledge gained for the benefit of the State. I want now to refer to the school medical services, and, in particular, dental services. Has the present service and its cost any relation to the service and cost if performed by private enterprise? There should be more dental surgery in our schools. I have raised the matter of the Manoora water supply. The last information I had was that it would cost £338,000. I have always been led to believe that the Adelaide water supply was a profitable one, yet on making inquiries I found that it has had two deficits. The Government was short by £239,000 in 1954-55 and by £272,000 in 1955-56. I thought the Adelaide water district was paying for all the unprofitable activities in the country.

Mr. Shannon—The honourable member is overlooking the impact of the River Murray pipeline, which has considerably affected the metropolitan finances.

Mr. HAMBOUR—Manoora is a hundred years old and only six miles from the water main, but it has no water. In the debate on the Loan Estimates I pointed out that members were demanding sewerage, and £1,500,000 is voted for that purpose. Manoora has no water supply, and I am going to fight until it has.

Mr. Lawn—That is the Government's responsibility.

Mr. HAMBOUR—It is my responsibility. The sum of £7,850 is provided for the Licensing Court, and I feel that we are not getting good value for that. I maintain that its function should be to see that hotels in the metropolitan area give service to the people of the State. We will have the Empire Games here in three or four years' time, and there are squabbles over accommodation already. Maybe £7,000 is not sufficient to enable the court to perform the functions it should perform, but whatever service it renders should be guided into the right channels, which is to see that hotels in the metropolitan area give a service to the community which is now lacking.

Mr. Frank Walsh—They do not always do that in Eudunda.

Mr. HAMBOUR—The Deputy Leader of the Opposition has had an unfortunate experience, and I apologize to him for that. I want to comment on the improvement that I believe has taken place in the Railways Department. I believe that more can be done for that department if it can be shorn of the dead wood which has accumulated around its ears over the past years. In 1952 the trading deficit was £3,140,000; £1,500,000 in 1953, £1,600,000 in 1954, £1,900,000 in 1955 and £1,800,000 in 1956. I think that is worthy of commendation, and I hope that they can go on to further success. The position has deteriorated year after year in every other State, and I believe that the reduced deficit in South Australia is due to improved efficiency in staff rostering, loading and utilization of rolling stock. I hope that position continues to improve.

I now wish to refer to country Government hospitals. Charges were recently imposed on people who occupy beds in public hospitals in the country; and the sequel to that was that honoraries could charge the patients. Everybody accepted that.

Mr. Davis—I did not.

Mr. HAMBOUR—The honourable member for Port Pirie has never accepted anything. There is a line on the Estimates which I would like the Government to reconsider. The medical officer for Mount Gambier last year was voted £776. He received £569, and this year he is voted £847. He received no payments from patients last year, but this year he is receiving a bigger vote even though he will be paid by the patients. That applies in the hospitals of Mount Gambier, Port Augusta, Port Lincoln, Wallaroo, Port Pirie and Barmera. Those hospitals vary from an average of 77 patients down to 19, and yet the salaries only vary by £100. I would like to see the Government turn these into subsidized hospitals, and I think that if it offered a little financial inducement these hospitals could be taken off its hands; I believe that the communities would take them over and be proud to run them. I would like the question of the medical officers' remuneration to be dealt with because I do not think that it should be more than £100 a year in view of the fact that the patients will be paying them and the hospitals will be supplying the accommodation.

Mr. Brookman—Do these public hospitals get any support from the community at all?

Mr. HAMBOUR—No, and I want to change that. The following table sets out the position with regard to country hospitals:—

	Daily average of patients.	Daily cost per occu- pied bed. s. d.
Mount Gambier	77.98	74 3
Port Augusta	50.6	64 8
Port Lincoln	33	76 5
Wallaroo	26.12	82 0
Port Pirie	76.5	84 8
Barmera	19.69	83 2

The subsidizing by the Government of country hospitals might cost £3,000 a year for a small hospital and £12,000 for a large one. At Murray Bridge subsidized hospital the daily average is 27.9 and the daily cost 49s. 3d. The people there are seeing a reward for their services, and that is what I want to see throughout the State because hospital service is nothing without human feeling behind it.

Mr. Davis—Do you expect the people to relieve the Government of its responsibilities?

Mr. HAMBOUR—No, I want the people to take the hospitals to their hearts and look after them. They will not lose money but will render a service of which the people will be proud. The Riverton Hospital in my electorate is run at a daily cost of 42s. 10d. a bed. In the face of these figures can we allow country hospitals to continue costing the State so much money? Cannot the people in those towns be induced to take them over and conduct them in a way beneficial to the hospital, the inmates and the towns themselves? I turn now to the subject of country electricity supplies and charges. I shall not be satisfied until electricity zones and extra charges are eliminated.

Mr. John Clark—Then you'll never be satisfied.

Mr. HAMBOUR—I shall be if I live long enough and have a long enough term here. I remind the honourable member for Gawler that since I have been here two concessions have been made in country electricity charges. I will give honourable members a picture of what has happened so that they may see that the trust is doing its best.

Mr. Stephens—You are getting better service from the trust than you got from the Adelaide Electric Supply Company.

Mr. HAMBOUR—Yes. I accept the nationalization of electricity supplies merely because the trust is serving the people, but it must go further.

Mr. Davis—It's doing a good job, isn't it?

Mr. HAMBOUR—I do not dispute that and I give credit where credit is due. The cost to the trust of its installation at Rhynie in my electoral district was £8,421 last year, and under the new arrangement a capital charge of £464 will be made each year for 10 years, which means that after 10 years £4,640 will be paid, in return for which the trust will write off the original cost of £8,421—a particularly fine gesture. Further, if power is used in excess of an assessment of £659 the consumer is eligible for a further reduction of 20 per cent of the cost of the excess power. The trust is to be commended for this policy and I hope that any profits it makes in subsequent years will be devoted to the elimination of all excess charges so that the people of South Australia will come to accept the trust as a truly worthy semi-governmental organization.

I do not know the cost of the erection by the Housing Trust of flats or whether that cost is greater than the cost of erecting single or double unit homes, but, although I do not wish to be accused of telling the trust how to do its job, I point out that the British Government has built blocks of flats in Singapore for the Chinese and native communities. The trust would be well advised to send a representative to inspect them with a view to adopting a similar plan in this State if it proved economical, because it might help meet the housing shortage here. I should like to see homes for the aged built in the country. I congratulate the Treasurer for he has imposed increases in charges applying to industry, and even Labor members will admit that he is trying to protect the wage earner. I support the first line.

Mr. JENNINGS (Enfield)—One normally feels that it is a Roman holiday to follow the member for Light (Mr. Hambour) in a debate of this nature, but on this occasion he has done himself so much injustice that I do not think I can add to it. As Abraham Lincoln said, "It is beyond our power to add or detract." The honourable member said that wealth was created only by toil and talent. That is something that the Labor Party has always said, not only in this Parliament, but in other State Parliaments, in the Commonwealth Parliament, and in the mother of Parliaments in Britain. We believe that toil and talent should be adequately rewarded, but they are not today. On the other hand, the people getting the greatest benefits from

our economy are those who show no talent and need not toil or spin or sweat. Over the last few years business profits have increased proportionately far greater than wages. Among those getting the greatest share of production are the people who gamble on the stock exchange, and they get far more than those who have talent and do the toiling. The member for Light cannot be accused of not introducing something novel in his speeches. He had some peculiar idea that we should send old people into the country where they could be accommodated better than in the city. He said there were no trams to worry them in the country, and better hospitals and kindly people there.

Mr. O'Halloran—Did he say where there was any housing for them in the country?

Mr. JENNINGS—No. Perhaps they could be put into tents.

Mr. O'Halloran—After the flood there will be no bags to make tents for them.

Mr. JENNINGS—Perhaps not, but they may be able to snuggle into the sandbags on the river. No-one knows what the honourable member had in mind, but he suggested they be taken into the country to spend the remaining years of their lives in an environment completely different from that in which they spent their earlier days.

Mr. Jenkins—He said something decent should be provided for them.

Mr. JENNINGS—It would be novel if something decent were provided for them anywhere in South Australia.

Mr. Jenkins—You are just trying to think of something he did not say.

Mr. JENNINGS—If there is anything he did not say it will never be said at any time in the future. We have to worry about trams in the metropolitan area; not so much about the noise they make but about not getting adequate services. Under the Loan Estimates, and under this Budget, we are subsidizing the Tramways Trust by hundreds of thousands of pounds, but its services are still inadequate. The member for Light said that country hospitals were better than city hospitals, and he may be right because we would be in a bad way if some rural centres did not have better hospitals. Our hospitals in Adelaide are worse than those in any other capital city, and the same applies to many other services. We were led to believe from the Treasurer's speech that his Budget was designed to cushion the effects of galloping inflation on the

ordinary people. We were told that our Budget was much better than those of any other State, and that is the story that was published in the press.

I do not know whether we have representatives of the press in the gallery who cannot properly understand our Parliamentary proceedings, but I do not choose to believe that. I think they understand what we say and what is contained in our Parliamentary papers, but that when their reports go back to their sub-editors an entirely different interpretation is placed on them for political purposes. The impression that most South Australians gained is that the Budget is rather tame and ingenuous, something arranged by the Premier, and that no charges would be increased but liquor licences, which do not affect many people directly. The few charges mentioned were not highlighted as exemplifying any horror Budget. In this State we have the unique system that whatever happens to the detriment of the Government is never mentioned publicly, whereas what might be to its advantage is always highlighted in the press from announcements made by the Premier. In our budgetary system we have obviously been dependent on greatly increased land taxation. Land tax, which affects everyone in the community, has been drastically raised in the last few years, not by means of the Budget, but simply by alteration of assessments. Consumers of water will find when their next water rates are due that they will be paying infinitely more than before, yet no mention was made of that in the Budget—it was introduced by subterfuge. Surely no one can say that rents do not affect the cost of living of the ordinary people in the community, yet no mention was made in the Budget speech of increasing Housing Trust rents.

Mr. John Clark—Who made the announcement?

Mr. JENNINGS—My friend displayed his usual innocence in asking that question. He would be amazed if I told him that once before an unfavourable announcement was made by the General Manager of the Housing Trust.

Mr. Davis—Another "Tomtookie".

Mr. JENNINGS—Yes. Unfavourable announcements are made by managers of semi-governmental instrumentalities, but favourable announcements, however petty, are made by the Premier. This was graphically portrayed by means of a cartoon in a newspaper a few days ago. I do not want to embarrass you, Mr. Chairman, as I did Sir Robert Nicholls,

by asking whether a cartoon can be incorporated in *Hansard*, but it portrayed just how this Government's system works. It is amazing that the Premier in his policy speech was able to announce that the Housing Trust was to embark on a system of building on blocks of land owned by private individuals. We are told that that instrumentality is not responsible to Parliament, yet it was able to give to a political leader information that might be to the advantage of his Party.

Recently the trust decided to give fruit trees and shrubs to tenants of its homes at Elizabeth. That announcement was made by the Premier, and if I remember correctly, the distribution was also made by him. That is just a petty matter, but when it comes to such a matter as increasing rents from £2 15s. to £3 3s. a week or from 17s. to 35s. a week, the Premier did not dare take the responsibility of announcing it. He completely dissociated himself from it, and Mr. Ramsay was the person who made the announcement.

I regard the increase in rents as a dastardly imposition on the people, a good many of whom are housed in trust homes. In his policy speech, the Premier mentioned that the C series index was unfavourable to South Australia's interests because it did not include rentals of homes built by a public housing authority. This might give some indication of why trust rentals are being increased at the expense of ordinary rentiers in the community. In determining the C series index, trust rentals are not taken into consideration, so they have been increased as a direct result of governmental interference, or lack of interference, depending on how you look at it, while private landlords are having rents restricted to the lowest rates that could possibly return some dividends. The reason for that is that the Government realizes that by increasing its own rents it cannot influence the cost of living adjustments. I can understand the Government's reluctance to make any further inroads into items affecting the cost of living, because there was sufficient evidence from the Premiers' Conference to show that this State's economy has suffered more than that of any other State in the three years since suspension of quarterly adjustments. Every State Premier who spoke at the conference made it obvious that in South Australia where cost of living adjustments have been suspended the increase in wages according to the C series index was more than in the other States, and it was advanced as an argument that there was no validity in the proposal

put forward by the Federal Treasurer that the cost of living adjustments should be abolished. It is perfectly manifest that because Housing Trust rents are not taken into account in the C series index the Government is boosting them to gain extra revenue. The same applies to hospital fees. There are only 2,600 emergency homes in the State, although there is a waiting list of 5,000. When I asked a question a few years ago about the Government expenditure required each year to subsidize the rents of these emergency homes I was told it was because they were being amortized over a period of 10 years. Most of them have already been erected six years, so they should be six-tenths paid for, yet the Government is now increasing the rents by up to 12s. 6d. a week. Therefore, it is unfair to raise in perpetuity the rents of these homes. To look at it in another way, if it is necessary to recoup the expenditure on these places for maintenance, then it is ridiculous to expect that this amount should be spent on amortization, which is not real in itself, because the houses have already been up six years in most cases and have only four years to go when they will be no liability to the State.

Mr. O'Halloran—I wonder whether they will be let free then?

Mr. JENNINGS—If the Government were consistent the State could afford to let them free, but that will not be done, and I venture to say that over the next 30 years, although the houses will have been fully paid for, the rent will not be decreased, but probably increased. There is no need on the basis of amortization to increase the rents, because amortization is unreal. It could be extended not for a 10-year term, but for a 30 or 40-year term. The same probably applies to the ordinary timber-framed home, some of which are being let for £3 5s. a week. I have mentioned in the House before that the amortization period was 53 years, which would mean 53 years of 52 weeks a year at £3 5s. a week, which would amount to a little short of £9,000 for one home built originally for £2,800. Even at the end of that period the State would own the house. The amortization period for ordinary brick homes is also 53 years, but in the metropolitan area there are similar houses 100 years old which are being sold for much more than it cost to build them, even taking into account the difference in the value of money. This amortization period is unreal, and it is no excuse for saying that interest rates should be raised as a result.

We were told primarily that the reason for the increase in rents was the increase in interest rates. It is stupid to say that when it is applied to homes built years before the increase in interest rates took place. We are told that the cost of maintenance has increased and that the money borrowed for such maintenance is costing more. I am prepared to admit that that could be so but what we were led to believe was that the money borrowed to build homes had been taken into consideration. It could be that the interest rate on the maintenance money had increased, but surely that would not amount to anything like the percentage increase in rents now proposed. As far as I can see little maintenance is done on Housing Trust homes, in most cases because of default by the trust. The tenant is required to do the work himself. Most trust homes are lacking maintenance. In my area there are many prefabricated timber-frame trust homes which are almost bare of paint, and no attempt has been made to paint them either inside or out. I imagine that they are deteriorating rapidly.

Mr. O'Halloran—Were the rents increased?

Mr. JENNINGS—Yes. That seems the usual way of getting around it. I was approached the other day by the tenant of a trust home which has been up 11 years and he told me that it had not been painted once outside, but twice inside, which he did at his own expense. The maintenance done by the trust, is negligible, and could not justify the increased rents proposed.

The Opposition has never at any time agreed with increasing interest rates. We knew for a certainty when the last election results were announced that an increase in interest rates was inevitable. The Government now protests about that increase, but when it should have taken steps to ensure that there would be no increase it did all in its power to return to office the persons responsible. I have an extract from the *News* of November 30 last—a few days before the Federal election—in which Mr. Playford “in typical topical form” as reported by the press at the Prime Minister’s meeting at Glenelg said, “Putting it on the lowest plane, I would like to see the Menzies Government returned because I can get more out of them than out of the other crowd.” I will admit that that is on its lowest plane. What has he got out of them except a glorious opportunity to go crook about things ever since? He said, “Vote L.C.L. Support the Menzies Government and leave the rest to me.” There is nothing left.

One would have thought after hearing his complaints that he would have adopted a different attitude in respect of the Barker by-election. At a recent L.C.L. conference—at which I was not present and for which I am eternally grateful—the Treasurer exhorted the delegates there to do everything possible to ensure that Labor did not even increase its vote in the Barker district. Let us have no misunderstanding that when the Treasurer complains about what he gets from Sir Arthur Fadden and Mr. Menzies—“The Saviour of the Suez”—he is only doing it out of convenience. He, as much as any other person in the Commonwealth, is able to influence the electors of Australia as he did in 1947. Whenever the acid test has arisen since he has rallied to the support of the Menzies-Fadden Government as he is obliged to. I do not blame him for that, but I question his hypocritical attitude to them in the intervening period between elections. The Opposition opposes Liberals and all other conservatives and totalitarians. We do not have to vary our principles at any time. We adhere to our policy and do not have to trim our sails. It is often said that liars have to have good memories, but the Opposition always follows the same consistent pattern, the same principles, the same policy.

Some days ago the Treasurer announced that during this current year we were commencing more homes than any other State. I have not had an opportunity of checking those figures. I think it would be almost impossible to check them because like so many of the Treasurer’s statements, they are probably only figments of his own imagination. For years the Treasurer has claimed that South Australia’s building rate is greater than in any other State. I have figures from the Government Statist which reveal that during the last seven years South Australia has twice been sixth, thrice fourth, once third and once second. Even if the number of houses commenced in South Australia this year is greater than in other States we will still have much to catch up. What counts, of course, is not the number of houses commenced or completed, but the number of people who require homes. I remind members that in the last few years there has been an almost constant increase in the number of applications for Housing Trust homes. There are now about 15,000 outstanding applications. In 1953 we commenced building 7,314 homes, marriages totalled 6,149, and population increased by 11,194. In 1954 the figures were 7,545, 6,190 and 22,578. For 1955 they were 7,423,

6,226 and 26,392. I said that we had 15,000 applicants for trust homes. It is obvious that we are getting further and further behind and that the Treasurer's statement that the number of houses commenced in the last quarter was greater in South Australia than in any other State is not likely to sway anybody. I still need to be convinced by more than the Treasurer's word on this matter. I have so long listened to his statements in this House and found on examination that they are not reliable that I would say that he is at times somewhat disregarding of the true facts. Mr. Coumbe made a good speech particularly when he referred to national defence expenditure. We are not spending millions of pounds but thousands of millions on defence that has produced nothing. We have nothing to show for an expenditure of about £200,000,000 a year.

Mr. O'Halloran—Mainly equipment that is mostly out of date before it is delivered.

Mr. JENNINGS—Yes. We send youths to camp for three months, which breaks into their studies and means an added cost to the community. We have also changed the type of rifle used, but what good will a rifle be in the next war? For defence purposes we need proper roads and railways throughout the Commonwealth. There should be no breaks of gauge. It would also help our economy. In the final analysis it is the prosperous country that is best able to defend itself. I was glad to hear Mr. Coumbe mention roads. The only

way to safely travel over South Australian roads is by helicopter. The Minister of Roads said that the South Australian roads were the worst in the Commonwealth. We knew that, but it was inspiring to see a report that a Liberal Minister had said it. On another occasion he said too many demands were being made on the roads. He also said that it was most unprofitable that a strain should be put on our roads by transporting children to school by bus. Apart from the wear and tear on the roads he said it deprived the children of exercise and that if they could not walk they could ride ponies, yankee-doodle style. It would be inspiring to see, say, 600 ponies in a schoolyard. It is hard to imagine that such a statement could come from a Minister of the Crown.

Mr. Lawn—Perhaps we could have a select committee to inquire into the matter.

Mr. JENNINGS—Yes. If we went into all our troubles properly the Select Committees advocated by Mr. Hambour would not be necessary, nor would a Minister of Roads, nor the gentlemen on the front bench in this House. They would all be replaced by men better able to do the job. There are many other matters that I intend to speak on, but there will be plenty of opportunities to do that when the various lines are being discussed.

Progress reported; Committee to sit again.

ADJOURNMENT.

At 9.52 p.m. the House adjourned until Wednesday, September 26, at 2 p.m.