

HOUSE OF ASSEMBLY.

Thursday, September 19, 1957.

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

QUESTIONS.**SNOWY RIVER WATERS AGREEMENT.**

Mr. O'HALLORAN—My question relates to the Snowy River Waters Agreement, which we learned from the press was yesterday signed by representatives of the Commonwealth, Victoria and New South Wales, despite the fact that the Premier vigorously requested that South Australia should see a copy of it before it was signed. In the report in this morning's *Advertiser* there are several significant items. The first deals with the disposal of the water, and says:—

All additional water diverted to the Murray is to be shared equally by the two States. Water diverted to the Murrumbidgee will be available to New South Wales.

That seems to create a great danger along the lines mentioned by the Premier in reply to questions I have recently asked him. There is also a peculiar reference to the Constitutional position, as follows:—

Under the agreement the Commonwealth was responsible for completing the project and the States undertook to pass legislation giving the Commonwealth constitutional authority to carry out works.

There are other points, but I will not mention them as I assume the Premier is fully informed on the matter. How does he view the situation and what further action, if any, does he propose to take in order to safeguard the rights of South Australia? I assure him that he will have the unanimous support of the Opposition in any steps he might take.

The Hon. Sir THOMAS PLAYFORD—With the leave of the House I will make a somewhat longer statement than is usual when replying to a question.

Leave granted.

The Hon. Sir THOMAS PLAYFORD—I have no additional information about the contents of the agreement, other than what appears in the press. I have not yet received a copy of the agreement, but I have had a telegram from the Prime Minister saying that a copy has been posted to South Australia: I presume it will turn up in due course. As a copy is not available I can speak only in connection with the published remarks of the Prime Minister. The Leader of the Opposition referred to the fol-

lowing relevant paragraph dealing with water:—

All additional water diverted to the Murray is to be shared equally by the two States. Water diverted to the Murrumbidgee will be available to New South Wales.

It appears from this Statement that the Snowy River water, as I surmised and as I stated in this place, is to be shared by Victoria and New South Wales, and that under the agreement it is not contemplated that any of the water will be made available to South Australia. In addition, the water diverted to the Murrumbidgee, from whatever source, is to be made available to New South Wales. In this matter South Australia is concerned in two ways. We are firmly of opinion that all the water going into the Murray basin up-river from Albury from whatever source is, under the definition of "Murray waters" part of the Murray waters. That opinion has been confirmed by Sir Edgar Bean, and no less an authority than Mr. Chamberlain, our Crown Solicitor. The allocation of water to the two States is clearly an infringement of the Murray River Waters Agreement. There are several Privy Council decisions on what constitutes the waters of a river, and the water flowing down the Murray clearly comes within the ambit of the direction of the River Murray Waters Agreement, and it is not competent therefore for Victoria, New South Wales and the Commonwealth to have a private arrangement for its disposal. However beneficial it may be to them, we do not believe it is in accordance with the agreement.

Probably a more serious infringement, and a much clearer one, is the diversion of certain waters from the River Murray into the Murrumbidgee. Although I may not express it in legal language, it has been held that if two parties enter into an agreement it is not competent for one to make an arrangement that will in any way impair the agreement. I think that is a well accepted principle of law. Where two parties enter into an agreement it is not permissible for one to make other arrangements or to do anything that will in any way influence the carrying out of the agreement. When the Commonwealth, and New South Wales, Victoria and South Australia entered into the River Murray Waters Agreement it was ratified by their respective Parliaments and it therefore becomes a binding agreement between the Commonwealth and those States. Any diversion of the waters of the River Murray cannot be proper without the authorities concerned entering

into another agreement to allow it. No doubt there will be some provision in the new agreement that, in the event of waters being diverted from the River Murray into the Murrumbidgee, South Australia shall have certain rights protected to it. I have already had some indication that this is proposed. However, I point out that from our point of view that would be entirely unsatisfactory because, whereas while water from the Tooma River coming into the River Murray is part of the Murray waters, the moment it is diverted over the hill it would cease to be such and we would have no redress whatsoever, and, moreover, the arrangement now being made between these three authorities could again be altered without sanction from South Australia. It is a private arrangement which is not in any way legally binding upon them in its observance so far as South Australia is concerned. They have done it without consulting us and could alter it without consulting us, whereas our rights under the River Murray Waters Agreement are established and enforceable in every way.

Under those circumstances, I can only say that I appreciate the support members opposite have signified through their Leader. I have consulted my colleagues in Cabinet, and the Crown Solicitor and the Government believes it should take action to enforce its rights under the River Murray Waters Agreement. We regard as completely specious the Prime Minister's statement that South Australia is more amply protected by the fact that the capacity of the Hume Reservoir is to be increased from 2,000,000 acre feet to 2,500,000 acre feet because this is already being done under the River Murray Waters Agreement. Indeed, members of this House this year provided £500,000 for that very purpose. We are paying for our share of the work under the agreement and the work would proceed whether or not the Snowy River Water Agreement was signed. This State's interests were totally ignored during the whole of the transactions and the Prime Minister's statement carries no weight whatever.

We believe we should have our full rights under the River Murray Waters Agreement guaranteed to us by an agreement to which we are a party. Secondly, we believe that the River Murray waters which come under the agreement are all of the waters coming down the Murray and we are entitled to our proportionate share of them.

Mr. Stott—Is that clear enough?

The Hon. Sir THOMAS PLAYFORD—It is clear according to the legal advice I have obtained.

Mr. Stott—That is the core of the problem.

The Hon. Sir THOMAS PLAYFORD—There are two main factors. The first is the diversion of water away from the Murray, which is clearly a breach of the present agreement. That is being done without our permission and without any consultation with us. So far as the second matter is concerned, we believe that our legal rights under the River Murray Waters Agreement entitle us to a share of the water that may be diverted into the Murray. As taxpayers we are paying our contribution towards this scheme. Indeed, any person who has read the literature on the Snowy River Scheme would surmise that the water would have been available to us. The literature carries a heading, "Water and power for the nation" and South Australia occupies quite a prominent position in the photograph on the cover. In that we are apparently regarded as part of the nation, but when it comes to the distribution of the spoils it seems we are only on the paying end and not on the receiving end.

Subject to the concurrence of this House, probably the Attorney-General, the Crown Solicitor, South Australia's representative on the River Murray Commission (Mr. Dridan), and myself will go to Victoria next Monday to commence proceedings after consultation with Mr. D. I. Menzies in connection with this matter. I am quite sure that if I am temporarily absent from the House my colleagues in the Ministry and members opposite will grant me leave for this purpose.

Mr. STEPHENS—One part of the report in today's *Advertiser* stated:—

It was undesirable that the South Australian Premier (Sir Thomas Playford) should be allowed to see a draft copy of the agreement before it was signed, Mr. Menzies said in the House of Representatives earlier today. Can the Premier say whether the Prime Minister has been correctly reported, and as the Prime Minister is supposed to represent the whole of Australia was he speaking on behalf of the Commonwealth Government or on behalf of the Premiers of the two States that signed the agreement, or was it his personal opinion when he said that it was undesirable that the South Australian Premier should see the agreement before it was signed?

The Hon. Sir THOMAS PLAYFORD—Of course, it is not for me to say what interpretation the Prime Minister would desire to

have placed upon his words, but the construction I placed on that report was that it was undesirable from the point of view of the contracting parties that I should see the agreement because they naturally expected that there would be a good deal of objection from anyone appointed to represent the interests of South Australia. It appeared to me that the Prime Minister had anticipated that there would be objections and he had hoped that by not showing the agreement before it had been signed he would be able possibly to present this State with an accomplished fact. I am not in a position to interpret the remarks of the Prime Minister. All I can say is that I would have thought that the obvious way to handle this matter would be to have a conference of the parties concerned to work out fair and equitable terms for an agreement between them. However, the way it was done marked a milestone in Commonwealth-State relationships. Previously, the Commonwealth has from time to time announced its intentions and has discussed matters with the States, and never before has the future of a State been so prejudiced by an agreement on which it has not even been invited to confer, and it would seem that the State's interests in the future are to be determined by one or two Ministers in Canberra.

Mr. RICHES—I am completely in accord with the statement by the Leader of the Opposition on this matter. I consider the Commonwealth attitude to be an arrogant affront to the people of this State. I understand the Premier is arranging to take the matter to law and that he proposes next week to visit Melbourne with the Attorney-General and the Crown Solicitor. Is he of opinion that all chance of negotiation has failed? If not, would he accept the offer of co-operation from the Leader of the Opposition and consider a suggestion that the two leaders go jointly to the Commonwealth to continue the negotiations, in preference to taking court action?

The Hon. Sir THOMAS PLAYFORD—It was represented to me some time ago that if South Australia did not raise very strong objections after the agreement was signed Senator Spooner would come to South Australia and have a nice little discussion with me, and that we would be able to work something out. It was only hearsay, but it has been borne out to the extent that Senator Spooner telephoned me this morning and said he was prepared to come across to South

Australia to discuss the matter with me. I must admit that I asked him quite bluntly what we had to discuss as the water in question had been signed away by the Commonwealth yesterday.

Mr. RICHES—Doesn't that agreement have to be ratified by Parliament?

The Hon. Sir THOMAS PLAYFORD—The agreement between Victoria, New South Wales and the Commonwealth was only signed yesterday and I cannot understand the Commonwealth's attitude in suggesting discussions with me today. Having entered into an agreement yesterday I could not visualize the agreement being altered today as a result of a discussion with me. I told Senator Spooner quite frankly that the time for discussion was before the signing of the agreement. I would have no confidence in any discussions now that went on behind the backs of New South Wales and Victoria. It would be entirely improper for such discussions to take place.

FRUIT FLY ERADICATION.

Mr. GEOFFREY CLARKE—A few days ago I mentioned to the Minister of Agriculture that a constituent of mine on returning home found five men in her back garden. She was rather dismayed. It transpired that they were members of a fruit fly gang. Has the Minister examined the suggestion I made that on the day prior to fruit fly gangs calling to spray and strip, cards be left in letter boxes in the locality stating the intention of the gang to call on a specified date, and on the reverse side information about the purposes of stripping and spraying?

The Hon. G. G. PEARSON—As indicated by the honourable member he mentioned this matter to me a short time ago. The practice at present is that when an outbreak occurs the matter is advertised in the press and literature is distributed indicating to householders within the area that work will commence from the centre of the outbreak and proceed outwards to the circumference of the area, and that later follow up operations will be carried out. The first notification is a general one and householders are aware that stripping gangs will visit them. They obviously know from the gang's movements around the district the progress that is being made. As to subsequent operations of spraying and bait laying, etc., it is considered impracticable to issue notices from day to day because of the frequency with which it is necessary to revisit properties in the area, and because it is impossible to

forecast with complete accuracy just when a visit will be made. I would think the incident to which the honourable member has referred would be isolated and would not justify the action he desires.

WORKMEN'S COMPENSATION ACT.

Mr. LAWN—Section 18a of the Workmen's Compensation Act provides that should an employee incur more than £150 medical expenses he may seek recovery of the greater amount upon application to a special magistrate. Unions have experienced difficulty in ascertaining how to go about making an application to be heard by a special magistrate. The Trades and Labor Council made inquiries and was about to issue a circular to all unions when later information led them to believe that their previous information was wrong. The second part of my question relates to medical expenses. One claim was made in Mount Gambier for expenses over and above £150. The company concerned admitted liability and paid the workmen's compensation to the employee, as well as £150 for medical expenses, but when the case came before the special magistrate at Mount Gambier, he ruled, according to the secretary of the union, that it would be necessary for the employee to give evidence and prove to his satisfaction that the additional expenses were the result of the accident because of which he was entitled to workmen's compensation, even though the company admitted the liability. Will the Treasurer explain how an application shall be made before a special magistrate, and say whether it is intended that the employee claiming the additional sum shall prove to the satisfaction of the magistrate that he is entitled to workmen's compensation and that the medical expenses are incurred as a result of the accident?

The Hon. Sir THOMAS PLAYFORD—If the honourable member will give me the name of the employee involved at Mount Gambier, it would assist me to inquire into the special circumstances (if any) of the case. I will have the first part of the question thoroughly investigated so that I can give the honourable member a considered opinion on it.

FEED BARLEY SHORTAGE.

Mr. BYWATERS—Yesterday I asked the Minister of Agriculture a question concerning the shortage of feed barley at Murray Bridge, but from the *Hansard* report it might be gathered that the agent at Murray Bridge had the sale of the 4,000 bags of barley referred to, whereas he had nothing to do with it as it was sold from the Barley Board in Adelaide.

Has the Minister received a report on this matter from the Barley Board?

The Hon. G. G. PEARSON—No.

EGG PRODUCTION.

Mr. LAUCKE—Has the Minister of Agriculture a reply to my recent question regarding the production of eggs by laying hens in South Australia compared with English and American birds, and the desirability of importing overseas laying strains should they be superior to ours?

The Hon. G. G. PEARSON—I am pleased to say that the strains relied on most by the Australian poultry industry are at least up to the standard of overseas laying stock. A report from the Senior Poultry Adviser (Mr. McArdle) states:—

A report on investigations in the United States of America show that the rate of lay obtained in tests there are not significantly better than our own. The New York test is given for 1953-54 as 192 hen housed average for 50 weeks. The Californian test is quoted as 214 for 1953-54 for 57 weeks and 244 for 1954-55 for 59 weeks. The figure for 1955-57 in Parafield tests is quoted as 194.32 for 50 weeks lay. Testing facilities in South Australia have been doubled by the department this year and are being further increased to determine the best strains. The better strains have consistently laid over 200 eggs per bird in 50 weeks. The advisory service is equipped with the latest overseas information. The veterinary authorities in the United States of America advise the need to avoid the disastrous effects which the import of stock could have due to Newcastle disease, or fowl plague. This has cost the English Government many millions of pounds in compensation and the poultry industry has suffered heavy losses due to decimation of flocks. The disease has involved the American industry in the use of costly vaccination programmes. The fullest use is being made of the advice obtained to spread and improve the best of our strains. This is being done without any need to relax the regulations covering the import of stock with risk of the dangers involved for no gain to the poultry industry.

RENMARK COURTHOUSE.

Mr. KING—Yesterday the Minister of Works informed me that the Government is almost ready to proceed with alterations to the Renmark courthouse. As the accommodation at the Renmark police station is overcrowded by the normal staff and there is no privacy for interviews because of a two-way radio crackling in the office shared by the sergeant and another officer and because of the necessity to provide accommodation for the police staff on the fruit fly road block, will the Minister obtain a report on the conditions I have mentioned and give the necessary alterations the highest priority?

The Hon. Sir MALCOLM McINTOSH—I will get a report immediately. I point out that priorities are fixed not by me, but by the Chief Secretary's Department under whose control I think this matter would come. I will confer with the Premier, who is Acting Chief Secretary, and I am sure the points raised by the honourable member will receive full consideration.

MURRAY RIVER FLOOD: COMPENSATION TO HELPER.

Mr. HUTCHENS—During last year's Murray River flood an appeal was made by a firm of State-wide and possibly Commonwealth-wide repute for men to assist in flood prevention work. On being asked about compensation, the Lands Department said that those who suffered disabilities arising out of such work would receive compensation. An employee of the company who was engaged in filling superphosphate bags contracted dermatitis, a serious complaint, and suffered much time off and consequent loss. When the company approached the department for compensation it was told that the man could be paid no more than £5, but after some time the department made an *ex gratia* payment of £22. Since then the employee has suffered a recurrence of the complaint and has lost up to six weeks work, but he cannot receive any compensation because of that. If I give the Minister of Lands the names of the person and company concerned, will he have the matter investigated to see whether something cannot be done to compensate adequately this man who has suffered because of his efforts to give his best in the interests of the State? Secondly, is it true that the department pays only up to £5 of the medical expenses incurred by persons who assist in fighting floods or bushfires?

The Hon. C. S. HINCKS—I shall be happy to take up the matter raised by the honourable member. I think I remember the case he refers to, and such cases were covered for a small amount. It is true that an *ex gratia* payment was made to give some assistance to meet doctors' or hospital fees, but if the honourable member will give me the name of the person concerned I will follow up the question and bring down a report for him.

PROSECUTION FOR FAILURE TO SEND BOY TO SCHOOL.

Mr. TAPPING—An extract from today's *Advertiser*, under the heading "Man would 'Go to Gaol' over Son's Schooling," states:—

In Port Adelaide Juvenile Court yesterday, Mr. Stephens was fined £8, with 10s. costs, for a second offence of failing to send his son to LeFevre Peninsula boys technical school.

This man made an outburst against the headmaster of the school. I know the headmaster well, and he is held in high esteem in the district. The report concludes:—

I have complained to the Education Department of the headmaster's rudeness, but I am sure it is too frightened to do anything about the matter because headmasters are hard to get.

Can the Minister of Education make a statement on this case, or get a report from the department?

The Hon. B. PATTINSON—I am familiar with the case, because I have had correspondence with members of the Stephens family since June 10, both from Mr. Stephens and from Mrs. Stephens, and Mr. Stephens keeps shifting his ground in each letter. In my opinion he is a completely unreliable and arrogant individual who is determined deliberately to flout the will of Parliament as expressed in the Education Act, and in so doing is equally determined selfishly to jeopardize the welfare of his son. The decision to prosecute him was my own, for which I accept full responsibility, and has nothing to do with Mr. Vickery, the headmaster of the LeFevre Peninsula boys technical school. I share with the honourable member his regard and admiration for Mr. Vickery. I believe implicitly in Mr. Vickery's word and have complete confidence in him, and have equal confidence that his reputation will not suffer in any way by the report in the press of statements made against him by Mr. Stephens.

DETENTION OF JUVENILES.

Mr. LOVEDAY—Has the Minister representing the Attorney-General a reply to the question I asked recently about the detention of a boy in a reformatory because the Welfare Department was not ready to proceed with the case?

The Hon. B. PATTINSON—I have received a report from the Attorney-General that the provision of a remand home is being considered following recommendations from the Children's Welfare and Public Relief Board and a special magistrate from the Adelaide Juvenile Court. The matter is now with the Architect-in-Chief for the preparation of sketch plans, and in future every effort will be made to avoid a repetition of the position which arose in this case.

PORT AUGUSTA WEST POLICE STATION.

Mr. RICHES—I have been informed that when a report of a suicide case at a sheep station was made last week no one could leave the Port Augusta West police station to make inquiries because transport was not available. Eventually arrangements had to be made for Woomera police officers to travel a far greater distance to make the necessary inquiries. If that is correct—I have not had an opportunity to check it—will the Premier have investigations made into the matter of inadequacy of transport at the station?

The Hon. Sir THOMAS PLAYFORD—Yes.

POLICE MOTOR CYCLE SIDECARS.

Mr. DUNSTAN—Has the Premier obtained a report following on the question I asked on September 4 regarding the calling of tenders for sidecars for the Police Department?

The Hon. Sir THOMAS PLAYFORD—I have obtained the following report from the Commissioner of Police:—

Departmental inquiries have been made and it is considered that the local company mentioned by Mr. Dunstan has nothing to offer in sidecars which can compare with the Dusting product. At present they are not even manufacturing the heavy type of sidecar necessary for police work. Approximately six years ago this firm submitted a sidecar for testing but it proved unsatisfactory, being too small and too light. The Dusting sidecar is a heavy duty unit which is suitable for all types of work, including that on rough country roads, and over a period of years it has proved its worth. The fittings and attachments from sidecar to motor cycle are substantial, whereas the suspension and mechanical construction of locally made sidecars do not compare favourably when the heavy loads are taken into consideration. We would have no objection to calling for tenders for sidecars to a set specification required by this department.

The honourable member's purpose would be served if I asked the Commissioner of Police to call for sidecar tenders in accordance with a specification so that the local manufacturers could, if they so desired, submit tenders.

STANDARDIZATION OF RAILWAY GAUGES.

Mr. O'HALLORAN—This morning's *Advertiser* contained the following paragraph from Canberra under the heading "Big Rail Plan Decision":—

The Federal Government decided today to finance the first stage in standardizing the railway line between Melbourne and Albury. This will be done under an agreement with the States which will be conveyed to the Victorian

and New South Wales Governments within a few days. The States will pay about one-third of the cost, spread over a period of more than 50 years at a low interest rate, probably Government bond interest.

Then the report said that the work was likely to be commenced early next year. Can the Premier say whether any approach has been made to the Commonwealth for financial assistance for South Australia in carrying out the standardization of the line from Broken Hill to Port Pirie in the terms of the 1949 agreement?

The Hon. Sir THOMAS PLAYFORD—If I judge Commonwealth policy correctly there would be no difficulty in getting the Commonwealth Government to give a fairly high priority to the Broken Hill-Port Pirie line, but we are more concerned about the agreement as a whole being carried out and not just a small part of it. The Commonwealth is interested in the Adelaide-Port Pirie line and the Port Pirie-Broken Hill line, but if that work were done it would leave us with three gauges instead of the present two, and instead of having a standardized gauge the position would be more complicated than it is now. If only the one line were done, and the rest forgotten, the railways system would be in a hopeless position.

Mr. O'Halloran—Is there any danger of that happening when the Albury to Melbourne section is completed?

The Hon. Sir THOMAS PLAYFORD—Speaking from hearsay, I think a separate line is to be constructed between Melbourne and Albury to provide for a 4ft. 8½in. gauge. If the Commonwealth would sign project orders in accordance with the agreement that has been signed and ratified by the Parliaments, we would be prepared for the Commonwealth to nominate which project it wished to proceed with first.

WATER RATES REMISSION BILL.

Returned from the Legislative Council without amendment.

AUDIT ACT AMENDMENT BILL.

Returned from the Legislative Council without amendment.

VETERINARY SURGEONS ACT AMENDMENT BILL.

Returned from the Legislative Council without amendment.

THE BUDGET.

In Committee of Supply.

(Continued from September 18. Page 175.)

Legislative Council, £10,630.

Mr. CUMBE (Torrens)—It is with pleasure I support the first line of the Estimates and at the outset I commend the Treasurer for bringing down his nineteenth consecutive Budget, which must not only be an Australian record, but a world-wide record and one for which the people of this State must be thankful, although it should have received more publicity than it has. This Budget is well conceived and is extremely fair under the circumstances. It was submitted on the evening following the evening Sir Arthur Fadden presented his Budget in the Federal Parliament, and of course it was overshadowed to some extent by that, but that only draws attention to and emphasizes the fact that under the existing scheme of uniform taxation, although this is a sovereign State, we are beholden to the Federal Parliament for our existence and livelihood in matters financial. It is apparent that in money matters we have to trim our sails to what we can get back in reimbursements from the Commonwealth. We cannot offer taxation concessions to our taxpayers except in a restricted field and I suggest that this affects the basis of our sovereignty.

I submit that in principle it is bad and fundamentally wrong for one Parliament to be responsible for the raising of moneys and another for the spending of them. Any sound business organization must adjust its spending programme to suit its capabilities of raising its income through sales and, of course, it is always responsible to its shareholders and must account to them, just in the same way we, in our private lives in our domestic budgets, have to adapt our spendings to what we can earn from our daily jobs. The authority responsible for spending money and financing the State's undertakings should be responsible for raising money through taxation. The Treasurer would then be responsible to the people who could endorse or disapprove of his action at subsequent elections. This is the very basis of modern democratic government, but under uniform taxation this form of democracy is denied to this Parliament and State. There could be an unscrupulous Treasurer who could indulge in fanciful and wild-cat schemes which could run this State into a heavy deficit, but who, when

the Commonwealth quite rightly refused to meet the commitments for some of his hare-brained schemes, could turn around and blame the Commonwealth because it would not foot the bill.

I suggest that this has happened in past years in some of the eastern States and I emphasize that it could occur under uniform taxation. I firmly believe South Australia would be better off, with its rapidly expanding economy, if it were able to obtain once again its own taxing powers. That would depend on working out a scheme under which the Commonwealth would vacate certain fields of taxation. We know that the Prime Minister has offered to abolish uniform taxation, but before that can happen all States must agree. I commend our Treasurer on his efforts in this direction and trust he will continue to press South Australia's claims.

Although much has been said in this debate about conditions generally throughout the State, the only real criticism of the Government seems to be that it should have spent more on certain items, this despite the fact that the Treasurer is budgeting this year for a deficit of a little more than £500,000. Little has been said about the outstanding achievement of the Treasurer in reducing last year's deficit to only £49,000 in the face of extraordinary expenditure. It is easy to criticize the Government and to urge that more money be spent, particularly when one is not responsible for raising the money and therefore does not have to bear the odium associated with raising the money by taxation.

So far in this debate little constructive criticism has been offered by Opposition speakers, but on Tuesday evening we heard some rather fantastic ideas advanced by the member for Norwood (Mr. Dunstan) who proposed a tax on expenditure. This is a novel idea and not likely to inspire great confidence in the general public, business world, investors or electors. The scheme may be acceptable in India—even in Cyprus—but it is not likely to find much favour here. I wonder whether Mr. Dunstan is being trained by his Party as a prospective Treasurer and whether his ideas express the policy of the Labor Party on taxation? If it reflects the financial policy of his Party, I wonder how many members of his Party agree with it?

Members opposite have cried havoc and pessimism and told us that a recession is just around the corner, but a perusal of the facts readily available prove that, *per capita*, South Australians are well off. For instance, our

average savings bank deposit is the highest in the Commonwealth; we own more motor cars and radios and have more telephones, *per capita*, than any other State; our population is expanding rapidly and we have the greatest migrant intake, *per capita*, of any State; our school population is growing far more rapidly than that of any other State; we have one of the highest production figures in both primary and secondary industry. How does the Opposition explain away those facts when they talk about a recession being just around the corner?

Mr. Jennings—Are you proud of our hospitals?

Mr. CUMBE—I will have something to say about hospitals, for in my electorate there are 15, some assisted by the Government, some community, and some private, and all are grateful for the assistance given them by the Playford Government. The Adelaide Children's Hospital, the Memorial, Calvary, Ru Rua, McBride, the Northern Community Hospital: these are not tiny hospitals in back streets, but large hospitals of solid standing that have all expressed to me appreciation for the support of this Government. The largest hospital in my district is the Adelaide Children's Hospital, which is doing a marvellous job for the children of this community. The latest report available (for the year ended June 30, 1956) shows that during 1955-56, 85,582 children were treated at the hospital and that the average daily figure was 289 in-patients and 285 out-patients. Last financial year this Government granted £275,000 towards the general maintenance of the hospital and this year the grant has been increased by £45,000. No person can say that is not a generous increase. In addition, this Government last year granted £10,000 toward the purchase by the hospital of Estcourt House at Grange so that children might convalesce by the seaside, thus providing additional accommodation at North Adelaide for bed patients. A boiler house has been erected at a cost of £85,000, toward which the Government contributed on a pound for pound basis. A large service block is being erected at the hospital at present; part of the work was done last year and part is being done this year at a total cost of £350,000, which the Government is subsidizing pound for pound. Further, this Government has provided the money to purchase the land formerly occupied by St. Peter's Collegiate Girls School. The

Playford Government has a generous record of contribution toward hospital services. Its policy is sound because it subsidizes metropolitan as well as country hospitals rather than provide one or two hospitals in the centre of the city. Surely this is one of the best forms of decentralization.

Mr. O'Halloran—Shouldn't the Children's Hospital be treated the same as Royal Adelaide and Queen Elizabeth hospitals?

Mr. CUMBE—The policy of the Playford Government is not to force anything on to people that they do not want and the board of the Adelaide Children's Hospital wishes the hospital to remain private. I now turn to the subject of roads. I have often referred to that section of the Main North Road passing through the Prospect district and, at the risk of wearying members, I wish to refer to it again because I believe that if one speaks often enough on a subject one may get somewhere. As it passes through my electorate the Main North Road is one of the busiest roads in the metropolitan area and this affects some country as well as city members. Most people driving north on that road live, not in the immediate vicinity, but in our northern districts. A recent traffic count disclosed that on that road through Nailsworth, Enfield and Prospect there were up to 3,000 vehicles an hour in one direction. Further, that road takes 90 per cent to 95 per cent of the traffic proceeding to the north of the State, therefore it is important. Indeed, the only other roads taking traffic to northern districts are Churchill Road, which is a rather devious route, and the North-East Road.

The Main North Road, however, is one of the most shocking and dangerous main roads in the metropolitan area. It comes under the control of the Highways Department, and one reason why it has not been reconstructed is because for years it has had a double tram track down the centre. Now, however, the Tramways Trust advises me that the new service of buses to replace trams will commence on December 8, after which date buses will run further than the trams do at the moment. I understand that in the New Year the Tramways Trust will rip out the tram-lines and replace the centre of the road, and I suggest that while that job is being done the whole road be reconstructed. I recently drove from Whyalla to Adelaide. The road was excellent for most of the way, particularly along the new by-pass through Lochiel. The

worst part was between the Northern Hotel at the corner of Main North and Irish Harp Roads and O'Connell Street, North Adelaide.

Mr. Bockelberg—You should see the Eyre Highway!

Mr. CUMBE—Well, the road to which I refer is very bad. Only last week there was almost a calamity there when a woman motorist hit a rut that was concealed in the road and her windscreen was covered with muddy water. As a result she lost control of her vehicle and veered to the other side of the road and stopped only a foot from a cyclist. It is proposed eventually to take a 7ft. strip from properties on each side of the road so that it can be widened, but that will take some years. Therefore, the Government should reconstruct the road now, and if that is done when the tram tracks come up it will save the job being done twice.

I have asked before whether the Government would consider assisting councils in the provision of traffic lights on main highways, not on district roads, and the answer has always been that it is not the responsibility of the Government to provide traffic controls in the form of lights and that every one pound spent on lights would mean that much less available to be spent on roads. I accept that principle, but in some places the density of traffic is such that lights are essential. Councils have not the finance necessary to provide traffic lights, yet at many intersections police constables are put on point duty, which is an added expense to the State.

Mr. Davis—You are speaking of the city now?

Mr. CUMBE—I shall confine my remarks at this stage to the metropolitan area and in particular to the road to which I have been referring, but this affects people who travel on that road and many of them live in the country. The position will get worse as Elizabeth grows, and I am sure the member for Gawler would confirm that.

Mr. John Clark—I certainly do.

Mr. CUMBE—At certain times of the day 3,000 vehicles pass the intersection of the Main North Road and Irish Harp Road every hour. In the early morning and in the afternoon many motorists travel east along the Irish Harp Road from the Islington work shops, General Motors Holdens, and Port Adelaide. When they get to that intersection there is a traffic snarl which is dangerous, and it is difficult to control the traffic. At times it is impossible to turn to the right or left at that

point and the traffic is sent on east, as happens at times at King William Street. This area comes under the joint jurisdiction of the Enfield and Prospect councils, but they cannot find the money to install and maintain traffic lights. These lights need maintenance, especially if they are of the vehicular actuated type, which would be the best for this intersection. Therefore, the Government should consider assisting the councils. They do not want the Government to find all the money necessary to install the lights, but they ask for some assistance.

The Government has stated that traffic control is not its responsibility, but why does the Government paint guide lines down the centre of many highways? Again why does the Government provide highway signs in the country, such as Highway No. 1 or Highway No. 20? They are precedents. I know it is not the Government's responsibility to provide street lighting on main roads. The Port Road and the Anzac Highway are dual highways and some assistance was given by the Government in providing street lighting on those roads, but that was made possible by special legislation. I realize that as regards the Main North Road no assistance can be given by the Government to provide code lighting, however desirable it may be. At a recent conference of the Walkerville, Prospect and Enfield councils it was decided, in the interests of safety, not only of people of that area, but of those who pass through it, that full code lighting would be installed on the Main North Road between the parklands and Irish Harp Road, and that the bulk of the cost would be borne by the Prospect Council. It was also decided that from Irish Harp Road northwards half code lighting would be provided by the Enfield Council. This council would not be able to afford full code lighting because of the high cost and the fact that no assistance is provided by the Government. This is the type of lighting that incorporates the sodium vapor lamp. The Government should consider assisting councils not only in the lighting of main roads but in the provision of traffic lights to control traffic.

It would be an excellent thing if a by-pass were made to Adelaide so that people would not have to travel down the Main North Road to Adelaide. I suggest that more use should be made of LeFevre Terrace, North Adelaide. Some drivers use that road in preference to travelling through O'Connell Street, North

Adelaide. If at the intersection of Robe Terrace, Fitzroy Terrace and the Main North Road land could be acquired from the Prospect, Walkerville and Adelaide councils it would be possible to install traffic lights or a suitable round-about. This would reduce traffic hazards and much traffic would be diverted from O'Connell Street, which is already too congested, to LeFevre Terrace, linking up with King William Road opposite the Children's Hospital and Royal Institution for the Blind. LeFevre Terrace is a wide road with houses on one side only, for on the other side there are parklands, so there would be plenty of room for future expansion. I hope that the Government will act on my suggestion shortly because lives are being lost on the Main North Road. There have been fatalities even in the last year. I have much pleasure in supporting the first line.

Mr. HUGHES (Wallaroo)—Among the many pleasant duties it has been my lot to perform none has given me greater pleasure than that I am experiencing this afternoon as I rise for the first time to address this House as member for Wallaroo. I am honoured to be a member of Parliament, but I deeply regret the circumstances that have brought this about. I refer to the sudden and tragic death of the late member for Wallaroo, Mr. L. R. Heath. I have heard many tributes about his work, both from members inside this House and from constituents he represented. His sudden passing has left a gap that will be noticed for some time, not only by the constituents he represented, and not only by members of this House, but also by the people of South Australia generally. To be thought well of and to be spoken well of by one's friends is, I think, the greatest honour that can fall to the lot of any man, and that honour was certainly enjoyed by the late Mr. Heath.

I express my very deep appreciation to members on both sides of the House for the welcome they have extended to me. I have been greatly impressed by the dignified manner in which the Speaker has conducted the proceedings of the House, and I express the same to you, Mr. Chairman. Even though he is not present at the moment, I must express my thanks to Mr. Stott. I understand that for the last 20 years, he has sat in the seat I now have, and he graciously moved so that I may be alongside my colleagues. As I have only been in the House for three days I shall not speak at any length on any line on the Estimates, but I

notice that the total estimated expenditure is £71,615,000.

I am proud of the vote of confidence given in the Wallaroo by-election to the Party I represent, and I shall make a few remarks about the campaign. The enthusiasm shown was very encouraging to my Party. From all over the State came offers of assistance and good wishes. Despite the wishful thinking of some people and the gloomy forebodings of our anti-Labor press and the attacks made on the Labor movement, the Australian Labor Party emerged with a rejuvenation that speaks well for the future.

Despite the anti-Labor press and the political propaganda that was distributed from door to door that Labor was a split Party the Wallaroo by-election has shown its accusers that Labor is stronger and more united in South Australia than for many years. The press stated that the Wallaroo by-election campaign was the hardest fought campaign in the history of the State. I give the press credit for printing it, yet when the final analysis was made our three worthy Independents made front-page headlines. The first big mistake our opponents made was on the opening night at Kadina when a certain Senator hit below the belt in making personal references to the Labor candidate. Apparently the Senator was unaware that she was speaking to intelligent people who were capable of doing their own thinking and assessing human values. Labor won the first round without having to enter the ring. A newsletter was placed in my letter box, and a portion of it said:—

About 360 miles north of Adelaide there is a monument to Sir Thomas Playford. It is not of polished marble or granite, but equally durable and more practical. It is the Leigh Creek coalfield.

I wonder whether the Premier, during his visit to Wallaroo, turned his head when he passed the power alcohol plant and the grass-grown vacant paddock where his £500,000 meatworks was to be established as far back as 1953. Certainly this monument of his and the Government's ineptitude would not revive happy memories. In my letter box also there was a personal message from the Premier, and it said:—

In recent years South Australia has achieved higher standards of prosperity and progress than ever before. The election issue on August 31 is whether you will maintain the Government which has provided this progress.

The remainder of the paragraph I will read later. That is something that my constituents

have been asking for many years. Then the message read:—

... and which has at all times given a fair deal to every section of the community. My district is part of the community mentioned in the letter. I represent an electorate that has been neglected for many years, yet my constituents who have been fighting for a long time to get something worthwhile in the district were told that they had been given a fair deal. It is evident that some people have a poor conception of what is a fair deal, and they are not my constituents. I want to clarify an accusation which was made in the *Mail* on August 31. Mr. Wilson, the L.C.L. Secretary, was reported to have said:—

The interesting point will be to see how in the next 18 months Mr. Hughes will carry out Labor's futile promises to the electors.

On September 5, at the declaration of the poll in the Wallaroo Town Hall, I challenged any person, including the defeated candidate, to prove that I had made one promise during the campaign, but no person accepted. How could they? Right through the campaign I said I would not be a party to any promise. In the *Advertiser* of September 12 Mr. H. A. Cadd, President of the L.C.L., is reported to have said:—

The A.L.P. had won the recent election because it had stressed parochial and personal issues.

I am not ashamed to say that any Parliamentarian would not be worth his salt if he was not prepared to fight for his own district. As for personalities, apparently Mr. Cadd has a very short memory. I will leave the rest unsaid. As a new member I want to give a brief declaration of faith. I am a Christian and a Labor man by birth. I firmly believe that both go hand in hand. I am proud of my Party because its aims are not to serve a sect or section, but the people as a whole. I represent a district that has reared and given good statesmen to this country. The Wallaroo district has produced two former Premiers of South Australia. No doubt my remarks will bring back history to the minds of members. At one time Wallaroo was a flourishing mining district. The Auditor-General's report contains the following in reference to the Mines Department:—

The work of this department in recent years has not only intensified with the use of modern technical aids, but it has also been substantially expanded by additional functions particularly directed towards the location and development of mineral deposits throughout the State, and research associated with the processing and utilization of minerals.

Last Saturday week's *Advertiser*, in the column headed "Fifty Years Ago," contained the following:—

There are over 3,000 men on Mr. Hancock's books employed between Wallaroo Mines, Moonta Mines and the Wallaroo Smelting Works.

Wallaroo was then a world-famous smelting centre. The quality of the copper then produced secured for it first place in the world's markets. Statistics reveal that 332,600 tons of fine copper were produced at Wallaroo, valued at £20,365,000. Old miners—most of them passed on by now—said that there was more copper underground in my district than had ever been brought to the surface. We know that the mines are now unworkable due to time and flooding, but there is an old saying that history repeats itself. Recently the *Advertiser* contained the following:—

The search for copper in the Wallaroo, Kadina, Moonta area had taken a new turn with encouraging results. The Premier said that in the past 18 months the Mines Department had been pattern drilling the area to a depth of 15 to 20 feet to get beneath the limestone capping where previously mine ore bodies existed. Soil samples had been analysed for copper content and two areas had been found where the concentration was as high as in adjoining mines previously worked. A drilling programme had been begun to concentrate the search in the areas which showed promise. The Government had persevered in its search for copper, for it was illogical that the original ore body of such dimensions was an isolated one. A new search method had been successfully tried abroad and the Government believed it could be a helpful guide.

My constituents are awaiting further reports in the hope that history will repeat itself in the district, if only on a small scale. The Premier further said:—

The latest uranium finds at Radium Hill had encouraged the Government not to give up too easily in searching for any important material.

I agree with the Government on this point and trust it will rigidly apply it in my district. I am deeply concerned with the closing down of the few remaining industries in my electorate. On Tuesday morning of last week I witnessed the dropping of the chimney stack on the premises of the Wallaroo-Mt. Lyell Fertilizer Company, due to the closing down of the roaster furnace and the sulphuric acid plant. To my district this was a great tragedy. The plant was a shift work process over the seven days in the week. A number of families were supported directly and indirectly by it. There will be an effect on

railway revenue in connection with administration and shunting, and also stevedoring administration and the handling of calcines over the wharf. In turn this will affect businessmen in Wallaroo, Kadina and Moonta. I mention these three towns because they are the towns from which the labour is drawn. The sulphuric acid plant was the best producing plant of its type in Australia, yet it had to be closed for the establishment of another in the metropolitan area.

I am sorry that the future employment position for my constituents is not bright. When the bulk handling scheme at Wallaroo comes into operation it will mean the dismissal of about 100 men from the waterfront. We welcomed the bulk handling installation at Wallaroo because in my district we welcome progress, but we seek the provision of some other industry to employ the men affected by bulk handling.

I understand from the Governor's Speech that the accounts of the railways for the first three-quarters of the year reveal a decided increase in financial results. The use of diesel power has effected substantial economies in working costs and the attractive new coaches are securing increased patronage. I give credit where credit is due and it does not matter to me whether it is on this side of the House or other and on behalf of my constituents I express their deep appreciation to the Acting Minister of Railways for the comfortable coaches that operate between Adelaide and Moonta. After the service that was meted out to the district for many years these coaches are highly appreciated. It is proposed to increase fares by 12½ per cent, but I see no provision for concessions to pensioners. I realize that these people are partly the responsibility of the Commonwealth Government, but the recent increase of 7s. 6d. in pensions will be swallowed up by increased costs of living. Pensioners having to travel by rail for medical treatment could ill afford the old fares, let alone the increased fares. They have worked—perhaps some have slaved—to ensure the State's progress. They were the pioneers of this State. They started with little else than their faith in God and achieved a great deal that is now ours. Cannot we, with our real heritage, our splendid organizations and with our obvious potential, make some concessions to them? Must we deny them the only travelling facilities most of them have? In New South Wales they travel by tram and bus for half fare and when they use the railways they only pay single fare for a return journey.

I hate to think that at the end of another generation men may say of our time that it was the generation that failed: that although it provided motor cars, wireless, aeroplanes, radar and a host of other things it neglected its poor aged pensioners. Some concession could and should be made for them when travelling by rail to receive medical advice.

I trust that in allocating moneys in the near future consideration will be given to providing a boat haven at Moonta Bay. I take my hat off to the people of Moonta and Moonta Bay for carrying on in the magnificent manner they have since the mining industry closed down. The fishing industry there is a valuable asset to the State, but it could be lost overnight. During the last big blow 17 twenty-footers were washed ashore. Some of these vessels represented the life savings of returned men from the last war. They have had to leave the district because they could not afford to make a fresh start. With a deep sea port such as we have at Wallaroo, my district should be a hive of industrial activity. It has railways, a bitumen road, water, facilities for air fields, a good hospital and facilities for one of the finest shopping centres outside of the metropolitan area. At present a number of shops have closed down, but if the opportunity arose I am sure the business men would gladly re-open them. I have pleasure in supporting the first line.

Mr. QUIRKE (Burra)—As the member immediately following Mr. Hughes, I heartily congratulate him on his maiden speech, which was a good contribution to this debate. He concentrated upon his district and he revealed that he is well equipped and able to augment the debating strength of this House. He exhibited an ability to appreciate and analyse the subjects that come before us.

The total amount of this Budget, £71,615,000, is £5½ million more than last year and it is apparent that increasing costs as well as an increase in the general standard of the State is gradually building our Budget figures to high proportions. Of the total, the tax reimbursement is £17,500,000 or £1,738,000 more than last year, but the special grant of £5,700,000 is £100,000 less than last year. From this source we received £23,200,000. Although the grant come down by £100,000, State taxation at £9,769,000 increased by £459,000. Public works and services brought in £36,866,000, which is £3,162,000 more than last year, clearly indicating that there is an increasing burden

upon the people of this State in order to balance our budget. It is interesting also to note that our State debt increased by £20,350,000 last year. We have a National Debt Sinking Fund to which we contributed £3,220,000. I wonder how long it will take before we can make any appreciable impact on our rapidly increasing incubus of debt when we increase it by £20,000,000 and repay only £3,000,000.

Much has been said about the difficulty people have in obtaining houses. I agree with every member who has addressed himself to the housing problem that it is the problem of greatest magnitude in Australia. A family must have access to adequate clothing and shelter and it is the bounden duty of Governments to see that the family unit—the very basis of our national life—receives those things most necessary to its well-being. This problem has become increasingly difficult over the years and no one in receipt of ordinary wages can afford to purchase a house on present-day building costs. There are two factors bound up in this problem: firstly, the supply of materials. At one time we imposed restrictions on house building and it was necessary to secure a priority to obtain materials. It was not possible to build all the houses required because there were insufficient materials. Some control was necessary then because there were some people who commanded sufficient capital to pay any price for building materials and thus build up a black market. There was a shortage of materials, and people are still feeling the impact of those times, when many people could not build. Now there are plenty of materials to build houses, but another restriction has been placed upon the Australian people; they have not the money necessary to build, so the housing shortage is still with us.

If we extract from the people by taxation the money necessary to build houses they will never be able to get houses. There must be a complete re-orientation of our attitude and our conception of what money is really worth. If we put money on a pedestal, and place it above human values, this country will get what it is asking for.

Mr. Corcoran—It will perish.

Mr. QUIRKE—It must perish. I have taken out some figures which are very interesting. When the Federal Leader of the Opposition was replying to the Federal Treasurer's Budget Speech he laid the greatest blame for the financial stringency in this country and the inability of people to obtain money upon the

profits made by big companies. I shall now give the capital and the profits made by these firms. They are:—

Company.	Capital. £	Profit. £
Broken Hill Pty. Co. Ltd	50,000,000	7,382,000
General Motors Holdens	2,333,000	7,654,000
Australian Consolidated Industries . .	15,000,000	1,500,000
Colonial Sugar Refining Coy.	20,000,000	1,900,000
I.C.I.	25,000,000	2,300,000

The capital of those companies amounts to £112,300,000. They all handle vast quantities of raw materials and employ thousands upon thousands of workers. They are converting raw materials into manufactured goods for the benefit of the Australian people. They take a profit in doing so, but the magnitude of their operations is something that beggars description when we try to analyse all their activities. They made a total profit of over £20,000,000, but the greatest colossus of all, which holds the destiny of this country in its hands, is the Commonwealth Bank, which made a profit of £20,000,000, almost equal to the profit of all those great companies. The profit of that bank represents nothing more or less than unadulterated robbery. Where does it go? Half of it went towards the reduction of our public debt, and the rest into consolidated revenue, so it is collecting in taxation from the people who want money an amount equivalent to the profit of an investment of £112,000,000 by five of the major companies of this country.

That profit of £20,000,000 should never have been exacted by that organization. Its capital is nothing at all, not one penny, either from Government or private sources. Its original charter was for £1,000,000. When Sir Denison Miller was given the job of first Governor of the Commonwealth Bank he had £1,000,000 at his command, but he did not draw on it. He opened a savings bank and upon the savings of the people he founded the Commonwealth Bank. The total amount he ever had was the first amount entered in the books of the Commonwealth Bank—an amount of £10,000, which was repaid in a few months. This is an organization that trades in nothing at all that is tangible, yet it makes that colossal profit which is exacted from the people and which it advances on housing loans and other loans. That is where we must start if we are going to get more houses: we must start on that incubus which imposes on people who want money.

The Commonwealth Bank should never have made a profit of £20,000,000. It doesn't need it, for it gives it away to the Government. In other words, it exacts a profit in the form of taxation in order to boost consolidated revenue. How does it make that £20,000,000? It makes it out of nothing. That profit is only tribute that is exacted from the people on a costless basis to the bank, apart from administration costs. Every penny made is gained from created money. There is nothing wrong with that principle provided that tribute is not exacted from the people. There are some members who were not here when I spoke previously about the Commonwealth Bank, and I want to show them that the bank admits all that I have been saying. What I shall now quote is from a paper called *Currency* which is circulated among the senior Commonwealth Bank employees. This will also be interesting to the member for Burnside. One extract states:—

In a stable economy the role of the note issue is a passive one only, and changes in the volume of notes are symptoms of operation of expansive or contractive forces affecting the economy rather than basic factors causing the expansion or contraction. The note issue is only part of the total money supplied, the greater part of which is represented by bank deposits. It is mainly through its control of bank lending which directly affects the volume of bank deposits that the central bank influences the volume of money available to the community.

Let me give a short explanation of that. Let us assume that I owe someone £1,000 but have not the money. However, I have some assets and the bank will readily grant me an overdraft on them. Nothing happens until I draw the money. Assuming that I owed you, Sir, £1,000 I would draw a cheque and pay it to you. You may not have a bank account, but when you received this £1,000 you would put it in a bank. What happens? There is £1,000 in existence that never existed before. No-one's deposits have been depreciated. There is no reduction on the deposit side; there is actually an increase on the deposit side. No-one today believes that hoary old lie that banks lend their deposits, and the Commonwealth Bank says it does not. What happens if you, Sir, find it necessary to pay that £1,000 back to me? I then liquidate my overdraft with that money. Your deposit is gone, and my overdraft has gone, and that £1,000 has gone out of existence. That is how the enormous amount of money that is handled by the Commonwealth Bank today

came into existence. The bank started from nothing yet today it handles millions and millions of pounds. Its funds have accrued, too, through financing the activities of Australia, but banks never give money away. They always lend the money, and in doing so they create money. Therein lies the answer to the housing problem. If the Commonwealth Bank's powers were used judiciously we would not have the present housing trouble. The extract from *Currency* continues:—

Bank lending operations are of particular economic significance, because they do not merely transfer existing purchasing power from one person or enterprise to another, as loans by individuals or other institutions do, but result in an actual increase in the total purchasing power.

In other words the increase in purchasing power comes through the increase of new money which has been made available by a direct creation. The extract goes on:—

A bank is able to create credit because when the funds it lends are spent they return to it or to other banks in the form of new deposits.

It also said:—

If a bank lends more freely than its fellow banks it will find itself losing cash to other banks as the money lent by it is spent. If banks move roughly together and the central bank imposes no controls on the process of credit expansion, the ultimate limit to it is set only by the need of banks as a whole to keep enough liquid funds against their deposits. If, for example, banks consider a cash deposit ratio of 20 per cent adequate, an additional £10,000,000 of cash deposits would permit them to expand advances by up to about £40,000,000.

In other words, if there were £10,000,000 it could be expanded four times. That is how the banks operate. I am not opposed to banking institutions. We have been told that Mr. Chifley was a financial wizard, but he was not because he did not understand this thing. If he did there would not have been any thought in his mind about nationalization of banks, because that was a completely useless gesture that would have achieved nothing. If Mr. Chifley had said, "All advances from any bank must come from a central credit pool and all repayments of advances must go back to that pool," every bank would have closed its doors or become nothing but a glorified savings bank.

I oppose the nationalization of banks because it will not contribute anything to the benefit of the people. We have a central bank which controls the credit structure and all that banks can lend is the equivalent of the repayments of loans already made. The central organization obtained £20,000,000 from the Australian

people. Do we want to give power to a central organization that will do that? There is a proposal before the Federal Parliament to split up the bank into four banks. That will have as much effect on the banking organization as pouring cold water on it. The power to kill and maim will still reside in the Commonwealth Bank. Certainly the Government behind it has an equal responsibility. It has the power to stop the thing, but is not using it. It is equally culpable as the bank that applauds itself on making such an astronomical profit. Have we any right to criticise people who invest money and make a huge profit? The Commonwealth Bank produces nothing, except on a cost-less basis. Could not that £20,000,000 be used in some way? It would make a fair contribution towards solving the housing problem. If it is possible to make advances in this way could they not be made in the same way for the building of houses? Of course, the loose use of the power could cause violent inflation, but controlled use could provide all the money needed for building houses, and not at high interest rates, only administrative costs.

It is said that there would be inflation following on the expansion of credit, but if £2,500 were advanced in this way for the building of a house how could it be inflationary? The money would be spent on the building materials required. The people who dealt in these materials and the builder would make a profit. It would be only the profit that could be inflationary, nothing else. The cost of producing the various materials would have to be met. Iron ore from Iron Knob goes to the other States and comes back in the form of sheet metal and is used in the making of refrigerators. In the first instance the profit would be to the Broken Hill Proprietary Company. Then the manufacturer would make his profit. Then the wholesaler and retailer would make theirs, and the man who eventually got his refrigerator would pay for all that profit, plus one. He would be called upon, before he could call the refrigerator his own, to meet a deduction of 18 per cent in order to get the necessary money from one of the hire purchase organizations. What is wrong with using the power that will produce £20,000,000? Let the Commonwealth Government come into it and say, "Our charge for hire purchase business on a *credit foncier* basis is five per cent."

Mr. Millhouse—You are saying that the Commonwealth Bank has made £20,000,000 and that the money has gone into general revenue. If that is so, it is being used for some purpose.

Mr. QUIRKE—I do not deny that. I am talking about how they got the £20,000,000. I do not care how the money is spent. I am talking about the power available to make the £20,000,000.

Mr. Millhouse—If it is being used for something it is not necessarily a bad thing.

Mr. QUIRKE—From whom is the money being taken? We could say that the 18 per cent taken by the hire-purchase people is a bad thing when the Commonwealth Bank could make the money available under its own hire-purchase service, and arrange for the purchase of all the requirements of a home at a *credit foncier* charge of 5 per cent, enough to cover administration costs. The Commonwealth Bank is said to be a people's bank, but if it is the people are paying dearly for it.

Mr. Loveday—The money should be used as a means of exchange and not as a commodity.

Mr. QUIRKE—Yes. I have made a study of this matter over the years. When I first studied this matter responsible people in responsible positions hammered away that banks lent their deposits. Everyone who said that was either ignorant of the true facts or a plain liar.

Mr. Millhouse—What specific remedy do you suggest?

Mr. QUIRKE—I thought I had made that clear. The power that resides in the Commonwealth Bank to return £20,000,000 should be used for the building of houses, and I mention houses as only one item. People invest money in hire-purchase business, which is very nice in view of the return. There is not one trading bank that is not from its hands up to its elbows engaged in hire-purchase business. Everybody in complete confidence puts their money into banks and knows that it is all right to do so, but that was not always the position. We have had bank crashes, but we do not have them today. In fact, the whole monetary order is one of confidence by people in something they do not understand. A person will put £10 or £100 into his savings bank account believing that someone counts the money, puts a clip on the notes, and puts them away on a shelf to await the time when he will come back for them. Actually, if there were a run on a bank it could not find more than 5 per cent of its deposit liabilities. There is about £400,000,000 in currency floating about the country, but no more than £40,000,000 is held by all the banks of Australia. The deposits of the savings banks amount to more than £2,000,000,000. It is

obvious that people have complete confidence in something they do not understand and the banks do not betray their confidence.

This is a sovereign State in some respects although we no longer have control over income taxation which we collect, in effect, for the Commonwealth. I wonder what it would cost the B.H.P. Co. to collect taxes from all its employees for the Taxation Department. My annual income would be boosted astronomically if I had what it cost the company. The same system was in operation in the United States, but a woman refused to collect taxation from her employees for the Government. All her assets were taken from her, but she appealed to the highest court in the land which found in her favour and she received everything back plus. I think if a similar challenge were made here the Taxation Department might experience difficulty in compelling any employer to operate as an unpaid tax collector for it. The member for Burnside (Mr. Geoffrey Clarke) said:—

What I am glad to see is that the Leader of the Opposition has at last been converted to orthodox finance and has the certainty, which I share, that money cannot come out of a hat, but must be produced entirely from production in an atmosphere of economic prosperity.

There is no greater fallacy on earth, for the good and sufficient reason that every item of production is mortgaged before it comes into production.

I suggested to the Treasurer a proposition whereby we could use the savings of South Australians for house building by combining the Savings and State Banks as a bank of issue. We would overcome many of our difficulties if that were done. At present the Savings Bank invests its money in Commonwealth loans. It has over £53,000,000 so invested and we have to borrow that money back and pay interest thereon. Baron Rothschild, years ago, after the American Civil War, was asked to come into the Government of the country and he refused. When asked his reason he said, "Let me control the credit of a nation and I care not who makes its laws." There are too few people who really understand that and they include a large percentage of those who sit in banks day after day and many of those who sit in Parliament. We must try to educate them into a knowledge of this. It is no longer a fantastic proposal. The Commonwealth Bank, with a profit of £20,000,000, frankly admits how it was made.

Mr. Hambour touched on something that should be carefully considered by the Minister

of Roads and the Highways Department. The only bitumen roads in South Australia form an inverted triangle centring on the city. We have the Yorke Peninsula road and the bitumen highway from Port Wakefield through Lochiel and Snowtown and the Main North Road which passes through Clare and George-town and on to Port Augusta. Apart from those roads the only bitumen roads that exist in the northern areas are in the townships themselves. It is time good lateral roads were provided. There is a stretch of bitumen from Kapunda to Tarlee, but let anyone try to get straight across country to Bute! There is a road between Morgan and Balaklava, one joining up with the Farrell Flat-Clare-Blyth-Lochiel road, the Orroroo-Wilmington road and several in between. Some attempt has been made to repair one or two of those roads. I agree with the member for Light (Mr. Hambour) in his proposal that a sum of money should be allocated to councils each year to enable them to make a good job of one road at a time. The following year the councils could select another road and put that in good order, and in that way there would ultimately be a network of lateral, all-weather roads connecting with the roads running north and south, and that is badly needed.

I cannot understand how the Highways Department works. A new road runs from Riverton through Saddleworth to Manoora in the member for Light's district; it comes into my district west of Porter's Lagoon and then goes on to Burra. The programme for sealing that road will extend over three years. The road between Clare and Adelaide is being widened and bends are being taken out of it. I do not want it to be thought that I am criticizing that road, because it is a magnificent engineering job and will be superlative when finished. The Port Wakefield-Lochiel-Snowtown road was designed to take the heavy traffic away from the Main North Road, but the latter will become such a magnificent highway that it will attract all the traffic back again because it is the more scenic road. Truck operators have told me that as soon as that road to Clare is finished they will no longer travel on the dreary black strip between Adelaide and Port Wakefield. The cost of widening the road to Clare must be colossal. I repeat that I am not criticizing that road because it will be a wonderful thing for the people who live in that area, but why do it now when it will take three years to build a road where there is no road at all?

The Main North Road could easily have withstood the traffic that it is called upon to carry for another four to five years, and people would have been perfectly satisfied with it because it was a good all-weather road, patching being all that was really needed. That colossal sum of money could be spent on the north-eastern part of the State where there are no bitumen roads. That would have been an ordinary commonsense business proposition, and it would have been a service to the State. I endorse the comments of the member for Light with regard to these lateral roads. It does not mean that there must be an enormous amount of expenditure in any one year, but merely sufficient to provide money for, say, two councils to enable them to do one road a year or even half a road one year and the other half the next. In that way we would be getting somewhere.

At present many councils are equipped with a caterpillar grader costing between £8,000 and £9,000, and they keep the roads in some sort of order by putting down gravel. However, some of the roads in the north are becoming sunken roads. After being graded the surface becomes loose and blows away, and then the rain washes away more of the surface and causes holes. Water tables can no longer be made because the road itself becomes a water table, and when the road gets too deep a channel is cut into the property of some adjacent farmer. I hope there will be some improvement in the roads scheme in South Australia. I have no quarrel with the officers of the Highways Department; in the main the district engineers are very co-operative, but they have no say in what has to be done or what is being done. The department is short of money and the same old haggle goes on again. Anything up to £20,000 is spent yearly on some roads but the work is destroyed each year. In this way £100,000 will be spent and there will be nothing permanent to show for it, whereas this amount would be all that is required to put such a road in first class order.

The member for Wallaroo (Mr. Hughes) this afternoon mentioned the Moonta Mines and the belief of the old miners that there was as much copper underneath as had ever been taken out of the mines. That remains to be proved. However, in looking into the history of the Burra mines I came across an extraordinary document, according to which the Burra mines went into the doldrums when gold was discovered in Victoria and the miners left in such numbers that there were barely

sufficient men left to man the pumps. At that stage the mine was being worked on three levels. This old document written in 1860 goes on to say that when the disillusioned miners returned from the gold diggings and went back to gouging copper ore the lower workings were completely flooded and the pumps of those days could not pump the water away. When those miners were working that lower level there must have been something there, and if it were there when the miners left it is still there because that level has been flooded ever since, and now the whole mine is flooded. That is an interesting addition to what the member for Wallaroo said in regard to Moonta. I would not be prepared to say that there was any copper at Burra, but even modern pumps would take a long time to remove the water.

Several members referred to stocks of hay and the farmers, and I wish to say a few words on that topic. The last rains in 1956 fell in October, and never was there such a prolific year for growth. There was an extraordinary amount of hay baled but not all of it could be baled. Much of the top growth is not worth baling. Baling hay is an exacting and costly operation. There was no rain from October until June, and thus intensive hand feeding was necessary. Because of this position, there is no great likelihood of there being a heavy cut of meadow hay this year, and therefore we will have an extreme danger. So, it means that there should have been sufficient hay cut for two years, but that is not easy to do. In the first place, the manpower is unlikely to be available and then there is the time factor. The period available for cutting and baling hay is comparatively short. I know that some hay could have been baled, but was not. The plant required would cost a minimum of £2,000. A baler would cost from £1,000 to £1,500 and a side delivery rake £300 or £400 and then there must be a mower. A contract baler cannot do all the work offering, and it is possible you will get no hay baled. So, I ask members not to lay all the blame on the farmer, because sometimes there are seasonal conditions which make the task extremely heavy and even impossible if he has not the labour available.

Recently there appeared in the press a report about a "new" agricultural discovery found in the South-East in the sandy, yacca and stringy bark country. It was to the effect that the addition of lime would make

the whole area productive. It is not a new discovery. A previous Director of Agriculture knew all about it 10 years ago, but it was not put into operation. I submitted five questions to the Director, Mr. Spafford, in 1948, and his answers could be re-printed today and would have the same meaning as the latest discovery. I referred to this in *Hansard* in November, 1949. At that time I was a member of the Land Settlement Committee and was convinced that portion of the South-East, particularly on the subterranean clover country where there is an absolute predominance of clover, there would be benefit from the application of lime. The recent tremendous increase in the cost of superphosphate will fall on the users. I should like an investigation into the use of lime on these highly acid subterranean clover soils of the South-East to reduce their acidity and allow the weak acids resulting from compost, organic matter and cattle droppings to make available the residual superphosphate in the soil for plant growth. This would possibly reduce the amount of superphosphate necessary to be added to this land annually. There is much stock disease in the South-East, and I would not be wrong in saying that it is disease-ridden, particularly for sheep.

The treatment of these clover dominant pastures with lime would achieve two things—give the ground the capacity to grow grass, which will not grow on high acidity soils, and enhance the health of stock, because it would provide diversified feed. There would be a mixed pasture of clover and grasses—a balanced feed instead of a feed with a high nitrogenous content, as with clover. The nutritional value of the feed available would be improved and the disease incidence lowered. Mr. Spafford's report is extremely valuable, in view of what has transpired recently. This lime treatment is costly, and one could not afford to put on half a ton to the acre, but one could gradually build up to that, as graziers have built up to 30cwt. or 2 tons of superphosphate to the acre over the years. However, all that superphosphate has not been used, and is locked away in the soil. It remains to be released by reducing

the acidity by an alkaline substance like carbonate of lime, which is limestone rock.

In the ranges in the South-East there are vast deposits of limestone, which are right on the spot where they are needed. Will someone start to mine it and smash it down so that it will pass through the necessary screen, because the finer it is the better it is for application to pastures and the quicker the pastures benefit? It is not a fertilizer; it is a mechanical thing, and it is possible to get too much of it. If the limestone content of the soil is too high, as it is in some of the northern suburbs of Adelaide, some types of fruit trees and some pastures cannot be grown in it. If the soil is too acid these plants cannot be grown in it. They can only be grown at around the neutral point, at about PH7 back to PH5.5. There is the same falling off on the alkaline side of the PH scale.

In view of this, we should investigate the possibility of opening a limestone mine in the South-East, and from the results accruing from it it would not be long before we would be using lime as it is being used in New Zealand today, to the tune of millions of tons per year. It is so valuable to the high rainfall pastures in that country that the Government pays for the first 100 miles it has to be transported, and because of that limestone quarries are dotted all over the country. In the last 10 years in the United States of America the application of limestone to the soil has gone from practically nothing to 40,000,000 tons, yet it is hailed here as a new discovery! Although there are quite a number of subjects I would like to touch on, they can be best dealt with when discussing the lines. I thank members for the generous attention they have given me, and support the first line.

Progress reported; Committee to sit again.

PUBLIC PURPOSES LOAN BILL.

Returned from the Legislative Council without amendment.

ADJOURNMENT.

At 5.04 p.m. the House adjourned until Tuesday, September 24, at 2 p.m.