HOUSE OF ASSEMBLY.

Thursday, October 8, 1959.

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

QUESTIONS.

PROPOSED GOVERNMENT BUILDING.

Mr. FRANK WALSH—In this morning's *Advertiser* appears a report about a proposal to construct a new Government building in Victoria Square. In the past there has been a tendency by people requiring this type of construction to import stone for use in building facades. Will the Minister of Works consider using a local granite known as "Black Emerald" from Black Hill in the proposed building, or, if that is not regarded as satisfactory, Murray Bridge granite, especially for at least a two inch veneer for the first storey? If internal linings are required will local instead of imported marble be used?

The Hon. G. G. PEARSON—The Architect-in-Chief, under the arrangement with the Commonwealth Government, will not be the constructing authority on this building.

Mr. Frank Walsh—You are planning one section, aren't you?

The Hon. G. G. PEARSON—I thought the honourable member was referring to the proposed Commonwealth building. However, this Government has not made any firm decision as to when it will commence its section, but I will draw the honourable member's remarks to the notice of the Architect-in-Chief so that when planning is contemplated his representations may be considered.

RAILWAY LOSSES ON COAL HAULING.

Mr. HARDING—In this morning's *Advertiser* under the heading "Railway Loss on Coal Being Investigated" an article states that the reported loss of £767,000 by the Commonwealth Railways Department on hauling coal from Leigh Creek to Port Augusta was described by the Commonwealth Railways Commissioner in his report as being the difference between the standard rate and what was charged by the agreement between the Commonwealth and South Australian Governments. Can the Premier assure the House that a satisfactory agreement exists between the Commonwealth and South Australian Governments regarding the transportation of Leigh Creek coal to Port Augusta?

The Hon. Sir THOMAS PLAYFORD—I have not seen the report that the honourable member mentioned but I know the circumstances behind it. This involves an internal argument between the Commonwealth Railways Commissioner and the Commonwealth Treasury. The Commonwealth Government entered into an agreement with the South Australian Government for the transfer of Leigh Creek coal to Port Augusta. It was worked out on the basis of cost, as far as it could be determined, and the agreement is of long standing but, as the Commonwealth Railways Commissioner had not approved of the alteration before it was made, he is standing on the legal position that they have to pay him the current book rate on coal until he agrees. He is not likely to agree and it is even more unlikely that they will ever pay him because, as far as I can see, the amount we are paying for the transfer of coal is adequate to meet all costs and, in fact, we believe it is extremely profitable freight to the Commonwealth Railways. That is a matter for argument, but I am sure there will be no additional charges to South Australia and I am equally sure the Commonwealth Railways Department is in an advantageous position regarding the future.

MISREPRESENTATION TO WOMEN.

Mr. TAPPING—This week a man pretending to represent the firm of Kayser Ltd. of Adelaide rang a lady at Semaphore and proceeded to ascertain the details of the undergarments worn by her. His attitude made it clear that he had a perverted mind. I got in touch with the company and ascertained that numerous complaints had been received of the actions of the man who had telephoned many women in the metropolitan area. In some cases he was vulgar. The company, as a result of his actions, is being placed in an unfortunate position, while the women are being placed in an embarrassing position. Will the Premier discuss this matter with the Commissioner of Police to see if there is a solution to the problem?

The Hon. Sir THOMAS PLAYFORD—Yes. It would be useful if the honourable member would write on a piece of paper the address of the lady concernd so that the police could get more information on what is going on and contact the person concerned. I think that the circumstances mentioned create an offenc against the law and that the police would be competent to take proceedings if they could get the necessary information to enable them to carry out inquiries.

NAILSWORTH GIRLS TECHNICAL HIGH SCHOOL.

Mr. COUMBE—I have from time to time asked questions of the Minister of Educatior concerning the acquisition of land for the

Nailsworth girls technical high school, but I understand that little progress has been made on the matter. I now ask the Minister whether he will obtain a report, which he could present to the House, on the future negotiations on the land involved to indicate when this school is likely to be established.

The Hon. B. PATTINSON——There have been protracted and abortive negotiations from time to time but the matter has been taken up again in a different manner and as soon as I have anything to report I shall be pleased to do so.

CLOSURE OF TRAVELLING STOCK ROUTE.

Mr. BYWATERS—Has the Minister of Lands been requested by either the District Council of Meningie or the Stockowners Association or any private individual to close the travelling stock route from Wellington East to Meningie and beyond? If so, has this been considered and who will be able to apply to lease the land if it is closed?

The Hon. C. S. HINCKS—The honourable member indicated yesterday that he would be seeking information on this matter. I did make investigations this morning but, unfortunately, they have not been completed and I shall be able to give the honourable member more information on Tuesday. I understand that the Stockowners Association is agreeable to closing the road, but there is some opposition in the locality.

RIVER MURRAY WATER STORAGE.

Mr. KING—In view of the reports of recent snowfalls in the River Murray catchment areas, can the Minister of Works say what is the position of the River Murray storages as regards water supply for irrigation purposes and other uses?

The Hon. G. G. PEARSON—The honourable member was good enough to indicate yesterday that he would bring up this matter. I have been given a report this morning by the Engineer-in-Chief which, although lengthy, in view of the importance of this matter to so many people it would be advisable for me to read in full:—

Firstly, I advise that there is never sufficient water in sight to provide for South Australia's irrigation and other requirements two years ahead. Storage capacity is insufficient for this purpose and although it is mandatory under the River Murray Waters Act to hold certain reserves in Hume Reservoir and Lake Victoria reservoir at the end of a normal season these reserves must be supplemented by substantial natural flows in the following season to assure unrestricted supplies. If releases from the storages were curtailed on a two-year instead of an annual basis irrigation development along the Murray as a whole would be little more than half the present development.

This year South Australia will require 240,000 acre feet for irrigation purposes and 85,000 acre feet for other diversions, representing a total of 325,000 acre feet. In addition sufficient water is required to take care of evaporation, seepage and lockage losses.

Late in August, it appeared unlikely that sufficient water would be available to meet the full requirements of the States and following a meeting of the River Murray Commission, New South Wales and Victoria took immediate action to restrict irrigation supplies. South Australia was not called upon to take similar action at that time as Lake Victoria was full and ample water was flowing in the River Darling to meet our requirements. The commission decided to meet again on September 25 but in the meantime heavy snow falls and good rains occurred which entirely changed the outlook and the meeting was cancelled. Light rain occurred on the catchment areas on September 14 and this was followed on the following day by approximately 2in. over the Ovens catchment, 2¼in. on the Kiewa, 1in. on the Mitta and 1in. on the Murray.

Lake Victoria is still full and Hume Reservoir is steadily building up. The temporary maximum capacity of Hume is 2,000,000 acre feet. The Hume at present holds 1,700,000 acre feet and the storage should build up to 1,800,000 acre feet by the end of October. With melting snow aided by some spring rains it is likely that the storage will continue to rise during November.

With the improved situation it is likely that South Australia will receive its normal monthly quota throughout the summer and autumn. In these circumstances, the salinity of the water should remain at a low level throughout the irrigation season, particularly as there has been no high River to cause a back-flow of saline seepage water.

LICENSED CLUB ACTIVITIES.

Mr. HUTCHENS—Has the Premier received complaints that many clubs licensed to supply alcoholic liquor to their members are operating to the detriment of the hotels, which are vital to the tourist trade in South Australia; and, if so, is any action contemplated to protect the licensed hotels?

The Hon. Sir THOMAS PLAYFORD—As a matter of fact, I have had no complaints at all from hotelkeepers or anyone associated with them about club activities in South Australia, which have not grown nearly to the extent that they have in other States. I believe that the position that the honourable member has mentioned exists very strongly in Sydney, particularly as the clubs in Sydney also have some, what I may call, "sporting equipment" attached to them, which not only makes them attractive to their patrons but also provides

them with much revenue and enables them to supply club members at prices that could not possibly be charged by hotelkeepers. As far as I know there has been no request from any Hotelkeepers' Association authority about clubs in this State. The only request that has been made is an interesting request upon which Cabinet has not yet come to a conclusion—that during the Festival of Arts next year a special club be established for a few weeks to enable visitors from overseas to have a club available. That application was supported by the Hotelkeepers' Association, so it was not regarded as detrimental by that association. This will be only for a few weeks and a special Bill may be necessary to enable this to be done, but the general answer to the honourable member's question is "No."

PORT AUGUSTA HOSPITAL LIGHTING.

Mr. RICHES—Has the Premier obtained a report from the Minister of Health regarding the installation of an auxiliary power plant at the Port Augusta Hospital, which the hospital board regards as urgent?

The Hon. Sir THOMAS PLAYFORD—I regret that I have not been able to reach finality in this matter, but I will try to finalize it, possibly over the week-end.

SHEEP GRAZING ON ROADS.

Mr. HALL—Some land owners in my electorate are worried about flocks of sheep that are being grazed on the roads, as they find the sheep are bringing in strange weeds to weed-free areas. Some flocks are driven the required distance each day—I believe it is five miles—but in some cases that is doubtful and the land owners would like to know if there is any regulation to prevent the spread of these noxious weeds by stock that are not genuinely travelling on the road for the purpose of moving from one place to another, but are using the road only for feed purposes. Can the Minister of Agriculture comment on this?

The Hon. D. N. BROOKMAN—I will consider the question and give a reply next week.

MINING OPERATIONS AT OPAL FIELDS.

Mr. LOVEDAY—Certain special mining leases have been issued to companies operating at Andamooka and Coober Pedy and using bulldozing equipment to secure opals. My question refers particularly to what has happened at Andamooka. Last week a woman was nearly killed there while searching for opals in one of the cuts left by bulldozers. Last weekend I examined these cuts, and found that they had been left with vertical walls and, in some cases, an overhang. When the wall dries out it becomes very dangerous, but people nevertheless seek opals close to it. Other accidents have occurred previous to the one I mentioned. In view of these circumstances will the Premier, through the Minister of Mines, see that instructions are issued to these companies not to leave walls in a dangerous condition, and will he supply full details of the special mining leases granted to Andamooka Enterprise Ltd. and Commonwealth Overseas Sales and Services Ltd. at Andamooka, and to Carter and Kemp at Coober Pedy?

The Hon. Sir THOMAS PLAYFORD—Yes.

BUSH FIRES ADVISORY COMMITTEE.

Mr. RALSTON—Under section 3a of the Bush Fires Act statutory provision is made for the appointment of a committee of nine called the Bush Fires Advisory Committee, and the committee to report to the Minister from time to time as to the best means to be taken to prevent or extinguish bush fires. Can the Minister of Agriculture say whether the committee has met and, if so, whether any new methods were recommended that would be an improvement on those then existing, and, if they were recommended, can the Minister indicate what the recommendations were?

The Hon. D. N. BROOKMAN—This committee has been meeting for a number of years and is the basis of most of the Government's recommendations to Parliament in the form of amending Bills. It assesses and comments on all the suggested amendments to the Act which come in, and which, as I have previously stated in this House, are very numerous. This committee gives most valuable advisory assistance to the Government. Probably in a year it deals with more than 100 questions.

FREE BOOKS FOR SCHOOL CHILDREN.

Mr. CLARK—Some concern has been expressed to me recently regarding the method of issuing, to those entitled to them, free books to school children. I have always understood that every care was taken to avoid undue publicity and embarrassment to such children. Can the Minister of Education inform me what is the usual procedure, or what instructions have been given to the schools regarding the issue of these books?

The Hon. B. PATTINSON—I have also recently had some complaints on this concerning the embarrassment caused to some

children and their parents. I assure the honourable member that it causes me much embarrassment also, because I feel strongly that there should be no differentiation in treatment at all. I have laid that down for several years now and notices have been issued in the *Education Gazette* to that effect and in circular instructions to heads of schools. Last month I received an official complaint from the president of the Association of Civilian Widows. I assume that the honourable member has received the same complaint, which embarrasses me very much. From investigations I have made from time to time I think there has been cause for complaint, but they have been only in isolated instances. In my view they should never occur at all, because every head of a school and every teacher should know what is the established practice. My most recent investigation was in the last month or so from typical heads of schools, and those consulted say that no differentiation has been made in the schools between the three groups of children concerned, namely, those who paid, those who are repatriation children, and those on the free list. All heads of schools and teachers generally have been impressed with the need for the greatest care to be taken to preserve inviolate the knowledge of which children are on the free lists. As I said earlier, instructions have been printed from time to time to that effect in issues of the *Education Gazette* which are read, or are alleged to be read, by all school teachers throughout the Education Department. One part of the latest notice which appeared in the September issue of the *Gazette,* in large type, is as follows:—

N.B.—Head teachers, or those issuing books to children, must observe the greatest care to see that no embarrassment is caused to children entitled to receive free books. Such entitlement is a right.

The instruction continues:—

It is wrong for children who receive free books to be told to wait until others are served or to stand in a line to be singled out for special attention. They should take their place in the normal routine of applications.

Then follow detailed instructions as to what the head of the school should do. As the matter has been raised by the honourable member, I repeat what I have said to the Association of Civilian Widows and to other bodies of persons who have complained from time to time: that I would be very grateful if they would supply me, the Director, or an officer of the Education Department with any particular instances and I will have them very quickly examined, and if there is any valid cause for the complaints I will soon have it rectified.

SOUTH-WESTERN SUBURBS DRAINAGE SCHEME.

Mr. FRANK WALSH—As the report of the Public Works Committee on the south-western suburbs drainage scheme has been presented to Parliament, can the Premier say whether the Government will introduce the necessary legislation this session with a view to permitting the work to proceed?

The Hon. Sir THOMAS PLAYFORD—Some consultation has already taken place between the Ministers concerned in this matter since the report was tabled, and the Minister of Local Government is at present having a Bill prepared for submission to Parliament this year. One or two rather minor matters have to be ironed out, but I do not think they will occasion any difficulty, and I do not think there is any doubt that the Bill will be introduced this year.

LIFT SLAB BUILDING METHOD.

Mr. COUMBE—I recently asked the Minister of Works a question concerning the type of construction being carried out on a new hotel at North Adelaide, known as the lift slab method, and particularly whether this would be of any assistance to the Architect-in-Chief's Department in the construction of public buildings, including the new Teachers College to be built at Kintore Avenue. Has the Minister a report on this matter?

The Hon. G. G. PEARSON—I put the matter to the Architect-in-Chief and subsequently discussed it with Mr. Lees, the Principal Architect, who advised me that on a fairly recent visit to New South Wales he investigated this method of construction in Sydney with a view to its possible application to the building of the new Teachers College. The report is lengthy, but I would summarize it in these terms: firstly, it is agreed, I think, that the lift slab method does offer some advantages in the speed of erection. The floors are cast, as the honourable member well knows, on the ground and raised into position as required. People who are using this construction method in other States have informed us that, although it offers some advantages in speed, almost invariably it is much more costly and its application to the proposed Teachers College would possibly involve the Government in an additional expenditure of £100,000. That is borne out by statements from the New South

Wales constructing authorities who have given us estimates of their costs for comparable buildings.

Also, at the Teachers College the floor part of the building has to be built in such a way that the internal divisions of the building can be varied as future requirements dictate without undue inconvenience or additional cost. That means that each floor must be self-contained and self-supporting. The area of each floor is somewhat larger than has ever been attempted under the lift slab method. In addition, lifting the floors into place requires that there shall be a clearance between the actual edge of the floor and the steelwork—sometimes up to three feet—and this would not fit into the design of the Teachers College because it is proposed that all columns and walls should be flush and that no columns should intrude into the building at all. Under the circumstances, although the Architect-in-Chief proposes to keep this method of construction well in mind, it would not be applicable to the requirements of the Teachers College.

CONTROL ON SMALL BOATS.

Mr. BYWATERS—On several occasions I have asked questions about the imposition of controls on small boats, and I believe the Premier has a further reply.

The Hon. Sir THOMAS PLAYFORD—The Harbors Board is preparing regulations to ensure the manning of fishing craft by qualified persons and to provide that the boats are seaworthy and equipped with the necessary lifesaving appliances. No action is being taken to formulate regulations for the registration and survey of small pleasure craft because such regulations could not be promulgated until legislative authority is provided. If it were provided I think it would be almost impossible to police other than perhaps through local councils. However, special action is being taken in respect of the larger fishing vessels that go to sea.

ST. VINCENT GULF FISHING.

Mr. HALL—Has the Minister of Agriculture a reply to the question I asked recently about fishing in St. Vincent Gulf?

The Hon. D. N. BROOKMAN—Several inspections have been made of the area referred to by the honourable member and a number of people were interviewed, but no-one gave information about any illegal practices and no offences were detected. The area, however, will be subjected to further inspections in future.

CONCESSION FARES FOR PENSIONERS.

Mr. CLARK—Pensioners in Gawler deeply appreciate the rail concessions that have been granted, but are somewhat concerned that 9.30 a.m. has been determined as the end of the early peak hour. The situation at Gawler is slightly different from that in the metropolitan area, because most of the peak traffic leaves Gawler for Adelaide shortly after 8 o'clock, and if pensioners cannot travel at concession rates until after 9.30, the earliest train they can catch leaves at 9.55. Can the Premier say whether it would be possible to vary the time limit for this particular town in view of the fact that it is some distance from the city?

The Hon. Sir THOMAS PLAYFORD—I will refer the question to the Minister of Railways to see whether it is possible to make any adjustment. The whole basis of the concession, of course, was that it would be used at times when there would be seating capacity in the vehicles for pensioners.

COMMUNITY HOTELS: EXEMPTION FROM INDUSTRIAL CODE.

Mr. FRED WALSH—My question relates to the interpretation of a definition in the Industrial Code, and arises from the fact that the management of a community hotel, when it was pointed out that they were working contrary to the provisions of the Country Hotels Award, sought to make a contract with one of its employees engaged on laundry work, which is a classification within the award. We believed that was contrary to the provisions of the award and of the Industrial Code. When the matter was taken up with the Chief Inspector of Factories he advised that, in his opinion, being a community hotel it was exempt from the provisions of the Code and he quoted a case that came before the court in 1953 dealing with community hospitals. Our submission is that there is a considerable difference between community hospitals and community hotels. The Chief Inspector contended that because community hospitals were ruled by the court as being outside the scope of the Industrial Code, community hotels were in a similar position. Will the Premier request the Minister of Industry to obtain a report from the Factories Department on the opinion expressed by the Chief Inspector of Factories in the matter of community hotels being exempt from the provisions of the Country Hotels Award, and will he have such opinion examined by the Crown Law Office?

The Hon. Sir THOMAS PLAYFORD—Although I have been acting as Minister of Industry during the absence through illness of the Minister, this matter has not come to my notice, though it may have been dealt with on an administrative basis. I will have it examined and advise the honourable member in due course.

THE BUDGET.

In Committee of Supply.

(Continued from October 7. Page 925.)

Grand Total, £80,323,000.

Mr. DUNSTAN (Norwood)—In speaking to the first line I desire to make some general comments on general economic subjects, and I will reserve some detailed complaints to the individual lines. At the outset let me dispose of one matter which is not germane to my general argument, but which I should deal with. The member for Light (Mr. Hambour) saw fit to draw attention to a passage in the Treasurer's speech pointing out that it had been alleged in South Australia from time to time that, while this State was under the Grants Commission and was a claimant for special grants, had it enlarged its deficit and spent more on social services, it could have had a larger reimbursement from the Commonwealth. I have often made that allegation. I have referred to various parts of the Commonwealth Grants Commission's report which supported that view, a view which was brought to my notice, not merely by my own reading of the report, but by members of the Department of Economics at the University of Adelaide who have been extraordinarily perplexed as to why the Government should not have been claiming money from the Commonwealth which it could clearly have had. They cannot account for it, apart from a political view; nor can I. So the Treasurer has chosen in his speech simply summarily to say that is not so without dealing with the Commonwealth Grants Commission's report I have cited. This is not the first time that we have heard from the Treasurer that something is not so because it is something which he would not like to be so or something he would not like members to think was so. The honourable member for Light said we could accept the assurance of the honourable the Treasurer, but I do not accept any such assurance without proof and, obviously, since the member for Light wants to believe that black is white on this occasion, he will believe it when the Treasurer tells him it is so.

I turn now to the general purpose of budgeting within the State. There is a naive view expressed from time to time that the Budget of a State Government is merely an accounting; a piece of bookkeeping by a State; that it has no further purpose than to raise sufficient moneys for certain State activities and to balance the books. That is a view which is no longer tenable in modern economic theory, although I think that is probably the view advanced by the member for Mitcham on his general view of the economic situation. Let me turn to what is the general basis of modern budgetary policy in the post-Keynesian era. I quote from page 173 of *An Expenditure Tax* by Nicholas Kaldor:—

> The Keynesian revolution has meant, in the field of public finance, that taxation is no longer looked upon as a means of finding the money for the expenditure of the Government, but as one of the primary weapons in the Government's armory for insuring general economic and monetary stability. One aspect of this new conception of functional finance (to borrow Mr. Lerner's phrase) is that the amount to be raised in taxation is regarded as being governed by the totality of economic conditions, and not simply by the financial needs of the State. A second, and perhaps an even more significant, aspect is that from an economic point of view, the kinds of taxes imposed are no longer regarded with indifference, since it is recognized that the effect of a given amount of taxation will vary according as the money is raised through one sort of tax or another. The primary economic objective of the financial policy of the Government in a modern State (as was officially recognized in the famous White Paper on Employment Policy (the Beveridge report) on employment policy during the war) is to secure a stable and progressive economy: and this is interpreted as a high and stable level of employment, the maintenance of a stable level of prices, and an adequate rate of capital accumulation for steadily rising standards of living. The primary purpose of taxation is to restrict private spending to the point where it no longer exceeds the amount which, given the claims of the State, can be made available—in other words to ensure that the total of public and private spending is adequate, and no more than adequate, to secure the full utilization of economic resources. According as the community's inducement to invest is high or low, and the propensity to save out of current income is small or large, this objective may require more or less to be raised in taxation than corresponds to current Government expenditure—that is to say, it involves budgeting deliberately for a surplus or a deficit.

That a Budget can be used as an instrument of social engineering is true as far as it goes. There is a tendency for those people within the Liberal Party who are bothered to read something of modern economic theory—

and they do exist—to say that economic stability may be achieved in two ways: by the use of the Budget in the way I have just described as summarized so succinctly by Dr. Kaldor, and by the use of Central Bank credit controls to control the general level of credit within the community. The difficulty about that view is that firstly there are difficulties in the way of various kinds of imposts applied by the Commonwealth and State Governments and, what is more, the mere use of Central Bank credit controls, while these may control the volume of credit within a country, cannot effectively control its direction.

Where does that lead us? True, in certain circumstances the Central Bank, if a private banking institution chose to put investments into the field which the Treasurer or the Central Bank thought was to the detriment of the economy, might call up so much of that bank's liquid reserves as to penalize it and force it to borrow at penal interest rates from the Commonwealth Bank to maintain some basis of liquidity. This, it is alleged, could bring the private banking institutions into line, but although the Commonwealth Bank has done that once or twice there has been a reluctance on the part of Dr. Coombs (Governor of the Bank) to do it and in these days Central Bank credit control cannot control the myriad other financial institutions developed in Australia which do not come under any form of Central Bank credit control at all. Today the insurance companies, the unit trusts investment system, and the hire-purchase companies have in themselves become bank institutions because money can be deposited with a hire-purchase company.

Mr. Quirke—And on longer terms than you can get from banks.

Mr. DUNSTAN—Yes. They are not subject to any form of credit control and the result in Australia has been a form of investment that is to the considerable detriment of this community. Today we have a completely cock-eyed economy in which the cream of our investment is going to hire-purchase finance and it is money at hire-purchase finance rates of interest, which means that ordinary public investment cannot effectively compete for the finance we need. That means that today, instead of a man being able to go to his bank or a State institution to get moneys for the things that he needs for development, he cannot get it effectively from any State institution at reasonable rates of interest or on overdraft from his bank, but his bank will tell him to go to the hire-purchase company in which the bank has an interest. It is well-known that people in country areas go to the English, Scottish and Australian Bank to ask for overdraft facilities. Many have been told that money is tight and they cannot get an overdraft, but that, if they walk around the corner of the counter and talk to the manager of the bank as the manager of ESANDA Ltd., they will be able to get money at hire-purchase rates of interest.

Mr. Quirke—That is an organization owned wholly by the bank.

Mr. DUNSTAN—Yes, and in cases of other banks the customer is referred to a hire purchase company in which the banks have seen fit to invest moneys. They themselves, as I have said, are becoming banking institutions subject to no form of Central Bank credit control. These are matters, of course, for Commonwealth financial policy. There is not much we can do about bank credit control but there is something that we can do within the State in the way of social engineering—planning the future of the State in the development of its financial and economic institutions through our budgetary control.

At the moment, the taxation within the State is designed, I think, to do two things. Firstly, with such taxes as stamp duty and land tax, the aim is not to achieve any social purpose but is merely to raise sufficient revenue to be able to cope with the State's needs. Secondly, there is a tax, however, that does seek to do a certain amount of re-distributing of income, and that is in respect of succession duties. It has been the policy of the State to take moneys at the time of death and to say to people in the community that they shall not inherit moneys they have not made for themselves without paying something to the State for doing so. I do believe in succession duties, but I do believe also that a man should be able to pass on what is a reasonable amount to care for the dependants whose welfare he had assumed during his life. As far as other people and institutions are concerned—strangers in blood, homes for this, that and the other—I see no reason why they should get any heavy windfalls of accumulated wealth to which they have not contributed. I do believe that at the higher levels of the passing on of accumulated wealth the tax should be heavily progressive, but at the lower levels, when money is left to dependants, there should be considerably greater exemptions than exist at the moment.

Mr. Millhouse—Is the honourable member including all forms of charitable institutions?

Mr. DUNSTAN—Yes. I say this not because I think that charitable institutions are bad things in themselves but because I think that a great many of them that we have at the moment are community institutions and should not be run by charity. Such an institution should be kept by the expenditure of the community as a whole.

Mr. Millhouse—It should be run by the State?

Mr. DUNSTAN—Yes. For instance, the Children's Hospital should not be a charitable institution. It is wrong that it should be so; it is wrong that it should depend on badge days on North Terrace.

Mr. Loveday—Special consultants run money-raising schemes.

Mr. DUNSTAN—There is a gentleman who is a personal friend of mine and for whom I have the greatest regard who does that, but I do not agree with the general system. Apart from this succession duty tax, there is something that we can do in the way of planning the future economic development of this State far more effectively than we do, by means of budgetary policy. I have raised this matter in the House before. I do believe that the basis upon which we levy taxes at the moment in Australia—and this applies in many other parts of the British Commonwealth—is improper. On this I agree with Hobbes—and let me quote what he says:—

The Equality of Imposition consisteth rather in the Equality of that which is consumed, than of the riches of the persons that consume the same. For what reason is there, that he which laboureth much, and sparing the fruits of his labour, consumeth little, should be more charged, than he that living idlely getteth little, and spendeth all he gets: seeing the one hath no more protection from the Commonwealth than the other? But, when the Impositions are laid upon those things which men consume, every man payeth Equally for what he useth. Nor is the common wealth defrauded by the luxurious waste of private men.

I believe that is a just basis for the laying on of impositions by the State, and I think most honourable members will agree with me. So, what do we do now? We tax what we call "income"—that is, we tax not the whole of the accruing annual wealth of an individual but what we narrowly call "income," excluding capital gains, excluding the unearned increments not spent—and I do not think that is just at all. The basis upon which we ought to tax is the amount that a man spends upon himself. The money he does not spend upon himself he saves, and what he saves is invested. Indeed, the whole theory of employment, interest and money that Lord Keynes advanced and that has become the basis of economic theory in the whole of the British Commonwealth was that savings equalled investment. Let me read to honourable members what he said in *The General Theory of Employment, Interest and Money*:—

In the previous chapter Savings and Investment have been so defined that they are necessarily equal in amount, being, for the community as a whole, merely different aspects of the same thing. Several contemporary writers (including myself in my Treatise on Money) have, however, given special definitions of these terms on which they are not necessarily equal. Others have written on the assumption that they may be unequal without prefacing their discussion with any definitions at all. It will be useful, therefore, with a view to relating the foregoing to other discussions of these terms, to classify some of the various uses of them which appear to be current.

So far as I know, everyone agrees in meaning by Saving the excess of income over what is spent on consumption. It would certainly be very inconvenient and misleading not to mean this. Nor is there any important difference of opinion as to what is meant by expenditure on consumption. Thus the differences of usage arise either out of the definition of Investment or out of that of Income.

Let us take Investment first. In popular usage it is common to mean by this the purchase of an asset, old or new, by an individual or a corporation. Occasionally, the term might be restricted to the purchase of an asset on the Stock Exchange. But we speak just as readily of investing, for example, in a house, or in a machine, or in a stock of finished or unfinished goods; and, broadly speaking, new investment, as distinguished from reinvestment, means the purchase of a capital asset of any kind out of income. If we reckon the sale of an investment as being negative investment, *i.e.*, disinvestment, my own definition is in accordance with popular usage; since exchanges of old investments necessarily cancel out. We have, indeed, to adjust for the creation and discharge of debts (including changes in the quantity of credit or money); but since for the community as a whole the increase or decrease of the aggregate creditor position is always exactly equal to the increase or decrease of the aggregate debtor position, this complication also cancels out when we are dealing with aggregate investment. Thus, assuming that income in the popular sense corresponds to my net income, aggregate investment in the popular sense coincides with my definition of net investment, namely the net addition to all kinds of capital equipment, after allowing for those changes in the value of the old capital equipment which are taken into account in reckoning net income. Investment, thus defined, includes, therefore, the increment of capital equipment, whether it

consists of fixed capital, working capital or liquid capital.

Lord Keynes has pointed out that savings and investment so defined—aggregate savings on the one hand and aggregate investment on the other—are equal in the community; therefore, what we ought to be taxing is consumption, that is, what a man spends and not what he saves, because what he saves is what is invested. That is not what we do: we tax not merely his personal spending, but also his savings. We tax his investment if this comes from his income, There is a proper way of doing these things—firstly, taxing a man on the basis of consumption; secondly, encouraging him to save, because you exempt his savings from such a tax; and thirdly, directing the kind of investment you want by determining what investments you will exempt. This is a proposal which has been put forward most cogently by Dr. Kaldor and which is widely preached in schools of economics today.

It is not practical to substitute completely an expenditure tax of this kind for income tax, simply because the complicated nature of the return involved would make the administrative difficulty for the State too great in relation to the whole of the working class. However, what can be done is to use the consumption or expenditure tax in conjunction with income tax, and to levy consumption tax on consumption over a certain basic level; say, as a start, expenditure for personal consumption above £1,500 a year. In those circumstances we would not be collecting any less taxation than if we left it as wholly income tax, because the tendency would always be to exempt expenditure on personal consumption at the lower levels, but by this scheme a lot of people would be caught who are not now caught at all.

In this community are people who are living not only from income but from capital gains. Many other communities in the world have imposed a capital gains tax. The United States of America, which cannot be said to be a socialistic country, and which certainly is not a Socialist country, has imposed such a tax. It is a perfectly just tax for, in actual fact, capital gain is just as much income to an individual as what we now define in this community as income. If a man, by virtue of the economic changes in the community, has a sudden increase in the value of his assets, that is something he has not gained by his own effort, but is a present made to him by the community. If he then realizes on his assets he has, in effect, a gain in income, but we do not tax it.

If a man chooses to play the Stock Exchange and makes a nice little sum from it, so long as it is not his business it is not taxable; if a man chooses to play the real estate game his capital gains are not income and therefore not taxable if he does not make a business out of it; or if a man chooses to play the horses and makes a hefty amount, that is not taxable either, so long as it is not his business. It is not taxable in any of these cases, yet what the man does is to take that money and spend it on himself; in other words, it is a dis-saving. It is money he takes from the community and spends, not saves, and that is what we should be taxing, as Hobbes cogently said, but we are not. We have people in this State who are tax dodgers, and anyone who has read the two recent issues of *Nation*, a fortnightly review published in Sydney, will know the extent to which tax-minimizing and tax-dodging can go on among professional men. They do not get caught, as there are all sorts of completely legitimate and legal schemes. I am talking, not about the people who falsify their returns, but about those who go in for tax-minimizing through one of the tax-dodging schemes that are perfectly legal under our income tax law. Under one old scheme professional men make their wives into a company which runs the services for the partnership and charges the partnership for these services, a director's fee is paid to the wives and they are given a large amount in superannuation, which is a tax deduction.

Mr. Clark—That is quite common.

Mr. DUNSTAN—More and more people are doing it. Real estate people have gone into it a good deal. Indeed, one lawyer and one accountant in South Australia are making an enormous amount out of doing very little else than putting these schemes into force—that is, the multiple company dodge.

Mr. Clark—I know one who is doing very well.

Mr. DUNSTAN—So do I. By a racket of this kind—I do not mean it is illegal, but a way of getting out of income tax—they get money which they may spend without paying tax on it, and in consequence may live without paying taxation on a very much higher level than is calculated by the income tax laws of the Commonwealth. Constitutionally it is difficult to do anything about it in view of the definitions of income tax laid down by our courts. In these circumstances there is a large field for legitimate taxation in South

Australia on which we are missing out. The member for Burra (Mr. Quirke) has said that at the moment our State is starved for money, and that is quite true. Time and time again I have pointed out in this House that we are spending on social services approximately £5 per head of population less each year than Tasmania and Western Australia. That is a shocking state of affairs. We cannot now hope to get from the Grants Commission the moneys that will go far towards making up that difference as we can no longer go to the commission except in circumstances of exceptional and dire distress. We can, however, get it by levying an expenditure tax on taxable capacity that is clearly here and which nobody is catching at the moment. No clear figures are available at the moment from any statistician of the distribution of income in South Australia or the community, or the distribution overall by States, as these figures have not been compiled, but an approach to these figures has been made by statisticians, and the general view is that the differences in income and personal spending available in South Australia are generally greater than the average for the rest of Australia. Our distribution of money available for spending for personal consumption is worse from the point of view of general equality than that of the other States. I believe, in consequence, that the consumption and expenditure tax I have suggested should provide us with extra moneys for the revenues of this State, and in addition it could be a means by which this State could direct the kind of investment it wanted, because it would make the exemption for the investment that was proper, but refuse the exemptions on the kind of investment the State did not like. Therefore, it would not have to rely, as the Commonwealth Government sought to rely, on Central Bank credit controls which, as I have suggested, are ineffective. This is not the only piece of social engineering to which I want to refer. There is something that must be allied to a budgetary policy: the control of the structure of business activity in the State. Of course some members do not believe there should be any kind of control. For instance, I refer to the views I have heard expressed by the member for Mitcham (Mr. Millhouse) and I have heard him quote from an article in a publication called *The Free Man.* I admit readily that it is not a publication to which I subscribe. He quoted this on one occasion:—

Historically, the concept of "a just price dictated by a disinterested third party" has usually been offered as the solution of this seeming dilemma. This concept has persisted in the affairs of man since earliest time—since ancient man first congregated into groups of three or more, thus making it possible for one person to interject himself into the economic affairs of two other persons.

The honourable member then went on to say:—

What is a just price for shoes or wheat or a day's work in this economy? There is no one just price for all shoes sold today. Justice, as already analysed, rests on freedom of exchange for each pair of shoes, between the store that offers it for sale and the consumer who considers buying it. So the only way to have justice in the price for shoes today is to have free trade and free terms of exchange for each and every separate deal. Justice in prices, then, precludes any legal or authoritative degree of price for any trade of anything. In a free economy where personal rights are concerned, there is no national price of anything; there are innumerable prices, trade by trade.

That view, apparently expressed by the Professor of Marketing at Cornell University, is so naive that I should have thought the rest of the faculty, in view of the history of the United States of America, would have to take several powders at once. It is a complete denial of the modern economic facts of life. There is no such thing generally within our economy today as free trade. There is not a free market. Of course, the honourable member is not the only person in the Liberal Party who has had something to say about this. The Treasurer himself well knew, and well knows, what the situation is; and I have been glad to read his views because they are completely true. The Treasurer had this to say when delivering the William Queale Memorial Lecture:—

I must admit that today there is a tendency to take the profit motive to extremes. Profit margins are increased in times of scarcity or, when prices competition has been eliminated, by the formation of cartels or associations. This is not the general rule, but it has become too frequent to be ignored. The criticism in my opinion is not against making big profits but rather against making big profits by restrictive trading methods and over-charging the consumer for the services which have been rendered. If a manufacturer by his ability to produce more cheaply than his competitor is able to make increased profits, he does no-one any harm and does the community much good. If he can make a superior article for which the public is prepared to pay more, he surely is entitled to his reward. The fact that he secures a big profit is not in itself evidence of the existence of any matter that requires public condemnation or criticism: rather the reverse. His successful methods will be copied by others. His large dividend will inspire other enterprises to commence operations. It may even induce overseas capital to come in. For

these reasons I am opposed to an excess profits tax.

The reasons the Treasurer advanced there are exactly the reasons Professor Kaldor advanced against the excess profits tax, and he says that the matter can be better dealt with by the type of tax I have advocated. The Treasurer in his address then went on to say:—

I believe that the introduction of such a tax would have the worst possible reaction on overseas investors. I believe it to be unjust in its conception and destructive to efficiency in its incidence. Any discriminating profit control must always victimise the efficient. The thing to be controlled is, I think, quite different. Associations have been formed in Australia which have set out, by various means, to stifle competition by restrictive practices, and controls maintained by economic pressure. This is not a purely local problem. It exists in Great Britain, America, and Europe, and in all these countries there is legislation to deal with it. Under the British legislation a committee is set up which reports periodically on exclusive dealing, collective boycotts, rebates and other discriminating trade practices. British Ministers have wide powers of making orders to prevent such conduct. We have, of course, in South Australia the Fair Prices Act which was assented to in 1924. This enables the Board of Industry to enquire into combines by which prices are fixed to the public detriment, but, for various reasons, this legislation has never been operative. Indeed, it does not deal with the general question of restrictive trade practices. Legislation in Australia on such practices is difficult to design, owing to the Federal nature of the Constitution, and up to the present the only possible way of dealing with restrictive trade practices in this State has been through the Prices Department.

With great respect to the Treasurer, I do not agree with his views as to why the Fair Prices Act has been inoperative. I intend to review, for the information of honourable members, the working of the fair prices legislation and, while I will point out that the working of the legislation has been made difficult by the extraordinary interpretations of the courts from time to time, I will give honourable members chapter and verse for that statement. Nevertheless, it is a fact that restrictive trade practices legislation could be of some use, but what was the situation here? The Fair Prices Act was brought in by the Gunn Labor Government. There were at that time a few references under it. When Labor again came into office in 1930, there was the depression, when associations of this kind universally broke down. Therefore, there were no references under the Fair Prices Act. When the Liberal Party again assumed office and we got out of the depression, normally these associations came steadily into force. They came heavily into force during the war, and there has been a steady concentration of capital control and restrictive trade association within Australia in the last 30 years. It has made an alarming advance in some instances.

I do not want to refer in detail to the pioneering study of Mr. Wheelwright on the ownership and control of Australian companies. This was the kind of study following on the Berle and Means investigation in the United States of America which many people had sought in Australia for a long time. That study was difficult because of the extraordinary lack of information which our Companies Acts require of joint stock companies in Australia, and therefore it was not possible to go as far in the investigation as the Berle and Means had gone in the U.S.A. But suffice to say that there is a very high degree of concentration in the Australian economy. The largest 75 firms own 45 per cent of the total fixed assets in manufacturing. The steel and glass industries are in the hands of a single firm in each case, 70 per cent of the paper industry and 50 per cent of the rubber industry are in the hands of yet another single firm in each case, and so on in many important industries.

Apart from that concentration of control in certain industries into single companies or groups of companies, there are in addition the retail trade and wholesale trade associations which practise price fixing and price maintenance of the kind I have described. This problem of price fixing and price maintenance and association amongst private and public companies in this way is old. As the member for Mitcham said, this is not a new thing, and not something that the Government started to get worried about yesterday. There was at common law an offence which has never been abolished in South Australia, although I know of no indictments for it, and that is the offence of engrossing. Engrossing, although it was abolished in England in the 1860's, appears still to be part of the common law of this State, and that is the indictable offence of retail price maintenance. However, most people seem to have forgotten about it, and it does not occur in modern criminal law textbooks. The development of this kind of activity was clear in the United States back in the latter part of last century, and after various attempts at legislation it resulted in the passing of the Sherman Anti-Trust laws. Those laws are still in force in the U.S.A., and I shall read to honourable members the first three sections, as follows:—

Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is hereby declared to be illegal. Every person who shall make any such contract or engage in any such combination or conspiracy, shall be deemed guilty of a misdemeanour, and, on conviction thereof, shall be punished by fine not exceeding 5,000 dollars, or by imprisonment not exceeding one year, or by both said punishments, in the discretion of the court.

Section 2. Every person who shall monopolize, or attempt to monopolize, or combine or conspire with any other person or persons, to monopolize any part of the trade or commerce among the several States, or with foreign nations, shall be deemed guilty of a misdemeanour, and, on conviction thereof, shall be punished by fine not exceeding 5,000 dollars, or by imprisonment not exceeding one year, or by both said punishments, in the discretion of the court.

Section 3. Every contract, combination in form of trust or otherwise, or conspiracy, in restraint of trade or commerce in any territory of the United States or of the District of Columbia, or in restraint of trade or commerce between any such territory and another, or between any such territory or territories and any State or States or the District of Columbia, or with foreign nations, or between the District of Columbia and any State or States or foreign nations, is hereby declared illegal. Every person who shall make any such contract or engage in any such combination or conspiracy, shall be deemed guilty of a misdemeanour, and, on conviction thereof, shall be punished by fine not exceeding 5,000 dollars, or by imprisonment not exceeding one year, or by both said punishments, in the discretion of the court.

It is true that the United States ran into difficulty in administering the Sherman Anti-Trust laws, but the purpose of those laws has been to prevent the rapid concentration of capital control which we see taking place in this country today. It was able for a while to limit retail price maintenance, and so, of course, the retail trade association got to work to see whether they could get around it. What the country did was to pass a number of laws in a number of States authorizing retail price maintenance under the laws of those States. That arrangement culminated in a Federal law—the Miller-Tydings Act—which said this:—

Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is hereby declared to be illegal: Provided, That nothing herein contained shall render illegal, contracts or agreements prescribing minimum prices for the resale of a commodity which bears, or the label or container of which bears, the trade mark, brand, or name of the producer or distributor of such commodity and which is in free and open competition with commodities of the same general class produced or distributed by others, when contracts or agreements of that description are lawful as applied to intrastate transactions, under any statute, law, or public policy now or hereinafter in effect in any State, Territory, or the District of Columbia in which such resale is to be made, or to which the commodity is to be transported for such resale, and the making of such contracts or agreements shall not be an unfair method of competition under section 5, as amended and supplemented, of the Act entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," approved September 26, 1914: Provided further, That the preceding proviso shall not make lawful any contract or agreement, providing for the establishment or maintenance of minimum resale prices on any commodity herein involved, between manufacturers, or between producers, or between wholesalers, or between brokers, or between factors, or between retailers, or between persons, firms, or corporations in competition with each other.

The Miller-Tydings Act went some way towards allowing a resale maintenance, although it still cut out certain associations and cartels. The English law remained silent, apart from the old common law of engrossing, which, as I have said, was abolished in the last century, until the Labor Government's enactment in 1948. But it was the case that under the law of Great Britain, as here, contracts unreasonably in restraint of trade to the detriment of the public were unlawful, though not criminal. A contract unreasonably in restraint of trade may be unenforceable, though it does not make people subject to any penal provisions.

The difficulty, of course, about the operation of that law is that, although a thing may be unlawful, should a man wish to get out of the contract, if he has economic pressure brought to bear upon him by a cartel or an association he does not take the risk of going to the court and having his contract declared unlawful, because if he did he would simply miss out on the supply of the article altogether. So the operation of the common law does not save people from the kind of agreements that are objectionable. In 1948 in Great Britain there was set up a Monopolies and Restrictive Practices Commission, which was able to investigate cases of restrictive trade practices or monopoly where a reference was made to it by the Board of Trade. It could then make recommendations and reports to the Board of Trade, and the Minister could issue certain orders restraining people from proceeding in the manner outlined in the agreement.

There were a number of careful investigations by the Monopolies and Restrictive Practices Commission, which had a most distinguished membership. In 1956 the commission made a comprehensive report on restrictive trading practices in Great Britain. It was not allowed, within the terms of reference from the Board of Trade, to examine monopolies as such, but it was able to examine a series of restrictive trade practices which it found were very general in Great Britain, and each of which was to the public detriment. The member for Mitcham (Mr. Millhouse) would allow those practices to continue and, if we proceed in this State as we are proceeding, they will go on because they are undoubtedly in existence here and Cabinet has not referred to the Board of Industry, under the Fair Prices Act, these very practices that I will now outline. In the commission's report, the following appears:—

We are concerned with agreements affecting buying and selling (and hiring) and processing, but not with those affecting services. Our reference is limited to the action of persons "carrying on business as suppliers of goods (or as persons applying any process to goods) in the United Kingdom"; we have interpreted this as meaning that the persons whose practices we have to consider must supply goods to purchasers or process goods for owners in the United Kingdom; accordingly, as a broad working rule, we have not attempted to take account of agreements affecting exports, though we have taken account of agreements affecting imports.

The practices which are the subject of the reference have been conveniently summarized in public discussion as "collective boycott," "exclusive dealing" and "aggregated rebates." The reference does, however, cover actions taken by traders in carrying out a wider range of agreements than these expressions suggest. Broadly speaking, the reference covers all collective arrangements or agreements between traders requiring the parties (or any of them) to discriminate in their dealings with other persons; a separate clause of our reference requires us to consider collective arrangements or agreements between traders requiring the parties to grant aggregated rebates.

Later the report states:—

We are concerned only with agreements or arrangements between two or more traders. However much a large concern may dominate a particular market we are not concerned with its activities unless it has arrangements with other traders. Furthermore, "agreements between a particular supplier or a particular processor of goods . . . and the purchaser or owner (as the case may be) of those goods to which no other persons are parties" are expressly excluded from our reference.

It was not competent for the commission to consider the activities of monopolies. We know from the experience of the United States of America, from prosecutions in Canada, and from attempts to cope with monopolies in Australia under the legislation that exists in the Commonwealth and in various States, that monopolies have gone much further in their activities than the practices outlined in the commission's report. The commission outlined certain of the detailed practices which it said it could refer to. There were undesirable activities going on in the supply of dental goods, cast iron rainwater goods, electric lamps, insulated electric wires and cables, rubber and plastic cable, mains cable, covered conductors, insulin, imported timber, and semi-manufactures of copper and copper-based alloys. There were other references to monopolistic tendencies in the cinematograph industry and in respect of cement costs and the distribution of building materials. Let me refer to the commission's analysis of the various practices described in its report. The commission said:—

. . . we have found it possible for the purposes of our report to identify six broad categories of agreements, each of which may be operated separately or in association with others:—

i. Collective discrimination by sellers (without any corresponding obligation on the buyers).
ii. Collective discrimination by sellers in return for exclusive buying.
iii. Collective adoption by sellers of a policy of maintaining resale prices or imposing other collateral trading obligations on the buyers.
iv. Collective discrimination by sellers to enforce resale prices or other contract terms.
v. Collective discrimination by buyers (without any corresponding obligation on the sellers).
vi. Aggregated rebates.

The commission described the practices in some detail and in respect of collective discrimination by sellers without any corresponding obligation on the buyers, it said:—

. . . we have grouped those agreements among suppliers which require them to discriminate in favour of certain buyers, but where the buyers do not undertake any reciprocal obligation to discriminate in favour of the suppliers or to adhere to specified terms for resale. The suppliers' discrimination may take one of two main forms; they may agree to sell their goods exclusively to the favoured buyers or they may agree to sell them at a preferential price. The suppliers who make the agreement are usually manufacturers or importers; the favoured buyers are special classes of distributors or of user-buyers, selected either because they possess certain technical or commercial qualifications or because they have powerful bargaining advantages. One example of agreements in this category would be where

a group of manufacturers agreed to sell only to wholesalers on an "approved list"; another would be where such a group agreed to give wholesalers a discount of 10 per cent off their price to retailers for similar quantities.

These agreements were examined in chapter III of the report. I do not propose to go through that chapter because it is voluminous, but in paragraph 99 of the commission's conclusions the following appears:—

We conclude, therefore, that the general effect of agreements between sellers binding them to sell exclusively or at preferential prices to persons who are listed or defined according to their qualifications or status is that they operate against the public interest.

Everybody knows that that goes on here. Let us now consider category ii, which is collective discrimination by sellers in return for exclusive buying. The report states:—

. . . the suppliers agree in the same way to discriminate in favour of certain buyers; but the feature which distinguishes these agreements from those in category 1 is that the buyers agree in return to buy exclusively from the suppliers with whom the agreement is made. Thus, a group of manufacturers might agree to sell only to wholesalers who undertook to buy certain goods only from members of the group; or they might agree to allow a discount of 10 per cent to buyers who gave such an undertaking. This type of agreement is usually known as "exclusive dealing."

The conclusion in respect of this category is contained in chapter IV, and is as follows:—

Apart from the cases mentioned in paragraph 22 (and these are sole agency arrangements), all the exclusive-dealing agreements about which we have received information cover a substantial part of the trades concerned and therefore effectively restrict competition from independent producers in those trades. We are not satisfied that the arguments (put forward in defence of them) are valid except, possibly, in some exceptional cases and we consider that . . . this form of restriction is one that in general most clearly operates against the public interest.

In respect of category iii the report states:—

This type of agreement comes within the terms of our reference because it has the effect of requiring the parties to the agreement to discriminate by withholding supplies from buyers who will not undertake to observe the agreed conditions. Thus, Smith and Jones agree that each of them will fix and maintain resale prices for his goods; Smith must then refuse to sell to Robinson if Robinson is unwilling to maintain Smith's price; but he may be free to sell to Robinson even if Robinson is not maintaining Jones's resale price.

Let us refer now to what the commission said about that:—

Whatever its advantages (and we are not here concerned with where the balance of advantage lies) resale price maintenance by individual manufacturers acting independently of one another restricts the ability of distributors to compete with one another in price. It therefore also to some extent restricts the freedom of the consumer to choose between different methods of distribution. Both these restrictive effects are intensified by agreements between manufacturers which oblige the parties to them to fix the resale prices of their goods; and they will usually have the further restrictive effect of compelling manufacturers who might otherwise prefer not to sell their goods in this way to fall into line with the majority. They thus make it more difficult for both manufacturers and distributors to try different methods of marketing their goods, and for the consumer to choose freely between them. We see considerable disadvantages in these additional restrictions of freedom of choice, and we do not think that the protection afforded to distributors by such agreements does in general promote economies in distribution or that it is justified as a means of preserving standards of service. We conclude, therefore, that such agreements generally operate against the public interest.

I turn now to category v. Under this heading I quote:—

Agreements of this kind may be made by user-buyers or by distributors. The essential feature distinguishing them from category ii agreements (which also involve exclusive buying) is that there is no reciprocal arrangement with the suppliers requiring them to discriminate in favour of the buyers. This type of agreement is often referred to as a "buyer's boycott."

Let me now turn to their conclusion, which is as follows:—

In their previous inquiries, the commission have met no example of exclusive buying operated by itself though, as we indicate in chapter IV, it has formed part of exclusive-dealing agreements which they have condemned in six trades. In the trades whose practices we have examined in the course of the present inquiry, exclusive buying appears to be employed relatively seldom by itself. Where it has been so employed, it seems to us to have operated against the public interest. Whether used alone or not, it is potentially a powerful weapon in the hands of distributors which is likely to be used to protect established traders in ways which are generally against the public interest. We are satisfied that, in general, the considerations set out in paragraphs 186 and 187 outweigh any arguments in favour of exclusive-buying agreements; and we conclude that such agreements in general operate against the public interest.

I quote further:—

In category vi, which we describe in chapter VII, we have placed agreements involving the payment of aggregated rebates. Under these agreements a group of suppliers agree to give a rebate to some or all of their customers based on the total purchases of each customer from all suppliers in the group. Thus, a buyer who bought £10 of the relevant goods from each of five suppliers would qualify for a rebate calculated on his total purchases of

£50 from all members of the group. The rate of rebate allowed varies according to the total bought by the individual customer over a given period. Aggregated rebates may be given to all customers who buy on a big enough scale, or they may be given only to certain classes of customers selected for their qualifications (*e.g.*, to distributors or to very large users); they may be further restricted to those who give exclusive-dealing or other undertakings.

The conclusion is:—

It appears to us that aggregated rebates can and should be judged primarily as an adjunct to common price arrangements, and we see no reason to differ from the views previously expressed in the commission's reports. While we recognize the force of the argument that aggregated rebates help to introduce flexibility into common price systems, we do not accept the view that they are in general essential to the successful operation of common prices; and, while we pass no judgment on the principle of common prices itself, we consider, for the reasons given in paragraph 211 above, that aggregated rebates accentuate the more dangerous features of common prices, and that this effect generally outweighs any advantage which such rebates have in assisting the smaller manufacturers operating within the common price system. We conclude, therefore, that they operate generally against the public interest.

The commission therefore found a large range of agreements in England operating throughout the wholesale and retail trade that were contrary to the public interest, so they recommended to the Government two alternatives to cope with this particular situation. They pointed out that to continue to work under a system where the commission was involved in a comprehensive inquiry into every trade before the Board of Trade took any action in it was an inefficient system because it could not possibly hope to cope with the wide range of restrictive trading practices which I have outlined. They said, therefore, there were two alternatives, one to follow the example of Sweden and to have these agreements registered, to require people by law to register the agreements, and to make restrictive trading agreements unenforceable at law so that everybody had notice of their illegality. The difficulty about that is that, since people are under some form of duress to make these restrictive agreements, in most cases it is not effective to have them simply unenforceable at law. There was to be the further protection that there could be a reference to the court, but the reference to the court was a difficult matter.

They therefore recommended overwhelmingly that instead of adopting that practice, restrictive trading agreements of the kind I have outlined should be made criminal offences. This was referred to the British Government, which was a Conservative Government and not the Government that brought into being the Monopolies and Restrictive Trading Practices Commission, but it did not act upon the commission's recommendation. What it did was to adopt the alternative of having registration of the agreements and unenforceability of them, and it then restricted the activities of the Monopolies and the Restrictive Trading Practices Commission itself. It set up a restrictive practices court under which the Board of Trade could take action concerning restrictive trade practices in order to obtain an injunction, but it did not make outright, restrictive practices of the kind the commission found to be outside the public interest, criminal offences. In this respect it did not follow Canada. Canada for many years has had these restrictive trading practices as offences in its general criminal law and it was found by the Monopolies Commission in its investigation that Canada had managed to minimize restrictive trading practices and that it had managed to cut down the sort of activity which had become general in England.

Let me turn to what has happened in Australia. We attempted to do something of this kind many years ago. There was first of all the action of the Commonwealth Labor Government in bringing into force the Monopolies Act. That Act, unfortunately, was subject to a certain amount of judicial interpretation which removed much of its effectiveness. In this we got an extraordinary conflict of view in assumptions made by judicial officers and this is something which has never ceased to amaze me. I do not suggest for one moment that the learned judges, from whom I shall quote, have in fact realized the obvious contradictions of basic assumptions which they made. Nevertheless they are very clearly there, and I can only assume that a certain background does tend to lead people to a certain action or to conclusions favouring certain political views. That is no doubt done unintentionally, and subconsciously. Let me refer first of all to the case of the *Attorney-General of the Commonwealth v. The Adelaide Steamship Company.* This was a case where a coal price maintenance arrangement had been set up. In these cases there was considerable competition upon the coalfields, and no doubt you will be very interested, Mr. Chairman, to see what the effects of cut-throat competition have been. This cut-throat competition which was going on in the collieries in New South Wales, it was said, led to the formation

of a price maintenance agreement. Let me quote from 18 *C.L.R.*, p. 42:—

It was under these circumstances that on January 5, 1906, there was a meeting of some of the proprietors of collieries in the Newcastle and Maitland fields. The chairman pointed out the necessity of forming an association of all the collieries if the present very unsatisfactory state of the coal trade was to be improved. The meeting thereupon passed a resolution that it was desirable to form an association to raise and maintain the price of coal and a committee was appointed to draft a scheme. The idea obviously was to reconstitute the "vend," admitting the colliery owners in the Maitland field whose competition has proved so disastrous. The necessity of obtaining the concurrence of those shipping companies who had interests in the Newcastle and Maitland fields was expressly recognized. Lengthy negotiations followed of which a record was preserved and put in evidence at the trial. Ultimately a draft agreement, hereinafter called "the vend agreement," was prepared.

This "vend agreement" provided for an exclusive marketing of the coal in ships by shipping companies, which were part of a subsequent agreement with those who were in the then agreement, and action was taken by the Commonwealth Attorney-General against the Adelaide Steamship Company in relation to this shipping agreement. It was decided by their Lordships in the Judicial Committee of the Privy Council that there was nothing wrong with this because, although you could have a monopoly, it was not a monopoly with an unlawful intention and, although it was going to put up the prices to the public and cut down competition, this was not a monopoly, although the Act made monopolies unlawful. They said that "monopoly," within the terms of the Act, meant a pernicious monopoly. They found that in their view there was a lack of evidence that the monopoly was pernicious, although the Act contained no such words: therefore, the monopoly was all right and the fact that the Commonwealth had passed a law against monopolies in this way was not something that made them illegal. It was subsequently in order to make monopolies effectively illegal, to make certain that the Commonwealth had the power to do that, that a referendum was put to the people, and it was refused.

That led to its going to the States, and the States tried on various occasions to bring into force legislation that would have the same purpose as the Sherman anti-trust laws in the United States of America. There was at the outset difficulty, and that was that in the James case it was found that section 92 of the Federal Constitution bound the States and the Commonwealth. The effect of section 92 has been steadily widened by judicial interpretation until it now gives the very interpretation that the court in the case of *McArthur v. the State of Queensland* found was completely absurd. However, that is the situation today. So that the field, unfortunately, of restrictive practices legislation is extremely restricted by the effect of section 92 of the Constitution.

However, that has not stopped various people from "having a go" and doing something about it. The Queensland Government still has an Act going, and there have been actions under the Profiteering Prevention Act. Such a case concerned the sale of Persil in Queensland. The Persil Company went to some 3,000 buyers and got them to sign an agreement that they would not sell Persil at less than a certain price—I think it was 6d. Although it may have been profitable for the retailers to sell at less than 6d., they were not to sell at less than 6d. This, on the face of it, seemed to be contrary to the Profiteering Prevention Act, and the Chief Justice (Mr. Justice Lowe) found that it was so, but, on appeal to the High Court, it was decided that it was not, in fact, an agreement within the terms of the Profiteering Prevention Act, because it was not contrary to the public interest.

Mr. Quirke—There are many things of that sort.

Mr. DUNSTAN—The Monopolies Commission in England went about it more carefully than their Honors in the High Court and found that monopolies were contrary to the public interest. They are a form of restriction on the very competition that the honourable member for Mitcham (Mr. Millhouse) supposes takes place in this community. The very assumptions that the advocates of this free enterprise system make as to the existence of economic competition within our community are assumptions that are proved to be false.

We have an extraordinary example of the same attitude exhibited by a judicial officer of this State. I refer to the judgment of His Honor Mr. Justice Abbott in the case of *In re Proprietary Articles Trade Association of South Australia* in the 1949 *South Australian State Reports*. In that case an association sought incorporation as a retail trade association under the Associations Incorporation Act, and the aim of the association was price maintenance. They were to be able to exercise penalties and issue orders upon the members of the association who did not keep up the

prices. The Registrar of Companies refused to register the association. That is not surprising in the circumstances. However, the association went to the Supreme Court, and His Honor had this to say:—

It is to be observed that the phrase in section 3 does not particularize to whom or for what purpose the object of the intended association is required to be useful. In this case, the objects of the association are fairly useful, in the dictionary sense, to its members, and in my opinion the association also serves a useful purpose in the interests of the public. As Scrutton, L.J. said in *Ware and De Freville Ltd.* v. *Motor Trade Association,* "While low prices may be good for the public for a time, they are not a benefit if all the suppliers are thereby ruined."

There was no evidence in this case of any likely ruin of traders whatever might happen to the public as a result of it.

"A steady level price may have considerable advantages over violent fluctuations from very high prices in times of scarcity, and fierce competition and unremunerative prices in times of plenty and financial pressure." Therefore, even if it were necessary to read the word "useful" as meaning "useful to the public"—an argument advanced by Mr. Hague with which I do not agree—it can be said that the objects of the association are in fact useful to the public.

Mr. Quirke—You can always put the price up but you cannot sell at less.

Mr. DUNSTAN—Yes; you can jack the price up and, once it is jacked up, you cannot let the jack down. If you do, you will be penalized by the association. It is within the rules of the association to penalize you and it can stop your supplies.

Mr. Quirke—And they do, too.

Mr. DUNSTAN—Of course. They can jack up their prices, and they do. We have not this alleged free competition. These associations and agreements exist in a wide section in our economic life today and, although we have fair prices legislation to deal with them, no reference has been made by the Attorney-General to the Board of Industry under the legislation.

Mr. Hambour—We have no control over interstate businesses.

Mr. DUNSTAN—We have not, but it is possible that we have control over wholesalers selling to retailers in this State. In my district the hardware trade stopped a man's supplies because he was giving a discount for quick cash payments.

Mr. Hambour—I know of such cases, too.

Mr. DUNSTAN—Of course the honourable member does. No man who has gone into the matter of retail price agreements could say this is not general in the trade. Unfortunately, the New South Wales Act is not as effective as ours could be if it operated, and that State has been discouraged by judicial interpretation. Much more could be done under prices legislation than is done now, but Labor Governments have been mightily discouraged in recent times by the type of attitude taken by judges, and not only by the attitude taken by Mr. Justice Abbott in the case I mentioned, which is completely contrary to the findings of the Monopolies Commission in England, which examined the very arguments His Honor examined and rejected them, saying they were not valid in relation to the kinds of agreement upon which he was passing. Recently, an Unfair Trading and Monopolies Restriction Act was passed by the Western Australian Labor Government.

Mr. Hambour—It does not work too well there, though.

Mr. DUNSTAN—No, and I will tell the honourable member why. When action was taken by the Commissioner under that Act in relation to a cement monopoly that developed in Western Australia—a monopoly in the colloquial and accepted use of the word—apparently the judge was not prepared to accept that it was a monopoly. There were two companies in competition, and there was a take-over by one company, after which a small subsidiary was set up to deal with the cement produced, so one manufacturer was to supply the market through one exclusive channel. Most people would consider that a monopoly, but it was decided by the judge in the Western Australian Supreme Court that it was not. The Western Australian Law Report is not yet available, but the decision was set out in the Legal Monthly Digest, and it was that cement was in competition with other building materials, therefore there was not a monopoly.

Mr. Hambour—If they are petty pilferers in this State they are bushrangers in others.

Mr. DUNSTAN—That may well be so. I would not deny it for one moment, as I have not the honourable member's extensive knowledge of what bushranging may go on in other States, but I dislike having my pocket pilfered, and it is no help to me to know that someone in another State is being bushranged. The plain fact of the matter is that we should be doing something about our fair prices legislation. It is not the case, as the Treasurer tried to allege in his William Queale Memorial Lecture, from which I have read extracts, that the Prices Act in this State can deal with the situation. It cannot

do anything of the kind, and the Treasurer knows it. What he could do in the case I have mentioned, and in the myriad other cases that must be known to the Prices Commissioner, is to make a reference to the Board of Industry which could make the orders. If we then found there were legal loopholes through the kind of gobbledegook I have read about in judicial interpretation—which I say advisedly with respect to His Honor's view—then I believe that this State should come along with amending legislation. That is what is being done in Canada and has been recommended in the United States of America by the recent report of the Attorney-General on the Miller-Tydings Law. That is what we could do here, and it would do something towards arriving at that state of affairs that the member for Mitcham (Mr. Millhouse) seems to dream exists at the moment. I support the Estimates.

Mr. HUGHES (Wallaroo)—I congratulate the member for Norwood on his excellent contribution on economics, and the member for Burra on the magnificent speech he made last night on finance, which showed that he has a wide knowledge of the financial situation, not only of this State, but of other States also. Regarding the speech made by the member for Light (Mr. Hambour), I am confident that if he continues to deliver such speeches as he made recently on hospitals, the Labor Party in particular will benefit immensely. Mention was made in this chamber recently of the Treasurer's service to this State, but service has been given not only by the Treasurer in the 21 years in which he has presented Budgets, but also by the Leader of the Opposition. I feel that the House does not recognize the service he gives in the magnificent contributions he has made in response to matters put forward by the Treasurer. I say in all sincerity that the Treasurer has benefited and has been made a better Premier and Treasurer by the outstanding work of the Leader.

The dry season was mentioned in this Chamber recently. The statement that we need to be careful with our economy was ridiculed, because we have enjoyed a decade of reasonable seasons with reasonable prices for all primary products. Some people were beginning to squeal because of the dry season, but I would prefer to hear them complain about the dry year and our economy than to have them participate in an orgy of spending and then find it necessary to apply to the Government for hand-outs. Hundreds of our young primary producers have never experienced a dry year such as we are now going through, but I have no doubt that they will rise to the occasion and overcome the difficulties. The pioneers of the State faced grave responsibilities and difficulties, and I have no hesitation in saying that those entrusted with its preservation will triumph over similar setbacks. We have been looked upon as a predominantly agricultural and pastoral State, and I still contend that our real prosperity still rides on the sheep's back, although we can no longer be regarded as merely a primary producing State. The growth of strong and efficient manufacturing industries is essential to South Australia's progress. An industrial change of immense proportions has taken place, most of it within 25 miles of the General Post Office. To keep a balanced economy throughout the State some of the industries coming to the State should be located in country districts. They are necessary there to absorb the rapidly growing labour force which is greatly in excess of the requirements of primary industries. Country districts such as the one I represent are greatly influenced by seasonal conditions, and people there are always faced with an unemployment problem because of the lack of secondary industries. If only the Government would make some super human effort to encourage one good industry to my district to offset the difficulties of having only seasonal work, it would create a good, balanced economy in that district.

It will be readily recognized that unemployment will increase unless some industry is fostered providing those services which encourage both great and small to meet the varying needs of the district. I have heard it stated more than once that no longer do we rely on agricultural development for our prosperity. In his Budget speech the Treasurer said that one of the important factors he found necessary to review was the financial consequences of the record dry year. If the dry year is to be blamed for the expected deficit of £791,000, I sincerely hope that we do not have a run of dry seasons such as we experienced many years ago. The State's economy should remain reasonably stable if the expansion of secondary industries has been at the rate we have been led to believe.

The Hon. G. G. Pearson—I think that the honourable member should have regard to the cost of pumping water in this extremely dry year. The cost of electricity for that pumping this year will be more than £1,300,000.

Mr. HUGHES—I thank the Minister for pointing that out. Last year I told the Treasurer I was pleased that a grant had been made available for the Meals on Wheels organization and that I hoped he would in his wisdom increase the grant in the next Budget. I am pleased to find that on this occasion a further £2,000 is to be made available, making a total of £3,000. I know that this increase will receive the wholehearted support of every honourable member. In dealing with the Queen Elizabeth Hospital, I notice that the Auditor-General in his annual report drew attention to the fact that the Hospitals Department had again failed to distinguish in its records between establishment costs and those attributable to maintenance. As a result, an accurate maintenance cost of patients in the hospital is not ascertainable. The only thing I can say is that the department is deliberately covering up so that the Queen Elizabeth Hospital's daily average cost a patient cannot be compared with that of other hospitals; or is it a further attempt to cover up the huge cost associated with the building of this hospital? Is there something to hide and has someone made a blunder along the line? If he has, these things should be ventilated, and proper records should be kept so that those interested in the finances of the State are not in the dark when probing such things. I know that the Queen Elizabeth Hospital is a beautiful hospital and one that any State would be happy to call its own, but having in mind the huge cost in excess of the estimated cost I do not think that anyone would say that he would be proud to be associated with that aspect. On studying the estimated cost of the building, I found that the expenditure incurred exceeded it by some millions.

Another interesting point is the amount of patients' fees outstanding at Government hospitals. In 1957 the amount was £167,000, in 1958 it was £235,000, and in 1959 it was £279,000. The increase in 1958 over 1957 was £168,000, and in 1959 there was a further increase of £44,000. When I read these figures I was shocked to find that so many people were financially embarrassed in these supposedly prosperous times. Apparently, the Auditor-General was also disturbed, and in the interests of the proper protection of the State's revenue this position was reported by him to the Treasurer during 1959. A few days ago in this House one honourable member opposite thought he was assisting the Treasurer, but in my opinion embarrassed him by advocating an increase of 10s. in the daily charge to patients occupying Government beds. Does the honourable member really think that people who must of necessity go to hospitals in South Australia could find that extra 10s. a day? I do not think the majority of people in this State could do so, despite what members opposite say about our prosperity. Any man today with a young family and earning less than £17 a week—and there are many such men in the State—must find the going very heavy indeed.

It is generally recognized that every avenue is explored to procure fees from patients who have been in hospitals, but it seems that this enormous amount of outstanding fees can be attributable to only one or two things. The Auditor-General has drawn attention to one phase, and has taken the administration of the Hospitals Department to task by reporting that there were serious delays in following up the outstanding amounts. The other point is that people just have not got the money to pay. I am more inclined to think that the latter is the main reason for this sorry state of affairs. We hear members opposite crying from the roof-tops how prosperous this State really is. Yes, we have enjoyed more than our normal run of good seasons, and we were hoodwinked into believing that all was well, that most people were sharing in this supposedly prosperous era, but we have this sorry state of affairs at a time when the country is supposed to be on the peak of progress and prosperity. God help us if we were to have a run of bad seasons, if this is an indication of the financial status of the rank and file. Although last year was considered one of the best on record, there was a further increase of £44,000 in outstanding patients' fees.

The Kadina Community Hospital does not receive an annual grant towards its maintenance, but last year it was found necessary to have some alterations and additions made to this hospital. An approach was accordingly made to the Government, and I am very pleased that two grants were made. They were only small, totalling £375 in all, but that was all that was requested, and the members of the board were highly appreciative of this assistance. Those members give their services in an honorary capacity, and the debenture holders are not entitled to receive any interest on their debentures or any profits, but merely rank with the creditors in the event of a winding up.

The hospital is efficiently run, with a competent staff, and provides a good service to the community. It also circulates a considerable amount of money in a district that is

sadly lacking in industries. On a number of occasions its facilities have been the means of saving a life in an emergency. Since the hospital's inception, the board has been most fortunate in that it has had a number of willing auxiliaries to assist in financing it. The Government should continue to assist such hospitals because in doing so it helps to provide hospitalization in places where the people are less fortunate.

Since Mr. Evans, the Lay Superintendent of the Wallaroo Hospital, was transferred to Adelaide, there have been two relieving officers attached to that hospital at different times. We hope that in the very near future it will be possible for the department to replace the relieving officer with a resident lay superintendent, as before. The people in the Wallaroo district were very sorry when Mr. Evans was transferred to Adelaide. He was a strict departmental officer, but he was fair; he was highly respected and well liked by young and old, and the hospital was run well under his supervision. He had the opportunity of promotion and, of course, accepted it, and we wish him well in the future.

Other items concern "fares for attending public hospitals, £3,000," "rail fares, £18,000," and "tram and bus fares, £58,000." The first item is the only privilege granted to country pensioners, whereas the other concessions are given mainly to people in the city and suburbs. We do not deny those pensioners that privilege for one moment, but I point out that the country people are again suffering at the expense of the city concessions. Most industries are set up within 25 miles of the G.P.O., and many country people must come to the city or near the city to live in order to find employment. Unemployment amongst young people in Port Pirie has been mentioned recently. Wallaroo, Moonta, and Kadina have experienced this sad state of affairs for many years. It is sad for a father and mother to be faced with such a situation over which they have no control. They must allow their children to come to the bright lights all alone, or sell up their home and go with their children and probably be in debt for the rest of their lives.

We find a similar problem facing the country pensioner. "Go out into the country and live," they say! "Make way for the young people to have a home!" I have in my district many pensioners who have gone there to live because it is such a pleasant area. Many more would do likewise if they could enjoy the concessions that are being given to their city friends. We know they cannot enjoy the concessions that are granted on buses and trams, but I venture to say that they could be granted the same concessions on the trains as those enjoyed by their city brothers and sisters by allowing them to travel within the same radius as the city pensioner. By granting this concession to country pensioners the housing problem in the city and suburbs would be eased because many pensioners who have never owned homes would gladly retire to the country to live.

I am sure that most members will offer a silent prayer regarding the line related to poliomyelitis. The figures shown there are the best set of figures, going in the right direction, that have been presented to this House during the time I have been a member and for many years prior thereto. They certainly indicate the success of the vaccine campaign and I trust they will continue. I support the Estimates.

Mr. FRANK WALSH (Edwardstown)—Government members have enthusiastically supported this Budget, but it is interesting to refer to the Auditor-General's report and make comparisons. According to the Auditor-General's report there was an over-estimate of £100,742 for expenditure on medical and health services, which causes one to wonder whether someone has not received the benefits proposed by the Government when the last Budget was introduced. There was an over-estimate of £14,917 by the Immigration, Publicity, and Tourist Bureau. Were certain improvements designed to attract tourists not proceeded with, and does that account for the over-estimate? It is the Government's responsibility to ensure that a reasonable approach is made to estimating. The Agriculture Department over-estimated by £33,000. I realize that an unpredictable amount must be set aside for fruit fly compensation, but there must be some reason for such a large over-estimate. The Railways Department over-estimated by £608,610. Although the Budget estimate for that department is almost £15,000,000, one wonders why there should be such a large over-estimate. Does that indicate the Commissioner's ability in effecting outstanding savings of a capital nature on our railway system? In many instances the estimates are far from accurate.

The Education Department under-estimated its requirements by £676,714. The Minister may know the reason for that under-estimate, but, although the Education Department is involved in spending millions, that is a large under-estimate for any department. The Government tends to divide the people of this

State. Most members have already spoken on the motion that seeks to provide for more equitable electoral boundaries, which motion was moved as a protest against the Government's method of dividing the people so that one country vote is equal to two city votes. There are divisions in the Education Department and although teachers in high schools and teachers in technical high schools receive similar salaries, the students in those schools are treated differently. In reply to questions, the Minister of Education has indicated that the Public Service Commissioner will not employ a student who possesses the third year technical high school certificate. Is it any wonder when these things occur that the Commonwealth rejects approaches from our Minister of Education for financial assistance? We have not enough teachers but, although we have been told of plans to recruit more teachers and build more accommodation at the Teachers College, the Government is very slow to act. Last year I attended a dinner of the Chamber of Manufactures and in my speech there I referred to the importance of education to industry. I said that with the advent of automation and other innovations a higher standard of education will be required of the personnel in industry. Skilled personnel will be required to maintain the machines used under automation. I urged the Chamber to subsidize the education of these operatives rather than spending so much money on advertising.

When will the Government recognize its responsibilities to the parents and taxpayers? Should the Public Service Commissioner be able to refuse admission to the Public Service of a young man merely because he has only a third year technical high school certificate and not the Public Examinations Board's certificate? We should have a more uniform approach to education. These factors may underly the refusal of the Commonwealth Government to accede to our Minister's request for assistance. If it is good enough for a fourth year student at a technical high school to be recognized as a matriculation student, surely a third year student's pass should be recognized as equivalent to the intermediate standard.

Regarding the concession fares that are to be granted to pensioners, in my district there are many cottage flats that have been erected by the Housing Trust for aged and invalid pensioners. However, concession fares are not to be provided for these people. I have two groups of flats in Ascot Park, another two at Towers Terrace, Edwardstown, another one at St. Marys, and another at Edwardstown, but not one of these is served by public transport services that would enable the pensioners to be granted concession fares. The same thing applies in the adjacent electoral district of Glenelg. Many of the constituents of the member for Glenelg (the Minister of Education) must depend, as mine do, upon a system of buses licensed by the Tramways Trust, which authorizes sections, fixes fares, and supervises the service generally. Although the concession fares do not apply on licensed buses, they would apply if the trust's own buses were running in the area. Why has not the Government extended these privileges to the underprivileged who must use licensed buses? The Government has a responsibility to unite people, both city and country, rather than to divide them. I see no reason why there should not be an approach by the Government, through the Tramways Trust, to offer suitable transport services to these people and provide concession fares to pensioners on both trust and licensed buses.

Regarding motor registration, the primary producer on his commercial vehicle enjoys half-fee registration.

Mr. Heaslip—But his vehicle will shake to pieces in half the time on the country roads.

Mr. FRANK WALSH—I do not know all the roads in the Rocky River district or for what purpose commercial vehicles are used there. I do not know whether primary producers would be assisted in carting goods that did not belong to them.

Mr. Hambour—The honourable member is opposed to half registrations?

Mr. FRANK WALSH—Yes.

Mr. Hambour—Is the honourable member's Party opposed to half-fee registrations?

Mr. FRANK WALSH—I am speaking as the member for Edwardstown.

Mr. Hambour—The honourable member is speaking as Deputy Leader of the Opposition.

Mr. FRANK WALSH—The sooner we regain sanity by not trying to throw more responsibility on to the metropolitan area, the better. According to figures accepted by Parliament, 61 per cent of the population is in the metropolitan area and 39 per cent in the country. The roads will be shaken to pieces in half the time indicated by the honourable member for Rocky River (Mr. Heaslip). What would be the approach of the Registrar of Motor Vehicles to this

matter? Surely he would agree with me on this.

Mr. Hambour—In a week or two the honourable member for Edwardstown will be looking to the country people to support his flood-water scheme, yet he is now objecting to a concession to the primary producer by means of half registration.

Mr. FRANK WALSH—As far as that threat is concerned, my aim is revenue. It has to be made up somewhere along the line, and this is one place where it can be made up. Primary producers enjoy concessions on the railways. City people, many of whom have not motor cars, have had their fares increased by more than 14 per cent, yet the Railways Department will still make a loss until the Government recognises it as a common carrier. Country people who enjoy these rail concessions are also open to use their primary producers' vehicles to bring their loads to town and take back loading. Further, interstate hauliers are not paying an adequate registration fee whereas, if the Railways Commissioner were given an adequate opportunity under the pick-a-back system that has been used by the Commonwealth Government, the situation might be different. The Government, however, finds excuses why it cannot use the pick-a-back system, although it pays thousands of pounds to keep up the roads for the country people. The Treasurer said, when introducing his Budget:—

Tax collected by the Betting Control Board fell from £610,000 in 1956-57 to £580,000 in 1957-58, and further to £552,000 in 1958-59. A further decline of £32,000 to £520,000 is estimated this year.

So there is a decline of about £90,000 over the last two years and this year.

Mr. Hambour—The honourable member is speaking in favour of decentralization, I presume?

Mr. FRANK WALSH—The honourable member, like the hare, runs this way and then that way. Through the medium of betting tax the Government is paying racing and trotting clubs over £500,000 annually. The Treasurer has admitted that this year the State will receive £32,000 less revenue from this source. This will have to be made up in some other way. How much longer can the Government afford to give racing clubs over £500,000 a year? We must find ways to make up for the loss in revenue, which I believe will be greater than the Treasurer estimated. The decline will be caused by several factors. Only 10,000 people attended last Saturday's trotting meeting compared with a normal attendance of at least twice that number and there was also a greatly reduced attendance at the Port Adelaide Racing Club's meeting. Despite the reduced attendance, the investment on the quinella totalizator was about the usual amount. This indicates that people prefer to make a small investment on this totalizator, taking a chance on being able to pick the required two horses, in the expectation of getting a greater return than by backing two horses straight-out with the bookmaker or on the ordinary totalizator. There will be a falling off in betting tax from trotting meetings this year because of the advent of television. People will stay at home and watch television instead of having a night out in the open air.

Mr. Hambour—Is it a bad thing to have a falling off in attendances at the trotting?

Mr. FRANK WALSH—I do not care whether it is good, bad or indifferent; I am trying to prove that, because of television, the loss in revenue from this source will be greater than the Treasurer expects.

Mr. Hambour—What is the solution?

Mr. FRANK WALSH—The tax on investments should be lifted. Some horses are a little better than others and, therefore, start at short odds. In most cases these horses are the winners, but when the punter finds that he can only obtain such low odds as 5-2 on, or even shorter odds, he will not make an investment because he knows that not only the dividend, but also the stake, will be taxed at the rate of 6d. in the pound. If we are to improve attendances at these places from which this revenue is collected, we must encourage people to attend by not taxing their investments. As I do not think the racing clubs should be hand-fed, I believe this tax should be eliminated. Let us consider the South Australian Jockey Club. I do not suppose that we have better racing headquarters than those at Morphettville. This club has been able to declare its area open land under the Town Planning Act, and as a result the West Torrens Corporation is suffering to the extent of nearly £600 a year in its income. People have to pay 3s. to park a motor car on racing days at the club's premises. The ratepayers of Marion will have to find at least £4,000 a year in rates to make up for what the club will not pay under open lands. A person can go on to the Morphettville racecourse after paying a fee and can then be told that his presence is not required and he can be removed. Everyone who goes on the course must pay a fee, and yet this club can get away with open

lands. Under these circumstances, entry should be free.

When the south-western suburbs drainage scheme was proposed, the S.A.J.C. soon got in touch with the Minister of Education, although the racecourse is in my district, and asked what could be done about floodwaters from the upper areas which affected the racecourse after almost every shower; and yet these are the people who will receive a dividend from the Government, which after collecting from the bookmakers gives portion of it back to the race clubs. The S.A.J.C. has almost unlimited opportunities under the Town Planning Act to avoid paying any rates at all. If a person attends the course on a race day and goes from the Grandstand to the Derby stand, he has to pay another fee to return to the Grandstand. The Government continues to collect a winning tax on investments and then gives half the funds back to the racing clubs.

Mr. Hambour—You are suggesting that the racing clubs should not receive 50 per cent of the winnings tax?

Mr. FRANK WALSH—It is time the Government woke up and said that there was no longer any need to tax investments, and unless it discontinues this practice, thus keeping many people away from the racecourses, its financial position will deteriorate further.

Mr. Hall—Where else could the Government recover the money?

Mr. FRANK WALSH—I would take some from primary producers. Let us see what the honourable member had to say on Tuesday regarding wool when speaking on the Budget. He said:—

> I do not think that we can fix a fair average price, but at least we can fix a price in accordance with the rest of the commodity prices. . . . I deplore the grower's attitude in growing his wool, going to much trouble over it, and then delivering it to his agent's hands and forgetting about it.

Does he want orderly marketing or the present system to continue? When he was challenged, he said he would leave it to someone else to explain.

Mr. Hall—Read the rest of my speech.

Mr. FRANK WALSH—If members speak on the question of wool, let them be fair in their approach. I understand that the honourable member's colleague, Mr. Bockelberg, by interjection, said that many woolgrowers were wearing nylon socks. That is how interested they are in wool. I recognize the dependence of this country on woolgrowers. If the member for Gouger wants an orderly marketing system I shall be right behind him, but I remind him that he cannot have it both ways: if he wants an open market he cannot have an orderly market. The member for Gouger was perturbed when the price of wool was down last year and looked like receding further, and I can understand that; but he could not answer my colleague, the member for Murray, as to whether wool was up to cost of production. The first essential in orderly marketing is to take cost of production into consideration; if we are going to go on with orderly marketing and we have the cost of production, we can still have some overall authority. In other words, if people want to pay into a fund to obtain protection, they can do so under orderly marketing.

The activities of the South Australian Housing Trust are set out at page 199 of the Auditor-General's report. According to that report, the trust at June 30 last had 18,122 houses let to tenants and 5,970 under mortgage or agreement for purchase and sale. It would be interesting to know how many of the houses in the latter category are subject to a second mortgage, and perhaps that information could be made available. The report states:—

> Amounts due and unpaid under agreements and mortgages were £28,623 (up £7,809), and arrears of rents were £11,717 (up £6,307).

This becomes rather an alarming situation, particularly when we consider that the last increase in the basic wage has been absorbed largely by the increase in rail fares and costs of other forms of transportation, in water rates, and in municipal rates, the last mentioned, in some instances, having got completely out of hand. As members know, two systems of rating exist, and I maintain that it is time an examination was made to determine a happy medium between the two. We have the annual rentals system, under which some people are being rated out of existence, and on the other hand we have the unimproved values system.

The Anzac Highway area is a good illustration. A friend of mine who five years ago paid £17 rates on the Anzac Highway is now called upon to pay £53, although he has not made any improvements. We find that used car dealers can buy land along some main highways at prices up to £25 a foot, and because they are in areas which have annual rentals rating they pay very little in rates. I maintain that the system is entirely wrong when we see anomalies such as that, and I do not think that state of affairs was ever meant to exist. I believe that the idea of the unimproved values rating system was to try to

develop the land in the inner suburbs, so that necessary amenities such as water, sewers, and electricity would not have to be extended for long distances past vacant or semi-occupied areas. The people who some years ago were living on those roads that are now under the unimproved values rating system could meet their commitments, but today, if they happen to be age pensioners, they are not getting sufficient to meet their commitments under this rating system. I believe it is time a real review of these matters was made. I understand that the former Minister of Works and Minister of Local Government (the Honourable Sir Malcolm McIntosh) had in mind a compromise between the two systems, particularly in the metropolitan area.

When I arrived home the other evening I was told that an officer of the Waterworks Department, who had been in the district, had asked some of my neighbours, "What is your house worth?" They had replied, "We were offered £5,000 for it some years ago, but we do not think it would bring that now because no money is available to buy houses that have been lived in." He said, "What improvements have you made?" They said, "None." Is that investigating officer going to say, because the house has been painted and is in reasonably good condition, although no additions have been made to it, that its valuation must increase? If the local council adopts another assessment, up go the rates. We are getting taxed out of existence. In 1944, under the annual rentals system, I paid £4 for rates, but my last payment was £17. I do not know how the ordinary wage earner can meet these costs.

In a recent issue of the *News*, under the heading, "City's New Car Parking Slated" Police Traffic Inspector R. A. Wilson is reported as having said that the extra parking space obtained by centre of the road parking in North Terrace would not compensate for the dangers arising from the scheme. It is time the Government examined what is happening in Adelaide. One has only to examine this centre road parking in North Terrace to realize its stupidity. We are told that the city fathers have the authority to do these things. If it receives financial assistance from the Highways Department the Government should tell the City Council, through the Highways Department, that in the interests of the travelling public it should abandon centre parking in North Terrace.

Another example of extreme stupidity was the provision of the pedestrian crossover in Grote Street. Tramways Trust buses and private buses use that street and if one pedestrian is in that crossover all traffic must stop until it is clear. If we are to be fair to the pedestrians—and I admit that we have a moral obligation to them—surely it would be better to install a button-operated pedestrian traffic light system to ensure protection for the pedestrians and unnecessary traffic delays. In the *Advertiser* of September 10 the following advertisement appears:—

Building? Commencing new year! If you desire to start your home in January, we can arrange finance for that period for 20 homes. Call and view our range of over 80 attractive house plans and let us earmark this finance for you. But see us now! Be early! Secure your finance and avoid a six months' delay. Call or ring Ian Wood Ltd., builders of distinction, 386 Cross Road, Clarence Park.

Perhaps the Treasurer may be able to give me some information on this matter when he has finished talking to the member for Light.

The CHAIRMAN—Order!

Mr. FRANK WALSH—I do not intend to repeat what I have just read from the *Advertiser*, but it will appear in *Hansard*. I am concerned that some builders can guarantee finance for building construction to commence in January. Do some builders receive preferential treatment from the State Bank in securing finance as compared with the ordinary John Citizen? They must be able to get money in advance to be able to guarantee that so many homes will be commenced in January. Is any preference given to particular companies? Are applications dealt with in numbers or individually?

Mr. Jennings—What do you reckon?

Mr. FRANK WALSH—I can only assume that something not fair and above board is going on.

The Hon. Sir Thomas Playford—Not necessarily. I point out to the honourable member that insurance companies make loans available for housing.

Mr. FRANK WALSH—Do they make the same amount available as the State Bank—£3,000?

The Hon. Sir Thomas Playford—I do not know the terms and conditions.

Mr. FRANK WALSH—What about having an investigation?

The Hon. Sir Thomas Playford—How about somebody making a direct charge and then we will have an investigation?

Mr. FRANK WALSH—I am not making a direct charge; all I ask is whether there are any means by which these people can get

loans *en masse* from an institution—from the State Bank or the Savings Bank? If they can get loans from an insurance company, as the Treasurer would have us understand, we have no complaint. I only hope that if that is the position the interest rate is not excessive but is on a par with interest rates charged by the State Bank. However, the matter requires investigating.

The Hon. Sir Thomas Playford—The fact that it has been openly advertised would, in itself, I should think, be a good indication that it is not crooked.

Mr. FRANK WALSH—I did not say anything about it being crooked. What I want to know is whether there is any understanding of a preference by the State Bank to these particular organizations? The Treasurer will not get me to suggest that there is something crooked in this. Oh, no!

Mr. Coumbe—What do you mean?

Mr. FRANK WALSH—What I have said.

The Hon. Sir Thomas Playford—I think the explanation would be that the building society has told builders that it will provide money for suitable applicants.

Mr. FRANK WALSH—Where are they getting the money from? Is it a preference for an advance from the State Bank to do this work?

The Hon. Sir Thomas Playford—If you study the State Bank legislation you will see that a person can get one advance only from the State Bank except with the special approval of the Treasurer and I assure the honourable member I have given no approval for 20 houses for one person.

Mr. FRANK WALSH—I understood that the limit was one advance and, even if Ian Wood can advertise this way, the explanation must be that given by the Treasurer.

The Hon. Sir Thomas Playford—The building societies get their money through the Commonwealth-State Housing Agreement.

Mr. FRANK WALSH—I have accepted the Treasurer's explanation regarding the State Bank's policy in this matter, but I ask how much longer are the people to be denied the right of an advance on homes that are not new? If such advances were made people might be able to buy homes nearer their place of employment. I support the Estimates.

Progress reported; Committee to sit again.

ADJOURNMENT.

At 5.44 p.m. the House adjourned until Tuesday, October 13, at 2 p.m.