

HOUSE OF ASSEMBLY.

Tuesday, October 13, 1959.

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

QUESTIONS.**COMMISSION ON MAIL ORDER GOODS.**

Mr. O'HALLORAN—It has been reported to me that recently persons who obtain from the city mail order goods that are taken by rail and paid for on a "cash on delivery" basis are being charged a commission on the amount collected by the department on behalf of the mail order firms. Will the Minister of Works, representing the Minister of Railways, ascertain whether this has always been the practice or whether it has been recently introduced by the Railways Department?

The **Hon. G. G. PEARSON**—I will get the necessary information from the Minister of Railways.

STOCK FEED.

Mr. HAMBOUR—On Saturday last, when opening the Kapunda Show, Senator Mattner urged the South Australian Government to take the opportunity of the visit of the Commonwealth Minister for Primary Industry, Mr. Adermann, to South Australia to seek drought relief from the Commonwealth by way of a subsidy on wheat for stock feed. He stated that the Commonwealth Government had assisted New South Wales to reduce by 4s. a bushel the price of wheat for stock feed. In view of the conditions in this State, will the Minister of Agriculture take up with the Commonwealth the possibility of helping our producers through what is a very lean and difficult period by way of getting stock feed? Further, does the Minister consider it necessary to ask the Wheat Board to curtail exports of wheat from this State as other States can supply overseas requirements from their plentiful stocks (for which consideration has been given for providing extra storage), so that supplies may be held here in case they are required for stock feed?

The **Hon. D. N. BROOKMAN**—I shall be glad to meet the Minister for Primary Industry when he comes to South Australia, but I ask the honourable member to let me have a copy of the Senator's statement to which he refers when he suggests relief. Regarding wheat stocks at present held in South Australia, the Premier some time ago wrote to the Prime Minister pointing out the very

serious situation facing South Australia and the fact that South Australian stocks of wheat anticipated at the end of November were down to about 5,000,000 bushels. He also pointed out the serious effect this shortage would have on both the supplies of wheat for flour and stock feed, but I do not think that letter has been replied to.

SOUTH ROAD TRAFFIC LIGHTS.

Mr. FRANK WALSH—Last Saturday afternoon an accident, to which the press has given some prominence, occurred on the South Road, St. Marys, where there are pedestrian press-button traffic lights. Women there have been hard at work shepherding across the road the children going both to and from school. Since then, it has been announced that the Minister of Roads will bring before Cabinet an amendment to the Road Traffic Act so that press-button pedestrian lights should be made legal. Can the Premier say whether Cabinet has considered that matter and will he immediately introduce an amendment to the Road Traffic Act to make press-button pedestrian traffic lights legal?

The **Hon. Sir THOMAS PLAYFORD**—This matter has been considered by the State Traffic Committee, which has made a recommendation to the Government which I saw this morning and which was discussed in Cabinet this morning. A copy of the report from the committee has been forwarded to the Parliamentary Draftsman to draft the necessary amendments.

SOCIAL EVIL FILMS.

Mr. MILLHOUSE—I have received a letter from Bishop J. W. Gleeson, Auxiliary Bishop in the Roman Catholic archdiocese of Adelaide, about what are termed social evil films or motion pictures. With this letter he enclosed a copy of letter dated October 1, 1959, written by the South Australian Film and Television Council to the Chief Secretary, part of which states:—

The evils which these films ostensibly set out to expose are really only minor in the Australian society where such vices are, of course, illegal. Some of these evils are drugging and drug peddling, prostitution, kidnapping and abortion, themes which were scarcely seen in a film until the easing of the M.P.P.A. code some 2 or 3 years ago. It is not probable that such films will have much effect upon adults; but there is considerable danger that their showings may adversely affect the juvenile outlook at a very impressionable age. These films are shown in our State at many theatres,

including the early sessions of Drive-In shows, where children of all ages see them. One such is "High School Confidential"—the very title of which is a subtle form of advertising. There are many others. Protection in some adequate way is very necessary to obviate this kind of instrument to delinquency. The South Australian Government has retained its rights to censor. Is not this a time when those rights should be exercised?

That letter is signed by Sir Herbert Mayo, president of the South Australian Film and Television Council. I ask the Premier, both as the representative in this Chamber of the Chief Secretary and as head of the Government, whether the Government has considered the request contained in Sir Herbert Mayo's letter? If not, will the request be considered or, if so, can the Premier say what decision has been reached?

The Hon. Sir THOMAS PLAYFORD—The normal procedure on a complaint of this nature—though this is rather more than a complaint; it raises a general question—would be for the Chief Secretary, in the first place, to take it up with the Inspector of Places of Public Entertainment and get precise reports on the complaint. He would then exercise the prerogative Parliament has given him to censor any film considered undesirable. I saw a reference in the press to the matter the honourable member mentioned. I will obtain a precise report from the Chief Secretary who, I have not the slightest doubt, has already considered the matter.

PRICE OF MILK DRINKS.

Mr. FRED WALSH—Recently, under the heading "Milk drinks too dear," the following statement made by Mr. D. J. Higbed, general secretary of the South Australian Dairymen's Association, appeared in the daily press:—

High charges for milk drinks in milk bars and cafes were having a detrimental effect on milk consumption in South Australia, the general secretary of the South Australian Dairymen's Association (Mr. D. J. Higbed) said yesterday. "Milk and other ingredients used in a malted milk cost the retailer 5½d., for which he charges 1s. 2d.—a profit margin of 8½d.," Mr. Higbed said. "High prices, which reduced consumption, were affecting the trade of shop proprietors as well as the industry itself," he added.

As most of these cafes and delicatessens, particularly in the suburbs, are run by families and near relatives, many escape the provisions of the award or determination covering that occupation, therefore they show a considerably greater profit than those in the metropolitan area that employ labour covered by

an award or determination. Will the Premier state whether the Prices Department has considered the high margin of profit and, if so, will he state the result of that consideration?

The Hon. Sir THOMAS PLAYFORD—I cannot recall any report from the Prices Department on this matter; at least, not in the last 12 or 18 months. The Crown Solicitor has held—and I think his opinion is probably correct—that where Parliament has established a special authority to deal with any commodity, that authority, rather than the Prices Department, has the power to fix prices. For instance, the Egg Board, which was especially established by Parliament to deal with the sale of eggs, is the authority that can legitimately fix the price of eggs. Similarly, the Metropolitan Milk Board is the authority that can fix the retail price of milk, so the necessary legislation operates, although this would not apply to country areas where the Metropolitan Milk Board does not function. I cannot recall any report ever having been forwarded to me from the Prices Department regarding milk prices in the metropolitan area. I think I am stating the position factually, but I will refer the question to the Metropolitan Milk Board for report.

GUMMOSIS.

Mr. KING—Has the Minister of Agriculture obtained a report in reply to my recent question regarding gummosis in apricots?

The Hon. D. N. BROOKMAN—I have received the following report:—

Apricot gummosis occurs as a disease of considerable economic importance in South Australia and to an important, but lesser extent, in Tasmania. It has been recorded in Victoria and New South Wales, but it is not recognized as an important disease in either of these States. Apart from New Zealand, where it was identified last year for the first time, it is not known to occur in any other country. South Australia is the only State where any research into the nature of the disease and measures for its control have been carried out.

The organism, *Eutypa sp.*, has been recovered from limb cankers on prune trees, more particularly in the Southern districts than in the Barossa. Infection in prunes is, however, not a very common occurrence. It infects almonds, but infections are rare. It has been recovered once from dead apple wood, but is not known to occur as a parasitic fungus on apples. As far as is known this is the full range of fruit trees on which the organism occurs naturally. Vines in bearing are an important source of infection. The fungus is able to reproduce itself on dead vine wood in productive vineyards, but it does not appear to affect vines and may

be behaving purely as a saprophyte. The disease has been recovered once from tamarisk wood.

Research has established the identity and behaviour of the organism and the inability to protect wounds against infection except by sealing individual pruning cuts. Modified pruning techniques which involve the development and pruning of branchlets off the main limbs and the removal of infections before they reach the main limbs offer the most effective practical means of control to date. All commercial varieties of apricots are susceptible to attack. Seeds of some forty varieties have been introduced from overseas and are planted at the Waite Institute. The trees are not yet sufficiently developed to be tested for resistance and even should resistance be established in some there still remains the problem of breeding resistance into our standard varieties or breeding suitable varieties to replace them.

SMALLGOODS PRICES.

Mr. LAWN—I have been advised that on the Tuesday before the announcement of the last basic wage increase the price of beef was increased by 3d. a lb. At the end of August the price of ham rose by 4d. a lb. and beef by 3d. a lb., and there has been a further increase of 6d. a lb. in the price of each. I have been advised that the price of pork ham has increased from 6s. to 7s. 6d. and of beef from 4s. 6d. to 6s. 6d. a lb. since the beginning of the year. Will the Premier state whether ham and beef are still under price control and, if so, will he obtain a report from the Prices Commissioner as to the increases in prices of those commodities?

The Hon. Sir THOMAS PLAYFORD—Neither ham nor beef are at present under price control; in fact, all meat has been released from control. Since beef was decontrolled it has been in short supply, and I doubt very much whether there will be any improvement in prices for a considerable period. The unfavourable year will inevitably mean that feed costs will be very much higher and that ham prices will therefore increase.

CIVIL DEFENCE.

Mr. CUMBE—It was reported from Canberra last week that the Commonwealth Minister for the Interior (Mr. Freeth), talking on the subject of civil defence, said he was willing to call for a State-wide conference later. If such a conference is held, will the Premier undertake to provide a competent officer to attend?

The Hon. Sir THOMAS PLAYFORD—Yes, this State has never been reluctant to co-

operate with the Commonwealth in this matter. The Commonwealth's big difficulty is to know what type of action it is necessary to take and what type of planning is justified because of the grave considerations that arise regarding atomic warfare and other nuclear devices.

CONVERSION OF UNUSABLE WATER.

Mr. LOVEDAY—The question of the conversion of unusable water to usable water in dry areas has been a matter of concern for some time. Recent inquiries I made from the C.S.I.R.O. produced replies concerning methods which are of not much practical use in outback areas. A recent issue of the *News* contains a statement to the effect that a Sydney company, Solar Ray Products Ltd., claims to have discovered an economical method of converting salt, brackish, or contaminated bore water to usable water in commercial quantities. It claims that a particularly cheap way has been found of doing this, and that a continuous flow of pure water can be obtained at no cost whatever. Will the Minister of Works have inquiries made into the method to see whether it is of any practical application in dry areas?

The Hon. G. G. PEARSON—From time to time reports have reached the department regarding the conversion of saline water for domestic and other purposes. Those reports have covered both large and small plants. I personally made inquiries of the United Kingdom recently regarding a report I had read of a plant which I think is to be installed on the Isle of Wight, where the authorities have decided that it is a better proposition to augment their supplies by mechanical means than to attempt to store water by natural means beyond their present capacity. That report covered a fairly large plant which it seemed might have some application to our needs in this State. However, on inquiry I find that although the cost quoted per thousand gallons for conversion is reasonable, the amortization charges over the life of the plant would be extremely heavy, and the total cost too high to have practical application in this State. I did hear some reference to the report mentioned by the honourable member which I presume referred to small requirements of individual householders. I think it may have some application in our outback areas where solar energy is fairly constant and temperatures are high. I will have inquiries made.

NORTH PARADE BRIDGE, STRATH- ALBYN.

Mr. JENKINS—Regarding the proposed new North Parade bridge at Strathalbyn, the Mines Department carried out a series of tests in the river bed some weeks ago. It is now found that further tests are necessary, but after two or three inquiries of the Department of Mines, the Town Clerk of Strathalbyn has not been able to find out when the officers of the department can come to make these further tests, and until those tests have been made the contractor cannot get a price or specification for the job. Will the Premier ascertain from the Minister of Mines what is causing the delay, with a view to expediting the matter?

The Hon. Sir THOMAS PLAYFORD—Yes.

COMMUTATION OF DEATH SENTENCE ON STUART.

Mr. DUNSTAN—Recently an announcement was made of the commutation of the death sentence of Rupert Max Stuart. A somewhat difficult situation may arise for Stuart's advisers in these circumstances. The legal opinion on this matter is widespread that, should a retrial be ordered, that sentence which has been commuted will no longer be the sentence passed upon him: he will be subject to a new sentence, and consequently may still come under the threat of the death penalty. In those circumstances will the Premier make it clear that the commutation of the death sentence for Stuart applies in any event, that is, in the event of any sentence of death on Stuart for the crime?

The Hon. Sir THOMAS PLAYFORD—Cabinet considered very carefully the problem that arose and for a number of reasons which have not been stated publicly, but which I think I can tell the House in confidence, it decided that it was advisable to commute the sentence to life imprisonment. The circumstances were in the first place that the Commission, and indeed the advisers of Stuart, were in a very difficult position. While it is not an actual trial, the fact still remained that the Commission's finding could have had a very big bearing upon whether Stuart would, in point of fact, hang or not. The Government considered that there had been a very strong attack upon our legal system in South Australia, and it was most necessary to take every action possible to clear this matter up in the public mind once and for all and to make it clear that the Government, the courts

and everyone associated with the administration of justice desired to see justice done in its fullest sense. The reason the Government commuted the sentence was, firstly, that this man had been under sentence for nearly nine months, and numerous respites had been granted, and, secondly, the Commission was in a very difficult position to get the true facts of the case because of the problem I have stated, namely, that while it was not a trial it nevertheless would have material bearing upon whether Stuart would hang or not. Under those circumstances Cabinet commuted the sentence.

The second part of the question is a very broad question indeed, and concerns the commutation remaining in any event. I do not know the facts that will come to light, but as the matter stands Cabinet intended that the commutation should be effective.

WATER SUPPLY FOR HASLAM.

Mr. BOCKELBERG—I believe the Minister of Works has a reply to the question I asked some time ago regarding a water supply for Haslam.

The Hon. G. G. PEARSON—After much investigation, and upon the residents of that township entering into a certain agreement in regard to the supply of water, I submitted the matter to Cabinet for consideration, and am pleased to state that Cabinet this morning approved a water scheme along the lines of the negotiations with the residents and the honourable member.

WELLINGTON EAST TO MENINGIE STOCK ROUTE.

Mr. BYWATERS—Last week I asked the Minister of Lands a question regarding the closing of the stock route from Wellington East to Meningie. Has the Minister a reply to that question?

The Hon. C. S. HINCKS—I have been supplied with the following report:—

Requests have been received for closing of portions of the stock route, supported by the Stockowners Association, and also objections to the closing of any portions from landowners adjoining the route. The requests have been reported upon by the Pastoral Board and the Director of Agriculture, but in view of the reports furnished, it is not considered that the time is opportune to close any portion of the route. Should any portion of the route be closed at any time, the area would be dealt with in accordance with the provisions of the Crown Lands Act.

FLORA AND FAUNA RESERVE.

Mr. HARDING—Last year the South-Eastern branch of the Stockowners Association appointed a subcommittee to investigate the possibility of securing a reserve for flora and fauna in the South-East. Two sites were inspected and the Minister of Lands notified that one of the sites was part of Fairview Estate and the other part of the Hundred of Spence, and known as Big Heath, and that in both surplus land was available. Has the Minister anything to report on the proposal?

The Hon. C. S. HINCKS—A deputation of stockowners waited on me and I informed its members that when we had a clear picture of the proposed development of the area I would inform them whether land would be available for this purpose. We have now decided on the area to be developed and the Land Board, under instructions, will inspect the area within two months and then report to me. I will then notify the honourable member.

SCHOLARSHIPS FOR STUDY ABROAD.

Mr. HUTCHENS—In this morning's *Advertiser* a report from Sydney states that a scholarship plan to enable students to study abroad within the British Commonwealth free of cost has been established by Commonwealth countries. The article also states:—

Under terms of the plan Great Britain will contribute 500 scholarships, Canada 250, Australia 100, and India 50, all at university level. As this seems to be encouraging to students, can the Minister of Education supply further information about the plan?

The Hon. B. PATTINSON—At the moment there is correspondence between the Commonwealth Director of Education and the State, but as soon as I have anything to announce I shall be pleased to do so.

MILLBROOK RESERVOIR FENCING.

Mr. LAUCKE—A fence recently erected by the Engineering and Water Supply Department around Millbrook Reservoir on the Lower North-East Road, near Chain of Ponds, has barbed wiring as the top line. This constitutes a hazard to road users, particularly motor cyclists. Will the Minister of Works, in the interests of public safety, have the barbed wire replaced with plain wire?

The Hon. G. G. PEARSON—I will make inquiries about this matter. If this wire is at a point where the fence runs close to the edge of the bitumen there is probably a good reason for the honourable member's request. I will get a report from the Engineer-in-Chief.

"SAFETY SALLIES" ON ROADS.

Mr. RALSTON—Today I received a letter from the Mount Gambier City Council regarding the placing of signs known as "Safety Sallies" on roadways for the protection of children attending schools. The experience of the council is that these signs have proved most effective in controlling traffic. Portion of the letter states:—

My council now is of opinion that steps should be taken to legalize the placing of "Sallies," and will therefore be glad if you will make representations to the honourable the Minister of Roads with the request that legislation be provided to legalize the placing of "Sallies."

Will the Minister representing the Minister of Roads refer this matter to his colleague with the request that the State Traffic Committee be asked to consider the advisability of legalizing "Safety Sally" signs in the proposed new Road Traffic Act?

The Hon. G. G. PEARSON—Yes.

STOCK DISPOSAL.

Mr. HEASLIP—I am still gravely concerned about the disposal of surplus livestock in South Australia. Earlier this session I asked the Premier a question about disposing of our surplus stock to other States. I appreciate the job the abattoirs is doing in slaughtering large numbers of stock, but they are unable to get rid of the entire surplus, which has either to die or be transported out of the State. Following the recent good rains in New South Wales—extending from the west right to the Dividing Range, particularly in pastoral areas, and up to the Queensland border—it should be possible to dispose of surplus stocks in New South Wales. Will the Government take advantage of this possibility, even to the extent of providing concessional railway rates on the transport of stock to New South Wales?

The Hon. Sir THOMAS PLAYFORD—When the honourable member asked his previous question I informed him in general terms that the Government would be anxious to help in what is the most difficult problem we are faced with today. At present we are carrying an impossible number of stock unless we have what would now be regarded as unusual rains. It is difficult to answer specifically a question couched in general terms, but I assure the honourable member that any practical proposal will receive the Government's consideration.

Mr. O'HALLORAN—Some years ago when I was in the business persons who purchased stock for stocking their own properties were

entitled to substantial rebate under what was known as the store stock rebate if they undertook that they would hold the stock on the property for a reasonable period. Will the Premier say whether that provision is still in force and whether it will still apply or can be applied to graziers in New South Wales, where seasonal conditions are much better than in South Australia, on stock marketed in South Australia and railed to New South Wales?

The Hon. Sir THOMAS PLAYFORD—If the honourable member asks the question again on Thursday I hope to have a report then.

MOUNT BURR COMMUNITY HALL.

Mr. CORCORAN—My question relates to the proposed new community hall at Mount Burr. Some time ago when I raised this matter the Minister of Forests pointed out that a number of matters had to be considered before building was begun. Can the Minister now advise whether those matters have been considered and when building operations are likely to commence?

The Hon. D. N. BROOKMAN—I think I can get a report for the honourable member tomorrow.

OLARY AND MANNAHILL WATER CHARGES.

Mr. O'HALLORAN—A few weeks ago I drew the Premier's attention to a serious situation that had developed in two small centres in my electorate along the railway line, namely, Olary and Mannahill, owing to the failure of local water supplies from which the few people who live in those areas formerly derived their water. As a result the Railways Department had to cart water from Cockburn, a considerable distance away. Although they charged the old rate that they had always charged, 7s. 6d. a thousand gallons, they added the freight from Cockburn to Mannahill and Olary respectively, which, in the case of Mannahill, meant that the price of water was £9 a thousand gallons instead of 7s. 6d. Will the Premier consider whether it is possible to reduce the charges, even if it becomes necessary to make a small subsidy to the Railways Department for carrying at a lower rate?

The Hon. Sir THOMAS PLAYFORD—The Leader's submission was considered by Cabinet this morning. A report has been received from the Railways Commissioner. The decision of Cabinet was that the Minister of Railways should negotiate with the Commissioner on the price for water and we will then probably

subsidise it to a certain extent, to bring down the price to a more realistic figure. In any circumstances, of course, the water will be expensive.

Mr. O'Halloran—It always has been.

The Hon. Sir THOMAS PLAYFORD—But it will be more expensive still because of the heavy cost of supply. The general consensus of opinion in Cabinet was that we should make the best deal we could with the Railways Commissioner and then probably make a subsidy to bring down the price still further.

SOLDIERS MEMORIAL HOSPITAL, STRATHALBYN.

Mr. JENKINS—As regards the Soldiers Memorial Hospital at Strathalbyn, the board applied some weeks ago to the Minister of Health for this hospital to be subsidised but no reply has yet been received. The members of the board asked me yesterday if I could ascertain whether the Minister had considered their request, and with what result.

The Hon. Sir THOMAS PLAYFORD—I will get a report for the honourable member from the Minister of Health.

FIRE PRECAUTIONS ON PUBLIC TRANSPORT.

Mr. FRED WALSH—Has the Minister of Agriculture a reply to a question I asked last week about the provision of receptacles for cigarettes, tobacco, etc. on public transport using roads in the Adelaide hills?

The Hon. D. N. BROOKMAN—The question of making it compulsory for all motor vehicles to be fitted with ash trays was considered by the Bush Fires Advisory Committee in 1955 and again in 1956. On both occasions the Committee was of the opinion that it would be impracticable to enforce a provision of this nature and recommended that no action be taken. Attention is drawn to Section 19 of the Bush Fires Act, which provides for a penalty of up to £50 for throwing from any vehicle "any lighted cigarette or cigar or any live tobacco ash." It is of interest to note that in 1955 the maximum penalty for this offence was increased from £20 to £50.

AERIAL SPRAYING FOR VERMIN.

Mr. HARDING—Following the question I asked last Tuesday, has the Minister of Lands a report on aerial spraying for vermin?

The Hon. C. S. HINCKS—The reply from the Director of Lands is as follows:—

So far as is known no indiscriminate aerial poisoning for destruction of rabbits is carried

out in this State. The Vermin Act provides that any occupier of land may lay poison on his land for the destruction of vermin. However, the right to do so is subject to the proviso that no poison shall be so laid within 100 yards of any public road or way. Recent aerial baiting activities in Victoria are believed to be under close supervision and involve similar precautions.

SOCIAL SERVICE BENEFITS.

Mr. DUNSTAN—I have been concerned with a number of cases in which people in receipt of social service benefits from the Commonwealth Government and of Children's Welfare Department grants for their children have had Children's Welfare Department grants decreased at the time that their Commonwealth pension was increased. I am particularly concerned about a case that has just come to my notice of a man named E. L. Pfitzner (whose address I can give the Premier), who is now on an invalid pension. His wife was getting a wife's allowance of £2 13s. a week and he was getting £9 2s. a fortnight for five children. As soon as he got the 7s. 6d. increase in his Commonwealth pension, the Children's Welfare Department grant for the children was decreased by exactly that amount. Will the Premier investigate that case and, when he gives me an answer, state whether it is Government policy to reduce Children's Welfare Department grants for children in this way every time a Commonwealth pension increases?

The Hon. Sir THOMAS PLAYFORD—I will certainly investigate the case concerned. With regard to the second part of the question, the Children's Welfare and Public Relief Board administers this matter. It is outside the jurisdiction of the Government to a large extent and, so far as I know, has never been subject to Government policy. It has done what it considered proper, and as far as I know there has been no Government decision in connection with this matter of policy.

ACQUISITION OF LAND NEAR MURRAY BRIDGE.

Mr. BYWATERS—Following a question I asked last week about some people in my area being victims of compulsory land acquisition by the Commonwealth Government, can the Minister of Lands tell me whether this is legal: whether the Commonwealth has the right to do that?

The Hon. C. S. HINCKS—The answer I gave last week was precisely the same as what I have now received, although this is longer. I find that the Commonwealth authorities recently approached the Director of Lands and stated

that the Department of the Army intended to acquire approximately 4,230 acres in the Hundred of Burdett, which it is entitled to do under its powers of acquisition. The area of 4,000 acres that the member stated is not being worked cannot be identified from the information supplied.

DAIRY FARMERS' EQUALIZATION PAYMENTS.

Mr. RALSTON (on notice)—

1. Will the Minister ascertain:—(a) whether there has been a Commonwealth investigation of the circumstances surrounding the retention of the equalization payments by the proprietor of the Glenburnie Produce Company; (b) whether any Commonwealth legislation is proposed to protect dairy farmers against any similar occurrence in future?

2. In the absence of proposed Commonwealth legislation, is it the intention of the Government to introduce legislation to protect South Australian dairy farmers against retention of equalization payments?

The Hon. D. N. BROOKMAN—The replies are:—

1 (a) and (b). The honourable member's question will be forwarded to the Minister for Primary Industry, as this is a Commonwealth matter.

2. The South Australian Government has not received any request from the Commonwealth Government for any action.

SUBSIDIZED HOSPITALS AND PENSIONER PATIENTS.

Mr. BYWATERS (on notice)—

1. Are some Government subsidized hospitals charging as much as £2 6s. per day for pensioner patients?

2. What is the Government's policy on charges to pensioner patients in Government subsidized hospitals?

3. Are pensioners classed as indigent persons?

The Hon. Sir THOMAS PLAYFORD—The replies are:—

1. Some Government subsidized hospitals raise full fees (which may even be more than £2 6s. per day) against pensioner patients. However, all hospitals are prepared to accept a lower fee, or to consider complete remission, if hardship is proved. All pensioners are being encouraged to join approved hospital benefits organizations so that benefits amounting to 36s. per day will be available under the National Health Act (obtainable for a payment of 9d. per week).

2. The boards of management controlling Government subsidized hospitals are autonomous bodies, and there is no Government control in this matter. A nominal charge of 10s. per day for pensioners is recommended by the Council of the South Australian Hospitals Association, such charge being subject to either reduction or remission by the Hospital Board in the event of hardship as mentioned above.

3. Pensioners are not classed as indigent patients.

ASH REFUSE FROM OSBORNE POWERHOUSE.

Mr. TAPPING (on notice)—

1. Has the Electricity Trust a contract for the disposal of ash refuse from Osborne powerhouse?

2. If so, what advantages would such a contract have over the method formerly used?

3. What are the comparable economics of both methods?

The Hon. Sir THOMAS PLAYFORD—The Chairman of the Electricity Trust reports:—

1. Yes.

2. Ash has been removed from Osborne by contractors for the past five years.

3. Prior to the trust letting a contract for ash disposal, it experienced difficulty in keeping the station free of ash as carters only carted spasmodically to suit their own convenience. The contract requires ash to be removed, coal and coke to be carted, pursuant to specification.

DENTAL FUND OF AUSTRALIA.

Mr. FRANK WALSH (on notice)—

1. Has the Public Actuary received a return from the Dental Fund of Australia as provided by the Benefit Associations Act?

2. If so, does it meet the requirements of the Act?

The Hon. Sir THOMAS PLAYFORD—The Public Actuary reports:—

1. The required returns under the Benefit Associations Act were received from the Dental Fund of Australia Ltd. on October 5, 1959.

2. The returns were duly completed on the forms prescribed by regulation. If the returns, together with any other information, indicate the need for remedial action, the Public Actuary is required to make a provisional recommendation to the company. The returns are now being examined and it will be necessary to obtain additional information from the records of the company. The present indication is that remedial action is very necessary.

ADVERTISING METHODS.

Mr. TAPPING (on notice)—Is it the intention of the Government to take action to prohibit firms from advertising special bargains

of furniture, etc., which cannot be purchased on application?

The Hon. Sir THOMAS PLAYFORD—The matter will be forwarded to the Crown Solicitor for a report.

THE BUDGET.

In Committee of Supply.

(Continued from October 8. Page 995.)

Grand Total, £80,323,000.

Mr. RALSTON (Mount Gambier)—At the outset I pay a tribute to members who have spoken for their able contributions to this debate. I welcome this debate, as it gives members licence to discuss all matters that affect the welfare of their own electorates and the overall welfare of the State, and an opportunity to criticize, if necessary, the shortcomings of the Government and to advocate alterations in constructive planning and other things so that this House has a knowledge of the various needs of the electorates. A matter that needs attention in the interests of the people of this State is the need for a Minister of Housing and Development. The Government's policy of creating trusts may have a few advantages but, on the other hand, it has many grave disadvantages. According to the Auditor-General's report, funds employed by the South Australian Housing Trust amount to over £55,000,000, and by the Electricity Trust, over £74,000,000. This is the property of the people of this State but, under the system of trusts, the elected representatives of the people cannot debate or decide the policy of these trusts.

In radio broadcasts, the Treasurer proclaims that the policy of the Housing Trust or the Electricity Trust will be this or that, or in reply to questions in the House says that he will obtain a report. Parliament is no longer supreme; in housing and electricity matters it no longer decides the destiny of this State. Nobody has a greater respect for the officials of both these organizations than I. At all times they have been most courteous and undoubtedly have gone to great trouble to assist members, and I pay a tribute to them, but this Government has created bureaucratic institutions which, though directly affecting the lives of the people and the welfare of the State, are not responsible to this House through a Minister of Housing and Development. Members should consider this aspect which is of great importance: that the nature of trust control as against Ministerial control lends

itself to the possible creation of an indirect dictatorship through the granting or withholding of executive appointments within the framework of the Trust as decided by the Government of the day. This is possible irrespective of the political creed that the particular Government adheres to.

The policy of building double unit trust homes should be discontinued immediately. These abominations of houses, which give no privacy to tenants in either half, cannot be sold. They are homes which no-one in his or her right sense would dream of buying and are therefore destined to remain rental homes for ever, and in the view of many people, including the Corporation of Mount Gambier, are undesirable, as the following decision of the council will show.

Mr. Coumbe—Don't you believe in rental homes?

Mr. RALSTON—I will explain rental homes to the member for Torrens in a moment. The *Border Watch* of Saturday, October 3, carried the following article:

The city council will ask the South Australian Housing Trust to consider building in Mount Gambier single unit homes for rental, instead of additional double units. Chairman of the Town Planning Committee (Alderman M. C. Duffield) said the committee felt the erection of single units would perhaps obviate slum conditions, which could develop in some instances.

I have advocated previously and will continue to advocate, the policy of building single unit rental homes which, after a reasonable qualifying period, the tenant acquires the right to purchase, and the equity created by capital amortization of the rent paid should be credited to the tenant on approval of his application to purchase and become a portion of the deposit required to purchase the home. Without question, people who own their own homes become civic minded, develop a feeling of security, and plan to improve the value of their property. In every way their status as responsible citizens grows with home ownership to the benefit of themselves and the State.

This policy does not require any more money than the policy of building homes for rental only; in fact, it requires less, as immediately ownership is transferred the new owner starts repaying the capital cost and interest charges thereon, as well as accepting responsibility for rates, taxes and other outgoings which previously were the responsibility of the trust. Last year a special Commonwealth grant of £368,019 for housing was made to this State, and it was decided that this amount would be used to build rental homes

in country centres for people of limited means and that the rental charged would be a minimum of £1, or one-sixth of a family income, whichever was the greater. This decision met with unanimous approval in this House and throughout the State, but the amount was pitifully small compared with the needs of the people. At Mount Gambier nine small homes of excellent design were built, and those who were able to get one are more than delighted with their good fortune. I doubt whether we can expect another special grant which could be used for similar purposes; therefore, it is essential that the practice of building cottage flats for elderly pensioners and people of very limited means, which is now restricted to the metropolitan area, where on the last figures available (those at June, 1959) 411 had been built, be extended to include all country areas where there is an urgent need for this type of house.

Dealing with the need for further decentralization of Government administrative departments, I notice in the press that amendments to and consolidation of the Road Traffic Act will simplify car registrations, etc., and I hope this decentralization includes establishing branches of the Motor Vehicles Department at selected country cities to bring a service to the district concerned instead of continuing to concentrate administration, seemingly wherever possible, within sound of the G.P.O. clock.

The flax industry in South Australia appears doomed. A prominent member of the Commonwealth Flax Commission said recently that the flax mill at Mount Gambier would close down in December of this year. The Menzies Government seems to have retreated before the demand of the flax spinners in the Eastern States who wish to import flax from European countries where the price is far below production cost, due to over production in some countries and the dumping of surplus production by other countries. Nevertheless, the land and buildings still remain near Mount Gambier and can no doubt be purchased at a reasonable price. The site is ideal for superphosphate works: it has a direct railway to the deep sea port at Portland, and in the opposite direction to Adelaide; ample supplies of electric power and water are available. Superphosphate in the South-East and in western Victoria is now supplied from Adelaide by rail or from Geelong by road, and in this competition for the superphosphate market it seems that Victoria is winning hands down.

We are looking for decentralization of industry wherever possible, and my proposal has considerable merit.

During the past week the Minister of Agriculture has replied to many questions relating to the Bush Fires Act. It is proposed to re-draft the Act, which is extremely difficult, if not impossible, for laymen to interpret. Many legal authorities consider the meaning of some sections to be so obscure that to give an opinion on them would be hazardous unless a previous ruling by a competent court were available for guidance. Be that as it may, at least one aspect of fire fighting needs attention. To illustrate this point, let us assume a council has appointed a fire control officer or a crew member of a fire unit in accordance with the Bush Fires Act. It is then mandatory upon the council making the appointment to obtain a policy of insurance in accordance with the Act. Assume a fire control officer or a crew member is injured, and after months of medical treatment the injury persists and could be of a permanent nature, resulting in the person injured suffering a percentage loss or even a total loss of earning ability throughout the remainder of his working life. If this fire fighter is normally an employed person, he is covered by a policy in which the compensation payable is in accordance with such amounts as would be payable under the Workmen's Compensation Act.

Now let us see what could happen under these conditions and, in one case, has happened. The insurance company involved notified the district council to deny liability from a date decided by the company, and the council followed this direction. Where does the injured fire fighter stand? After months of suffering and existing on the amount payable (£9 5s. a week for a single man or £13 10s. a week for a married man), he must start legal proceedings either to obtain a negotiated settlement on account of the injury or take the matter to court—the only alternative left. Who are his friends now? Certainly not the emergency fire service to which he belonged. A letter from the Director of the Emergency Fire Service in this matter reads as follows:—

In acknowledging your letter of the 16th inst. concerning claims for compensation, I have to advise that I have no knowledge of any precedent for this case, which may serve as a guide to assist. I have no mandate to provide or authorize legal assistance to Emergency Fire Service members for compensation claims. That was signed by the Director of the Emergency Fire Services. The injured person in this case has no friends at all. He is alone,

fighting for justice from his own slender resources. I am sure that no honourable member intended that to happen. I submit that this case reveals that, if the 4,000 or 5,000 members of the Emergency Fire Service are to continue to give voluntary service to the community and the State, they must have some real protection, including legal advice and assistance wherever needed, otherwise I doubt if any member of the Emergency Fire Services who is a working man with dependants could in justice to his family and himself continue to be a member. This would be a disaster of the first magnitude. Surely, when reviewing the Act we can adequately protect this excellent body of men—the emergency fire fighters of this State. I support the Estimates.

Mr. RYAN (Port Adelaide)—Glowing tributes have been paid during this debate to the financial wizardry of the Treasurer during the course of 21 years of introducing his Budgets. During that time the Treasurer has had everything in his favour which has enabled satisfactory Budgets to be delivered. We have often said it would be a different proposition when circumstances were not as favourable in our primary and secondary industries. Now that that position has arisen we hear all manner of excuses from Government members. Last year we had a deficit of about £1,000,000 and the Treasurer informed us that the Federal Government would probably reimburse us that amount. However, this year we are no longer a claimant State and the Treasurer has estimated a deficit of about £750,000. What will happen now that the Treasurer is no longer in a position to secure moneys through the Grants Commission? The Treasurer has claimed that South Australia has been managed more economically than other States, but the people who rely solely on wages, and who are entitled to some consideration in respect of social services, have suffered to enable the State to be operated economically.

This Government has not a good record since South Australia has become a non-claimant State. Almost since the day it was announced that we would no longer receive reimbursements through the Grants Commission the costs of essential commodities and public services have increased. Water charges have been increased to meet additional pumping costs, but bus fares and railway fares, which are not affected by seasonal conditions, have also been increased. In all instances the Government has stated the reason for increased charges as the terrific increase in the basic

wage. The Opposition recently supported salary increases to high-ranking public servants, which is in accordance with our policy to support increases in wages. However, I object to the Government sending representatives before arbitration tribunals to oppose applications for wage justice. It is quite obvious that under our present financial set-up the people on low incomes will suffer. I believe that our expenditure on social services will diminish whereas charges for essential services will increase so that the Government will be able to pay for what has been debited in the past.

Many thousands of workers in the Port Adelaide area have been treated at the Port Adelaide Casualty Hospital, but in this Budget only £4,000 has been provided for wages and £2,000 for expenses of this hospital which is in the centre of a working district and which treats an enormous number of workers from an industry that is noted for its high accident rate. The Government is contributing to a safety council that will meet here in November, but it is not willing to make worthwhile contributions to such an essential hospital.

Recently a man visited the State Electoral Office to have his name and his wife's placed on the Legislative Council roll and he took with him a form that he had received at a post office. An officer of the department told the man he was only wasting his time and that it was not necessary to fill in the form. He said, "It is my recommendation that you do not do so." Officers of the Electoral Department are not paid to give such advice.

Mr. Lawn—The Government does not want them on the roll.

Mr. RYAN—It would be to the Government's detriment if it were compulsory for people to enrol for Legislative Council voting. It is wrong for officers to advise people not to enrol.

Mr. Lawn—That might be a Government instruction.

Mr. RYAN—Possibly. If the Government were game enough to legislate as have other States, it would not be in power much longer. Just before the last elections all prospective members were asked what their attitude would be, if elected, to alterations to the Public Service Superannuation Fund. The Labor Party members said what they would do if elected to office and the Treasurer and his members made certain promises. However, it is now apparent that they were merely electioneering promises, because no provision is made in this Budget for increased benefits.

During the Address in Reply debate I referred to anomalies in the administration of the Harbors Board. At present a board of three administers this important Government department, which is one of the few that pays its way. The chairman receives an expenses allowance of £500 a year and the other two members £400. It is quite obvious that this is only pin money and that the board members render service accordingly. The member for Semaphore (Mr. Tapping) and various deputations have often approached the Government asking that the complement of the board be increased to five: that representatives of employees and employers be appointed to the board. However, the Government has not acceded to the request, even though such appointments would not involve the Government in much additional expense. The present members are not experts and representatives of employers and employees on this board would make it more effective. Several times in the past there have not been sufficient members available to constitute a quorum and business has suffered. In Victoria the employees' representative has been acting-chairman of the Victorian board for a long time and no one can criticise his administration. The Government is prepared to spend thousands of pounds of the taxpayers' money on amenities from which they will get little return from those people using them. The revenue and expenditure of a department such as the Harbors Board should be seriously considered where the Government intends to spend a considerable amount of the taxpayers' money for the benefit of people who will not contribute towards the finances of the State. That is what is happening in the case of the Harbors Board and will happen even more in the near future when what is known as the roll-on roll-off system is operated in Port Adelaide and other places in South Australia. I do not know the exact amount spent, but this morning I inspected the amenities supplied by the employers' organization for the operation of this system. Expenditure would run into thousands of pounds which would never be recouped by charges against the shipping companies.

It is usual when speaking in Budget debates to criticize what is contained in the Budget, but on this occasion I must criticize something not in the Budget. Two important semi-governmental bodies that are not included in the Budget should be. One is the Housing Trust. Administratively, it is not recognized as a Government body. It is to the advantage neither of the trust nor of the taxpayers that

it should be classified as it is at present. This important body should at least be placed upon the same footing as all other Government bodies. It would be to the advantage of the Housing Trust employees and would mean that its administration would be open to criticism by honourable members—and constructive criticism benefits everyone. As the honourable member for Mount Gambier (Mr. Ralston) has pointed out, questions can be asked about the Housing Trust, but members cannot criticize its administration, whereas we should have that Parliamentary right. That has been the policy of the Opposition for a considerable time. Although the Government is prepared to pick what is good from the Opposition's policy, it has not up to the present seen fit to adopt that part of our policy and implement it as its own. If it did, it would benefit all.

The other important semi-governmental body omitted from the Budget is the Electricity Trust. Again, we have been told that that is not a Government instrumentality in its entirety but, from a financial point of view, it becomes just as much a Government instrumentality as all the other services supplied by the Government. Unfortunately, great discontent prevails inside its administration. As Parliamentary representatives, we have not the right to criticize what goes on inside the Electricity Trust. It is another example of where constructive criticism, if allowed, would benefit all. Once again, it is a Government office, it is Government in certain parts of its operations, it is Government in its entirety as regards allocation of finance, but it is not Government as far as criticism is concerned. In future, it would be to the advantage of all concerned if the Government considered including these two important Government instrumentalities within the control of Parliament.

A third body, a special service for South Australia that becomes a Government responsibility as regards its finances, is the Municipal Tramways Trust. Glowing tributes have been paid to the increased efficiency of its administration because over a period of years the amount provided by the Government has gradually diminished; but, on this occasion, it becomes a manipulation of figures: in other words, it comes back to the gerrymander, which also is a manipulation of figures. The M.T.T. was one of the first essential services to increase its charges after the announcement that South Australia was no longer a mendicant State. A competitor of the Tramways Trust and a 100 per cent Government instrumentality is the Railways Department which

has recently announced fare increases. It is important to understand the reasons given for the discrepancy in the fare increases between routes where there is competition and routes where there is no competition, because there may be an ulterior motive behind that discrepancy. Nobody worries much about a deficit on the railways, but severe criticism is always voiced when Parliament is asked to authorize extra money for the M.T.T. An increase in railway fares has been authorized so that the reduction in reimbursement to the Tramways Trust can be answered. If the people can be bought—I use the word "bought" in view of certain financial circumstances—by the provision of alternative transport that will be to the detriment of the revenue of the railways. That has happened on this occasion. In the case of people travelling into the city, the increase in fare has been about 12½ per cent. It is essential in many cases that people use public transport to travel to and from their work.

Mr. O'Halloran—Many cannot afford any other form of transport.

Mr. RYAN—That is true, but there is the further disability that, where people travel into the city, there is no provision for parking in the city if they own other means of transport. We are all aware of the parking problem in the city. It causes people with private vehicles to use public transport for convenience. That does not apply where people are engaged in trades or professions outside the city. If those people, even though they have private vehicles, desire to use public transport they will be penalized by further increases in fares.

For people travelling to their employment outside the city the increase in fare is about 33½ per cent. That does not seem good to me because a further financial burden is being inflicted upon people without transport while people with their own transport will use their own means of transport rather than pay the increased fares. So the revenue received will be not increased but reduced.

If honourable members refer to a statement made at the week-end by a railways expert from overseas, they will observe that he states—I think with all sincerity—that it has never been proved in any State or country that increased fares produce increased revenue. He specifically mentions railways because he is a railway expert. There is a vast difference between a railways expert and the M.T.T. experts, as we have seen over the years. The Railways Department has decided that it has greater experts and that an increase in fares

will produce an increase in revenue. There may be an ulterior motive behind that—keeping the people away from the railways and inducing them to use the tramways, to try to substantiate the case put forward by some people that the reimbursement to the tramways has been reduced. In a number of cases of bodies whose revenue has passed back into Government sources, there has been an increase to the detriment of the social services because, under the old system, if money was spent on social services, the State would be reimbursed through the Grants Commission. That no longer applies. If the future position is the same as the past, this State will be run not economically, but uneconomically from the point of view of those who can ill afford to pay increased fares. These increases are borne mostly by those who can least afford them. I have no doubt that when an application is made to the Arbitration Court soon for an increase in workers' margins, this Government will take the same attitude and action as in the past and send a representative to the court demanding that those increases be refused. Due to this infliction on the workers, it will not be long before further representation will be made, either to the Federal or State Court, for an increase in the basic wage for this State. I will not oppose that application, nor will the Party I represent; and we do not believe that the Government, which has been demanding that the workers shall go before these tribunals, should oppose it either. I support the Estimates.

Mr. HARDING (Victoria)—At the outset, I congratulate the Tourist Bureau on a wonderful brochure it brought out when delegates from Commonwealth Parliaments were in this State recently. This magnificent publication, which will be in the hands of those delegates, will pay for itself ten thousand times over. The Tourist Bureau is doing a wonderful job. Recently I had the pleasure of visiting Alice Springs and was amazed to hear that 25,000 people pass through that town each year. Adelaide is the gateway to the Northern Territory, and I congratulate the Tourist Bureau on the part it is playing in furthering the tourist trade.

I had not intended to speak in this debate until the Deputy Leader of the Opposition, in the absence of the Leader, spoke about primary producers. I wish to reply as a primary producer and on their behalf. In the *Adelaide Stock and Station Journal* of September 9, the following article appeared:—

Although Australian meat markets are unlikely to reach last year's all time record of £110,000,000, authoritative sources believe the value of shipments in 1959-60 will be well above average. Key features of the export trade this year are expected to be:—

- (1) A reduction on last year's return of 50,000,000 dollars from the United States;
- (2) A continuation of the strong demand in the United Kingdom for beef; and
- (3) Little prospects of United Kingdom demand for lamb picking up significantly.

It is difficult to see at this stage what can be done to boost lamb exports to the United Kingdom. Our lamb continues to meet traditional competition from New Zealand and in addition has to cope with much heavier supplies of locally produced United Kingdom lamb. But by far and away the most important factor in weak lamb demand has been the spectacular increase in poultry production and consumption in Britain. Authorities in Canberra say it is apparent that British poultry producers have taken a leaf out of the United States book and are embarking on mass production methods of producing what they call broilers and what we know as roasters. Big manufacturing interests have entered the industry in the United States and by de-sexing roosters through the insertion of a pellet in the neck they are able to produce a big 4 lb. bird in some 12 weeks of intensive feeding. These birds are selling by the millions in Britain and in London hundreds of shops have sprung up that sell broilers, cooked on an infra-red ray spit, for eight to ten shillings. At this price chicken is very competitive with lamb. United Kingdom Minister of Agriculture, Fisheries and Food statistics show that broiler production in 1955-56 in the United Kingdom totalled 51,000 tons. But in 1958-59 this figure had climbed to 106,000 tons, or more than double Australia's exports to the United Kingdom in that year of mutton and lamb. Broiler production is expected to rise by a further 30,000 tons in 1959-60. All this has meant a change in the eating habits of the English family and an increasing swing away from lamb. For this reason officials stress the need for Australia to get its lamb on the United Kingdom market between December and March, when large New Zealand supplies are not competing.

In this House in 1957 I said that it was amazing that the British Isles produced more meat, milk and cereals than the whole of Australia. This further increase in production is another nail in the coffin of Australian trade. Countries like Argentina, South Africa, Mexico and Japan have captured our German markets, so it can be seen that the future of our primary production is not as bright as it once was. In 1957, I said that one-eighth of Australia's 4,000,000 workers were responsible for the production of primary products that brought into this country 80 to 90 per cent of its overseas funds.

These people are the key personnel. This country will always depend to a large extent on primary production to bring in overseas funds but now, because of the competition from countries that I have mentioned, our overseas funds have dropped by probably 33½ per cent.

In the absence of the Leader of the Opposition, the Deputy Leader said that he did not favour the half-fee registration concession made to primary producers on their motor trucks, and I should like to know whether he made that statement on behalf of his Party and whether it is Opposition policy. Most of the primary producers' trucks in my electorate do not use the roads for carting stock, superphosphate, hay and cereals, and less than five per cent of the total number would average more than 5,000 miles a year on the roads.

Mr. O'Halloran—Nobody objects to that.

Mr. HARDING—Your Deputy Leader said he did not favour a reduced registration fee to primary producers.

Mr. O'Halloran—I made it clear in my speech.

Mr. HARDING—Does the honourable the Leader favour the concession?

Mr. O'Halloran—Yes, where the vehicles are used for genuine primary production purposes, but not when they compete with the railways.

Mr. Lawn—He is not responsible for his brothers' sins.

Mr. HARDING—The Deputy Leader said it when sitting in the Leader's seat. If primary producers needed concessions before, they need them more than ever now. I support the Estimates.

Mr. LAWN (Adelaide)—I will deal firstly with the last remark made by the previous speaker. Ever since I was a boy I have heard people say, and have read, that primary producers need assistance from the State, that they needed rain badly, and, when they got it, they had too much and the wheat suffered from rust. Only 12 months ago the rainfall was below average, yet the Commonwealth Statistician's figures for 1958 showed that South Australia's production last year was the best for nine years and the best in Australia for that year. I am pleased that that was so, and I hope rain will soon fall to make this season as good as last. The long range forecast was that we would have good rains from October 9 to October 15, but it is now October 13 and, unfortunately, no rain has fallen. I hope primary producers get the rain, but, like the member for Victoria, who said "If ever they needed assistance, they need it now," they have been saying it for as long as I can

remember, the people that I move amongst have been saying it all their lives, but it is still true today. They cannot say they had the best year last year, nor the best ever in the Commonwealth. Thousands of pensioners and other working people live in my electorate. Only this year this Government, after repeated requests from this side of the House and from the Pensioners' associations, conceded something that has been granted by practically all other State Governments to pensioners for some years. I am pleased to say that our Government has during the past 12 months acceded to Opposition requests and granted concessions to pensioners.

During the past 12 months I have negotiated with the Minister of Education to see whether the Education Department would purchase a property situated next to the Thebarton girls technical school. That property was offered to the Government by the owners—a medical practitioner and his sister—at a very reasonable price. A large building at the back portion of this property is, in fact, being used by the school for a gymnasium. If the owners had sold to someone else the girls would have had to go without a gymnasium or travel to another place for gymnasium purposes. The Minister was good enough to make an inspection with me and recommend the purchase. Cabinet gave its approval, and I am pleased that, after some considerable delay, which seems inherent in Government purchases and dealings, the Minister notified me recently that the Government is purchasing this property.

During the last 12 months I have also requested the Minister of Education to make available to the Thebarton Council that portion of the Thebarton oval which is to be used by the Education Department as part of its training scheme. The Minister was not able to accede to that request because of the shortage of buildings available for the training of school teachers, but he was good enough to assure me and the Thebarton Council that when the time arrived that the Government could dispose of this property, the council would have the first opportunity to purchase it.

I have said on many occasions that every approach to the Municipal Tramways Trust by municipal councils, either as individual councils or collectively through the Municipal Association, has been rejected. The trust has also rejected several approaches that I have made in this House through the Ministers. However, I am pleased to say that quite recently, after other approaches to the trust to change the Findon bus route, a deputation

I introduced to the General Manager was very sympathetically received. The proposed change was supported by the Hindmarsh and Woodville Councils, but had not been supported by the Thebarton Council. I understand that the Thebarton Council had agreed to the present route originally; it had obtained considerable money from the Highways Department to alter the kerbing on that bus route to enable the large trust buses to make the turns, and because of that it was loth to support the proposed change of route, and consequently took no further action in the matter. The General Manager of the trust was good enough to suggest that he would save the Thebarton Council embarrassment by himself asking the council whether it would like the bus route changed. I pay a tribute to Mr. Keynes, the General Manager, in this matter, which concerns many residents in my district, in the district represented by the member for Hindmarsh, and probably in the districts represented by the members for Port Adelaide and Semaphore. I take this opportunity of thanking Mr. Keynes for the manner in which he received the deputation and the decision he made on our request.

Some time ago I brought before the House a dispute affecting His Excellency the Governor and Lady George and, I think, a cook. I suggested on that occasion that somebody should be appointed by the Government to supervise the wages and conditions of Government House staff. Quite recently I had an interview with a person who was an assistant cook at Government House. That person informed me that she was a qualified music teacher, and had been engaged in England by Lady George to come out to Adelaide as an assistant cook. During the first month she was here she was required by the cook to do all sorts of fancy cooking, and when she said she could not do it, she was told that was the job she had to do. This person does not profess to be a cook. She had applied to some agency in England for a position as a music teacher, and it was suggested to her that she should seek this job as a means of getting a job. About 18 applicants were interviewed by Lady George. This lady was chosen, and a month after she arrived here she was sacked. I say that is wrong, and I do not think any members can dispute that. All I suggest is that somebody with a knowledge of conditions in this State should be responsible for the employment and supervision of the staff at Government House, and for the settlement of disputes. This lady, perhaps,

has recourse to the courts of Adelaide if she has the financial resources. She had an interview with Mr. Gray, of the Agent-General's Office, who drew up the agreements and, I understand, knows the full basis on which she was engaged. This is the second occasion on which I have raised this question, and I repeat that there should be someone with authority regarding wages and conditions of the staff at Government House.

As a member of the Land Settlement Committee I have had an opportunity of seeing the vast work carried out by both the Commonwealth and the State in the settlement of ex-servicemen on the land. These people have been given an opportunity they would never have received by private enterprise. They went away during World War I and in World War II and all sorts of promises were made that when they came back everything would be provided for them. However, practically all those promises have been dishonoured. Although I knew that a number of men had been placed upon the land, I had not, until recently, seen the blocks they occupied. During the past few weeks I have had an opportunity of seeing them and getting some idea of the magnitude of the help provided by the land settlement schemes following on those two World Wars. I am only sorry—and probably other members are too—that the Commonwealth Government has seen fit to stop further settlement. As a member of the committee which took evidence from some of these settlers, I am sure it would have been beneficial to a large number of other ex-servicemen who have applied for a block had the Commonwealth Government continued that scheme. Land is still available. Had the Government continued that scheme many other settlers who have applied for settlement would be in a happier position than they are today.

We hear from time to time questions asked regarding the State's Budget, where the money is going, and what good comes of it. We have Government members who always claim that they disown Socialism. They have even claimed at election time in their 200 words allowed by *The Advertiser* that they oppose Socialism.

Mr. Shannon—Are you sure of that?

Mr. LAWN—Yes, and the honourable member for Onkaparinga is one of those who in his 200 words said he opposed Socialism. We hear honourable members asking questions as to how long it will be before electric power is made available to their districts, and they

ask the Government to speed up road services and supply additional water. Mr. Hambour has asked for assistance for a swimming pool in his district, but I notice that members opposite do not request the provision of trust homes in their districts, although many members on this side do so. Let us consider what has taken place during the last 12 months in some of the State undertakings. I do not say that they are all socialistic, although some could be considered as such. They are mainly State enterprises. The first one I consider is the Woods and Forests Department, which could be said to be a fully socialistic enterprise. In his last annual report the Auditor-General had this to say:—

Funds employed at June 30, 1959, amounted to £7,445,263. Of this sum the State Treasurer has provided £4,903,000, including additional Loan funds of £419,000 during the year, the balance, £2,542,000, being provided from the earnings of the undertaking.

The total funds employed as at June 30, 1958, amounted to £6,812,388, including £714,000 made available during the year by the Treasurer from Loan moneys. However, there is still more than £200,000 difference and I assume that this was found from the undertaking itself. I suppose that General Motors-Holdens and the Broken Hill Proprietary Company Limited are the two most efficient private enterprises in Australia and G.M.H. plough back into their funds millions of pounds, but in this case I suggest that that is more or less compulsory because under Commonwealth law they cannot send all their profits overseas. Since it was established, the Woods and Forests Department has ploughed back into the undertaking £2,542,000. In addition, it has contributed considerable funds to the State Treasury. On this aspect the Auditor-General has this to say:—

The surplus (as defined above) from plantations fell by £35,000 to £466,000. Of that surplus, £240,000, the same amount as in the previous year, was appropriated and paid as a contribution to Consolidated Revenue.

That amount is probably included in the Budget figures. Therefore, the Government does not have to tax the people for all the revenue required to finance next year's operations of this socialistic undertaking. The amount of £240,000 contributed to Government funds is just under 4 per cent of the capital invested in the department as at June 30, 1958. It would record a much higher surplus if the full profit were ploughed back into the undertaking. It is interesting to study the sales of processed timber, which amounted to £1,811,000 in 1958-59, compared with £1,456,000 in the

previous year. I should say that this department has a promising future. I am pleased that it is making such progress. Private enterprise likes a quick turnover and does not want to wait 20 or 40 years while the trees grow and before they are milled into saleable timber. Possibly, that is why private enterprise does not seek to provide such things as a water supply. If a person renting a house gets out of work many landlords prefer to allow him to remain in it provided he looks after it rather than have him removed, because there is always the likelihood of someone doing damage to it. However, if a debt is owing on water, the same circumstances cannot apply. For instance, private enterprise would deny a person food if he could not pay for it.

I do not know the full history of the South Australian Harbors Board, but I believe it was just after the conclusion of World War I that the Government took over the wharves from private enterprise and, although we have had 26 years of Liberal dictatorship no attempt has been made to alter that set-up. Therefore, everyone must be happy with the Government's control of wharves and harbours. In his annual report the Auditor-General had this to say about the Harbors Board:—

There was an improvement of £15,000 in the results of the year's operations, the surplus being £142,000 (*i.e.*, after providing for depreciation and debt charges) compared with £127,000 for the previous year. The surplus on working (*i.e.*, prior to charging interest) was £693,000, representing a return of 4.6 per cent of the mean funds employed, compared with a return of 4.5 per cent for the previous year. Management expenses and operating costs showed a net decrease of £23,000, while interest increased by £45,000.

During that year there was an increase of 5s. in the basic wage, a similar amount in the previous year and 10s. the year before, and during the present financial year there has been a further increase of 15s., which will be shown in the returns in the Auditor-General's next annual report. Many people talk about the inefficiency of State undertakings, but, as indicated in the Auditor-General's last report, the Harbors Board management expenses and operating costs showed a decrease of £23,000, although interest charges increased by £45,000; and this was despite the fact that those working in the industry had had their wages increased and working conditions improved. Such improvements do not necessarily mean an increase in operating costs. Similar circumstances also apply to other Government departments. In his report the Auditor-General gives

the following percentage of working expenses to earnings:—

For 1954-55, 71.38 per cent; for 1955-56, 75.57 per cent; for 1956-57, 67.59 per cent; for 1957-58, 70.15 per cent; and for 1958-59, 67.88 per cent.

In that five-year period the percentage of working expenses to earnings decreased from 71.38 to 67.88. Any Government member who opposes Socialism and State enterprise would be well advised to examine the Auditor-General's report.

Let us consider the position of the Housing Trust, which is not a Government department, although there is no reason why it should not be since it is financed by the Government and its board appointed by the Government. The Housing Trust surplus for the year, after allowing for interest and making provision for loan repayments, was £446,161, an increase of over £56,000 on the previous year. The funds employed, however, were increased by almost £5,632,000 to £55,184,000. If one examines the funds employed by these various enterprises he will realize that the percentage return is not as high as it would be under private enterprise. The Auditor-General has summarized the last five years' operations of the Housing Trust. In 1954-55 the surplus was £270,155 and the percentage to mean funds employed .9; in 1955-56, the surplus was £222,480 and the percentage return .6; in 1956-57 the surplus was £364,692 and the percentage return .9; in 1957-58 the surplus was £390,151 and the percentage return .8; and in 1958-59 the surplus was £446,161 and the percentage return .9. The percentage to mean funds employed has remained almost stationary although the actual surplus has increased to what I believe is a record.

Let me now refer to the Leigh Creek coal-field, which is a good example of Socialism. We have all had experience of private enterprise in purchasing coal from New South Wales. The Auditor-General's report, in respect of the Leigh Creek Coal Fund states:—

There was a surplus of £72,000 (equivalent to 2s. per ton of coal sold), compared with £69,000 for 1957-58, after providing for depreciation and interest. Losses in the earlier stages of operations have now been overtaken and there was an accumulated surplus at June 30, 1959, of £48,000. Coal produced for sale reached a record figure of 714,000 tons, an increase of 4 per cent over 1958. That increased production and a substantial increase in overburden removal resulted in the cost per ton of coal being reduced by 10 per cent to £1 4s. 2d. per ton for the year.

This has happened despite the fact that in the past two or three years there have been basic wage increases. The report continues:—

The sale price of coal on rail consequent upon lower costs was reduced by 2s. 9d. per ton (9.5 per cent), as a result of which the value of sales at £1,368,000 was £41,000 lower than the previous year.

This is a State undertaking utilizing our resources in the interests of the people and it is cutting costs without reducing wages. It was able to reduce the price of coal to consumers by 2s. 9d. a ton. It passes on to the people the results of its savings which, in private enterprise, would be increased dividends to shareholders. The Auditor-General's report also states:—

The cost of production was £863,000 (a decrease of £63,000 from 1957-58), equivalent to £1 4s. 2d. per ton produced, compared with £1 6s. 11d. per ton in 1957-58. . . . The provision for depreciation for the year increased by £17,000 to £113,000. . . . The rate of interest charged on loan funds provided by the Treasurer increased by 1s. per cent for the year. The total interest paid was £152,000. As with every other department I have referred to, we find a decrease in operating costs but an increase in interest charges. Those that live by R.I.P.—rent, interest and profit—want their pound of flesh and as many pounds as they can get.

Mr. Fred Walsh—I thought "R.I.P." meant "Rest in Peace."

Mr. LAWN—If Socialism were the order of the day in South Australia the many ills to which we refer would rest in peace. It is futile for the Government to suggest there is no unemployment, for men and women have complained to me that they are not able to secure work; yet the Commonwealth Government is bringing people here from overseas and providing them with employment. In this morning's paper a woman, signing herself "Just Married," writes that she and her husband who were both born in Australia cannot get a home, whereas people who come here from overseas can. Many ills would rest in peace if Socialism supplanted Capitalism.

The Electricity Trust of South Australia is not a Government department, but is an undertaking that was taken over from private enterprise. I understand that there was a fight within the Liberal Party about the take-over, but the acquisition of that enterprise has resulted in the spread of electricity throughout the State. Immediately after the take-over the then members for Rocky River and Burra (Messrs. Heaslip and Hawker) made repeated requests for the provision of electricity to

their districts and subsequently thanked the Government for its provision to some of their constituents. The trust's power lines are extending throughout the State.

Mr. Bywaters—How many country towns were supplied by the Adelaide Electric Supply Company?

Mr. LAWN—None. Private enterprise, of course, wanted a huge profit as quickly as possible and it could get a profit in the thickly populated metropolitan area, but not in the sparsely populated country. Private enterprise was not worried about the outlying parts of the State. This is an example of Socialism developing the State to the benefit of the people. Government members complain about the charges the poor country people have to pay for water and electricity. When a Socialist Labor Party is in power country people will pay no more and no less than people in the metropolitan area.

Mr. Shannon—That is why they turned down Socialism in the United Kingdom.

Mr. LAWN—The honourable member mentions the United Kingdom, but he does not say that the people there voted by a majority for the Labor Party. Let him examine the latest figures that are analysed in last night's *News* and this morning's *Advertiser*. In England they vote by a cross and one vote only is registered. In Great Britain the Liberal Party contested Labor seats to split the vote, but the overall vote reveals that the Liberal Party and Labor Party polled thousands of votes more than the Conservatives. In England they have not gerrymandered electorates but gerrymandered voting, which no Government member here would support under any circumstances. Turning to the Auditor-General's report on the Electricity Trust, we find:—

The surplus for the year was £469,000 (£307,000 greater than the previous year) after providing for depreciation, £1,702,000 and interest on debenture capital, £2,912,000.

Then we see:—

The surplus on operating (£3,381,000), *i.e.*, before providing for interest on debentures, was a record.

His report continues:—

The operating expenses absorbed 74.54 per cent of the earnings, an improvement of 2.14 per cent for the year.

Here again the Auditor-General makes a review of the past five years. In 1954-55 the surplus was £195,998; in 1955-56 it was £410,786; in 1956-57 it was £54,971; in 1957-58 it was £161,680; and in 1958-59 it was £468,788. So, in the past five years, each year has shown a

surplus. There has been an increase during the past 12 months in the charges for light and power that could well be reviewed. Then the Auditor-General states:—

Percentage of operating expenses to earnings—1954-55, 79.77; 1955-56, 76.57; 1956-57, 78.40; 1957-58, 76.68; 1958-59, 74.54.

So, over the period of five years, although there have been two 5s. and one 10s. increase in the basic wage, and perhaps more, the percentage of operating expenses to earnings has decreased from 79.77 to 74.54. Then the Auditor-General states:—

Percentage of surplus on operating to mean funds employed—1954-55, 3.82; 1955-56, 4.29; 1956-57, 3.85; 1957-58, 4.33; 1958-59, 4.72.

Thus, in my view, there is no reason why there could not well be a reduction in the cost of electricity, the benefit of which, in this instance, should go primarily to the country people.

Under the electoral gerrymander, a Government is put into office, but it is not concerned about representation of the people in the country. Not one country member has advocated that, when the price of water or power can be reduced, the benefit should be extended to the country to bring it on a par with the metropolitan area. The people of the metropolitan area should be paying neither more nor less for power or water than the country people. I do not believe in the country-*versus*-city argument. We want fair representation in Parliament. The sooner we drop our present ideas and get down to more statesmanlike thoughts and actions on behalf of the people, the better this State will be. In the improvements that have taken place in the whole Commonwealth recently, ours could have been greater.

Honourable members may remember that in my speech on the Address-in-Reply I dealt with the progress of the various States to prove that we were not the leading State over the last 21 years, but we could well have been if we had truly represented the people and attempted to promote Socialism instead of trying to promote and at all times protect the interests of Capitalism. My references to the Auditor-General's report show that there has been a reduction in practically every instance in operating costs. Also, in all cases there has been an increase in interest charges. Therefore, although our departments have been able to improve their efficiency and reduce their costs, their efforts are being hampered and offset by something over which they have no control—interest charges. They are defeating them all the time.

Mr. Coumbe—What is the honourable member's solution?

Mr. LAWN—The Leader of the Opposition has advocated on more than one occasion, with the support of honourable members on this side, the use of national credit. If the honourable member does not believe in that, what is wrong at least with the Commonwealth Bank making available the necessary amount of money interest-free? All the departments to which I have referred have provided for the repayment of money borrowed, depreciation, and an increase in interest charges. Although every department I have cited shows a surplus, that surplus is being halved because of increasing interest charges. The biggest difficulty confronting Governmental activities is interest charges. If Government members will not support our contention that we should use national credit, I ask them earnestly to consider supporting an argument that money should be made available by the Commonwealth Bank interest-free. If the money were lent it would at least be paid back; it would amount only to a book entry. If the bank got it back without interest, nobody would suffer. If anybody did suffer it would be the owners of the bank, but we, the people, are the biggest gainers.

At page 135 of his report the Auditor-General says this about the Railways Department:—

The actual deficit after providing for depreciation and interest was £4,213,000, an improvement of £463,000 for the year. That improvement resulted from a reduction of £849,000 in working expenses, partly offset by reduced earnings (£301,000) and increased debt charges (£85,000).

There again, the Auditor-General is making the point I have just made, that, although the department reduced working expenses by £849,000, interest charges increased by £85,000. Therefore, the efficiency of the Railways Commissioner, his office and his workmen resulted in the costs for which they could be held directly responsible being reduced; and, although during that period there was a wage increase of 5s. a week, something outside their control was increased by £85,000—that is, interest charges. The Auditor-General says:—

Working expenses, £15,163,000 were down in all Branches compared with the previous year, but were in excess of earnings and consequently there was no contribution by the undertaking towards interest charges. Working expenses for 1958-59 were £307,000 lower than 1954-55.

It is apparent that, despite a wage increase, working expenses were reduced.

When I first became a member in 1950 it seemed to be the policy of the Government to take members of the House on occasions to visit some of the State undertakings. I have been to Leigh Creek, though I could not visit Radium Hill. I had the opportunity of seeing a new line opened in the South-East. We paid a visit to Port Pirie to see the uranium treatment plant. I suggest the Government could well pursue that policy again of giving members an opportunity of actually seeing our State enterprises functioning and of making the necessary arrangements for members to visit various departments. It would give honourable members an opportunity of really getting to know those enterprises. In 10 years, I have had the opportunity of visiting two or three of them. As a member of the Land Settlement Committee I have seen many settlers. Many new members who have come into the House during that period have not had that opportunity. I should like to make myself familiar with many other activities. In the long-run it will benefit members and, thus, everyone.

Mr. HEASLIP (Rocky River)—I did not intend to speak in this debate, for unlike some previous speakers I do not think it necessary for everybody to say his piece in a debate of this sort, particularly when it involves so much repetition. This debate has reached a stage where, unless there is something new to bring forward, we should close it and get on with the business.

My intention is to answer some of the statements made by the Deputy Leader on Thursday but, before doing so, I should like to comment on a few remarks by the member for Adelaide (Mr. Lawn). At the beginning of his speech he said he hoped that the season had not gone so far that we could not have an average season. He said that, although primary producers squealed last year when it was dry, it was a record season. I assure him, however, that the present season could not be anywhere near as good as the last.

Mr. Lawn—In many parts of the State it could be.

Mr. HEASLIP—It has not a chance of being nearly as good as last season in any part of the State. Unfortunately it is a disastrous year, and it would have been a calamity but for the cushioning effect of the secondary industries established in the last 10 to 20 years. However, the effects will still be felt. They may be cushioned for the time being but there will be repercussions next year, because the railways will not have

vote they are expected to cast on the expenditure envisaged in the statement presented to them. That is one of the rights Parliament has preserved since the days of Charles I, and I think it is an opportunity we should avail ourselves of. I remember when I first came into the House hearing the Treasurer claim that finance was government and government was finance, and he quoted as authorities some ex-Prime Ministers of Great Britain who claimed that whoever may be nominally in Government for the time being would control the purse strings, that control led the destinies of the people.

In the days when South Australia was a sovereign Parliament and had control of its own taxation, the Budget debate was one of intense interest, and one of the biggest and most important debates of the year. With the advent of the war and the decision to regard ourselves as Australians rather than as separate units in the various States, and the attempt to place all the peoples of Australia on the one taxation footing, the responsibility for collecting taxes was, in the main, taken over by the Commonwealth Government, and with that transfer of the taxing rights went a transfer of sovereign powers, because it is still true that government is finance and finance is government, and the people who make the bulk of the finance available are those who call the tune. I believe that is why we have grown accustomed to paying less and less attention to such matters as were eloquently raised by the member for Burra. I feel that the incidence of interest, the cost of money, and the sources of money that we obtain for carrying on essential services, are matters of major importance, but because we have no direct control over them in this Parliament today we do not hear so much about them during these debates, and we are not paying the attention we should pay to them.

I have always felt that we are not using our social credit and national credit to the extent we might, and if the Great War should have taught our people anything at all it should have taught us that we should not have services languishing, we should not be denying our children adequate educational facilities, we should not be denying our sick people proper care and attention, and we should not be denying people housing merely because for the time being there was a shortage of finance. It was demonstrated to us over and over again during the war that where manpower and materials were available there were ways and means of providing the necessities of life and of carry-

ing out State works of a permanent character. Nobody was more vocal in support of that contention at the time than our own Treasurer. I can only imagine that it is force of circumstances over which he has no control that places him in the position that he is in today, when he is unable to give effect to what, in those days, he believed to be the correct policy.

We know that in the years immediately before the war we were unable in this State to employ the male population, small as it was in those days; we were unable to feed them, and they were on rations. The country was crying out for productive works. The state of the nation and of South Australia was deplorable, not because of adverse seasons and not because there was a shortage of anything that mankind needed, but only because of a lack of understanding of finance. When war broke out we did not have an immediate surfeit of wheat which was not available before, but merely by the declaration of war money was found. There was no limit to the money that could be provided; immediately there was work for everybody, and the only limiting factor to whatever Australia wanted to do was the physical limitations on the amount of materials available. The men who could not be provided with work were paid, were given a uniform, and were trained—not only the men but every able-bodied woman that could be spared.

I am reminded that payments did not come from our exports. So often we are told that we in Australia cannot live unless we are able to export our primary products. The war taught us differently, because the seas were closed to us; we did not export a bushel of wheat, but were storing it and considering turning it into power alcohol. We were unable to export wool, and no money was coming into the country for any of these primary products.

Mr. Nankivell—Are you sure of that?

Mr. RICHES—I have no doubt about it; I saw the wheat and wool stacked, and I know the ships were not available to take it away.

Mr. Quirke—Every farmer was paid, just the same.

Mr. RICHES—Yes, and the men who were formerly unemployed and went into the services were paid. I know the products of factories were not exported. The economists of the day told us the war would only last six months, as Hitler would be bankrupt, and we were going to hang out our washing on the Siegfried Line, but even if the war had continued until today Hitler would still not have succumbed purely because of financial pressure; we found we could not stop the war through

the operations of banks, after all, and we had to adopt physical means. As soon as the war was ended we got away from those ideas. It seems to me, speaking as a layman representing laymen—and I think I am voicing the view of the man in the street—that it has never been denied that that did happen, but as soon as the war ended the things we thought were important then were no longer important. If we regarded education, hospitalization, and housing of our people as being in any way comparable with the importance of waging the war, money could be found for those things today, but we are not willing to adopt those systems in times of peace. We do not place the same importance on these matters in peace time as we do whilst prosecuting a war.

Mr. Nankivell—What happened to all those surpluses that accumulated when the war was on? Were they given away?

Mr. Quirke—They were sold at a price that represented only an infinitesimal fraction of their cost. You might as well say they were given away.

Mr. RICHES—There were all sorts of charges made as to what was done. Those who had an interest in the sale of the surpluses were not entirely happy about the disposal of them, but the point is that the finances of a nation were able to support them and were available over all those years. The reply of the Minister was that finance was not the obstacle but it was materials and manpower. I have heard the Treasurer say over and over again that no work is impossible so long as manpower and the necessary materials are available.

Mr. Quirke—What is physically possible is financially possible: that argument cannot be thrust aside.

Mr. RICHES—We were unable to ship the bulk wheat away at all and I saw it stacked all over Australia. I also saw distilleries built during the war for the purpose of turning grain into power alcohol. Finance is an important function of Government but because it is no longer the business of this House, except to express opinions, those points are not raised with the regularity with which they used to be raised and we are not giving them the attention we should be. Members now feel frustrated when discussing them here because all these matters are now decided in Canberra.

This Budget marks another step in the political life of the State as we are advancing from the days when we were a mendicant State. The Treasurer, when dealing with the

change, said this new agreement with the Commonwealth was a tribute to the progress, development and financial integrity of the State and he took much satisfaction because the financial reimbursements to South Australia are now to be received in the one payment instead of, as under the former practice, making claims to the Commonwealth Grants Commission. I cannot follow the Treasurer's line of reasoning because the very reason why this change was made was not because all of a sudden South Australia had become a prosperous State, but because Victoria and Queensland were not ashamed to be known as claimant States and they threatened—if they did not actually lodge claims before the Grants Commission in addition to their normal tax reimbursements—that they would do so.

To infer, therefore, that this position is a tribute to South Australia's progress, development and financial integrity is to infer that Victoria and Queensland were prepared to step down from those virtues. They did not regard it as a step backward when they lodged claims with the Commonwealth Grants Commission and I maintain this name of a "mendicant State" was never justified and South Australia was not a mendicant State at all. That is a wrong approach. Every claim we made we made in our own right and we were entitled to claim in our own right just as the Commonwealth was entitled to ask that the claim should be proved by evidence before the Commonwealth Grants Commission. That is only businesslike. The change, I fear, has had the effect of increasing all the charges of our social services and of further removing social services from our people. The heyday of social services, or the proudest day, was the day we could claim that hospitalization was free to the people who needed it. It would be a proud boast for any people to be able to make, that the people who needed hospitalization could go to any hospital and obtain free treatment. I have never heard this Government make a prouder claim than that and I regret that they had to move away from that. They held on to that as long as any State in the Commonwealth and I cannot imagine it gave the Government any pleasure to move away from it. I hope the day will come when we will get back to it because if there is a time people need financial help it is when they are sick. That is the time when they need relief from worry. It came as a shock to me that members should urge that charges should be maintained and even increased, for there is an equally strong feeling that they should be reduced.

I hope the continual urge for increased charges will not be given too much support by the Government. I say that because I consider, from correspondence received, that the Government is paying too much attention to the clamours of a small minority that increased charges will make things easier in smaller hospitals. I think the Hospitals Association of South Australia has been listening unduly to reports along these lines. No hospital or any other institution has ever benefited to any extent by making things more difficult for another institution and, as long as I have been in this House, it has never been the practice of members, when discussing the Budget, to criticize the grants given to various institutions except when they feel some institution is not being fairly treated and then they will advance the claim of that institution, service or locality. To break down the services in another institution or in another field of endeavour is not necessarily building up the services in the sphere that they want to help.

Mr. Hall—Don't you think that the health insurance scheme helps to pay charges?

Mr. RICHES—Yes, but some people cannot become members because they are not eligible and others are not used to that sort of thing and are not members. I go all the way with the honourable member, but that is not his advocacy at all. The member for Light was particularly vocal on charges in Government hospitals. I compare his attitude with the attitude of the people mentioned in the press last week who rallied to the help of a mother of seven or eight children who had been injured. She was taken to a Government hospital and because the people in the out-back recognized her need they immediately subscribed to help her. That is the attitude of those people. The honourable member's attitude is as is found in *Hansard*. In effect, he said that woman is getting hospital treatment too cheaply and the hospital charges should be increased. On his own advocacy, that is his view on this particular case. I know that in his heart that is not a reflection of his real attitude towards life because I think he is as generous as any member, but his advocacy is mistaken and wrong in principle and I hope the Government will not heed it.

I refer to some grievances because I think we should bring such matters under the notice of Parliament. The first relates to the duplication of the Morgan-Whyalla pipeline. No service is more necessary to any part of South Australia, and to the northern part of the

State in particular, than the provision of an adequate water supply. Without water towns cannot be developed and the population cannot be maintained and everyone knows that. This Government has been talking for years about the necessity of duplicating the Morgan-Whyalla pipeline. Statements about it have appeared in at least two policy speeches, but I fear we are little closer to having that pipeline duplicated than we were when reference was first made to it. We know from experience in the past that undertakings like this, even when the work has been approved, take years to complete and the situation which is developing every year is getting worse even allowing for the dry season.

The State cannot afford to have any further delay. There can be no further development at Whyalla, Port Augusta, or Port Pirie until there is an assured water supply there. The prospects for going through next summer without water restrictions are not bright in my district. We know there are problems to be faced, but a start on the work should have been made before this. We are not convinced that the installation of booster pumps on the existing main will give anything like sufficient water for the needs of the people. I urge that this work should be stepped up and the Government should not be content to rely on the installation of booster pumps. It has been said that parts of the area dependent on the main have one day's reserve in hand. Although the department has been pumping throughout the winter at full capacity it has been unable to make any appreciable increase in the storages. Each month the demand is increasing, and the maintenance of a supply for essential services is more urgent than ever before. I am firmly convinced from all the evidence I can obtain officially and unofficially that there should be no further delay in the construction of another main. When representatives of the Engineering and Water Supply Department appeared before the Public Works Standing Committee I was amazed to hear that the construction of the main had been delayed, dependent upon the introduction of the booster pumps. I know that these pumps are necessary as a first step, but it is also essential that the work should be commenced on the duplication of the line.

I pay a tribute to the Tourist Bureau for its work in popularizing our resorts and reserves, and should like to see greater support given to it. I believe it was the Chairman of the Federated Chamber of Commerce of Australia, when speaking at a meeting in

Melbourne, who reminded the public that with the exception of primary industries, the tourist industry was the most important in the world—even more important than the steel or any other heavy industry. In some cases it was the chief industry of a country. I claim that there is a potential in this State which should be more thoroughly explored and exploited. I believe that our Tourist Bureau could do it if given the wherewithal to put its plans into practice. Recently it was my privilege to visit the Wilpena Pound, and I give the department credit for what has been done there, together with what has been done by the management of the chalet. I am pleased that the public have appreciated what has been done to such an extent that the patronage has exceeded expectations. However, it is only a token of what could be expected if the Government set out to cater adequately for tourists. I should like to see the lower Flinders Range brought more prominently before the public and also larger areas of reserves in the Alligator Gorge and Mambrai Creek areas. The Government has succeeded in obtaining a lease of land of only about one chain wide each side of the actual gorge, whereas I consider there should be sufficient area to protect the native fauna and flora. However, there seems to be a lack of interest in the obtaining of sufficient land to make this into what could be one of the finest natural reserves in the State.

South Australia is not reserving sufficient areas for its natural attractions, having in mind what is being done by other States. I was interested to hear the Premier report to the House last week on negotiations that had taken place between South Australia and Japan in relation to a supply of salt. Members have heard me on this question before. It seems to me a pity that in this State where we have natural advantages for the production of salt unequalled in the Southern Hemisphere and possibly elsewhere in the world, and we have on our doorstep representatives of buyer nations pleading to get supplies, we are not doing something more definite to see that these demands of buyers are met. I know that salt can only be supplied at a price, but I also know that people considered experts in the production of salt claim that they can, with shipping facilities, produce and supply it at a price acceptable to Japan. This country is not the only potential market for high-grade salt, but for some reason it does not capture the imagination of those who ought to be looking for markets for this South Australian product. I am afraid that this opportunity may

pass and we shall not be able to take advantage of it.

Somewhere in South Australia there should be chemical plants producing bromides and other by-products of salt. We should have someone in a position to advance this State's claims and to negotiate agreements on behalf of the State, with power to chase the business and point out that the development not only of salt, but of our other natural resources, is an urgent need for the establishment of industries in country areas. It is most difficult to talk about this subject without reiterating something that someone else has said, because we have not sufficient secondary industries in and around our more populated centres. This must be known to every honourable member. These things will not just happen. Someone has to seek them out and demonstrate the potential for industries to be established, and there should be some organization attached to the Government that is given the power of negotiation and representation in order that industries might be satisfactorily established to employ youths and female labour.

I am very much impressed with what I have seen of the operations of the Housing Trust, especially its officers detailed to contact industries and direct them to Elizabeth. I have a very high regard for the efficiency of its officers, who have rendered signal service not only to their organization, but to the State, and succeeded in attracting many industries to Elizabeth. I believe that what they have done for Elizabeth, someone else could do for other towns if the potential were properly placed before our industrialists. They should be enticed to decentralize their factories and produce in areas away from the city. However, it just won't happen on its own. It has been my privilege to be a member of the Industries Development Committee, which receives many applications for Government help. Members thereby have knowledge of what can be done if someone sets out to go after an industry. I think it can be said that not more than one industry that has been assisted by the Government through this channel has failed. Such industries are dotted all over South Australia, but it is not the function of this committee to seek out industries or to place before the captains of industry the potential in any particular district. Someone should be appointed with power to negotiate. I have been urging for years that the Government should create a department or an organization to handle this business.

I should like the ear of the Minister of Works on the question of Government help for

the construction of a beach wall at Solomon town. He visited Port Pirie early this year and entered into preliminary negotiations with the local corporation, the Broken Hill Associated Smelters and the people of Port Pirie regarding a scheme to finance the rebuilding of the beach wall, which would have the effect of permanently holding the water in the swimming reserve and forming the basis of town beautification. The Minister expressed his sympathy and undertook to place the case before Cabinet, but he judged that the time was not the most opportune to approach Cabinet and suggested that the work could best be done in conjunction with the project of improving the Port Pirie harbour. That contention was accepted, but I suggest to the Minister that now would be the proper time for him to approach the Government on the matter.

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

Mr. RICHES—The construction of a beach wall would do much to rehabilitate that part of the city and would add to the amenities available. The Minister has been most understanding and sympathetic in his handling of this matter up to the present, and I congratulate him, but I suggest that now is the time for an approach to Cabinet. An examination of the Budget reveals that the Estimates prepared by the Treasury have been remarkably accurate, particularly as the Budget is of such proportions. The actual receipts exceeded estimated receipts by £233,000 and actual payments exceeded estimated payments by £294,000, which is good estimating, particularly when one considers that the Government can be faced with unusual situations—an outbreak of fruit fly or an adverse season that necessitates the continuous pumping of water. Members opposite have spoken of the efficiency of the Treasury officials and have drawn satisfaction from the fact that the Budget is nearly balanced. As a matter of fact, it has been claimed that were it not for the adverse seasons the Budget could have been balanced. I suggest, as I have previously, that the actual result of Government finance extends far beyond the receipts and payments columns of the Treasury statement. To achieve a result satisfactory to the people there must be a balance as between the metropolitan area and the country in the development that takes place. One cannot claim to have balanced the economy if there is undue development in one part of the State at the expense of another part. We cannot claim a balanced economy if we achieve a balance in the State Budget at the expense of the home budget, which is particularly evident on this occasion.

In order to bring about a measure of balance charges have been increased on almost every Government service. I do not suggest that a good case cannot be made out for most of the increased charges, but little evidence has been adduced to justify many of them. In most instances the increases have been announced and operating before we have had an opportunity to debate them in this House. In the absence of necessity on the Government's part to substantiate its actions in increasing charges it is difficult, without adopting the role of the carping critic, to ascertain to what extent the increases are justified, but we know the burden those increases will place on the people and where that burden will be placed. In almost every instance country people will suffer. For instance, the increase in rail freights and rail fares is greater in the country than in the metropolitan area. That situation has not been satisfactorily explained. I do not propose to set the city against the country, but the country seems to have been singled out to disadvantage. I cannot think of any circumstances that would justify a heavier increase on one section of the community than on another because all of the circumstances that surround railway freights and fares must have been considered on previous occasions and it is hard to understand why country people should suffer on this occasion. The satisfaction the Government seeks to take from the fact that it has been able to draw an approximate balance between receipts and payments in the State's books counts for little so far as the public is concerned if it means that their home budget is being disproportionately unbalanced.

I have the greatest admiration and respect for the work being done by the people working among the aborigines at the Umcewarra mission station near Port Augusta. They contribute greatly to the wellbeing and happiness of the aborigines, but I must draw attention to the state of the school there. A person inspecting that mission could not help feeling disgusted at the conditions there. On making representations I have been told that nobody knows who is responsible for educating the children. Buildings were placed there but both the Education Department and the Department of Works disclaim responsibility for them and do not know how they came to be on the station. In order to put the record straight, I propose to give the story and plead that this be dealt with as a matter of urgency because the present circumstances have existed far too long.

There was a time when the aboriginal children living in and around Port Augusta attended the departmental school. I am talking of some 20 years ago when the aborigines used to live in the salt bush country in wurlies with no means of sanitation or ordinary hygiene and without decent clothing, when their children, some of them diseased, were sitting alongside white children in white schools. The white people strongly protested and a public meeting was called. Subsequently, the then Minister of Education, the Honourable Sir Shirley Jeffries, went to Port Augusta and met the local authorities. As a result of that meeting he determined to build a separate school for the aborigines until such time as they were able to attend a white school on equal terms with white children.

The Education Department erected a building and arranged for the mission to staff it. Subsequently, another man came to Port Augusta from Swan Reach. He had heard and read of the meeting, where one speaker said—and this is the statement that shocked him into taking an interest in the situation there—that the kindest thing that the Government could do for the aborigines was to turn a machine-gun on them; that that would be preferable to allowing them to continue to live in the state in which they were then living. This man thought that something better than that could be done. He came from Swan Reach with his wife and family and determined to work and live amongst the aborigines. As a result of his representations, the Government was persuaded to set aside an area as a reserve, as a sanctuary, an area where the aborigines would know that their wives would be safe from the depredations of the low-grade white population that occasionally came there. The only land obtainable was the land upon which the white people could not earn a living and which had been returned to the State for the non-payment of taxes. This was made available. Wire also was made available, and this man fenced the land. Then iron and timber were made available and he built huts, and then persuaded the aborigines to move from the wurlies into the huts.

Subsequently, the department was prevailed upon to move the school building from the original site on to the mission home site, and another one has been placed alongside it. I do not think anything has been done since to those buildings. Frankly, I admit I got the shock of my life the last time I visited the mission and saw the deplorable state of the buildings. The tank had fallen over and

was leaning against the wall, and the two small rooms designed to accommodate 20 children each are now required to accommodate 70 children between them, the result being that those children are not receiving adequate education. It does not give anybody any satisfaction to be told, when this matter is brought before the Government, that nobody knows which department the buildings belong to or which department is responsible for seeing that sufficient school buildings are erected, and that those that are erected are being looked after.

The Minister of Works was good enough to make an inspection. I hope Mr. Whitburn inspected the buildings last Friday. These representations have been going on for a full year and we are still waiting to be told what the Government proposes to do. We cannot accept the situation as satisfactory. I hope that before the Government lays itself open to further criticism on this matter steps will be taken to see that these buildings are put in order, that the tank is re-erected and that the mission people are given an opportunity to teach the children as they should be taught.

Mr. O'Halloran—Have they any other sources of water than the rainwater tank?

Mr. RICHES—Yes, they are connected with the town supply for drinking purposes; I must admit that. The Aborigines Department has done excellent work on the mission, apart from that, and we can see the stages of development that it envisages should be taking place throughout the State as a whole. When we visit the mission, we see the original huts that were built by Mr. Wilde in an effort to solve the problem. Nobody was more conscientious than this man and nobody strove harder to provide a practical solution of the difficulties under which these people were living; but, because of the background of the aborigines themselves, that particular move was not a success. Those huts were of galvanized iron. They each had two rooms measuring 12ft. x 12ft. with a lean-to verandah. They had no flooring because they were meant for people unused to living in houses. There was a fireplace at the end of one room but that was not acceptable to the aborigines: they wanted a fire in the centre of the room for communal warmth, so that they could gather round the fire. The result was no floors and, because the aborigine lives communally, those houses were not regarded as being full so long as one could shut the door. They had no means or knowledge of cooking so it was necessary to provide, instead of flour, bread and

to supply them as far as possible with food in a condition in which it could be eaten without being cooked.

From that stage the department has erected on the mission two semi-standard houses as it were, and selected families have been chosen to live in them. Friends of the mission working amongst the aborigines have generously provided all the furnishings and floor coverings and fitted them up ready for the aborigines to move in. That, I believe, is proving a success. That is the second stage. The third stage was the erection of more wurlies on the mission, and today there are more wurlies there than there were 20 years ago, because the aborigines are being attracted to that part of the State. They can receive education there and an excellent medical service is available to them. These wurlies are held by some who have worked among the aborigines to be better than the huts to which I referred earlier, as they are not subject to overcrowding and can be moved when untenable, but something must be done to improve the standard of the original huts. Nobody in this day and age can accept a situation under which aborigines are living in wurlies on the outskirts of the town.

The fourth stage is the erection of homes inside the township. Two further standard Housing Trust homes have been erected to give aboriginal people an opportunity to become assimilated in the community and I am proud to say that they are welcome and will progress satisfactorily. The children who can take their places on an equal footing with white children are welcomed in the very school where protest meetings were held and the parents objected to their children having anything to do with aborigines.

To deal with this situation, we aim to have the home life cared for and for the children to take their places with the whites. However, there are still many children on this mission, some cared for by missionaries and some by their parents, who need education on the mission itself and to be taught how to live with each other—things outside the curriculum. They have a claim on society for these things. Although I know the heartbreaking disappointment that comes to those who are striving to work among the adult population, no excuse is possible for any neglect to give aboriginal children an equal opportunity with white children. Unless this situation is to be perpetuated, we must ensure that steps are taken to give every child the advantage of an education on an equal footing

with white children. We could not ask for more sympathetic treatment than we have had from the two Ministers concerned, but there has been a breakdown and the situation is not being grappled with, so I plead for a correction.

I shall refer to other matters when we are discussing the lines; in particular, to the installation of an emergency power unit at the Port Augusta hospital, which has been sought for a long time by the hospital board. Some unhappy situations have already arisen due to the lack of an emergency unit. The rapid and sometimes lengthy changes at the power station have often cut off the power supply, and twice it has been necessary to take humid cribs from the hospital so that their operation could be continued with power from other sources. The hospital authorities have been concerned, and the board has asked the department, as strongly as it knows how, to treat the installation of the emergency plant as urgent. I have repeatedly raised this matter and last week the Treasurer said he was expecting a reply from the Chief Secretary this week, so I hope he will have it before we discuss the lines.

Mr. STOTT (Ridley)—I will quote some well-known authorities on public finance to amplify statements made on this subject by the member for Burra (Mr. Quirke). Nobody in this Chamber would call me a financial expert, so I will quote people who know something about the way to finance Budgets so that members may refer to these authorities if they wish. In an abstract from Abraham Lincoln's monetary policy on page 91 of Senate Document No. 23, certified correct by the Legislative Reference Service of the Library Congress of the United States of America, Lincoln is quoted as having said:—

Money is the creature of law and the creation of the original issue of money should be maintained as an exclusive monopoly of national governments. It is the Government's greatest creative opportunity. The Government should create, issue and circulate all the currency and credit needed to satisfy the spending power of the Government and the buying power of consumers. The taxpayers will be saved immense sums in interest, discount and exchange. Money will cease to be master and will become the servant of humanity.

The policy of Abraham Lincoln was that the Government possessing the power to create and issue currency and credit as money and enjoying the power to withdraw both currency and credit from circulation by taxation and otherwise need not, and should not, borrow capital

at interest as the means of financing governmental work and public enterprise.

Mr. Quirke—His policy was so good that they shot him.

Mr. STOTT—That is so. Like every other member in the House, I am seriously concerned at the increase in the public debt and the state of the colossus that has been created and is now going on indefinitely. The Playford Government first took office in 1938. The State debt at that time was £107,450,000. Last year the debt increased to £312,922,000.

In 1938, Government liabilities required a payment of £5,281,000 in interest. In 1957, £13,153,000 was required to pay interest on the public debt. Surely members must realize that this position cannot go on, but must be halted. I suggest that all members in the House are sincere in their attempt to do something for the people they represent; my impressions are that members generally are anxious to do something, but, with the greatest respect, they just do not know how to go about it. They have a sort of "horror" complex on tackling the money question, firstly, because they fail to understand its intricacies and, secondly, because they would be classed as anti-social by the representatives of finance. When I first became a member of this Parliament (in 1933), the Treasurer of the day budgeted for an expenditure of slightly over £11,000,000. On the statement presented from the consolidated revenue account it is estimated that receipts this year will total £79,532,000, showing an increase of £6,851,936 over the previous year. The increases are as follows: estimated receipts from taxation, £10,452,260, an increase of £234,939; public works services and other receipts, £38,689,001, an increase of £1,723,656; territorial receipts, £585,800, an increase of £26,946; Commonwealth, £29,804,939, an increase of £4,866,395.

Mr. Quirke—The taxation of the State is £3,000,000 less than the interest charges.

Mr. STOTT—Yes. There can be no denying that since the Government has been in office there has been a great expansion industrially in South Australia and many other works have been carried out, to which I am not objecting, and this record of the Government should be commended, but it is time members looked at the question of how much this has placed the State in debt, and what concerns me most is that all this debt is unnecessary, because in the words of Abraham Lincoln:

The Government should not and need not borrow capital and interest as the means of

financing governmental work for public enterprise.

In order to get a proper appreciation of whether the present financial system can be altered or not, members should make it their duty to study this question and approach it with a perfectly open mind. Some years ago I had very grave doubts about these new financial proposals, but at the same time I was very seriously concerned at the colossal increase in public debt, and, understanding the Commonwealth Constitution, which gives power to the Commonwealth Parliament to control currency and credit, it became clear to me that the Commonwealth Government with its power under the Constitution could finance its public undertakings without placing the public in bondage to the financial system by debt and interest repayments. I have studied the comments of people who were in a better position to know than myself. David Lloyd George in 1941 said:—

The unfortunate financial policy dominated our trade and restricted our production for the whole of the period which elapsed between the two wars. The need for every kind of goods was claimant. The labour and material for supplying them were overflowing, but the means of payment were deliberately pinched to suit a narrow doctrine adopted only for the exigencies of the stock exchange and of a sterilizing banking system, "Money, not means" ruled the economy of the nations. An effort was made by some of us to induce the Government to employ the credit of the State for supplying the crying needs of the community, the construction of roads to meet the growing demands of our rapidly increasing motor traffic and the reconditioning of our decaying agriculture and the regeneration of the countryside; the provision of cheap electricity for light and power throughout the land, the provision of cheap telephones, the development of our canals, with a multitude of other projects designed to equip and enrich the country—but Mammon was on the throne and ruled all these schemes out. Today we are suffering from the consequences of this policy.

The late Lord Tweedsmuir, Governor-General of Canada, in 1935 stated:—

There is a great and potent world which the Government does not control—that is the world of finance, the men who guide the ebb and flow of money; with them rests the decision whether they will make that river a beneficent flood, to quicken life, or a dead glacier, which freezes wherever it moves, or a torrent of burning lava, to submerge and destroy. The men who control that river have the ultimate word.

Woodrow Wilson, in 1911, said:—

The greatest monopoly is the money monopoly. The financiers are more powerful than the nominal rulers.

Lord Bryce in his book *Scientific Solution of the Money Question*, stated:—

Man's most dangerous and insidious enemy is the money power.

Professor Paul Einzig, writing in *Currency After the War*, stated:—

It may seem difficult to understand why mankind willingly put up for so long with the tyranny of the orthodox monetary system, and why an immense amount of human happiness was so readily sacrificed in order to uphold rules which could have been changed with the stroke of the pen.

Mr. Heaslip—Are you suggesting we adopt something that no other country in the world has adopted?

Mr. Quirke—Yes, precisely that.

Mr. STOTT—Let me quote the people who know better than the honourable member or even myself. Professor Einzig went on to say:—

The only fault with many monetary reformers was that they were before their time. Most of these pioneers were people whose enthusiasm outran their knowledge of the subject—in plain English, they were currency cranks. . . . These reformers, or at any rate, many of them, had the right ideas. What they lacked, however, was the background of a thorough knowledge of the orthodox system which they sought to overthrow. Yet it is essential first to absorb orthodoxy before departing from it. In order to reduce the citadel of monetary orthodoxy, defended as it was by the formidable authority of generations of economists and by an intimidating array of bankers and other specialists, together with the force of tradition, it was necessary that the defenders should be assailed with their own weapon.

He went on to point out that that was the main purpose of his book:—

It is not to set forth any "isms," but rather to expose and first remove the fundamental flaw in the present system.

In 1932, Sir Abe Bailey, South African mining magnate and financier, said:—

The big five trading banks have head offices like St. Paul's Cathedral. Every London street has a bank on one corner and a "pub" on the other. Both have their liquid assets. The Bank of England plays hide and seek with America as a professional "skinner." Surely the banks are inviting nationalization.

What a confession from a big industrialist! In 1931, Sir W. N. Beveridge, Director of the London School of Economics and Political Science since 1919, said:—

Let me sum up in a few sentences the essentials of the crisis. It has come about by a fall in prices. That fall has produced unexampled paralysis. . . . this crisis of today represents a failure to manage credit, to avoid alternate inflation and deflation of purchasing power. There is a plan in our machinery for making and unmaking purchas-

ing power. It is not under control. If you look back in history you will see that from the earliest times, the making of money, or purchasing power, has been a thing which men have thought should be controlled by one authority in the State, and should not be entrusted to many authorities or to private caprice. The making of purchasing power is too important to be allowed to a subject.

Mr. Hambour—You admit it is in the hands of the Commonwealth Government?

Mr. STOTT—Yes, and so are we. We are completely in the hands of the Loan Council and that is the subject of this debate.

Mr. Hambour—You will agree with me that the Government of the day, as did the Chifley Government, is doing what you advocate except that they don't go far enough?

Mr. STOTT—This is what J. B. Priestley, the well-known writer, said:—

Why has it not been generally realized that money is a servant and not our master? Why wasn't the financial system scrapped liked its contemporaries, the wooden warship or the stage coach? Because too many influential persons in a position to sway governments and control public opinion were directly interested in keeping this rotten old thing going, and unless this supreme racket is smashed we shall be plunged again into the same whirlpool of depression.

This is strong language, but it is perfectly true. At his great inauguration speech, Franklin Roosevelt, in March, 1933, said:

Practices of unscrupulous money-changers stand indicted in the court of public opinion, rejected by the minds and hearts of men . . .

Mr. Hambour—That was dealing with the last depression.

Mr. STOTT—The position has not altered. This next portion will interest the honourable member considerably. Mr. Mackenzie King, the Leader of the Liberal Party in Canada, and Prime Minister of the Dominion, said, in a speech before the Canadian election in 1935:

Canada is faced with a great battle between the money power and the power of the people, a battle which will be waged in the next Parliament. I plead for a sweeping Liberal majority in order to carry out my policy of public control of currency and credit. Until the control of currency and credit is restored to the Government, and recognized as its most precious and most sacred responsibility, all talk of the sovereignty of Parliament and democracy is idle and futile.

I quote from a London Economic Reform Club and Institute publication. Thomas Jefferson, the great American statesman said:—

I believe that the banking institutions are more dangerous to our liberties than standing armies. Already they have raised up a money aristocracy that has set the government at defiance. The issuing of money power should be taken from the banks and restored to the

government and to the people to whom it belongs.

Mr. Hambour—Where is it today?

Mr. STOTT—Where does the honourable member think it is? It is down the drain. I will tell him in a moment where it is. Abraham Lincoln wrote of Jefferson's principles (*vide* page 61 of *Wit and Wisdom of A. Lincoln*, by H. J. Lang):—

All honour to Jefferson—to the man, who, in the concrete pressure of a struggle for national independence by a single people, had the coolness, forecast, and capacity to introduce into a merely revolutionary document an abstract truth, applicable to all men and all times, and so to embalm it there that today and in all coming days it shall be a rebuke and a stumbling block to the very harbingers of reappearing tyranny and oppression.

Mr. Heaslip—How many years ago was that?

Mr. STOTT—That does not matter. It is the principle behind the thing that counts. Lincoln himself said:—

I have two great enemies—the Southern Army in front of me and the financial institutions in the rear. Of the two, the one in the rear is my greatest foe.

On January 22, 1931, during the depression, the written judgment of the Commonwealth Full Court of Conciliation and Arbitration (comprising Chief Justice Dethridge and Judges Beeby and Drake Brockman) was delivered. It said:—

There is a considerable body of opinion in support of the contention that the handling of currencies and credit, and the banking system of the world, are largely responsible for the present world crisis. Under the world's banking system it has become an instrument for controlling the future production of wealth. Whether this control is for ever to be kept in the hands of profit-making institutions has become a question which has been agitating the minds of thinking men in all parts of the world. Many eminent economists and statesmen today support the idea that the control of money should be a State function rather than a field for dividend making.

This judgment remains equally true and important today. The *Encyclopaedia Britannica*, Vol. 15, under "Money" says:—

Banks lend by creating credit; they create the means of payment out of nothing.

Mr. Marriner Eccles, Chairman of the Board of Governors of the Federal Reserve Board, in testifying before the Banking and Currency Committee in Washington in 1935, said:—

In purchasing offerings of Government bonds, the banking system as a whole creates new money, or bank deposits. When the banks buy a billion dollars of Government bonds as they are offered—and they have to consider the banking system as a whole—as a unit—the banks credit the deposit account of the Treasury with a billion dollars. They debit

their Government bond account a billion dollars, or they actually create, by a bookkeeping entry, a billion dollars.

Mr. Marriner Eccles also said, in a speech to the Ohio Bankers' Association in 1935:—

There is no political or economical power more charged with the general or social interest than the power to increase or decrease the supply of money. If the sovereign authority delegates this power to a particular group or class in the community, as it has done in large part in this country, it divests itself of a part of its effective sovereignty The power to coin money and to regulate the value thereof has always been an attribute of a sovereign power. It was one of the first powers given to the Federal Government by the Constitutional Convention. The development of deposit banking, however, introduced into the economy numerous private agencies which have power to create and destroy money without being recognized as creators or destroyers of money by the government of the people.

Let me again put it on record, at the risk of painful repetition that:—(1) banks do not lend money deposited with them; (2) every bank loan is a creation of entirely new money (credit) and it is a clear addition to the amount of money in the community; (3) no depositors' money is touched.

More than 99 per cent of the money used in transactions in Australia is bank-created money—cheque currency. All that a bank does in lending anybody £1,000 is to open an account in his name and write "Limit £1,000" at the top of the page. The borrower then operates on this credit by cheque. The fact that he can draw out the £1,000 in cash gives the bank's statement a certain specious plausibility, but this facility is only possible because it is the rare exception rather than the rule.

Let me now marshal the evidence in support of the fact that banks create credit and do not lend deposits. The *Encyclopaedia Britannica* (14th Edition) under the heading of "Banking and credit," says:—

Banks create credit; it is a mistake to suppose that bank credit is created to any important extent by the payment of money into the banks. A loan made by a bank is a clear addition to the amount of money in the community.

The public debt and other interest-bearing indebtedness of the State at June 30, 1959, was £346,985,000, an increase for the year of £25,129,000 compared with £25,012,000 during the previous year. This debt was equivalent to £377 a head of the population as at June 30, 1959; £358 at June 30, 1958, an increase of £19 a head for the year. Every child born at the Queen Elizabeth Hospital tonight will have a debt of £358 hanging around

its neck. The average rate of interest payable as at June 30 was £4 2s. 6d. per cent, an increase of 1s. 8d. per cent compared with the previous year. Not only does the public debt increase a debt that will never be paid, but interest calculations increase as well.

One factor to which members' attention should be drawn is the cost to the taxpayer of the functions of government. These costs are arrived at after taking departmental receipts from payments (including interest and sinking fund charges), several functions that represent the excess payments which must be met from State taxation and Commonwealth grants. The totals of those costs, the annual increases during the past five years, and the percentage increases over 1953-54 were: in 1953-54 total cost to the taxpayer was £23,771,000; in 1954-55 total cost to the taxpayer was £25,895,000, an annual increase of £2,124,000, or 9 per cent over 1953-54; in 1955-56 total cost to the taxpayer was £29,485,000, an annual increase of £3,590,000, or 24 per cent over 1953-54; in 1956-57 total cost to the taxpayer was £31,539,000, an annual increase of £2,054,000, or 33 per cent since 1953-54; in 1957-58 total cost to the taxpayer was £33,213,000, an annual increase of £1,674,000, or 40 per cent since 1953-54; in 1958-59 total cost to the taxpayer was £36,134,000, an annual increase of £2,929,000, or 52 per cent since 1953-54. It will therefore readily be seen that the functions of government are adding a terrific burden to the taxpayer and showing an alarming increase of 50 per cent over a period of five years.

I now wish to refer to public debt charges. The annual increases in interest and sinking fund payments, including exchange on debt services paid overseas for the past four years were:—

	£
Interest	1,327,480
Sinking fund contributions ..	676,846

Total increase of £2,004,326

I do not wish to weary the House with the individual years' figures, but the total figures for four years were:—

	£
Interest	4,980,000
Sinking fund contributions ..	1,311,532

Or a total increase over the four years of . . . £6,291,582

Members should study the Auditor-General's report. I emphasize the burden on consolidated revenue of undertakings financed from the Loan Fund. The Auditor-General draws attention to the dead-weight of the debt

charges representing the extent to which those undertakings fail to recoup interest and sinking fund charges attributable to them. He then shows the dead-weight debt charges, the excess of payments over receipts, excluding debt charges, and the total burden for the past five years. It showed that in 1954-55 the total burden was £7,050,000, and in 1958-59 it had increased to £8,300,000, showing 17.7 per cent increase since 1954-55. The burden of the dead-weight of the debt charges of £6,330,000 for the year represented 39 per cent of the total debt charges and was £440,000 up on the previous year. However the burden, excluding debt charges, representing the cash deficit on working operations, decreased by £240,000. The total burden on consolidated revenue of undertakings financed from Loan funds was £8,300,000, an increase of £200,000 on the previous year.

Important factors to be considered by members in the increase in the dead-weight charges are the rise in interest rates on public debt and borrowing for non-productive works. I have pointed out on previous occasions many times this dead-weight interest charge on our railways. The dead-weight on the railways in 1957-58 was £2,579,000, and in 1958-59 it was £2,715,000, an increase of £136,000. School, hospital, police and other accounts showed an increase of £298,000 over the previous year; £26,000 increase on land improvement and settlement; £16,000 increase on River Murray weirs; £1,000 increase on mines; £24,000 increase on temporary and emergency housing accommodation.

The railways interest charge for the year was £1,971,000, an increase of £85,000 over the previous year. Additional Loan capital and a rise in the rate of interest charged by the Treasury were responsible for that increase. One point to be remembered in regard to interest and debt charges of the railways is that—although I have given the figures of an £85,000 increase over the previous year—the real picture is not revealed in these figures because of the fact that the State Treasury makes a contribution of £800,000 to debt charges of the Railways, which the taxpayers have to meet. So, although the Railways showed a surplus of £436,644 for the year, if we add the £800,000 which has to be met from the State Treasury, we get a loss of £363,356.

The Municipal Tramways Trust which has the exclusive and sole right to operate tram

and omnibus passenger services in the metropolitan area, to licence private omnibus services within that area, and to determine the fares has made large losses. The State Treasury was compelled to make advances to enable the Municipal Tramways Trust to carry on. The total advance to the trust, as at June 30, 1959, was £7,152,000, of which £3,041,000 has been lost—simply gone down the drain—leaving a balance of £4,111,000 employed in the undertaking. Interest charges to the trust were up £23,000. The trust's indebtedness to the Treasury decreased by £222,000, but this was due to a debt remission of £240,000 by the State Treasury on account of lost capital and because of the cancellation of that debt; this relieved the trust of £9,000 in interest. The total deficiency of the trust for the year ending June 30, 1959, was £613,188. The special grant by the South Australian Government was £440,000, leaving a net deficiency of £173,188.

In presenting the Budget the Treasurer stated that the anticipated deficit for 1959-60 of £791,000, was a direct result of the very poor seasonal outlook. He said that the cost of supplying water, more particularly in the metropolitan area, but also in supplementary country storages had an effect on the Budget. He also dealt with the second major effect on public utility revenues of the poor season. In fact, he stated:—

In summary I would say that the whole of the prospective deficit of £791,000 for which I am providing, is the direct result of the adverse season.

He also said:—

It will mean that the Government will have to set apart a comparable amount of its Loan Funds for the purpose of covering the deficit, but of course that means a curtailing of developmental expenditure to that extent.

He also said:—

It is, I believe, quite justifiable procedure to budget for a deficit to this extent for it would be improper to call for a curtailing of Government services to cover the gap or to make temporary increases in taxes and charges for that purpose. Over a period of years, taking good years with bad, it should be practicable to secure an overall balance so that services earning in a good year may offset the deficit from adverse periods.

But the Treasurer made no reference at all to the colossal increase in debt charges: the colossal increase in the public debt which, of course, is the main item in his deficit, because had he adopted a policy of using the Commonwealth Bank of Australia for the purpose of financing his governmental expenditure, the debt charges would be reduced and consequently

we would reach a stage where we would be able to repay our public debt, but the present monetary policy means a continuation of going into debt for ever, which is proved by the figures that I have given.

Honourable members are very silent and are no doubt perturbed about these enlightening figures in the increase of the debt spiral and I believe may be anxious to provide and take remedial action to overcome these problems, but are not yet sufficiently enthusiastic or moved to take the right action, probably because they just don't know how it can be done. However, I had the pleasure last week, during the visit of the international delegates to the Commonwealth Parliamentary Association, of enjoying a talk with the two Canadian representatives from the Province of Alberta. Their discussions were most enlightening and provided a comparison with the record of the Playford Government, which took office in 1938 when the public debt was £107,450, which by 1958 had increased to £312,920,000, and consequently its interest charges from £5,281,000 to £13,153,000.

The delegates from Alberta informed me that when their new Government took office in 1935 their total public debt was 167,000,000 dollars. In 1958 the public debt was nil, but they had a credit of 330,000,000 dollars. In 1935 it took 51 per cent of the total revenue to pay the interest in Alberta: in 1957 it cost nothing. In 1957 it spent 30,500,000 dollars on construction of modern highways, 6,000,000 dollars for construction of bridges, and 750,000 dollars for new construction of the trans-Canadian Highway, of which 50 per cent is refunded by the Dominion Government.

In 1957 more than 300 miles of new sub-grade road was built, 200 miles of stabilized gravel road, 260 miles of asphalt surfacing, and an additional 500 miles of gravelled road. The Government in Alberta has completed road construction and maintenance to the value of 330,000,000 dollars without borrowing one penny.

What the Government of Alberta has done can be done in South Australia. Of course, some minor amendments would have to be made in respect of Loan Council proceedings.

Mr. O'Halloran—And the Commonwealth Constitution would have to be amended.

Mr. STOTT—Not necessarily. In the early days the Commonwealth Government had power to arrange the note issue under the Constitution, but that right was handed over to the Commonwealth Bank. In Alberta they use the

Savings Bank resources of the people in their Province for this purpose. With the member for Burra, I have strongly advocated that the Government should take steps immediately to amalgamate the State Bank with the State Savings Bank, and the resources of these two banks should be used to finance Government undertakings as has been done in Alberta.

The Treasurer will probably reply that this cannot be done because of our agreement with the Commonwealth Loan Council. Honourable members will see by this reply how the States are tied—bound hand and foot—to the rotten financial system. The Treasurer, notwithstanding his Liberal Government, can provide the remedy by calling a special Premiers' Conference and getting all the States to use their own State and State Savings Bank resources to finance public undertakings free of debt and free of interest, and if agreement is reached with the other States, the agreement with the Commonwealth Loan Council can be altered.

The terrific increase in the public debt must be halted. The present financial system of financing Government undertakings is crazy. All we are doing, in effect, is mortgaging our future generations and saddling them with a burden of debt on which, if it continues, they will never be able to pay even the interest. This is a colossus which is getting well out of hand and every member who has been elected to represent the people—the taxpayers—is duty bound to make a greater study of this question to inform his mind of the dire consequences with which we are saddling the future generations. It is not a question that it cannot be done because it can be done as has been illustrated by the prominent people that I have quoted from who have had the experience and authority and are consequently fully qualified to make public statements resulting from their experience of how public undertakings can be financed free of debt by using the proper resources of the nation and the savings of the people to finance them.

It must be realized by honourable members that under the Commonwealth Constitution and the creation of the Commonwealth Bank all public undertakings can be financed from this source, but the governments surrendered to the financial monopoly by taking away from the government their rights over the note issue. It is well known that the East-West Railway was financed from the profits of the note issue. The East-West Railway was paid for as follows:—

	£
From revenue taxation	1,205,651
From profits on the Australian Notes Account by the Commonwealth Bank	3,428,519
From the sale of some of the securities held by the Australian Notes Account	2,335,372
Total	£6,969,542

These figures are taken from *Commonwealth Hansard*, Vol. 129, page 1930. For book-keeping purposes, profits from the Notes Account and the sale of the securities were treated as loans on the Australian Notes Account to the East-West Railway. Honourable members will see in the *Commonwealth Year Book* that they appear as loans, but they are really transfers of money from one Government department to the other and consequently there would be no money to transfer without the figures in the note issue. Interest charges on these loans were merely bookkeeping entries between the two departments. What the Government paid out of one pocket (the East-West Railway) it put into the other (the Australian Notes Account).

It is quite correct, therefore, to say that most of the money used in the construction of the East-West Railway was obtained by printing notes and that none of it involved the people of Australia in debt or interest charges. To understand the position of the rights over the note issue, when the Commonwealth Bank was formed the power of converting the national credit of Australia into money in the form of bank notes remained in the hands of the Government from 1910 to 1920. For Party political reasons, it was then transferred to the Commonwealth Bank, where hand-picked directors have supported the crazy financial monopoly and have hamstringed the Commonwealth Bank. Between the years 1914 and 1920 the Government increased the note issue, in round figures, by £50,000,000, and these notes were put into circulation in the following way:—Some were given to the banks in exchange for gold (it will be remembered that Australia was on the gold standard in those years); some were lent as interest to the State Governments; some were placed on fixed deposit with various banks at different rates of interest; more than half of the notes were invested in interest-bearing securities. In 1920 the Note Issues Account amounted to £37,808,770, which returned an annual income to the government of the day of a little more than £1,500,000, which in the *Commonwealth Year Book* No. 14,

page 691, is shown as profits on the Australian Notes Account.

If honourable members want clearly to follow this position of how to finance public undertakings by government free of debt and free of interest by using the resources of the Commonwealth Bank and this State's State Bank and State Savings Bank, all the information can be obtained from the Public Library and our Parliamentary Library by studying the speeches and books on this question, and also proving their figures from the Statistician, the Auditor-General's report, and the *Commonwealth Year Book*. Some few years ago, when dealing with this question, I quoted from page 199 of the 1936 edition of *Hansard*, where I said:—

I turn now to flotation expenses for converting our loans in Great Britain. In reply to a question the Treasurer said that it cost £360,762 to convert loans totalling £18,256,344 which, to me, appears very heavy. Let me compare the flotation expenses of these loans with those during the time Sir Denison Miller was Governor of the Commonwealth Bank. The following appears on page 695 of the *Commonwealth Year Book* for the period 1901-1920 on the flotation of war loans in Australia:—"In addition to the advances from the Imperial Government, the Commonwealth Government has raised large amounts of money for the prosecution of the war, by direct application to the investing public of Australia. Acts No. 21 and No. 50 of 1915 authorized the Commonwealth to make application for £29,000,000 and £18,000,000 respectively, and in pursuance of these a loan of £5,000,000 was placed upon the market late in 1915, and a further amount of £10,000,000 early in 1916. These issues—unprecedented in Australian finance—were entirely successful, the latter being subscribed twice over, and the former more than 2½ times. Both loans were issued at par, bore interest at 4½ per cent, and were redeemable on December 15, 1925. The expenses included a commission of 2s. per cent to the Commonwealth Bank, commission to brokers at ½ per cent, and miscellaneous items such as printing. The total cost of flotation, however, was very moderate, amounting only to £86,103, or less than 5s. per cent of the amount subscribed." I desire to draw an analogy between the cost of flotation expenses in those days under the regime of Sir Denison Miller, the Governor of the Commonwealth Bank, and the cost of floating loans in London today. If the sum of £18,256,334 had been floated at 5s. per cent, as was done when Sir Denison Miller raised loans during the war, it would have cost £45,680 as against the present cost of £360,762 on the recent loan floated by the High Commissioner, Mr. Bruce. That would have been a direct saving to the taxpayers of South Australia alone of £315,082. It is obvious that in the conversion of these loans in London there has been a big rake-off by stockbrokers and bankers.

The same thing still applies today. That has proved the point that something has to be done about halting this colossal increase in the public debt.

Recently, I had the privilege of seeing a film on the construction of concrete roads in the United States of America, over some of which, of course, I travelled during my stay in America. I was enlightened by the modern methods adopted in America since I was there only a few years ago. Apparently, one of the reasons why concrete has not been adopted in road construction here is its cost as against the cost of black seal or a bituminous road. However, it must be remembered that, if a concrete road is put down on a properly constructed foundation, the maintenance cost is negligible. A difficulty in putting down concrete roads has been that massive machinery is required. In 1956, five great machines and an army of men were required, but the film revealed that the whole construction, apart from the original grading, can now be done by one machine in one complete operation. An experienced contractor estimated that the cost of obtaining a machine from America would be between £45,000 and £50,000 c.i.f., duty free, and that the cost of that machine would be saved in constructing a concrete road between Adelaide and Gawler. The initial capital cost of a concrete road may be slightly higher than that of a bitumen road but, taking into account the comparative maintenance costs, the concrete roads are far better. As the cluster lights have just been switched on, I am pleased that at last we are getting some light on the subject.

The CHAIRMAN—Order! We are not discussing the Chamber lights.

Mr. STOTT—I think there is an item in these Estimates dealing with the lights, so I thought I was in order in discussing them. I have recently had great difficulty in seeing the Speaker in the Chair, but now that the old lights have been switched on as well as the new lights, there has been a great improvement. I suggest that they be kept on. The time has come when every State Parliament that has the responsibility to construct roads must re-orientate its ideas. I ask members to compare the terrific sum of money employed in the manufacture of motor cars and trucks—the steel poured at Newcastle and Whyalla and all that goes into the construction of motor vehicles, such as batteries, tyres, wireless and other accessories—with the sum being spent on roads. It is only a drop in the bucket, yet all big business undertakings and Government

organizations accept that modern road transport is the best means of transport.

The Australian Automobile Association, in its annual report, I think two years ago, said that Australian Governments should spend over £400,000,000 on road construction in 10 years. That figure was ridiculed at the time, but I believe it was arrived at after much sound thinking. To get to my district I travel along the Main North Road to Willaston, and then pass through Daveyston and Sheoak Log to Nuriootpa. The heavy weights that hauliers were carrying made a complete hash of that road in places. This proved conclusively that this road, like many others, was not properly constructed when the foundations were put down. The Highways Department had to close it off and put down a road to the standard required by modern transport. While this work was being carried out we had to take a detour through Freeling to link up with Daveyston. Some of the interstate semi-trailers used the detour and, when there was a heavy rain, they went through the road in several places. Although it was a bitumen road, it was obviously not built for the requirements of modern transport. What is the good of spending money on reconstruction when so many of the highways are already laid with bitumen? Many thousands of miles of road will have to be taken up because they were improperly laid in the first place.

We should construct roads that will last for a long time. Concrete roads will give years and years more wear than the many thousands of miles of bitumen-sealed roads we have now. The Automobile Association's view was not idle talk; there is much commonsense behind the principle of using a greater sum to meet modern requirements in this and every State of Australia. We should not take a dismal view because the Treasurer will tell us in closing this debate that we cannot have these things because we have not the finance.

I have proved that the way to go about the construction of roads is to follow the lead of the Alberta Government. I do not think we can call that Government a social credit Government. I have been enlightened on this matter since the long talk I had with its two representatives. Alberta had a sort of social credit policy, but it found that it was hamstrung by the overriding Federal system, in the same way as we are here, and consequently it had to pull in its horns. That Government used its State resources and savings to finance its undertakings. I agree

entirely with the member for Burra (Mr. Quirke) that it is time members of this Parliament and the Government investigated this question of the amalgamation of the State and Savings Banks in South Australia, and the obtaining of an amendment to the Commonwealth Loan Agreement in order that the States could use those resources to undertake more public requirements.

Mr. Harding—How about getting some oil like they have in Alberta?

Mr. STOTT—Alberta does not do it all from oil, although that certainly helps the revenue.

Mr. Quirke—Oil would put us further into debt under our present system.

Mr. STOTT—Yes, but it does not do so in Alberta.

Mr. Quirke—They are not quite as silly as we would be.

Mr. STOTT—It is true, as the Treasurer has said in presenting this Budget, that we are suffering from a very adverse season. On present indications we have to get at least another inch of rain in the wheat areas soon in order to reap between 9,000,000 and 10,000,000 bushels of wheat. For some years the average crop has been 27,500,000 bushels, but last year it went up to well over 30,000,000. Honourable members can therefore see the effect this dry season will have on the wheat harvest. It is going to have a terrific effect on railway receipts; instead of a greater turnover in railway freights there will be a big drop in revenue, and consequently the dead-weight charges of the railways to which I have referred are going to be worse than ever when the Treasurer presents his Budget next year. The Treasurer has stated—and we cannot disagree with the statement, as its truth must be obvious to honourable members—that we will have to meet a greater deficit next year.

Mr. Quirke—And that will mean more inflation.

Mr. STOTT—Yes, a further increase in wages under the Commonwealth arbitration system, and another dose of the dog chasing its tail. Where are we going to finish with this crazy nonsense, unless members wake up to the fact that we cannot go on forever borrowing ourselves out of debt? Regarding the drought position, the Treasurer in reply to a question I asked recently said that the Government would be willing to have a look at any submissions made to it with a view to providing relief. The position is getting worse every day. There are obviously some places in the State, notably in the marginal

areas, where seed wheat, seed barley and some other assistance will be required. It may be a little early to look at this question at present, but members do not get many opportunities of putting things to the Government as question time is very limited, so I am now putting this plea to the Government so that it may look at the necessity, as it arises, of meeting the provision of seed wheat, seed barley and other requirements in order to get seeding under way next year in those outlying and drier remote areas.

The Government should encourage the people in those areas that are so short of water by assisting them to put down bores in order that they can irrigate some of their flats and grow lucerne. That can only apply where there is a plentiful and bountiful supply of artesian water, such as exists in my electorate and the electorate of Albert. Some farmers who have had the foresight and initiative to put down these bores and plant 10, 12 and up to 25 acres of lucerne have been able to carry their stock through the worst drought period South Australia has ever known. Many others, probably through lack of finance and perhaps because of higher mortgages or overdrafts on their properties, were restricted in their borrowing capacity under this system that I have been hammering today, and were not able to get a sufficient advance to put down a bore and recover the water in order to get more lucerne planted. In consequence, they had to get rid of their stock, and this has meant a terrific loss to them. Such assistance as I have mentioned would bring in greater revenue to the railways through the carrying of fat lambs and, in many cases, dairy produce could be taken on a greater scale than it is at present.

I urge the Government to provide every means in its power, through the State Bank or under the Advances to Settlers Act, to provide the necessary assistance and encourage these men to put down these bores. The people who have already had the initiative to embark on these undertakings have met with almost 100 per cent success. Of course, it depends on some knowledge of the right time to plant the lucerne, because farmers are sometimes faced with a poor germination, and consequently they would have to obtain advice from the Department of Agriculture, which has men well educated and able to impart their knowledge to those requiring it. I suggest that the Government consider this matter.

Mention has been made in this debate of a subject of which I am supposed to know a little—wheat. South Australia is not going to produce much wheat this year, but there have been some funny things said about concessions to primary producers which should be corrected. When the Wheat Stabilization Act was first enacted the principle was laid down that the consumption price for wheat sold on the local market should not be related to the export price at all.

If the price of wheat overseas went above the determined cost of production the Australian consumer would not be charged that higher export price, but it was laid down—and it is in the Commonwealth and the State Stabilization Acts—that the price to be charged for wheat for home consumption would be the determined cost of production adjusted annually by the rise and fall in the index formula under the system. Today that figure is 14s. 6d. a bushel, and that was arrived at last October by the Wheat Index Committee.

When the Wheat Stabilization Act first operated the price for export wheat was very high, and it went up to over 22s. a bushel. At that time wheat was being sold for home consumption at prices as low as 10s. and 11s. a bushel, which was the cost of production. Consequently the consumers in Australia were buying bread cheaply while the price of export wheat varied from 16s. to 17s. a bushel up to 22s. It is argued that had the Wheat Stabilization Act not been brought into force the wheatgrowers would have got that higher export price for the whole of their wheat that was sold for home consumption. The Wheat and Woolgrowers' Federation did not agree with that view because it wanted to establish the principle of what we call stabilization, that is, that we should avoid wild fluctuations in the price of wheat and give producers a steady return. That reasoning has stood the test of time, and the wheat industry is beginning to get the benefit of the long-sighted view of those responsible for bringing down the wheat stabilization plan.

Today the pendulum has swung the other way and the export wheat price has fallen below the home price. As a result Australian consumers are paying a slightly higher price than the export price. I hope honourable members can see, therefore, that they should not argue in this debate that concessions should be taken away from the primary producers. Because in the early stages of wheat stabilization the producers accepted 10s. a bushel for

local consumption when wheat was exported for 22s. the Australian consumers were saved about £190,000,000. Some people arguing against wheat stabilization say the wheat-growers have lost that amount of money, but that argument cannot be sustained because if we did not have wheat stabilization and the International Wheat Agreement we could not be sure that all wheat would fetch that figure. The International Wheat Agreement had a big influence on the higher price then as it has today in holding the price. The present position is due to the period when the price of wheat was above the cost of production and the industry had to make a contribution of up to 2s. a bushel to what is known as the Wheat Research Stabilization Fund.

That fund has £9,000,000 in it at the moment, and it represents contributions from the growers' own money. The price of export wheat has been slightly below the cost of production, and so that growers may receive their guaranteed price of 14s. 6d. a bushel it has been suggested that £6,500,000 should be drawn from the reserve fund and paid to the grower for his second advance of 2s. a bushel, which would give him 14s. 6d. over the total crop. That would leave the fund £2,500,000 in credit. Next year there may be a fall in production, particularly in this State; the overall figure of the export price which relates only to 100,000,000 bushels will not be affected, but if we then got a bountiful season this position could arise—we could produce in Australia over 100,000,000 bushels.

If we produced 190,000,000 bushels, 60,000,000 being required for home consumption, we would have to find overseas markets for 130,000,000 bushels, which would be 30,000,000 bushels more than the quantity to which the guaranteed export price applies. Consequently, the guaranteed price of 14s. 6d. a bushel would be reduced as a result of the lower price received for the excess 30,000,000 bushels, so instead of the grower getting a cost of production return over 100,000,000 bushels he would be getting less than cost of production. That shows how the plan works, so when members talk of concessions to primary producers they should remember those hard facts. It is untrue that the wheat industry or the wheatgrowers, who are the biggest contributors to the Budget, are getting too many concessions. That is idle nonsense and I won't have a bar of it.

Reference was made to the importation of wheat. In 1957 a small cargo of wheat had to

be imported into New South Wales. That was due to a drought in New South Wales in that year when hardly any wheat was produced there. In one year hardly any wheat was produced in that State because there was too much rain, and in the following year very little was produced because there was no rain. There was a terrific drop in that State's storage and it was forced to import wheat. It tried first to purchase wheat from Western Australia and then found that wheat could be brought from Canadian Pacific ports south of Vancouver, c.i.f. at Five Dock Sydney, at less cost than from Fremantle to Newcastle. That was a result of the high cost of shipping goods around the Australian coast. Members can check that statement if they so desire.

I shall now deal with one or two other matters which have been brought up in this debate. Many incorrect statements have been made, and to make the position clear I will set out certain figures relating to the betting tax. Some honourable members have said in effect that the betting tax as it now operates is iniquitous. I agree. The bad thing about the tax is that the punter loses 6d. in the pound on his winnings. If one invests £5 on a horse and it wins at two to one, one gets £15 back. The tax of 6d. in the pound is applied to that £15, which includes the stake money of £5. That is the unfair part of this tax. I think that Mr. Frank Walsh, who referred to this, got off the rails when he said that out of the Budget the Government was handing back £500,000 to the racing clubs. According to the Auditor-General's annual report £29,053,840 was invested on racing in 1954-55, and in 1958-59 this had dropped to £28,379,039. Out of that total the totalizer tax was deducted, which in 1954-55 amount to £112,989 and that figure dropped to £96,152 in 1958-59. The commission on bets of one per cent on the turnover tax and two per cent on the turnover of betting shops amounted to £55,373 in 1954-55, to £61,938 in 1955-56 and dropped to £57,791 in 1958-59.

The amount of winning bets tax at the rate of 6d. in the pound amounted to £501,496 in 1954-55 and that figure had dropped to £494,663 in 1958-59. Of the latter amount the Treasury received £150,615. Dividends and winning bets unclaimed amounted to £31,225 in 1954-55 and in 1958-59 to £34,361. The total amount paid into consolidated revenue from these sources was £727,931 in 1954-55, and that figure dropped to £707,216 in 1958-59. The winning bets

tax in 1958-59 returned £150,615 and the 6d. tax was broken up as follows:—4½d. to the Treasury and 1½d. to the racing clubs, which have to use the money to increase their stakes. There was grave criticism of the racing clubs a few months ago to the effect that they had not properly apportioned this money. I have taken out figures that give the answer to that criticism. A perusal of the Betting Control Board's report for 1957-58 reveals the annual totals paid to all the clubs, but it is impossible to calculate from that report the individual commitments without considerable research. Country racing clubs received £82,072 from all

sources, including £5,000 grant from the turnover tax on bets made on registered premises. However, figures have been obtained from the three major course-owning clubs in South Australia, and are as follows:—

	Total received. £	Two-thirds to stakes. £
S.A. Jockey Club	33,360	22,240
Port Adelaide Racing Club	28,377	18,918
Adelaide Racing Club . .	27,987	18,658

Totals £89,724 £59,816

The following table shows the position for the year ended June 30 last:—

Club.	Base year stakes. £	Increase to stakes from betting tax. £	Total stakes payable. £	Total stakes paid. £	Increase over commitments. £
S.A.J.C.	52,750	22,240	74,990	94,250	19,260
P.A.R.C.	51,200	18,918	70,118	91,660	21,542
A.R.C.	49,600	18,658	68,258	80,575	12,317
Totals	£153,550	£59,816	£213,366	£266,485	£53,119

From this it may be seen that the clubs have more than met their legal commitments. A study of the Betting Control Board's report reveals that the Treasury received from all sources of taxation under the Act £777,138 in 1956-57 and £753,428 in 1957-58, a decrease of £23,710, or 3.05 per cent. All racing, trotting and coursing clubs received in turnover, winnings and totalizator tax £589,446 in 1956-57 and £566,724 in 1957-58, a decrease of £22,722, or 3.86 per cent. The Treasury therefore received a total in 1957-58 of 57 per cent of all taxes and the clubs 43 per cent.

It will be agreed that this is not an equitable proportion and far too much revenue is being taken from racing to the detriment of the financial stability of the sport. The course-owning racing clubs in particular, are finding that an ever-increasing spiral of costs makes it impossible to increase stakes and so compensate the owner for his alarming increased costs. South Australia is the only State that has a winning tax, but I have a table of figures relating to the position in other States and I ask leave for it to be incorporated in *Hansard* without my reading it.

Leave granted.

RACING REVENUE.

	£	£
Tasmania, 1957-58—		
Bookmakers' commission	113,617	
Totalizator tax	23,918	
	147,535	
Less administration	12,591	
		134,944
Registration fees		487
Stamp Duty on Bookmakers' tickets		65,259
Total		£200,690
Queensland, 1957-58—		
Totalizator tax		129,470
Totalizator fractions and unclaimed dividends		43,018
Bookmakers' tax		16,281
Racecourse and coursing licences		2,420
Betting tickets and credit bets		136,627
Total		£327,816
New South Wales, 1957-58—		
Racing clubs and associations—		
Percentage of bookmakers' operating fees		446,619
Bookmakers' licences—annual licence fee		38,403
Betting turnover tax		1,131,472
Totalizator—Percentage of investments, fractions and unclaimed dividends		1,111,058
Greyhound racing—15 per cent of gross income—		
Metropolitan clubs		31,655
Total		£2,759,207

Western Australia, 1957-58—	
Totalizator duty	180,562
Betting Control—	
Licences	30,685
Betting tax	395,056
Total	£606,303
Victoria, 1957-58—	
Betting tax	1,186,513
Betting tickets	103,215
Bookmakers' licences	38,851
Totalizator—Percentage, fractions and unclaimed dividends	830,459
Total	£1,159,038

Mr. STOTT—It is time the Government reviewed its policy of retaining 4½d. from every 6d. collected from winnings tax and returning only 1½d. to the clubs. If, as I have illustrated, over £750,000 annually is taken from one sport and paid into consolidated revenue without any money being returned to that sport, that sport will be ruined. I plead with the Government to be more liberal because it is rapidly reaching the stage where it is killing the goose that lays the golden egg. Attendances are decreasing and fewer people are investing money on horse racing; consequently, the Treasury gets less revenue.

A clear illustration of this occurred a few years ago when, with the member for Burra (Mr. Quirke) and the then member for Chaffey (Mr. Macgillivray), I approached the Federal Treasurer for a reduction in the excise on brandy. Sir Arthur Fadden, in response to our approach, said, "What will I do if I reduce the excise? It will affect by Budget and where will I get the money from?" We suggested that if he reduced the excise it would have the effect of increasing consumption and, consequently, he would not lose any money. He agreed to reduce the excise on brandy and within 12 months he almost doubled the Government's revenue from brandy sales.

Mr. Fred Walsh—Wouldn't the same apply to beer?

Mr. STOTT—Yes. I understand the L.V.A. is making representations for a reduction in the excise on beer. The cost of beer in the front bar is almost beyond the average workman's pocket and there is a reduction in the consumption of beer. I believe that, if the Treasury retained 3d. and returned 3d. to the racing clubs from every 6d. received from winnings tax, the clubs could increase their stake money by over £2,000 a meeting. Every race would then be worth over £1,000 as is the case in Melbourne at present where, incidentally, some races—and not feature races—are worth up to £5,000. Increased stake money

would attract better class horses from interstate—horses like Sir Blink, But Beautiful, and Mac, the reigning favourite for the Caulfield Cup.

Mr. Fred Walsh—He has been scratched.

Mr. STOTT—That is so, but he is still favourite for the Melbourne Cup. Interstate horses would be attracted to South Australia if greater stakes were offering.

Mr. Fred Walsh—We had a couple here last Saturday.

Mr. STOTT—But we would get more. With better horses racing here our attendances and investments would increase and instead of Treasury receipts decreasing they would increase. Racing administrators are gravely concerned at present and the Adelaide Racing Club is now faced with the necessity of reducing stakes. This will create anxiety to owners and adversely affect the sport and I urge the Government to examine this matter.

Mr. NANKIVELL (Albert)—I believe that this is a realistic Budget despite the estimated deficit of £791,000. More use could be made by the Commonwealth Government of this principle of deficit financing in order to increase the moneys available to the States through the Loan Council to provide for the uninhibited provision of such essential public facilities and amenities as schooling, housing, water and power. I say this reservedly, however, as I believe that such a policy is only tenable if such moneys or credits are converted into State assets. Such credits should be limited and controlled by the availability of essential goods and materials at the time. It has been suggested recently by a noted economist that it is essential for the smooth development of the Australian economy that at least 5 to 6 per cent of credit should be injected into our economy each year.

I would not, however, accept this means of financing as a substitute for taxation and borrowing. Rather should it be supplementary in order to relieve the strain being imposed upon our economy during such an unprecedented expansion as is now being experienced in Australia.

Thus it would no doubt prevent further unnecessary increase in the present heavy public debt, which in South Australia now stands at £317,702,000, showing an increase, according to the Budget, of £20,888,000 for the year ending June 30, 1959.

The need for accepting such a means of finance is borne out by a season such as we are now experiencing. No amount of wishful thinking on anybody's part can make it

other than poor agriculturally. There may be some cereal prospect in favoured areas, but what of the pastoral prospects in the farming areas? There is little feed now and there could be hundreds of thousands of bare acres by the end of February, given a normal summer. What of next year? Sheep numbers are already greatly reduced, matings will be restricted and wool yields and returns will be reduced as a result of the coming summer. We are not feeling the full impact of this year yet. Farmers still have the proceeds of a good season last year, as wool clips have been good and they are still receiving payments on No. 20 Wheat Pool and No. 22 Barley Pool. In other words, they are still receiving moneys on last year's good year.

Next year, not only will returns be greatly reduced, but taxation will not yield as anticipated. Rail revenue will be down because this year's harvest will be smaller, resulting in less trans-shipment of grain. Money will be scarce in the agricultural areas not only for development but also for the purchase of replacement plant and equipment. Consequently, I predict that we could be faced with an even greater deficit than that estimated by the Treasurer in this Budget.

It is interesting, however, to learn from the member for Stuart (Mr. Riches) that we could finance our economy without the sale of our primary products. This is absurd because present import figures show that 80 per cent of our overseas credits are used for the purchase of producer goods and not consumer goods. How else would we purchase these commodities essential to our secondary industries if we did not earn overseas credits by the sale of our primary products? It seems highly improbable, on present indications, that except for products such as iron and steel we shall be able to compete on overseas markets with our manufactured goods on any comparable basis to replace our income from that source. I realize that we must expand our secondary industries to absorb our rapidly expanding work force.

Hence, it is extremely important that there should not be unnecessary restrictions of expansion as imposed by the present Loan financing system. There is no doubt that we need more power, more water reticulation, and more houses and schools. These are the prerequisites for an expanding nation. However, despite this, I point out, Mr. Chairman, that it should be borne in mind that, although a member of a minority group, the primary producer is a fundamentally important section of the community. We realize that food should be cheap, but

not at the expense of the farmer, who admits that he receives concessional freights from the railways for both inward and outward goods; but it is only by such concessions that he is able to reduce his costs sufficiently, to maintain not only productivity but also his financial stability.

Let us bear in mind that the producer cannot hand on his costs. We have not yet reached the point where our home market consumes a large enough proportion of our agricultural production completely to stabilize primary and rural incomes, as is the case in countries like America and the United Kingdom. I contend that subsidies should not be judged by what they cost, but by the overall saving to the community. There is a tendency, however, to overlook the fact that the cost of production surveys as used to fix subsidies and stabilize prices of rural products do not provide for interest on capital investment. What other industry would accept such terms? Not many, I contend, when one looks through their balance-sheets and notes not only dividends distributed but also undistributed profit and sinking fund provisions.

I venture to say there is not one farmer (I say "farmer," not "pastoralist") who can draw up a comparable balance-sheet. Nevertheless, it reflects the attitude of our Party, that, despite the so-called preponderance of country members, despite this imbalance of seats, this gerrymander, we subscribe to a policy of overall welfare and adopt a Budget that endeavours to provide amenities and facilities in the best interests of the State. We are not parochial in our thinking, although according to members opposite, one would be led to believe to the contrary. Mr. Chairman, I support the Estimates.

Mr. FRED WALSH (West Torrens)—I want to ease honourable members' minds by saying immediately that I do not intend to give a discourse on high finance. By now honourable members should be thoroughly enlightened by what has been said so far in the course of this debate. There has been much repetition and many suggestions made that we have heard before. Unfortunately, those making suggestions do not propose how they should be given effect to. They know as well as I do that it is impossible, under the present Constitutional set-up in Australia, to give effect to the theories they advance. All we get from them from time to time in their small organizations are pamphlets that they distribute and in respect of which they

spend much money. Who finances them I have not the slightest idea.

I do not want to go into points raised by the honourable member for Burra (Mr. Quirke) and again briefly this evening by the honourable member for Ridley (Mr. Stott) about Alberta, which has been put forward as a shining example. I can recall, before the present Government was elected in Alberta, the policy on which it was elected. I can recall, too, the prominence given to its proposals before Major Douglas ever came to Australia. After he came to Australia, advocates of the use of social credit were unable to explain the cost-plus theory and the whole edifice collapsed so far as South Australia was concerned. I know of men who were closely associated with the movement. All sorts of promises were made by the present Government in Alberta about what it would do if returned to office. Subsequently it was returned to office.

Mr. Quirke—That completely overlooks the fact that all depended on the central bank operating.

Mr. FRED WALSH—That may or may not be so, but they were in a fairly bad state financially and economically until they struck oil. That was their salvation, just as it would be the salvation of South Australia if we happened to strike oil, irrespective of what Government was in office. Prior to the first world war the national debt was about £48,000,000, and I need not remind members what it is now. Although no doubt we have progressed, I do not know how people can go on talking about prosperity when both the Commonwealth and State Governments tell us that it is not possible financially to do certain things. I am unable to reconcile the two things. When the Treasurer, at the last Loan Council meeting, according to the local press, was putting up a fight in the interests of South Australia, out of which South Australia ceased to be a mendicant State, the following article appeared:—

The State Government is having financial worries, and dismissals may follow confidential instructions to all Government departments that they must keep to their already restricted Budgets. The Premier and Treasurer (Sir Thomas Playford), who has issued the instructions is adamant that expenditure must be kept as low as possible. The instructions could mean an increase in unemployment in South Australia. One department has had its proposed expenditure cut by £125,000, and others are also seriously affected. This disquieting position is the result of a Commonwealth Government decision in June that South Australia would be unable to claim special grants from the Grants Commission except in

exceptional circumstances. The result could be that Government departments, starved for money, will have to abandon projects and retrench staff. It was rumoured in Adelaide this week that the recruiting and training of policemen would be greatly affected. The Police Commissioner (Mr. J. G. McKinna) told this paper he had received instructions from the Premier, but would not say whether recruiting would be affected. "I intend to keep to our Budget," he added.

This shows the serious position this State is in. I know the Treasurer was able to get an extra £1,000,000 at the Loan Council, but the following statement was made by Mr. McEwen:—

Frankly, it is a matter of paying Sir Thomas Playford with his own money because, if he does not have it added to the grant, he will get it from the Grants Commission anyhow.

From this it can be seen that it did not matter whether the money came through the Grants Commission or through an increase in the allocation. It seems to me that we are not in such a prosperous position as some people would have us believe; many works that should be done in the Education, Railways, Highways and Works Departments, just to mention a few, cannot be proceeded with because sufficient money is not available.

The member for Rocky River (Mr. Heaslip) took the member for Edwardstown (Mr. Frank Walsh) to task, stating that he said he would take concessions from primary producers to give to racegoers. If the member for Rocky River intended what he said to be taken as I have stated, then he has misread the member for Edwardstown's speech. Mr. Frank Walsh did not use those words at all. He certainly spoke about taking away from primary producers certain motor registration concessions, but he did not link that with giving concessions to racegoers. He had certain views about the concessions granted to producers, and the member for Rocky River took him to task for penalizing primary producers.

Mr. Heaslip—That is what he said he would do.

Mr. FRED WALSH—According to a press article I have here, the Treasurer attempted to warn and threaten primary producers. In the *News* of June 16, the following article appeared:—

The South Australian Premier, Sir Thomas Playford, was accused of Iron Curtain methods at a "Develop the West" conference at Portland, Victoria. The charge was made by the chairman of the Portland Harbour Trust Commissioners, Mr. K. S. Anderson. Mr. Anderson told a conference of about 150 shire councillors, members of Parliament and

other delegates that Portland used to get a lot of wool from Naracoorte and other areas of the South-East of South Australia. But then Sir Thomas Playford stepped in and told graziers that if they sent any more wool to Victoria he would place a surcharge on their superphosphate from Adelaide. "I can see no difference between that and the Iron Curtain in Europe," Mr. Anderson said.

Look at the faces of members opposite! They say it is wrong for a member of the Opposition to advocate these things, but it is a different matter when their Leader threatens to apply penalties to primary producers if they do not conform. I see that the Treasurer is bursting to speak, and I will not argue the merits or demerits of this.

The Hon. Sir Thomas Playford—I am going to argue the accuracy of the statement.

Mr. FRED WALSH—I am quoting from the *News*.

Mr. King—You cannot rely on that. Obviously it is not on the Government's side.

Mr. FRED WALSH—But it will be popular with the other side three or four weeks before the election, because it will twist.

Mr. Hambour—You said the *News* is not popular with the Government; do you think the Government is popular with the *News*?

Mr. FRED WALSH—I will not enter into the feud between the Government and the *News*. That is their business, and they must get out of it as best they can.

Mr. Hambour—You are not producing a bad blanket for the member for Edwardstown. You are trying to cloud all he said.

Mr. FRED WALSH—I am trying to be fair.

Mr. Heaslip—I did not read this in the *News*, but in *Hansard*.

Mr. FRED WALSH—I will send the press article over to the Government benches, and the Treasurer may read it.

The Hon. Sir Thomas Playford—That statement was never made by me.

Mr. FRED WALSH—I accept the Treasurer's word on that. I was quoting from the *News*, and when the statement was not refuted I naturally thought it was correct.

The Hon. Sir Thomas Playford—The honourable member knows that it is refuted now.

Mr. FRED WALSH—The honourable member also referred to railways. I believe that all forms of public transport, Government or municipal, should be supported wherever possible and wherever it is convenient to do so. Primary producers can take advantage of two different forms of transport, namely, road transport and rail transport, and whichever

pays them is the form of transport they use. Some members may say that is good business.

Mr. Heaslip—Don't the people in the metropolitan area do the same thing? We provide buses for them, yet they use their motor cars.

Mr. FRED WALSH—We only provide buses on certain routes. The honourable member will not deny that some primary producers take advantage of the cheaper mode of transport to get their produce to market and to get the products or commodities that they require back to their farms.

Mr. Bockelberg—You want the country people to support the railways while the city people run alongside them in their cars?

Mr. FRED WALSH—I ask the member for Eyre when he last travelled on a train on Eyre Peninsula.

Mr. Bockelberg—About six months ago.

Mr. FRED WALSH—Irrespective of the conditions today, it must be borne in mind that the whole of the State provided the railways in the early days for the development of this State.

Mr. Bockelberg—Have you ever travelled on the Eyre Peninsula railways?

Mr. FRED WALSH—No. I do not represent that electorate; I have never lived on Eyre Peninsula, and I have no desire to do so. It can be argued that certain railways are not paying their way, but I still believe they should be allowed to continue in service. It is the duty of the State to make up any shortcomings that may arise as a result of the railways being kept in service.

Mr. Hambour—And it does.

Mr. FRED WALSH—In every State in Australia and in most overseas countries, railways are run at a loss, particularly those that are run by the State. When we look at the Budget and Estimates each year and see what it is costing the State in railway losses, we should realize that those losses are the result of the huge interest debt that has to be met, and if it were not for this huge interest debt it could reasonably be assumed that the services would pay their way.

Mr. Ryan—There is no doubt about that.

Mr. FRED WALSH—I therefore believe there should be some way of overcoming the payment of that debt. I am not a financial expert and I will not offer any suggestions, but I believe there should be some way of overcoming the heavy burden that the railways,

as well as other departments, have to carry. Even the Treasurer would not claim to be an expert on finance. He has to rely on the experts behind him, such as the Under Treasurer and the Auditor-General, who have given the whole of their lives to a study of the question, and if they cannot offer any suggestion to overcome the position I believe it would be foolish for me to try and do so. When we hear so much about the terrific losses of our railways, we should consider the huge interest debt that is included. The same can be said of the Municipal Tramways Trust. If it were possible to liquidate the debt involved with the Tramways Trust, I have no doubt that it would pay its way. Although the Government has appointed a board to run the Tramways Trust, that board is making no attempt to revolutionize the public transport system in the metropolitan area.

Mr. Shannon—It has improved it.

Mr. FRED WALSH—It has removed the trams and replaced them with diesel buses.

Mr. Shannon—The trust's financial results are better, too.

Mr. FRED WALSH—Over the last three or four years the State has provided the trust with about £1,500,000, which I suggest is a fair hand-out. The trust should not permit private buses to run on lucrative routes, but should be prepared to take over those routes. I understand the trust has many buses that are not in use but are kept aside, and I am told on fairly good authority that from time to time the wheels are changed in order to keep those buses in good condition. Those buses could be used on remunerative routes such as Edwardstown and Ascot Park, and at the same time provide a satisfactory service to the public.

The Tramways Trust recently increased fares. It did not impose an increase on the first two sections, but by a system of manipulation it grouped sections. Although the trust considered that it was not raising the fares, it was actually reducing the length of the sections. In the district where I live it cost 4d. to come to the city just after the war, but today it costs 1s. to travel the same distance. It has to be borne in mind also that these private bus services are not committed to the payment of award rates and conditions the same as the Tramways Trust is. Private buses are able to carry on in such a way that they have an advantage particularly as they are compelled to charge the same fares as the M.T.T. When in Tasmania recently, I found that a person

could travel twice the distance he could in South Australia for 1s. Why should fares be lower in Tasmania than they are in South Australia?

Mr. Ryan—Because they have a Labor Government.

Mr. FRED WALSH—I do not think that is the reason. So long as the M.T.T. keeps raising fares it will force more people off the buses. The higher fares are raised the more people will be driven into private transport to the city and other places where they would normally travel by public transport, and the day is not far distant when that aspect will have to be considered and fares either reduced or stabilized, although prices and costs generally may rise. Under the present system of increasing fares, but not increasing the first one or two sections, the burden is carried by the man who has to travel the greatest distance; not only does he have to bear the greatest cost through increased fares, but very often he has purchased a home from the Housing Trust in the outer areas and is paying off his home by instalments. His salary is no greater than the salary earned by a person living in the inner suburbs, but he has these increased fares added to his already high budget. There should be some easing of the burden to those using public transport from the outer suburbs. More of the cost should be borne by those living in the inner suburbs because they would not feel it to the same extent and that would offer some relief to the man in the outer areas.

Mr. Hambour—I advanced that point regarding electricity.

Mr. FRED WALSH—I refer now to concession fares for pensioners. The Government's action in providing concession fares for pensioners at off-peak periods has been well accepted by all sections of the community who travel by rail and M.T.T. buses. Those people have been allowed to take advantage of the concession offered by the Government, but others who live on routes serviced by private buses are unable to enjoy any concession. I ask the Government to take up that matter with the Private Bus Operators' Association to see whether concession fares to pensioners cannot be granted the same as on public transport. If the private bus operators are not prepared to do that there should be some form of subsidy from the Government to meet the situation.

Mr. O'Halloran—We subsidize the trust.

Mr. FRED WALSH—Yes, and every member will see the fairness and justice of my suggestion because pensioners live in all suburbs, but at present only those living on routes serviced by public transport benefit from the concession fares. I had a case brought to my notice last Sunday week of an 81 year-old pensioner who boarded a private bus. He asked for a concession fare and when told he could not get it produced his authority. After much argument the conductor eventually

gave him a 6d. fare, but the point is that he got it, not because he was entitled to it but through sheer persistence. I believe that if the Government took this matter up with the private operators it might get concession fares for pensioners.

Progress reported; Committee to sit again.

ADJOURNMENT.

At 10.19 p.m. the House adjourned until Wednesday, October 14, at 2 p.m.