

HOUSE OF ASSEMBLY

Tuesday, August 16, 1966.

The SPEAKER (Hon. L. G. Riches) took the Chair at 2 p.m. and read prayers.

QUESTIONS

UNEMPLOYMENT.

Mr. HALL: Further reports have been published of the employment situation in Australia together with a report that there has been a slight improvement in the figures in South Australia, but a report in this morning's *Advertiser* states that building workers are leaving this State. Because of these various reports, I ask the Premier whether he is aware in what sector the improvement in the employment position has occurred and, if it is in the building industry, does this indicate a resurgence of interest in the building industry in South Australia?

The Hon. FRANK WALSH: This question cannot be answered by a simple "Yes" or "No". First, I commend the Master Builders Association in this State, because, as I understand the position, throughout Australia this association is preparing statistics for the information of the Commonwealth Treasurer that will indicate what I may call the weak spots in the building industry. I believe that when this information is tabulated it will undoubtedly assist the Commonwealth Government to do something to relieve the present position. I have no doubt that the Commonwealth Government has spent much money on buildings in the past year or so, but I doubt whether buildings have been built in this State on a *pro rata* basis, as the Commonwealth Government may not have been aware of the position here. The Australia-wide statistics prepared by this association will help improve the position greatly. We have been accused of causing unemployment, but I draw the attention of members to the Loan Estimates introduced last Thursday, in which \$700,000 is provided under the State Bank for house-building (from which it is estimated that the construction or purchase of 2,000 houses will be financed); \$22,310,000 is provided under "Government Buildings, Land and Services"; and a provision is included to ensure that this year the Housing Trust will do as well as, if not a little better than, it did last year. In regard to private builders awaiting advances from registered lending authorities, this Government is the only one in Australia providing assistance in conjunction with the State Bank.

The State Bank, Savings Bank of South Australia, and the Commonwealth Savings Bank are doing a mighty job in the interests of housing (and the construction of other buildings) in this State. If other banks joined in (and I doubt whether they would), instead of assisting fringe banking organizations that might come under their control, the building industry would be much better off than it is today. Although I do not wish to make a forecast, I hope that something good will come out of the Budget to be introduced in the Commonwealth Parliament tonight. I am informed that many motor cars manufactured in this State are awaiting purchase and that the industry may not be able to afford to retain its present labour force. Unless encouragement is given in this regard, this State's position will further deteriorate.

HOVERCRAFT.

Mr. HUGHES: For some time questions have been directed to the Minister of Marine and the Premier about the possibility of a hovercraft service across Spencer Gulf and to Kangaroo Island. Several months ago I was informed by the Premier that a company named Birdseye's had applied to the Government for a licence to operate this service. However, from inquiries made, I understand that the Harbors Board has no power to issue a licence for the transportation of passengers, and that all it is required to do is to survey boats to see whether they are seaworthy, in accordance with the regulations laid down. As the Minister of Marine promised to have the Minister of Transport investigate the matter to see whether there was any necessity for a licence under the legislation administered by the Minister of Transport, can the Minister say whether investigations have been finalized and, if they have, whether any decision has been arrived at and whether Miss Birdseye has been informed of the decision?

The Hon. C. D. HUTCHENS: No decision has yet been made because it is difficult to determine whether a hovercraft travels in the air, on the sea or over the land.

Mr. Coumbe: It could be a sputnik.

The Hon. C. D. HUTCHENS: Yes. This matter has created some difficulties. The Minister of Transport told me today that investigations are still continuing and that he hopes to supply me with a detailed reply soon.

Mr. HUGHES: According to a recent report, because of its close proximity to Adelaide Wallaroo will probably be selected as the main terminal port for the proposed hovercraft service between Spencer Gulf ports. I

understand that Miss Birdseye, the promoter of the company concerned, accompanied by technical officers, inspected the shore areas of Wallaroo last week. In view of the importance of this venture to northern Spencer Gulf towns, can the Minister of Marine say whether the Government has been approached about making available a suitable site at Wallaroo for a landing stage for passengers and freight and for the building of a terminal depot?

The Hon. C. D. HUTCHENS: I can say frankly that the Government has not been approached. However, I do not know whether an approach has been made to the Harbors Board. Inquiries have been made about what would be required for a landing base on the coast. I am confident that everybody will acknowledge that Miss Birdseye is an excellent businesswoman who will investigate all angles, will not be subject to pressure from anybody, and will do what she considers is in the best interests of her company and the State when she determines to make a move. At this stage I believe she is simply making investigations to see what would be desirable, economical and in the best interests of the company and the State in general.

METROPOLITAN DRAINAGE.

Mr. COUMBE: Has the Minister of Lands, representing the Minister of Local Government, a reply to my recent question about metropolitan drainage?

The Hon. J. D. CORCORAN: My colleague states that a draft Bill has been prepared but has not been finalized. Proposals in the Bill will be discussed with councils later this month.

BRIGHTON ROAD.

Mr. HUDSON: Has the Minister of Lands, representing the Minister of Roads, a reply to my recent question about the widening of Brighton Road between Dunrobin and Stopford Roads?

The Hon. J. D. CORCORAN: The Minister of Roads reports that the widening of Brighton Road between Dunrobin and Stopford Roads is being delayed because of difficulties encountered in land acquisition. At present it is estimated that it will take a further five to six months to acquire all the necessary land. Therefore, construction work is expected to be commenced in about six months and to be substantially completed after a further four months.

WATER MAINS.

The Hon. B. H. TEUSNER: Has the Minister of Works a reply on a matter raised by me during the Address in Reply debate and in

subsequent questions as a result of requests made to me by the Angaston and Tanunda councils for the removal of hundreds of pipes of the old Warren trunk main that are lying in various parts of the areas of the councils?

The Hon. C. D. HUTCHENS: The Director and Engineer-in-Chief of the Engineering and Water Supply Department reports:

Hinton Demolitions Limited has a contract with the department for the removal of the old Warren trunk main. Under the terms of the agreement, the contractor is required to make all arrangements with the council for the lifting of all mains along roads and also is wholly responsible for the reinstatement of the roads. It is understood that these arrangements were made between the contractor and the council of Angaston before the contractor commenced lifting pipes in the area. The area has been inspected by the Regional Engineer, and the problems discussed with the District Clerk, and it seems unlikely that the pipes would affect the flooding of the area. It is agreed, however, that the pipes are unsightly and should be moved as soon as possible. A letter will be sent to Hinton Demolitions requesting that it remove the pipes in the Angaston District Council area as soon as possible. If the council informs the department of any pipes that are urgently required to be removed because of interference with traffic, roadworks or for any other reason, we could arrange for these pipes to be removed.

The Hon. B. H. TEUSNER: In his reply, the Minister indicated the action the department would take in connection with the old Warren trunk main pipes lying in the Angaston council area. I point out, however, that my remarks in the Address in Reply debate and in subsequent questions referred to other council areas, particularly to the Tanunda council area. Can the Minister say whether action could be taken by his department concerning pipes lying in council areas other than the Angaston council area similar to the action it intends to take in the Angaston council area?

The Hon. C. D. HUTCHENS: What I said about the Angaston council area applies to all other council areas. The department is concerned about the long delay in removing the pipes and whatever it can do to remove them (whether or not they are causing difficulties) it is anxious to do as quickly as possible. If the honourable member informs the department of special circumstances applying in a specific area, the department will do something about the matter.

CLOVERCREST LAND.

Mrs. BYRNE: Has the Minister of Education a reply to my question of August 11 about the acquisition of land for school purposes in

the Clovercrest area north of Montague Road by the Education Department?

The Hon. R. R. LOVEDAY: The Education Department is aware of the housing development that is taking place in the Clovercrest and Modbury areas and is negotiating for sites for both primary and secondary school purposes in the area on the Para Hills side of Montague Road.

SCHOOL LIBRARY BOOKS.

The Hon. G. G. PEARSON: During the weekend I received inquiries and some complaint regarding the type of books sometimes found in school libraries. My informant states that he found his daughter in possession of a book from the school library which he thought was pornographic. In fact, the book had the school library stamp on it and the insert in the back for recording the names of borrowers. He subsequently discussed the matter with the headmaster, with some parents and friends, and with other headmasters, all of whom agreed that they would be very much disturbed if they found their children with such a book. That was some time ago. Another book which has come into his possession in the same way more recently is, in his opinion, equally objectionable. I appreciate that opinions differ as to what is good literature, but I consider that, in the case of adolescent boys and girls, some restraint upon the more advanced ideas of what is good literature could be exercised. Can the Minister of Education say whether any control is exercised over the selection of books for school libraries; whether the school committees subsidizing the purchase of these books have any jurisdiction in this matter; whether the headmaster of the school concerned vets the books that are put into the library; or whether the department's Chief Librarian exercises control over these matters? If the Minister cannot comment now, will he be good enough to investigate this question to see whether it is desirable to exercise closer supervision?

The Hon. R. R. LOVEDAY: The honourable member has raised a number of questions, and I shall be happy to get a report that will answer the various points. I should be surprised to find that any books in school libraries could be fairly termed "pornographic". However, if the honourable member will provide the titles of the books referred to I shall be pleased to examine them. Getting a detailed report would be far better than my attempting to answer all the honourable member's questions offhand.

GUM TREES.

Mrs. STEELE: Last week I directed a question to the Minister of Lands, representing the Minister of Roads, relating to the removal of trees on Montacute Road, and since then I have received letters and telephone calls from people who supported my action and also the suggestion I made that the Minister of Roads and the Minister of Education should confer on this matter. I doubt whether the officers of the Highways Department understand the full extent of the public's anger at the continued destruction of trees along our public highways. Over the weekend I spent some time on this controversial section of the road, and, knowing the area well, I really cannot conceive why it is necessary to widen the road to a width of 62ft. to provide a six-lane highway. I understand that a conference on this matter has taken place, at which I hope the decision to proceed has been reviewed. Can the Minister of Lands say what has happened in this matter?

The Hon. J. D. CORCORAN: I inquired about this matter only this morning and, although I have not obtained a reply for the honourable member, I hope one will be available by tomorrow and that some action as suggested by the honourable member may be taken.

Mr. MILLHOUSE: Since the House last met on Thursday several approaches have been made to me on this matter. Although this locality is not in my district, several people have written to me and others have spoken to me about these red gums. I have been informed that the Highways Department has made no secret of the fact that these trees are coming out and that any review at the request by the Minister is a mere courtesy, as the decision has been taken and will not be disturbed: the Minister will simply be informed as a courtesy that the decision is to stand. As I understand that the conference was held yesterday, and as no reply on this matter of great public interest was forthcoming today, will the Minister of Lands ask the Minister of Roads to ascertain just what review has been made by his department and to ensure that a genuine review has been undertaken?

The Hon. J. D. CORCORAN: As I understand the honourable member's question, it implies that the Minister is simply a rubber stamp. I am certain that this is not the case and that if the Minister makes a decision it will be of his volition and on his own judgment. I want to allay any fear in the honourable member's mind that the Minister would not take a personal interest in the matter. I

shall be happy to convey the honourable member's remarks to my colleague and obtain a report as soon as possible.

Mr. QUIRKE: In regard to the removal of trees for road construction purposes, I appreciate the difficulty of road engineers, as well as the fact that trees must often be removed in the interests of safety and other factors. Although that is regrettable, it cannot be helped sometimes. I know, too, that road engineers do not like to see trees overhanging roads, particularly the shoulders of roads that are not sealed, as they have a great erosive influence. However, I applaud the fact that, as opposed to the opinion years ago, many people now desire to preserve trees. Where trees have to be removed for road widening, sufficient space on either side of the road could be acquired for replanting purposes. Red gums that grow in flat country, for example, could be replanted, if the road were sufficiently wide, necessitating merely the acquisition of more land. I point out that such trees are not as slow-growing as some people may think. The Minister of Lands may recall that red gums flourished in regeneration in the South-East, and that could occur elsewhere. Will the Minister therefore recognize the desire of people for tree-lined roads, and ascertain whether sufficient land for replanting trees can be acquired in areas where trees have been removed?

The Hon. J. D. CORCORAN: I think the honourable member's suggestion contains much merit, and I shall be happy to refer it to the Minister of Roads. Although I have no doubt that this matter has been considered in the past, I am sure that if such replanting could take place, it would minimize the disappointment of those people interested in preserving trees. Such replanting would ensure stands of trees in the future equal to those being removed. Replantings would possibly be better positioned, and the road would thereby serve the travelling public just as well as that planned. I shall obtain a report on the matter for the honourable member.

LEGISLATIVE COUNCIL ROLLS.

Mr. LANGLEY: Recently many houses subsidized by the Commonwealth and State Governments have been purchased by people who pay about one-third of the cost and a small weekly payment to obtain life tenancy. Sometimes these houses are occupied by man and wife and sometimes by only one person. As in the metropolitan area in general, and in the Unley District in particular, hundreds of people

live under these conditions, can the Attorney-General say whether they are eligible for enrolment on the Legislative Council roll if they apply? I have had several inquiries from constituents on this matter.

The Hon. D. A. DUNSTAN: On the face of it, anyone who has a separate dwellinghouse and is the tenant of that dwellinghouse is entitled to enrol for the Legislative Council, but only one occupier can do so. I rather doubt that both could obtain enrolment under a life tenancy, because I do not think they would both have a registrable life tenancy in these circumstances. However, the occupier should be able to enrol for the Legislative Council.

CADELL IRRIGATION AREA.

Mr. FREEBAIRN: On Thursday last I asked the Minister of Irrigation a question about the rehabilitation of No. 2 caisson at the Cadell irrigation settlement and pointed out that the Minister had said earlier in the year that he thought the work would be finished by March. As I understand that the Minister now has more information, will he give it to me?

The Hon. J. D. CORCORAN: In reply to the honourable member's question on February 3 last, I indicated that the installation of drains was nearing completion. I further stated that it was expected that tenders for the construction of the new caisson would be called early in March, and it was hoped that all works would be completed and that the new system would be in operation by the end of June, 1966 (which was our desire). Whilst the drains have since been completed and are in operation, using the old caisson for disposal, it was not possible to construct the new caisson by the anticipated date. The contract for the construction of the new caisson was let on June 1, 1966, and the contractor expected that the work would be completed by November 21, 1966. The present position is that the contractor expects to commence work on or about September 5, and complete it within three months of commencement.

MURRAY RIVER.

Mr. McANANEY: Has the Minister of Works a reply to my recent question about the level of Lake Alexandrina?

The Hon. C. D. HUTCHENS: As promised, I obtained the following report from the Director and Engineer-in-Chief of the Engineering and Water Supply Department:

South Australia is entitled, under the River Murray Waters Act, to stipulated monthly

flows which range from 47,000 acre feet in June and July, to 134,000 acre feet during the months of November, December, January and February. These flows provide for diversions and losses in the Murray River but make no provision for losses in Lakes Alexandrina and Albert. This is the reason why the Commonwealth, New South Wales and Victoria agreed to contribute towards the cost of the barrages built for the purpose of excluding salt water when the river flow was insufficient to make good the heavy losses from the lakes. During the winter, little water is diverted from the river and therefore a substantial proportion of the flow reaches the lakes. This is at a time when evaporation from the lakes is low and therefore water is available to maintain them at full level. A certain flow must be maintained down the river to prevent the salinity rising to an excessively high level.

However, during the months from November to March, diversions average 45,000 acre feet a month, losses from the river itself between Lake Victoria and Wellington average about 40,000 acre feet, and evaporation losses from the lakes average 85,000 acre feet. This gives a total of about 170,000 acre feet a month and, therefore, it is obvious that the lakes must fall during the summer months, even in years when this State receives its normal quota. Last year, restrictions were enforced by the River Murray Commission and the flow to South Australia during the summer months was below the normal quota. Neglecting temporary wind effects, the lakes fell to a level one foot below normal as a direct result of the flow to this State being insufficient to meet all diversions and river losses and at the same time to make good evaporation losses in the lakes. Similar circumstances have arisen in the past and will certainly arise again in the future. The barrages perform their function of excluding sea water from the lakes and lower river very well indeed, but it was never envisaged that they would maintain the lakes at their full level of R.L. 109.50 at all times.

EDUCATION ALLOWANCES.

The Hon. T. C. STOTT: Last week, when replying to my question about university student allowances, the Minister of Education asked me for details of the case and said that he would inquire about it. I have received a letter from the Minister (and am grateful to him for securing the information) in which the Chairman of the Fees Concession Committee, Mr. V. A. Edgeloe states:

We are, of course, unable to account precisely for discussions with students in the enrolment office, but it is unlikely that Mr. Norman's son received information different from what would have normally been given to such a student. This is as follows: (1) he would have been given a copy of the leaflet referring to the scheme (two copies of which are attached); (2) he would have been told that if his parents' adjusted family income exceeded \$6,900 a year it would be futile for him to apply for a concession unless he had a special

case to submit for consideration by the committee.

Apparently, judging from that letter, there was a departure from the previous policy that applied and this committee now applies a means test. The letter to me from the man concerned, who is a chemist and wants his son to follow him, states:

Country students in Leaving Honours and tertiary have in the past been allowed a living-away-from-home allowance of \$200.

This concession was a great advantage to many country people and their children, and they are disappointed at the change. Last week, when the member for Gumeracha (Hon. Sir Thomas Playford) asked the Minister whether the earlier decision of the Government had been altered or rescinded, the Minister replied, "No", and then said that the procedure had been and was still being followed by the present Government, implying that the previous policy was still being followed. Apparently, that is not so. Therefore, can the Minister of Education give reasons for the change in policy?

The Hon. R. R. LOVEDAY: If the honourable member reads in full my answers to his question and to that of the member for Gumeracha, he will see that I pointed out that there was a formula for a means test that was different for the metropolitan students compared with the country students. The formula for the country student was to his advantage, as there was a living allowance equivalent to about \$200 because of the different formula. The country student still gets the benefit of a living allowance equivalent to about \$200 a year. However, the distinction is that previously the country student was not subject to a means test at all: that has been the change in policy. Now, all students are subject to that test whether they are from the country or from the metropolitan area. The means test for country students is so arranged that they get the benefit of an amount equivalent to about \$200 a year living allowance.

The Hon. T. C. Stott: In other words, it is different from what it was previously.

The Hon. R. R. LOVEDAY: If he is within the means test. The letter quoted by the honourable member indicates that the student concerned does not come within the means test.

BOOL LAGOON ROADS.

Mr. RODDA: As it is feared that roads which surround the proposed game reserve at Bool Lagoon, and which serve landholders in transporting stock to their holdings at either end of Bool Lagoon Reserve, may be closed,

will the Minister of Lands ascertain whether the fears are justified, and will he consider keeping them open?

The Hon. J. D. CORCORAN: I shall be happy to inquire whether any move has been made to close the roads in question, although I doubt that such a move has been made. Many safeguards exist concerning the right of people to object to closing roads or travelling stock routes (whichever is the case). As a matter of policy, the closing of travelling stock routes is always referred to the Pastoral Board. The board inquires fully and, if it is at all doubtful, or if any objection is raised to the closing of the route, the matter is not proceeded with. If it is proceeded with, the matter lies on the table of the House for 60 days, during which time members, if they desire, may object to the closing of the route. Each landholder or person concerned with the closing of a road is notified of its closing by the Surveyor-General, and given a certain time in which to object. Such objections are considered by the Surveyor-General, so I take it that, even if moves have been made as has been suggested by the honourable member, ample opportunity will be given to the people who object, and their objections will be considered.

PORT PIRIE OCCUPATION CENTRE.

Mr. McKEE: Can the Minister of Education say when the occupation centre at Port Pirie will be opened and, if he cannot, will he obtain a report?

The Hon. R. B. LOVEDAY: I shall be pleased to obtain a report for the honourable member.

ORROROO DOCTOR.

Mr. HEASLIP: At present the doctor at Orroroo (Dr. Jansen) is trying also to serve the needs of Quorn and Hawker (in the district of the member for Frome), but up to the present he is not receiving the assistance he should receive in coping with the needs of the people in the area. During the Address in Reply debate, when I raised this matter, the member for Port Pirie (Mr. McKee) said that the member for Frome was responsible for bringing from New South Wales a doctor to assist in Orroroo. That doctor has now disappeared, and I shall not say any more about that. In fact, I did not even know that he had come to Orroroo. However, as the Minister of Health promised to introduce a system of sending cadets from the Royal Adelaide Hospital to the district, thereby relieving the Orroroo doctor, will the Premier ascertain

to what extent this system has been implemented, and whether Doctor Jansen can expect relief from the duties he is now trying to carry out (which will ultimately kill him), in giving the people of Quorn and Hawker the attention to which they are entitled?

The Hon. FRANK WALSH: I shall take the matter up with my colleague, but I assure the honourable member that as late as yesterday Cabinet determined that it would communicate with local people concerning the shortage of doctors (this problem existing in other areas also) and that, if a solution was not forthcoming, the Government would correspond with the Agent-General in London, and obtain information concerning qualifications and the possibility of oversea doctors being able to maintain a reasonable standard of living in any part of the country if they decided to establish here. The honourable member's request will be added to the matters considered yesterday by Cabinet, in an attempt to overcome the present problem.

GRAPES.

Mr. CURREN: As the report of the Royal Commission on the Grapegrowing Industry recommended that a Grapegrowing Industry Advisory Committee be appointed, will the Minister of Lands, in the absence of the Minister of Agriculture, ascertain when the committee will be appointed?

The Hon. J. D. CORCORAN: Yes.

INSURANCE.

Mrs. BYRNE: I refer to reports that marching girls injured in a road accident on April 3 last year were not covered by insurance. The accident occurred when a bus carrying three teams of northern suburbs marching girls plunged from the hills roadway near Lenswood and hit a tree. Two injured teenage girls were trapped in a mass of twisted wreckage for almost an hour after the bus came to rest with part of its side stove in by a tree. The more seriously injured were taken to the Royal Adelaide Hospital while others were taken to Woodside District Hospital for treatment. The injuries sustained by some of the girls have resulted in heavy medical expenses, but those concerned have been unable to claim any insurance from the bus company although they thought they were automatically covered by insurance. Can the Attorney-General say whether all road users are covered by third party insurance and, if they are not, what action organizations (such as marching girls' organizations) should take to ensure insurance coverage?

The Hon. D. A. DUNSTAN: Not all road users are covered by third party insurance. The point is that in order to make a claim for insurance compensation one has to be able to prove some basis of action in law against the person who is insured by the third party insurance company—the driver of the motor vehicle which is insured under Act liability. Therefore, unless one can show that the driver or the owner of the car was in some way negligent one has no claim. The only way to ensure insurance coverage would be to take out special insurance policies for groups of people that would be travelling on the roads. It is most advisable that organizations that will have members travelling on the roads should take out such insurance, because accidents can happen as a result of which no specific negligence can be proved against anybody. In those circumstances, there is no insurance coverage unless a special cover has been arranged.

ABORIGINAL OFFENCES.

Mr. MILLHOUSE: I refer to the article that appeared in the *Advertiser* of last Saturday morning headed "More Aborigines Sent To Gaol", the purport of which was that there had been a great increase in Aboriginal crime during the past 12 months. I notice that the writer of the article, Mr. Cockburn, went on to say that he could not get a comment from the Comptroller of Prisons (Mr. Heairfield) or from the department. Will the Minister of Aboriginal Affairs say whether the figures quoted in the article (if he is familiar with them) are accurate? If he is not familiar with them, will he check to see whether or not they are accurate?

The SPEAKER: I leave it to the judgment of the Attorney-General whether or not he replies to this question, because it is specifically of the type which, according to Erskine May, is inadmissible.

The Hon. D. A. DUNSTAN: As I have not had an opportunity to check the figures that appeared in the article, I do not know whether or not they are correct. I know there has been a considerable increase in the number of gaol sentences imposed on Aborigines in certain areas, but this does not mean that there has been an increase in Aboriginal crime. However, I will have a check made on the allegations made by Mr. Cockburn.

OIL.

Mr. COUMBE: In view of the reported development in the off-shore drilling for oil being carried out in South Australia, can the

Premier say what interest the Government is taking in the matter and, particularly, what technical assistance, if any, the Government, through the Mines Department, is offering to the company concerned?

The Hon. FRANK WALSH: I cannot answer that question off the cuff because I do not know what are the arrangements of the Mines Department regarding assistance. However, I shall ask the Minister of Mines to ascertain whether any information is available and bring down the reply as soon as possible.

MUSGRAVE PARK.

The Hon. G. G. PEARSON: I assure the Minister of Aboriginal Affairs that the question I am about to ask is not a hostile one, so he may relax. In the press recently there has been some correspondence between certain eminent gentlemen regarding educational facilities at Musgrave Park and, although I do not wish to enter into that controversy, the Minister will appreciate that I am more than a little interested in Musgrave Park and its development and progress in general. I know that in all the circumstances that prevail it is extremely difficult to obtain and to keep staff at an outpost of the State such as Musgrave Park. Can the Minister say what is the present position regarding the staff required there, such as the superintendent, the stock overseer, hospital staff, and so on? Can he also say what stock are at present being carried on the station, and what improvements are in hand and projected? If he does not have these facts before him now, will he compile a short report containing the information I seek?

The Hon. D. A. DUNSTAN: I cannot give the honourable member exact figures on all the matters he has asked about. However, I can tell him that the staff at present consists of the superintendent, the stock overseer, the storeman, and a nurse. Also, we have a patrol officer who is there from time to time, and we have a welfare officer there (Miss Atkins). I cannot give the exact numbers of stock being carried, but we have just approved the sending of further stock from Point Pearce, as the stock carried for food purposes on the reserve has been somewhat depleted. We are simply trying to keep the normal numbers up, without any increase in stock on the reserve. As to improvements on the reserve, a useful bore has been discovered, giving a good volume of water close to the station buildings. Prior to this we had held up the erection of further station buildings

simply because it was inadvisable to increase the station buildings without an assured water supply, but as the supply has now been found to be assured we are proceeding immediately with the erection of ablution blocks at Musgrave Park. Those are the immediate projected improvements. The school has been investigated and recommended by the Education Department, and the Minister of Education states that the work will be undertaken as soon as possible. The question of curriculum and staffing of the school has been taken up with the department with the intention of proceeding with a special curriculum for the school and the involvement of the elders on the station in special parts of the curriculum so that children in the school will be, with the co-operation of the elders, trained in their tribal background.

The Hon. G. G. Pearson: And use their native tongue?

The Hon. D. A. DUNSTAN: In the initial stages of teaching it is proposed to proceed with the teaching of Pitjantjatjara and later teach the children in English.

MAIN NORTH ROAD.

Mr. FREEBAIRN: The Minister of Lands, representing the Minister of Roads, has been good enough to inform me that he has some information regarding a question I asked recently on the re-routing of the Main North Road at Tarlee. Will he now give that information?

The Hon. J. D. CORCORAN: The Minister of Roads reports that the department is considering improvement of the alignment of the Main North Road at Tarlee in conjunction with the reconstruction and strengthening of the bridge over the River Gilbert. Departmental investigations are still only at the preliminary stage, and the matter has not been finalized.

MAGILL REFORMATORY.

Mr. MILLHOUSE: Yesterday, Mr. Justice Chamberlain sentenced two youths of 18 years to gaol for various terms for the armed hold-up of a milkman at Clare. One of the prisoners admitted, or had, 22 convictions, and I understand that he had (as one would expect with an admission of that number of convictions) from time to time been committed to the Magill reformatory. Obviously he had been released on a number of occasions before the age of 18, because he is only 18 now, and the upshot of it is that he simply has gone on to

commit a more serious offence. Will the Minister of Social Welfare say what is the policy of the department on the release of juveniles from the reformatory, and how long is the average stay of juveniles in the reformatory?

The Hon. D. A. DUNSTAN: There are monthly meetings of the placement committee at Magill, and at these each boy's case is reviewed at least every three months. Many cases are reviewed more frequently. The normal stay at Magill is about eight months' institutional treatment. This, in fact, is one reason why it is sometimes difficult to get sufficient boys to Struan, although we have a fairly full complement of boys at Struan at present, and that is why the stay at Struan is always longer than the stay at Magill. Each boy's case is reviewed, and while the average is eight months there are some cases where it is considered that institutional treatment should be continued for a longer period. Release is only agreed to where it is considered that sufficient progress has been made and that there are arrangements upon release which should be satisfactory for the proper oversight of the boy concerned.

Mr. Millhouse: It looks as though a mistake has been made in this case.

The Hon. D. A. DUNSTAN: It is true, of course, that there are a certain number of people in the community who have psychopathic tendencies and for whom eventually it may be that the only possible treatment will be continued preventive detention. Indeed, at present an inter-departmental inquiry is proceeding, on the recommendation of Dr. Cramond, as to the treatment of this class of offender. We will have to wait some time for the results of this inquiry but, as a result of it, proposals may be put before the House as to different forms of preventive detention. In examining each of these cases, one can only go upon the reports of the psychologists and of the probation officers, all of whom are concerned with the boys at Magill and with the institutional staff, and if they (upon reports of how the boy has responded to institutional treatment, and upon examination of the parental background or the possibility of fostering under supervision) recommend the release, then obviously this is something that I must tend to go along with unless I can see good reason to the contrary. While in this case the honourable member may be able to point to the fact that the system has broken down, he has not referred to the very many cases in which it has not.

EXPORT LAMBS.

The Hon. G. G. PEARSON: Has the Minister of Lands a reply to my recent question about the provision of labour at the Government Produce Department's works at Port Lincoln?

The Hon. J. D. CORCORAN: Mr. Shepperd's letter of "May, 1966" was received in the office of the Minister of Agriculture on May 20, 1966. A formal acknowledgment was sent and a report called for from the General Manager of the Government Produce Department. The General Manager's report was received in the Minister's office on May 30 and a full reply was sent to Mr. Shepperd by the Minister on June 1. In his letter, Mr. Shepperd sought information on the provision of knife men and several other matters relating to the Government Produce Department's Port Lincoln works, including road freighting to interstate abattoirs of stock purchased in the Port Lincoln market, export licence for the Port Lincoln works, procedure in the Port Lincoln market, consignment of meat slaughtered at Port Lincoln by the *Troubridge* to Adelaide, etc. The General Manager's report to the Minister covered all of these points in great detail, and the Minister's letter to Mr. Shepperd did likewise. The Minister's letter, mailed to Mr. Shepperd on June 1, has not been returned unclaimed. It must therefore be presumed that he has received it. I have a copy of the letter here for the information of the honourable member.

GROUP CERTIFICATES.

Mr. MILLHOUSE: Over the weekend a constituent contacted me and complained that she had not received her group certificate from the Education Department. She was a teacher employed by the Education Department until the end of last year. Because she has not yet had her group certificate, she is not able to lodge her income tax return, which she wishes, and is obliged by law, to do. If I give the Minister of Education the name of this lady, will he inquire to see why she has not yet received the certificate and arrange to have it sent to her as soon as possible?

The Hon. R. R. LOVEDAY: I shall be pleased to do so.

ANGASTON QUARRY.

The Hon. B. H. TEUSNER: Has the Minister of Lands obtained a reply to my question of August 11 about noise nuisance and damage caused to houses in the Smith Street and

Hague Crescent area at Angaston as a result of quarrying and other blasting operations in the locality?

The Hon. J. D. CORCORAN: The Minister of Mines reports:

An investigation has been made into the operation of the quarry that has recently been opened up in the Angaston area. The inspector found no evidence that a nuisance had been created by the blasting in the quarry or that any houses had been damaged. Blasting operations come under the jurisdiction of the Mines Department, and steps had already been taken by the department in the course of routine inspections to ensure that the blasting was carried out safely and with a minimum of noise and vibration.

GAS.

The Hon. Sir THOMAS PLAYFORD: The Premier of Victoria (Sir Henry Bolte) was reported to have said over the weekend that in his opinion the financing of gas pipelines was not a job for the Commonwealth Government. Will the Premier say whether these remarks have come to his notice and whether they will in any way prejudice his application to the Commonwealth Government regarding the pipeline from Gidgealpa?

The Hon. FRANK WALSH: When I made representations to the Prime Minister and the Commonwealth Treasurer in June, no indication was given that no assistance would be offered, but the Commonwealth Government wanted more information about financing this pipeline. To the best of my knowledge, an investigation is still proceeding. The things that Sir Henry Bolte has said in the past have never been to the advantage of South Australia, and I suspect him of kite flying. If any member of Parliament, including the Premier of another State, wants to discuss with me matters of financial advantage to that State, I am always prepared to meet him. The Commonwealth Government has not said "Yes" or "No" to the case presented, and I believe it is still considering the application for financial assistance.

The Hon. Sir THOMAS PLAYFORD (on notice):

1. What are the total estimated reserves of petroleum gas in the Moomba gas field?

2. Can reserves be accurately determined when only two gas wells have been drilled to date upon this field?

The Hon. FRANK WALSH: The replies are:

1. The estimated reserves are based on seismic knowledge of the probable limits of the Moomba structure, with the confirmation

of two bore holes to indicate the thickness of the pay sand, and the possible porosity. The possible reserves were calculated as 968,000,000,000 cub. ft. from the initial drilling data. This figure is under review following final testing of the wells.

2. The reserves are not accurately determined but are sufficiently established to permit pipeline planning to proceed. Development drilling will be undertaken well ahead of actual production requirements.

PUBLIC EXAMINATION FEES.

Mr. MILLHOUSE: Over the weekend I was approached by a constituent, who is a widow and who has a son at a high school in my district. The son is to sit for the Intermediate examination this year and he has been asked by his school, at the behest of the Public Examinations Board, to pay the entry fee for the examination, which in this case is \$6.25. His mother telephoned me to say that she just did not have the money to pay for him, as she was having a hard struggle to bring him up and keep him at high school on the money at her disposal, and that this was to her a heavy imposition. I understand that the Public Examinations Board does not now consider that it has very much, if any, discretion (which it has had previously) to remit fees in cases of hardship such as this. If my understanding is correct, I think this is a regrettable situation, as this sort of case must naturally arise from time to time. Will the Minister of Education take up this matter with the board to see whether I am right in my understanding? If I am, would the Government consider some scheme whereby those to whom it would be a financial hardship to have to pay fees for entry to public examinations could be excused this payment?

The Hon. R. R. LOVEDAY: If the honourable member will give me details of the case, I shall be pleased to examine it.

CAPITAL PUNISHMENT.

The Hon. Sir THOMAS PLAYFORD: In view of the position that appears to have arisen in Great Britain in connection with the abolition of capital punishment, will the Attorney-General say whether the Capital and Corporal Punishment Abolition Bill will be proceeded with this session or be held over pending further inquiries?

The Hon. D. A. DUNSTAN: I know of no difficulties in Great Britain. The Bill will be proceeded with.

CADELL TRAINING CENTRE.

Mr. FREEBAIRN: As the Premier, when opening the Kapunda show last year, made kind remarks about the fine exhibit of the Cadell Training Centre, will he ask the Chief Secretary whether the centre will again exhibit at country shows and, if it does exhibit, at what shows will it exhibit?

The Hon. FRANK WALSH: Yes, because I see no reason why this centre should not exhibit at shows.

CITIZEN MILITARY FORCES.

Mr. MILLHOUSE (on notice):

1. What is the policy of the Government with regard to pay while absent on Citizen Military Forces duty for:

- (a) persons employed under the provisions of the Public Service Act;
- (b) daily and weekly paid Government employees; and
- (c) employees of the South Australian Railways?

2. Is this policy now effective?

3. If so, when was it put into effect?

The Hon. FRANK WALSH: The replies are:

1. Persons employed under the Public Service Act who volunteer for service with the Citizen Military Forces are granted leave as follows:

- (1) Up to 14 calendar days a year on full pay for one camp of continuous training.
- (2) Up to a further 14 calendar days a year for additional training (not necessarily continuous) with any difference in pay made up.

(b) and (c) Daily and weekly-paid Government employees and employees of the Railways Department may be granted leave for two schools or camps or courses of training each year. The employee may at his option utilize annual leave or long service leave (if eligible) for the period concerned, or take leave without pay, in which case difference in pay would be made up on application.

2. Yes.

3. Public Service officers—July 30, 1965. Daily and weekly-paid employees and railway employees—November, 1936.

TRAFFIC SURVEY.

Mr. MILLHOUSE (on notice):

1. During what hours on April 29, 1966, was the Measday Hill special traffic survey carried out?

2. Of what did the survey consist?

The Hon. J. D. CORCORAN: The replies are:

1. The special traffic survey at Measday Hill on April 29, 1966, was conducted from 6 a.m. to 10 p.m.

2. The survey consisted of:

- (a) a count of all pedestrians boarding and alighting from buses to and from Adelaide; and
- (b) a vehicular survey of all traffic movements to and from Charlick Road at the intersection of Charlick Road and Main South Road No. 1.

TRUST FUND ACCOUNTS.

Mr. MILLHOUSE (on notice):

1. What trust fund accounts are being held by the Treasurer?

2. What amounts are held in each of these accounts?

3. What amounts were held in each of these accounts on March 6, 1965?

The Hon. FRANK WALSH: The trust accounts held by the Treasurer, and the amounts held in each account at June 30, 1966, will be published in Statement "H" of the Treasurer's Statements and Accounts as part of the Auditor-General's Report, which will be available immediately after the Budget is introduced. If the member for Mitcham will repeat his question at that time I shall be pleased to give him details of the trust accounts and balances held at February 28, 1965. It would not be practicable to give the information as at March 6, 1965.

SUPERANNUATION.

Mr. MILLHOUSE (on notice):

1. What percentage of pensioners under the Superannuation Act receives a pension of:

- (a) less than \$7 per week;
- (b) between \$7 and \$19 per week; and
- (c) more than \$19 per week?

2. What would these percentages be, based on a unit of pension of \$2.25?

The Hon. FRANK WALSH: The replies are:

1. The statement showing percentages of pensioners as at July 31, 1966, who are receiving a pension, is as follows:

	Contributor Pensioners.	Widows.
	%	%
(a) \$7 a week or less ..	14.63	67.56
(b) more than \$7 a week and up to \$19 a week	53.20	22.15
(c) more than \$19 a week	32.17	10.29
	<u>100.00</u>	<u>100.00</u>

2. Percentages based on a unit of pension of \$2.25 a fortnight would be:

	Contributor Pensioners.	Widows.
	%	%
(a) \$7 a week or less ..	13.66	61.16
(b) more than \$7 a week and up to \$19 a week	52.05	27.57
(c) more than \$19 a week	34.29	11.27
	<u>100.00</u>	<u>100.00</u>

LOAN ESTIMATES.

In Committee.

(Continued from August 11. Page 1034.)

Grand total, \$77,459,000.

Mr. HALL (Leader of the Opposition): The document placed before Parliament would be one of the most important documents that has been presented to throw light on the activities of the Government. It is the first financial report by this Government of 12 months' handling of Loan expenditure, and has a vivid reference in its first page to last year's Budget. We should consider the sources of funds available to the State before considering this document. As set out in the document, each year we receive Loan funds (allocated by the Loan Council) and tax reimbursements from the Commonwealth Government, and the document shows the profit or loss of our public undertakings and the trust funds at our disposal. This is the system to which all States are committed and which we believe should be acted on for the provision of funds for State revenues. It is apparent now that the present Government is not willing to be a partner to these schemes and that it is deliberately spending in excess of the moneys available to it. It seems that the Government has not even intended to stay within the limits of this expenditure. That will have a serious consequence for South Australia, because any maladjustment in our financial situation must eventually be accounted for. If we are to make up the deficiencies that now confront us, we must obtain more money by way of the Commonwealth tax reimbursement; we must obtain more money, too, from our public services and from State taxation. It is in the latter field that the Government apparently sees the cure for many of the ills it has brought on this State.

According to last year's Auditor-General's Report, State taxation provided only just over 16 per cent of the State's revenue. If we are to raise the State Consolidated Revenue

Account by 1 per cent, we must inevitably raise State taxation, if we are to regain our losses in this field by 6 per cent. Any mal-adjustment in these finances will bear extremely heavily on State taxation. We have been presented with a shocking document—a document of mismanagement in regard to staying within the provisions of the financial agreements between the States and the Commonwealth. We find an apparent disregard for the limits set by the practical finances available to us. We have seen a series of financial gymnastics, apparently to relieve temporarily the strain on the State's Loan Account and Budget. We have seen the trust funds raided to make up a deficit to the extent that, on the Treasurer's own report, they are depleted by one-third in one year. It is interesting to see how quickly the run-down in the State's finances has occurred. At June 30, 1964, the surplus in the Loan Fund was \$3,396,000; at June 30, 1965, there was a deficit of \$59,000; and at June 30, this year, there is a deficit of \$2,465,000. That is an enormous run-down in the short period of two financial years. At the same time, our Consolidated Revenue Account has had an actual deficit in the past financial year of \$6,834,000 against an estimated deficit of \$3,082,000.

We are given four reasons in this amazing document for the mismanagement of the State's affairs. The first reason is the famous one which states, in effect, that the surpluses available for this account were used by the Government, and therefore set in train a series of expenditures that could not be halted. I point out, however, that the surpluses existed when the Government, in Opposition, considered these matters in the year prior to its taking office, and that the relevant information was available and known to it at that stage. In fact, it took part in the election campaign knowing full well that those surpluses existed, and it is wrong for the Government to say that, therefore, they are a partial cause of the present financial distress. I am sure that not even the member for Glenelg (Mr. Hudson) can say that neither the Government nor he knew about them. Indeed, if he said that, I can say only that he failed to read the public documents available. How can the Government claim that these surpluses were partly the cause of the run-down in this State's finances?

The second reason given is that we received a small increase in Commonwealth Loan allocations in 1965-66. However, we know that South Australia continued to receive the most

favourable treatment in Australia in regard to Loan funds returned to this State. In fact, we received 13.71 per cent of the Loan funds available to Australia, with a total population figure of only 9.3 per cent. Victoria received 25.51 per cent, with a population of 28 per cent of Australia's total; and New South Wales, with a percentage population of 36.9, received a Loan allocation of 31.8 per cent. These extremely favourable figures to South Australia were established by the previous Administration and yet, because we have an increase of 1.2 per cent, we receive this as one of the reasons why we are now in trouble. The third reason given relates to the obstruction by the Legislative Council, which is a foolish claim. At the most, the legislation refused by the Legislative Council would have cost the Government about \$500,000 in the last financial year, that sum comprising \$300,000 in succession duties, \$100,000 in stamp duties, \$70,000 in transport charges, and \$24,000 in Harbors Board dues. One quote has been taken from the Estimates, and one from the Treasurer's explanation. An examination will substantiate that any action taken last year in another place cost the Government not more than \$500,000.

The Hon. B. H. Teusner: And met with the approval of the people of this State!

Mr. HALL: It definitely did, as members will know from the huge meetings on transport legislation that took place, and from many people who spoke to them about succession and stamp duties. We are supposedly considering a loss of \$500,000 as a prime factor for the deficit of \$8,000,000 that confronts us today—one-sixteenth of the total disastrous sum that exists. The fourth reason given is a slowing-down in economic activity, coupled with a lower grain harvest. We shall not quibble about the fact that a slowing-down in economic activity has occurred. I believe that the major reason why South Australia has leapt ahead in unemployment and in the run-down of its Government finances, is that the public has lost confidence in the present Government. The business community does not trust the Government, which is out to remedy all its faults by extreme taxation. There is a great hesitancy abroad amongst the public about what it can do, what is should do, and what it should venture in a State controlled by a Socialist Government. With regard to the grain harvest, I have taken figures for the wheat harvest because this is the largest of the grains in quantity and is the most stable. The average delivery to the Australian Wheat Board for

the last 10 years was about 30,000,000 bushels; yet I understand that last year about 37,000,000 bushels was delivered to the board.

Mr. Hudson: What about the year before?

Mr. HALL: Nothing could be fairer in establishing an average than a 10-year period. Nevertheless, I should be happy to take an average for 20 or 30 years because I believe that figure would not be much different from 30,000,000 bushels. Apparently, in fixing limits and allocations of finances, the Government considers only last year. Therefore, if we were to have 50,000,000 bushels of wheat in a year this would be the target for all future years. If this is the attitude of members opposite it confirms an opinion, which I hold with many other people, that not only is the Government unsympathetic towards primary production but it knows little about it. I think it would be futile for any member of the Treasury to fix an allocation of finance in regard to the grain harvest of one year. The harvest can vary from 12,000,000 bushels to 40,000,000 or 50,000,000 bushels. How ridiculous it would be to pin the success or otherwise of these Loan Estimates on one year's harvest.

As a result of the management of the Estimates and the deficit that has been incurred, we find that the trust funds of the State will be used. These funds are deposited with the Treasurer for safe keeping and for use at some future time. They are not used only to bolster the Consolidated Revenue Account of the State, which, I suppose, is an income account: they are used substantially to bolster the Loan Account, and the deficit that was incurred in last year's Loan Account is made up entirely in trust and deposit funds. I believe this is a departure. Quite apart from the fact that they have been used in Revenue Account (and this matter will be dealt with in a subsequent debate), it is doubly wrong to use them in an account that is not a revenue producing account. We find that the capital expenditure of the State is being supported by funds from the trust and deposit accounts. This is a betrayal of the trusts and organizations and of the people who have deposited money with the Treasurer for safe keeping. We find that this is not only done for the first time in a long while but it is done to the extent that about 30 per cent to 33 per cent of the trust funds have disappeared in one year. This is not as sound as hire-purchase. There is nothing in the Estimates to show that the funds will be returned, except the reference

that they have been borrowed as a temporary measure.

Mr. Hudson: The deficit on the Loan Fund is being reduced from \$2,500,000 to \$100,000.

Mr. HALL: The deficit is being reduced by the use of other people's money. The Treasurer has said that he has milked the trust funds—that he has raided them and that other people's money has been taken. Amongst the organizations listed in the trust funds is the Parliamentary Superannuation Fund. I should not like to retire just now.

The Hon. Frank Walsh: Would you like to know where they are?

Mr. HALL: I would like to know which funds have been milked.

The Hon. Frank Walsh: Would you like to know?

Mr. HALL: The Treasurer can explain this later, and I hope he will do so because many people are worried.

Mr. Casey: You are basing your remarks on pure speculation.

Mr. HALL: The member for Frome cannot read in the Estimates that the money is to be returned.

Mr. Freebairn: The member for Frome is a businessman.

Mr. HALL: Not with regard to the State's finances. No reference is made to the return of these funds. Provision is made for a deficit of \$144,000 at the end of the year. We started with a mess and now there is to be a deficit. Apparently the Government intends to pursue its scheme of using other people's money. How else can it finance the deficit? Perhaps the member for Glenelg can trot out his theories again, but they have not worked in the first year.

Mr. Freebairn: He missed out on his banking plan.

Mr. HALL: I do not know about that but his plans have not worked, and the people of South Australia are that much worse off. There is some doubt about where the Government stands with regard to the use of trust and deposit accounts. Undoubtedly the Treasurer has studied the relevant legislation and agreements about this. Section 33 of the Public Finance Act states:

Subject to the Financial Agreement the Treasurer may:

- (a) accept temporary deposits and credit such deposits to a temporary deposit account or to a trust fund account, according as he thinks fit; and
- (b) allow interest on such temporary deposits at such rates as are from time to time approved in accordance with the Financial Agreement.

Part 5 of the Financial Agreement Act, headed "Borrowing by States", sets out the conditions that apply to a Treasurer who wishes to borrow moneys within his State. It states:

- (a) Subject to any maximum limits decided upon by the Loan Council from time to time for interest, brokerage, discount, and other charges, borrow moneys within the State from authorities, bodies, funds, or institutions (including savings banks) constituted or established under Commonwealth or State law or practice and from the public by counter sales of securities, and
- (b) use any public moneys of the State which are available under the laws of the State.

Any securities that are issued for moneys so borrowed or used shall be Commonwealth securities, to be provided by the Commonwealth upon terms approved by the Loan Council. Where any such borrowing or use is solely for temporary purposes, the provisions of this agreement, other than this clause, shall not apply. Where any such borrowing or use is not solely for temporary purposes, and Commonwealth securities are issued in respect thereof, the moneys borrowed or used shall be deemed to be moneys borrowed by the Commonwealth for and on behalf of the State, and may be retained by the State.

In other words, if they are not temporary they would come under the provisions of the Financial Agreement. If these moneys are borrowed on a temporary basis, what provision is made for their return? We just are not told this. If these are not temporary borrowings, they may very well be constituted a part of the Loan borrowing programme. That is a serious matter for the Treasurer to consider in his next approach to the Loan Council. Obviously, the Government does not know a great many things, or else it has deliberately run this State into great debt. Either the action is deliberate or there is a lack of knowledge, for it could not be anything else, and whatever the reason it is a matter for great regret.

As I said before, the example of financial gymnastics that is brought forward in this document is the second main action that has been taken by this Government, the first being the raiding of the trust funds deposited with the Treasurer. The second major point is the alteration of subsidy to Government subsidized buildings. This, of course, has a tremendous impact on the ability of the Loan programme this year to adequately finance the State's needs for development. We find that whereas the Consolidated Revenue Account under the system prevailing last year would provide \$4,500,000 funds for these buildings, this will

now be borne by the Loan Account. This means that \$4,500,000 that should have been available for schools, hospitals and all the other items listed here is not available, and by these financial gymnastics, which are to prevent a penalty being imposed by the Loan Council on South Australia's borrowings, we are taking \$4,500,000 from the Revenue Account and putting it on to the Loan Account. This is one of the main reasons why so many of these accounts not only do not equal last year's expenditure but simply fall well below it.

It is worth noting the sum the Treasurer has taken under the Commonwealth-State Housing Agreement in the last several years. It is apparent that this amount has suffered a severe run-down under this Government's administration. In 1963-64 the sum of \$18,800,000 from the Loan borrowing programme was taken under the housing allocation. In 1964-65, the last allocation under the Playford Government, the sum taken for housing was \$20,500,000, and in the first year of this Government's administration it was \$19,000,000. Today it stands at \$20,750,000. Therefore, it has taken three years to regain our previous position and to surpass it by a small amount. I admit that last year there was a special allocation for housing, but this was not the intention of the Government and I use only the figures it deliberately allocated in its own estimation of the State's housing needs. These figures by way of percentage are even more interesting. The percentages of the total Loan programme devoted to housing funds in the last four years have been 25.3, 25.8, 23.5 and 23.5 respectively, so the figure we have today of our total Loan programme devoted under this agreement has fallen under this Government's administration by 2 per cent, and it remains at that lower figure as of today.

I have some selected comparisons of the approximate amounts spent in the last three years on some important votes in the Loan programme. For the Engineering and Water Supply Department the vote for 1964-65 was \$29,400,000, for the next year (the first year of this Government's administration) it was \$27,400,000, and this year it will be \$26,800,000. For the Public Buildings Department the figure for schools was \$11,200,000 in the first year, \$11,800,000 last year, and \$10,600,000 this year. For police and courthouse buildings, it was \$1,000,000 in the first year, \$900,000 last year, and today it is \$800,000. For the line "Lands, Irrigation and Drainage" it was \$1,400,000 in the first

year, \$1,300,000 last year, and today it is \$1,000,000. For the south-western suburbs drainage scheme the figure was \$600,000 in 1964-65, \$500,000 last year, and \$400,000 this year. With these important figures relating to large-scale developmental projects in South Australia we have a continuous run-down in the funds provided. I point out that this is a run-down of actual funds available and not of the amount of work completed. It is obvious in the face of today's rising costs that very much less will be accomplished under the programme we are discussing today than would have been accomplished with that same money three years ago. Therefore, the practical side of it is that the physical accomplishments of this programme will be very much reduced indeed. When the Treasurer (then the Leader of the Opposition) made his election statement he uttered these famous words:

Ours is not a policy of extravagance; it is one of accuracy in budgeting.

I wonder just how accurate is this budgeting. For example, on page 14 of this document we find that the Government Motor Garage, which last year was voted \$64,000, is to be voted \$163,000 this year, and that the total estimated requirement is to be \$174,000. We are not told here whether this money was not spent last year. What happened to the first \$64,000? These figures simply do not add up. Is this an example of the Government's accuracy in budgeting? On the same page we see a reference to the famous extensions to technical training at the Roseworthy Agricultural College. In the report of the Public Buildings Department on the proposal to extend this college, it was stated by the persons giving evidence on this matter that the money needed for this purpose would be coming from Commonwealth grants. The Treasurer subsequently refused to confirm this, and in a prepared answer he said that the position was so confused that he could not give a proper reply as to whether this money was or was not coming from the Commonwealth Government. The Treasurer still refuses to give credit to the Commonwealth Government for these funds. Yet the document states that the Commonwealth Government is prepared to make grants to the State, which may be used towards the Roseworthy Agricultural College project under the technical training arrangements. Not that it will be, but that it may be. It is odd that this Government should ask for more money from the Commonwealth Government and, when it gets it, it refuses to give credit to the Commonwealth Government.

Mr. Millhouse: Perhaps this Government wants to take the credit for it.

Mr. HALL: It is not honourable to accept money, ask for more, and then refuse to give credit where it is due.

The Hon. B. H. Teusner: There was a television appearance in connection with this.

Mr. HALL: Yes. I hope the Treasurer will be able to explain adequately his attitude towards Commonwealth aid in these matters. The document refers to a provision of \$200,000 for the selective financing of the purchase of older houses. Will the Treasurer tell union leaders, who have been speaking about the recession in the building industry, why he advocates spending this money on buying older houses when it can be used to build, say, 20 or 24 new houses? Why does the Treasurer turn his back on the building of new houses? This provision in no way helps relieve our unemployment, which at present is the worst in the Commonwealth.

Mr. Freebairn: For the second year in succession, too.

Mr. HALL: The increase in unemployment figures indicates little credit to the Government for its management of the affairs of this State. This Government has tried to shift the blame to the Commonwealth Government, but this is an instance where it stands condemned by its attitude. From June, 1965, to June, 1966, the number of unemployed persons in South Australia increased from 3,533 to 7,357, an increase of 120 per cent; in New South Wales the figure rose from 15,000 to 22,000, an increase of 46 per cent; in Victoria it increased by 60 per cent; in Queensland by 16 per cent; in Western Australia it decreased by 6 per cent; and in Tasmania it decreased by 24 per cent. The average Australian figure was an increase of 40 per cent. Yet, for the second year the Government will not build new houses but will pay \$200,000 to buy secondhand houses. No doubt, all employees in the building industry are concerned about this.

This is a dismal document showing a running down in our finances in the face of rising costs. Are we financially stable? Where does one look to find out? Obviously, one must look at the first month's results in the Government's financial statement. We know that the increase in the deficit for this financial year is twice that of last year, so that we have started the year in a far worse position than we did last year. What will the result be in 12 months' time? The inference is that the remainder of the trust funds are in danger. I should like a Government member

to say that no more trust funds will be used to make up for this year's troubles, as this statement would reassure the people of this State. Is borrowing from trust funds temporary or not? Has it ceased or are we to go on trading in other people's money? One reason for the present trouble is that we are having Government by emotion.

Whether or not the Government is considering the bookkeeping of Government was demonstrated in the last few weeks when the Minister said that the expenditure of the Aboriginal Affairs Department had increased by 14 per cent on the previous year. Perhaps the money was wisely spent, but it is because of this reasoning that Ministers are deliberately spending other people's money to achieve their objects. Because they consider it necessary, are they justified in taking what belongs to others? At the rate trust funds are disappearing, they will last for about three years, and I should like to know what funds have been used and what individual accounts have been raided. Have the working accounts been raided? Have the working accounts of various departments been run down by the Treasurer? The Auditor-General's Report lists such things as the Commonwealth scholarship scheme, the Commonwealth adult migrant education scheme, the Debt Adjustment Fund, Suspense Stores Working Account, the Crippled Children's Association of South Australia, the Department of Aboriginal Affairs, Magill Home inmates' moneys, the Sailors' and Soldiers' Distress Fund, the South Australian Housing Trust Fund, the South Australian Superannuation Fund, and many many others. Would it not be interesting to know whose funds have been taken! Have the suspense accounts been run down? Will the departments be short of money? Will they be relying on these accounts only to find that they have partly disappeared? These are vitally significant questions, and we wish to know what other moneys have been taken and what are the sums in each individual account.

It is a shocking thing for the Treasurer simply to announce that he has taken the money, and to give it such little prominence in the explanations given to the press. In fact, I think the first press statement did not even mention the fact that trust funds had been reduced by one-third. In the face of all this, a deficit is estimated in the Loan Account at the end of the year of \$144,000. How cheeky can a Government be to take this sum and still budget for a deficit! How long

will the trust funds last? The first month's trading of the State is worse than it was last year. Unless the Government can stop governing by emotion and govern by means of decent bookkeeping, discipline, and financial management, the trust funds will be completely emptied. Nothing can more quickly encourage lack of confidence in the Government than the attack on these trust funds can. Nothing more could be done to demoralize the community any further. If the Treasurer were a legal man, with these matters under his control, he would be answerable to a court of law, if he were to take such action.

The deficit in July, 1966, is more than twice the figure for each of the two previous years. The excess of payments over receipts for the month of July in the last three years is: July, 1964, \$418,000; July, 1965, \$462,000; and July, 1966, \$1,196,000—an increase of about \$700,000. We are, therefore, \$700,000 worse off than we were at this time last year, in respect of the trading account. These questions will need to be answered in this debate. I do not intend to detail the lack of provisions contained in the Loan Estimates. It would be futile to ask the Government to spend more money in any particular direction, because it simply does not have it. It would be futile to say, "Raise the expenditure on school buildings to what it used to be," because we know the Government is functioning on money that it does not have. Such expediency is merely putting off the day of reckoning, which must surely come, when the Government will be answerable for this deficit, and for another deficit at the end of this financial year if the present trend continues.

Mr. HUDSON (Glenelg): I rise to support the Estimates. During my time, both inside this Chamber and outside it, I have heard some clever speeches, some silly clever speeches, and some silly speeches. I have heard, too, speeches that attempted to be truthful and speeches that paid very little attention to the truth. The one to which we have just listened falls into the latter category. The Leader spoke of further raids on the trust funds—further plundering, and so on, when, in fact, the Loan Estimates provide for expenditure estimated this year to be \$2,321,000 less than the Loan moneys and recoveries available. In other words, the accumulated deficit on the Loan Fund is planned to be reduced during this coming year from \$2,465,000 to \$144,000. That reduction represents a responsible attempt to face up to the existing situation.

Mr. Millhouse: Who caused the situation?

Mr. HUDSON: We shall come to that in a moment. Members opposite will have plenty of opportunity to try to defend, if they can, the kind of attitude taken by the Leader in this debate. Indeed, the Leader's attitude is not worth paying attention to but for the fact that he supposedly holds a responsible position as Leader of the Opposition. The Government is deliberately planning this year to eliminate 95 per cent of the deficit on the Loan Account.

Mr. McAnaney: You were \$2,000,000 out in your estimate last year.

Mr. HUDSON: The member for Stirling, who, on another occasion will whinge about unemployment, knows full well that if the Government had not allowed the Loan Fund to go into deficit, unemployment would have been worse. What are he and his Leader advocating?

Mr. Curren: They don't know.

Mr. HUDSON: Just what do they want? Are they saying that there should not have been a deficit last year? If they are saying that to the people of South Australia, we should have had 1,000 more people unemployed last year than we had. What would the Opposition have told the Government to do last year—not to have any deficit at all and to make unemployment worse?

The Hon. G. G. Pearson: What are you going to do this year?

Mr. HUDSON: Let me quote for the benefit of the member for Flinders and the Leader of the Opposition from the *Advertiser*. Surely, if this Government had done something dishonourable, we would get into trouble for it in the *Advertiser's* editorial.

The Hon. G. G. Pearson: Read it all.

Mr. HUDSON: I will read the relevant part in relation to the point I am discussing; the honourable member can read the rest if he wants to. He must have been disappointed when he saw this editorial because it gave the Government some credit. It stated:

Bearing in mind that on June 30 the State Government had an accumulated loss of \$8,000,000 the Loan Estimates appear to represent a responsible first instalment of attempts to return State finances to a semblance of order, while trying to fulfil basic development needs and to stem any drift towards rising unemployment in the public sector.

The member for Flinders was a responsible Minister once and he knows (if he cares to cast his mind back to 1961) what happens during a period of unemployment; he knows what tends to happen automatically to the works programme. If he is honest he will admit

that automatically a Government tends to spend at a higher rate so that contractors can go ahead with works projects more quickly. In the interests of those unemployed, a Government does not immediately take action to correct a situation because to do so in a period when unemployment is rising will only make the unemployment position worse.

The Hon. G. G. Pearson: What are you doing now?

Mr. HUDSON: We are not doing what the Leader tried to say we were doing. He tried to tell a pack of untruths. He said it was doubly wrong to have a deficit on the Loan Account and that nothing was being done. However, we are reducing the deficit on the Loan Account from \$2,500,000 to a little over \$100,000. The Leader was trying to deliberately mislead the public on this point. We hope that the recent reduction in unemployment of just over 100 (this is certainly not big enough and we hope it will be reduced further) is a sign of still further reductions to come. The member for Flinders might say that what the Government should have done this year was to maintain the deficit at \$2,500,000 because of the employment situation, but if he says that then let him also be honest and say that the Leader completely misrepresented the existing situation.

This afternoon the Leader carried on in the fine tradition of the men from Owen, exaggerating and telling the people of this State that trust funds had been raided, when the Loan Estimates reduce the deficit on Loan Account from \$2,500,000 to just over \$100,000. The Leader was also inaccurate in another respect. He thundered that the surpluses were there before the Government came to power. He said that the Government knew the surpluses were there and that I should have spoken about them. He said we knew that the surpluses would stay there, too. Either he misunderstood the true position or he made a deliberate mis-statement, although I prefer to think he misunderstood. When he introduced the Loan Estimates on August 13, 1964, the former Treasurer (Hon. Sir Thomas Playford) said:

The amount of new borrowing remaining for other works and services will accordingly be £29,510,000. I estimate that repayments to Loan Account of previous advances, which will be available for re-spending in 1964-65, will be about £5,350,000 and, as there was a balance of £1,698,000 in hand at the beginning of the year, a programme of about £36,558,000 could be planned without contemplating a deficit on Loan Account at June 30 next. The Government proposes a programme of £36,540,000

which, if achieved, would use practically all the funds expected to be available.

In 1964 (and the Leader must have been here at that time) the previous Treasurer proposed to reduce the surplus in the Loan Fund from \$3,400,000 to about \$36,000 and he planned to overspend to a sum well over \$3,000,000. The Leader must have known that. His statement about the surpluses being there is simply not true and what I have quoted from the previous Treasurer's speech gives the lie to it. The Leader also said that, in some sense, we were pinning the success of the Loan Estimates on one year's harvest. I do not know how he worked that out or what the harvest has to do with the Loan Estimates. The harvest has something to do with the Revenue Budget position, which the Leader should know, but it has nothing directly to do with the Loan Estimates.

For the Leader's benefit, I point out that it is simply not fair to compare last year's grain harvest with the average of the previous 10 years. Productivity in that industry has improved on the average and last year was a drier season than was expected. In terms of honest expectations, revenue of the Railways Department was down and this had an impact on the Revenue Budget position. It is no good for the Leader to try to suggest otherwise. It is really extraordinary to compare the performance of the Leader this afternoon with the kind of reception the Loan Estimates received in the press. One would usually expect that the press, if there were any room for real criticism, would have "gone to town". I have already quoted what the *Advertiser* said which, as far as this Government was concerned, was to its credit.

Mr. Millhouse: You didn't quote all that the *Advertiser* said.

The CHAIRMAN: Order!

Mr. Millhouse: Nor did you quote the description of the Loan Estimates in the editorial.

The CHAIRMAN: Order! I ask the member for Mitcham to refrain from interjecting when the Chair is asking for order. The member for Mitcham will have his opportunity to speak after the present speaker.

Mr. HUDSON: I quoted the relevant part of the editorial and I quoted it accurately. The *News* editorial of the same day stated:

The Premier, Mr. Walsh, promised a Loan programme in which as much money as possible would be spent to stimulate employment. This is what he has done. He has been confined, of course, to the funds available, and this is

beyond his control. South Australia received a Loan allocation of \$86,000,000 this year, and he has to cut his pattern to fit the cloth.

The editorial concluded:

The need to stimulate the whole economy still exists.—

I agree with that—

The Loan Council allocations have not done it. Now the main responsibility for expansionist steps still rests with the Federal Treasurer in the Budget he will present on Tuesday. That, of course, is the "guts" of the situation, as every honourable member knows. The Loan allocations are beyond the control of the State Government. The sum we get is largely beyond our control, for it is determined by the Commonwealth Government. It is difficult to use a Loan programme to influence employment, either in an upward or downward direction, in any one year. Such action can only have a minor influence. Probably if we overspend by the sum of \$2,000,000 we may reduce unemployment by about 500, perhaps a few more. Likewise, if we are trying to stimulate employment, we may, by overspending \$2,000,000, raise employment by about 500. However, in terms of the overall employment problem that may exist at any particular time, it is clear that the responsibility for doing something substantial about it rests with the Commonwealth Government.

Mr. Millhouse: You are getting ready to help the Treasurer tonight.

Mr. HUDSON: I am just trying to be honest about this. The honourable member for Mitcham will no doubt give a speech which could probably be summarized from *Macbeth*, Act V, Scene 5, lines 27 to 29. I shall not quote it, because I would only be asked to withdraw the words. The fact remains that changes in the employment position, whether for good or for evil, are very largely under the control of the Commonwealth Bank, both directly via its budget and indirectly via the Reserve Bank. Through its Budget, of course, it reacts on the position of State Governments through the sum it makes available in tax reimbursement grants for current budgetary purposes, and through the amount it makes available in Loan funds by the Loan allocation. Most honourable members know this, and it is clear that, when Opposition members get up to make their speeches trying to suggest that this Government is entirely to blame for the position, they cannot put their finger on something that this Government has done to bring about the unemployment. However, I can put my finger on what the Canberra colleagues of Opposition members

did last year by way of the Commonwealth Budget introduced at that time, a Budget that was designed to have a dampening effect on the economy, and one that increased taxation on South Australians by more than \$18,000,000, and one that last year followed on a credit squeeze that had been introduced back in 1964.

The signs this year are a little more hopeful. The credit squeeze has been lifted partially, although the effects of that relaxation will, I think, take a long time to become really noticeable, and I think that because the unemployment position is worse the Commonwealth Treasurer may tonight decide that he can have a mildly expansionist Budget. Another consideration is that the Commonwealth Government also has to face an election at the end of the year, so no unpleasant news is likely to be heard tonight. Nevertheless, any short-term variations in the economic circumstances that apply in general within this State are very much under the influence of the Commonwealth Government and not of the State Government. The State Government can have a marginal influence, particularly in relation to long-term developmental programmes.

I should like to refer to the programme that is outlined in these Loan Estimates for the Electricity Trust. This programme involves a very dramatic expansion indeed, and an expansion which has, obviously enough, put pressure on the sum available on the Loan Estimates for other purposes. The total programme of the trust for this year is to be \$35,000,000, whereas in 1963-64 the programme was \$20,650,000. The increase of 75 per cent within the space of three years is really startling, particularly when the largest part of that increase has taken place since this Government came to power. In 1964-65 the trust's programme was increased from \$20,650,000 to \$21,500,000. Last year this Government raised the cost of the programme to \$24,000,000, and this year it has raised it to \$35,000,000, an increase of 45 per cent. I said before that that put a strain on the Loan programme. Had the increase been from \$24,000,000 to, say, \$28,000,000 (which would have been, in terms of previous years, a substantial improvement and a much bigger percentage improvement than in previous years), the trust would not have required anything from Loan funds: the entire programme of the trust could have been financed internally or from other borrowings, and the \$6,700,000 that is being provided for the trust out of the Loan funds would have been available for other purposes. We simply have to face the fact that at present

the trust is in the middle of a very important period of expansion, a capital development which is basic to the whole development of the State, and it is centred around the building of the Torrens Island power station. This programme clearly will have a big impact on future long-term developments, and if it had been restricted it could have had serious consequences in future years. Instead, the Government has said it is going to improve the programme from \$24,000,000 to \$35,000,000, and I defy any honourable member, including the honourable member for Mitcham, to point out a similar increase in the programme of a public authority for any year ever in the whole history of the State.

In detail, this programme involves an increase in spending on the Torrens Island power station of \$6,000,000 this year. Last year we spent \$8,500,000, and this year we will spend almost \$14,500,000. There is a further increase of almost \$6,000,000 in spending on capital developments in the distribution of electricity. With these two items alone we can see a large part of the Government's problems with these Loan Estimates. This problem of financing the Electricity Trust's programme is, I suggest, more difficult and more intractable in many respects than the problem of dealing with the deficit, for \$11,000,000 more is being provided for the Electricity Trust and of that amount \$6,700,000 comes from Loan funds. If that had not been provided the whole provision with respect to other loans would be easier. I congratulate the Government on the trust's programme because, as it is fundamental to the progress of the State, it cannot be neglected.

I am pleased to see that the Housing Trust's programme has been further increased.

Mr. Millhouse: How much is coming from Loan Estimates?

Mr. HUDSON: The Loan Fund has not contributed to the Housing Trust for the last four years and beyond that.

Mr. Millhouse: Don't take too much credit for that.

Mr. HUDSON: It is not a question of credit or debit, but a matter of common sense in telling the truth. If the member for Mitcham was less interested in getting upon his moral high-horse and going pink in the face, and more interested in giving a more reasonable account to members of what was going on and in making constructive criticism, we would be better off. The trust's programme, \$24,060,000 four years ago, is \$29,040,000 this year, and \$10,000,000 of Loan money is provided for the

trust this year. This does not come directly from the Loan Fund but from Loan money. The main improvement in the Housing Trust programme has come about because of an improvement in the internal funds of the trust. Both the Housing Trust and the Electricity Trust have contributed substantially to their capital development, and thus to the capital development of the State, by financing capital works internally out of surpluses of one form or other (be they be depreciation or some other term) that have accrued within the organizations. This has been a most important contribution to the overall capital development of the State.

For the Electricity Trust, it is an outstanding feature of the overall change in the Government Loan programme. For years the Electricity Trust, and the Housing Trust to a lesser extent, have been able to expand without making significantly increased charges on the Loan Fund. I read and listened to the statement of the Treasurer when introducing the Loan Estimates and of the problems that were faced, and I considered that it was an honest and accurate account. Because of that, the remarks of the Leader of the Opposition this afternoon were completely unwarranted. The run-down in the State's finances commenced prior to this Government's coming to office. At the beginning of 1964 in the last year of the previous Government, the surpluses accumulated were \$8,600,000. During that financial year they were run down by \$7,500,000, and last financial year a further run-down by \$9,000,000 occurred. The run-down in State finances that occurred last year was broadly on a par with what occurred in 1964-65. It is the kind of financial problem that is not confined to this State: it exists in all Australian States.

The Leader of the Opposition would be interested to know that Victoria is supposed to have run out of trust funds and other deposits, so that the State is going bankrupt and may apply for a special emergency grant. The same problem has existed in New South Wales and Queensland in the last few years. The problem is related to a period where the Commonwealth Government, because of what it considers to be a too high rate of expansion and a too high level of employment, put the brakes on and adopted anti-inflation measures. When that happens, particularly after the last credit squeeze imposed by the Canberra colleagues of the member for Mitcham, each State Government has to face up to financial difficulties. The way in which the Commonwealth tax reimbursement grant works imposes

a difficulty on the State Government. Although we received a large increase in wages this year, we do not receive the compensation for it in the form of higher tax reimbursement grants until next year. We have to cover it and meet it as best we can from current revenues.

Mr. Nankivell: A new formula was offered this year.

Mr. HUDSON: The honourable member should know that no Treasurer would be tempted by the offer of a little more this year if it meant much less next year or the year after. Several alternatives were offered, but the one referred to by the member for Albert was not as attractive as the one that was accepted.

Mr. Nankivell: The *Financial Review* does not agree.

Mr. HUDSON: I am sorry about that. The Loan Estimates, contrary to what the Leader of the Opposition says, make an honest and responsible attempt to correct the situation with respect to Loan funds. It is proposed to eliminate the deficit from the Loan Fund and, if this step is successful, in this debate next year we will receive a document that will, in certain lines, be more attractive than the present one.

Mr. Millhouse: Fancy you making that admission.

Mr. HUDSON: I am honest, and I hope the member for Mitcham will make an honest appraisal of the position.

Mr. Millhouse: I intend to do that.

Mr. Langley: That will be the first time.

Mr. HUDSON: No-one likes to switch certain capital items from Revenue Account to Loan Fund, but it is better than facing penalties under the Financial Agreement. Does the member for Mitcham suggest that we should impose penalties on this State under that agreement?

Mr. Nankivell: You should put your house in order.

Mr. HUDSON: The honourable member is saying that unemployment last year should have been higher: if we had not had a deficit on Loan funds it would be higher.

Mr. Nankivell: I did not say that.

Mr. HUDSON: The honourable member said that we should keep our house in order, and by saying that he means that unemployment should be higher. If he will not follow out the logic, he should not interject. I was pleased to see the inclusion of Drain 10 in my own district, which is part of the south-western suburbs drainage scheme. I have been told by members opposite, who claimed to be in the know, that

this had been shelved. I was pleased to see that their information was inaccurate and that the work would be carried out. It is important work in my district which, when it is completed (and when the local councils have completed the ancillary drains that flow into Drain 10 along Seacombe Road), will give much benefit to local residents.

I was also pleased to see in the Estimates school projects in my own district, including the completion of the Darlington Infants School and the Brighton Boys Technical High School. I was pleased also to see that a start would be made on the new Glengowrie High School. These are all important projects that affect my area and, naturally, any member is pleased to see work coming for his own district, particularly projects in which he has taken an interest. When it came into power last year, the Government faced a situation in which economic activity was tending to decline, because of the credit squeeze imposed by the Commonwealth Government. This tendency was further enhanced by a restrictive Commonwealth Budget imposed in August last year. In such a situation, the State Government was faced with a tendency to over-spend on the Loan programme, a tendency that occurred automatically because of a slowing down in economic activity. Many contractors found that they could proceed with building much more rapidly than had been estimated, because of a greater availability of materials and labour. Consequently, the Government faced a deficit on the Loan Account.

No-one desires to face up to the fact of having to eliminate a deficit, but I am pleased to see that on this occasion the Government has seen fit to provide for an excess of Loan Account revenue over spending for this year of about \$2,321,000 and that, therefore, the accumulated deficit on Loan Account will, if these Estimates prove to be correct in the aggregate, virtually be eliminated in June next year. I congratulate the Treasurer on being able to do this in the light of current circumstances. It obviously was not an easy task, and in many respects, in not being able to expand expenditure to the extent he would have desired, it must have been a difficult task for him. I am glad that he has faced up to it, and that the Government has presented these particular Estimates, which I support.

Mr. MILLHOUSE (Mitcham): The worst long-term effect of having a Labor Government in this State is its failure to concentrate on the aim of development of the State's

resources and the expansion of the South Australian economy. The switch in priorities to social services, which has been evident since the present Government came into office in March last year, has led in less than 18 months to a difficult economic situation, and one that is mirrored in these Estimates as well as throughout the whole community. During question time today mention was made of news items in this morning's *Advertiser*, dealing with the rate of unemployment in South Australia which, unfortunately, is the highest in the Commonwealth and, in particular, with the building industry, which has fallen into a parlous state, indeed. The other indication which, perhaps, is not in this morning's *Advertiser* (but, Heaven knows, we have heard enough about it and are all conscious of it), is the fact that hardly any new industry has been attracted to this State since this Government came into office. So there are three indications of the way in which the economy of this State has got into difficulty: unemployment, lack of activity in the building industry, and the fact that new industry is just not coming to South Australia, but is going elsewhere.

Much has been said by the member for Glenelg and others about the reasons for this. I suggest that, fundamentally, two reasons exist why this has occurred: first, the Labor Government is a Socialist Government and, therefore, in all its actions and, indeed, in its entire outlook, it is unsympathetic to private enterprise—to business and commerce. This has led in its turn to the second reason for these unfortunate economic conditions, namely, a loss of confidence by business in the Government and, I am afraid, in many ways, in the State itself. As I have said, the result is that South Australia is in economic difficulty. Things are generally slow in this State, and I shall put it no higher than that at the moment. I wish I did not have to say as much, but the fact is that everything is running pretty slowly in this State at the moment and, most serious of all, we are falling behind other States, whereas in the past we have been in the lead.

We do not have to search far for evidence to support that, and I doubt whether members opposite are in any position seriously to deny what I have said. However, if any evidence is required, members have only to look at a publication that I think is sent to all of us, namely, the *Monthly Summary of Australian Conditions*, put out by the National Bank. The latest issue of that publication, dated July 18, gives abundant support to what I have said. One

reads at page 13 that retail trade generally in South Australia is quiet, particularly in the clothing trade. There has been a decline in house-building and, therefore, household furniture and furnishings and the hardware trade are hit. Suburban trade is quiet. Sales of motor cars and agricultural machinery are reported to be down, when compared with the previous year's figures. Under the heading of "Secondary Industry", the publication states that, with the decline in demand from Government as well as private sources, activity in the heavy engineering industry has fallen, when compared with the similar period last year. Less work on hand and the slackening of forward orders have almost eliminated overtime, and it is reported that employment has been reduced by as much as 10 per cent in some engineering shops. Then, the publication mentions competitive tendering and goes on to deal with housing:

A recent report from the Bureau of Statistics shows that during the three months ended May, 2,076 new houses were approved for construction in South Australia, a drop of 475 on the corresponding 1965 figure.

Finally, I quote:

The scarcity of big Governmental civil engineering projects and the slackening in industrial building expansion has caused a depressed cement market.

They are indications of what is an irrefutable fact, namely, that things in this State at present are going slowly, and that our economy is not as healthy and as active as we should like it to be. This is in marked contrast to the situation in other States. The member for Glenelg has referred to other States but he knows, as well as every other member of this Committee, that the situation in Western Australia, for example, is booming. Queensland is picking up well, as is New South Wales. All these States (it is a funny thing to say) now have Liberal Governments, and it is remarkable that, as soon as a Liberal Government comes into office in States where a Labor Government has been in office for a long time, things begin to pick up.

Mr. Langley: What about Tasmania?

Mr. MILLHOUSE: Yes, but that is a State in the doldrums—

Members interjecting:

The CHAIRMAN: Order! Order!

Mr. MILLHOUSE: —and the only other State besides South Australia—

The CHAIRMAN: Order! Order!

Mr. MILLHOUSE: —that has a Labor Government.

The CHAIRMAN: Order! The honourable member has done this twice this afternoon.

Mr. MILLHOUSE: What have I done now?

The CHAIRMAN: I called for order four times and the honourable member was the only member who did not hear me. There are too many conversations taking place and too many interjections.

Mr. MILLHOUSE: Thank you, Sir. Every State that has had a Liberal Government after a period of Labor Government appears to pick up and the tempo appears to quicken. This is obvious, if one compares our situation with that in Western Australia, Queensland and New South Wales. On the other hand (and I am glad the member for Unley referred to this State) Tasmania, which has had a Labor Government for ages, is in the doldrums just as this State is in the doldrums. It is remarkable that this occurs, and surely the only inference that can be drawn from it is the inference I invite honourable members to draw: that when there is a Socialist Government in office things slow down because there is a general loss of confidence in the community, which is precisely what has happened in South Australia. I venture to say that this will continue to be the pattern here until we are returned to office at the next election. Also, I suggest that we will fight the next election on a policy aimed at restoring the economy of the State to its proper state of health, a state it enjoyed before this Government came to office.

In saying these things I do not for a moment suggest that any member of the Opposition enjoys the present situation or enjoys criticizing the Government for what has happened. We are all South Australians and everyone regrets that things are as they are. Nothing would please me more than to see something successful done about the present position, but I am afraid that the Estimates we are now considering will do nothing to improve the situation in South Australia: they will do nothing to stimulate activity here. This afternoon, when the Treasurer attempted to answer the first question, we had the spectacle of his floundering about trying to say that the Government would do everything to stimulate activity in South Australia. However, what is the situation under the Estimates he has presented to this Committee? They can do nothing to stimulate the situation in South Australia because the stark fact is that there is less money available for developmental work in the coming 12 months than there was in the past 12 months. I remind the Committee of the comments in the National Bank Journal to

which I referred. They sprang from a situation in the last financial year when more money was available for developmental works than will be available in the present financial year. What we have had presented to us here will only make the situation worse than it is now. Not only is there less money in total for capital development in South Australia, but these Estimates take no account at all of the fact that in the last few weeks the basic wage has been increased, which will mean that costs will inevitably rise during the coming year, resulting in a further decrease in the real amount available for capital works in South Australia. This means there is a substantial drop in the amount available for development here for the next 12 months.

The member for Glenelg (Mr. Hudson) has criticized the Leader's speech. I fear that he either deliberately or through sheer inattention missed the point the Leader made. We do not blame the Government for trying to balance the books of the State; that is as it should be. We blame the Government for the state into which the economy has fallen and for the fact that it has to take moneys out of the Loan Fund to help balance the Revenue Budget. We complain about that and about what the Treasurer has been made to say in his statement to this Committee of his intention in the coming 12 months. We complain about the fact that it is necessary to take, out of the Loan Fund, moneys that should be used for capital expansion in South Australia, to help balance the Budget. That is what has been done, and we complain that this should be necessary. We do not complain about the fact that it is being done to remedy a parlous situation that has developed—we complain that the situation should have been allowed to develop at all.

In his speech the Treasurer was made to say that there were four factors that contributed substantially to the deficit on Loan and Revenue Accounts in the last 12 months. He went through these four factors and I intend to say something about them and to show that, in fact, they are hardly the reasons for the situation at all. First, he complained that the year 1964-65 opened with an accumulated surplus, that this was spent during that year and that this got the finances of the Government out of gear, creating insuperable difficulties in any attempt to bring expenditures and revenue fully back into balance. I do not know what would have been said by members opposite if, when the former Treasurer presented his Loan Estimates and Budget in 1964-65, he had

budgeted for another substantial surplus if this money were not to be spent. One can imagine the complaints we would have had from members opposite had this been done. I have looked at what the then Leader of the Opposition and the then humble member for Norwood said about this in 1964-65. They did not complain then of the way in which the former Treasurer had framed his Budget. There was not a word of complaint about this and not a suggestion that it would get the accounts of the State out of balance. The then Leader of the Opposition (Mr. Frank Walsh) said (and it reads rather strangely in view of what he has done as Treasurer):

As will be gathered from my remarks, many weaknesses exist in the Government Loan programme which indicate that the State in its present buoyant condition—

alas, he cannot say that now—
is advancing in spite of the Government's manoeuvrings and financial sleight of hand.

He referred to the former Treasurer's sleight of hand. I do not know what definition he would give to his own manoeuvrings at the moment. He continued:

As in years past, the Government, when it becomes embarrassed by surplus funds, passes a book entry which shows a substantial Government expenditure, but in reality the funds are still held in a trust or deposit account of the Government from a semi-government organization.

The present Treasurer is not in the happy position in which he can criticize the concealment of a surplus, but he presumed two years ago to talk about sleight of hand and even then, apparently, to look rather covetously at the trust funds held by the Government. There was not a word of complaint about the fact that it was budgeted to spend the previous surplus in the accounts. This is what he said:

I agree with the Treasurer that the development of this State will, as in the past, depend to a very large extent on the provision of basic works and services.

Of course, in saying that he is quite correct. I have already made the point that in these Estimates which he presented to the Committee there will be a contraction in the amount that will be spent on these works and services by his Government. He went on to say:

However, this is as far as I can reconcile my views with his, because the impression I have gained from these Loan Estimates is that they are a list of schemes, and unless there is an improvement they will become rather doubtful schemes that may or may not see the light of day. Therefore, I believe the leaders of industry and the public in general will have to look somewhere other than to this Government if we

are to obtain the increasing number of basic works and services that are so necessary for our vigorous and expanding community.

Proud words, and correct. It is a pity that the present Treasurer cannot live up to them now he is in office. There was not one word in his speech of complaint about the way in which the Loan Estimates were framed. Let us have a look at whether or not he said anything in the Budget debate on this matter. We find (page 783 of *Hansard*) that again he said not a word about this. All he did was to complain about the increase in State taxation that was to take place. That all sounds rather ironical now, in view of the bleatings we get from Government members that people in the Upper House are stopping it from increasing taxation. That is all he had to say when speaking to the first line of the last Budget during the time he was Leader of the Opposition. There was not one word of the complaint that he now makes that by spending the money that was available the finances of the State would be taken out of balance. That was the contribution by the former Leader of the Opposition to those debates in 1964. I do not suggest that he was responsible for all he said then: he had a secretary to write his speeches for him. Let us come now to the other member of the then Opposition, the honourable member for Norwood.

Mr. Nankivell: He is the rest of the Government!

Mr. MILLHOUSE: I have not thought it necessary to go further down the list of the members of the then Opposition. However, I think it is highly unlikely that any other member of the then Opposition would have had any worthwhile contribution to make. I looked with high hope to see whether the member for Norwood had any words of wisdom on this point, and whether he complained about it. On looking at his speech on the Loan Estimates, beginning at page 480 of *Hansard* of 1964, I found that he began by agreeing with what I had just said. I had been talking, I think, about a public accounts committee and scrutiny by Parliament of the Highways Fund, and those were the matters with which the honourable member for Norwood was agreeing. He said:

I rise with a feeling of sympathy for the plea that the member for Mitcham has just made. I entirely agree with him that this place should be in a position to control the expenditures of the Government in this State and that large sums of money should not be spent without the scrutiny of the elected representatives of the State.

He went on to say:

I hope that the Government, at some time, will take notice of the submissions that were made to it last year on that particular score. We on this side of the Chamber have for years raised our voices in apparently futile protest at the lack of a proper Parliamentary accounting system as known in other Parliaments.

It is rather strange that now he is a Minister there seems a curious reluctance on his part and on the part of his colleagues to do anything about this.

The Hon. D. A. Dunstan: We introduced a Bill.

Mr. MILLHOUSE: Yes, and you let it lapse. What did he go on to talk about in his speech on the Loan Estimates? What did he go on to talk about in his speech on the Revenue Estimates? He talked in both those debates not on financial matters at all but on electoral reform. There was not one word in his speeches on financial matters, not one complaint about the thing which apparently is now so obvious to his Party—that the former Treasurer did wrong in spending the moneys that were properly at his disposal. Let us pass then from the first of the reasons given by the present Treasurer to the second. He said:

Secondly, the maximum increase in Government and semi-government Loan allocations to which the Commonwealth would agree in June, 1965, for the following year was only 1.2 per cent.

Sir, that is admitted. However, this was known when the Budget for 1965-66 was framed. What did our own Treasurer (Hon. Frank Walsh) have to say about it after this allocation had been made? The *Advertiser* of June 3, 1965, carried this report:

He (Mr. Walsh) said later that the extra Loan money allocated to South Australia was not as much as he hoped for, and it meant that the expenditure would have to be carefully controlled.

Well, it is a jolly pity it was not carefully controlled. The Treasurer realized before he introduced his Budget 12 months ago that there would have to be careful control. Why was it not done? He went on to say:

The Commonwealth has been unreasonably restrictive, and this leaves the South Australian Government no alternative to living within the funds available.

It is a jolly pity he did not take the only alternative he knew was open to him. He did not do so, and the fact is that we are in the difficulties that we are in. The third reason thought up by the Treasurer's advisers is as follows:

Thirdly, the Government's attempts to secure additional revenues were obstructed in another place.

This may be true to a very small extent, if one accepts that the action of the Legislative Council was obstructionist. I do not accept that: I believe its action was in the best interests of the people of this State. Let us have a look to test out to what extent the Budget arrangements of this Government have been effective. If we look at the statement of Consolidated Revenue Account as at June, 1966, we see the result of the last 12 months and we see the actual result as against the Budget. Regarding stamp duties, the Committee will remember that in the last session (as a result of a conference, I think, between the two Houses) there was some alteration in the Stamp Duties Act Amendment Bill. We find that the Budget estimate on stamp duties, excluding betting tax, was \$10,300,000, and that the actual receipts amounted to \$9,764,000, a shortfall of \$536,000. For succession duties (about which the Government usually complains) the Budget estimate was \$7,500,000 and the actual result was \$6,134,000, a shortfall of \$1,366,000. The only other item of State taxation which could be affected is transport licences, because the Bill on this subject was knocked out. The Budget estimate for that was \$100,000, and the actual receipts were \$30,000. If we add these three items we obtain a grand total of \$1,972,000 shortfall.

Sir, that is only a small proportion of the deficit that we now find in the accounts. Let me also emphasize for your benefit, Mr. Chairman, that there are many other factors in these three lines apart from what happened in this Parliament. It is notorious that succession duty collections, the biggest item affected, are completely unpredictable. It depends on who dies, when, and to whom he leaves his money. These things cannot be predicted, and there is nothing to show that the shortfall is due, to a large extent, to what happened in another place. That disposes of the third reason the Treasurer gave. For his fourth one, he said that the immediate past year unfortunately experienced a marked slowing down in economic activity. I have complained about that; true, there has been a marked slowing down. The sad fact is that, because of this Government, it has been a far greater slowing down than there has been in other parts of Australia.

If one considers the four reasons given by the Treasurer one finds that they are either specious or that the Government is to blame

for what has happened in South Australia. The Government has juggled the accounts to try to make things balance, as in future, or this year anyway, grants to tertiary education institutions and to non-Government hospitals will come from Loan and not, as previously, from Revenue. This is a juggling with books of account of the State, and an act of desperation by the Treasury to overcome the difficulty into which we have fallen. First, these grants are outright grants: there is no repayment or payment of interest, but they are to come from moneys on which the State will have to pay interest in the future at between 4 per cent and 5 per cent.

The Hon. Sir Thomas Playford: Over 5 per cent.

Mr. MILLHOUSE: This means that we are down the drain in perpetuity for these amounts. We will pay interest on them, but the grants will go to non-governmental bodies that have no obligation to repay or pay interest because it is an outright grant. This is a loss to the State. I am not an expert on accounting and bookkeeping, as no doubt members on the other side are aware and will remind me, but I know that it is good bookkeeping to spend capital moneys only in exchange for a capital asset. We have always tried not to use capital funds unless there was an asset exchanged. What is happening now? We are giving away Loan moneys in exchange for no asset to the Government. This money leaves the Government and builds up a capital asset owned by someone else.

To say the least, this is bad bookkeeping and that is why it was not done in the past; under the previous Government the books were well kept. The Treasurer said that other States have been doing this: I do not know whether they have or not, but it is still deplorable that we have to do it, and it is significant that we have not had to do it before. I do not know whether the Loan Council scrutinizes these things but I suggest that they should be, because it is wrong to use Loan moneys to finance non-capital works or works, which will not belong to the Government and which will not be an asset to the State. Whatever one may think of these things, the results are the same. We have less money to spend on capital works in the next 12 months than we would otherwise have. Whatever is done and against whatever account the sums are charged, we are going to have less money for capital expansion than we had previously, and that is a bad thing. The Leader of the Opposition referred to the use of trust funds. The stark fact is

that trust funds amounted to about \$27,000,000, but about one-third of that has been used to tide the Government over its difficulties.

The Hon. Sir Thomas Playford: For how long?

Mr. MILLHOUSE: That is the \$64 question. We do not know when this money will be put back, if it is put back at all.

Mrs. Steele: It is jolly hard to find it.

Mr. MILLHOUSE: Yes, and I shall be watching with interest the Government's action to replenish the fund, which it has drawn on to tide itself over. I suspect that next year we will find that the fund is more depleted than it is now. I believe the last time this happened was when we had a Labor Government: the Hill Government did the same thing. Perhaps it was an extraordinary coincidence that it happened when a Labor Government was in office, but it is an unhappy and unfortunate coincidence for the people of this State.

The Hon. B. H. Teusner: Trust moneys should not be mixed with other moneys.

Mr. MILLHOUSE: Yes. The honourable member, as a solicitor, well knows that trust money must be separated from other moneys. That is not an exact analogy, but it was something considered by the previous Government. It is a pity that this Government has so little regard for it. It is painfully obvious that nearly every line of the Estimates is substantially less than it was last year. The member for Glencg selected the brightest jewel in the crown this year when he referred to the Electricity Trust. It is perhaps the only line in which significantly more money is budgeted to be spent than before: the actual payments in 1965 for the trust were \$6,000,000 and this year the proposed payment is \$6,700,000. The remainder of the expansion by the trust comes from its internal funds and other funds available to it. The member for Glencg made play on this, and said how important it was that it should continue and how much easier the position would be if the Government did not have to make this payment. He could have said this about any line; obviously it would be easier if the Government did not have to provide for school buildings, as this would relieve pressure on Loan funds. Let us consider other lines. The estimated payment for student hostels last year was \$300,000; actual payments were \$222,360, and the proposed payment for this year is reduced to \$200,000. This is ironical in view of the somersault by the Labor Government a few weeks

ago on its policy of State aid, as this is a practical item of State aid to independent schools. We know that most of the moneys under this head go to private boarding accommodation in independent schools and other secondary school institutions. That item is to be reduced, but the reduction is even greater when we look at school buildings, themselves. Last year, \$11,758,894 was spent; this year, the proposed payments total \$10,640,000, a reduction of well over \$1,000,000. One could go on almost *ad infinitum*. There has been a savage cut in nearly every line.

One other cut that affects me relates to the south-western suburbs drainage scheme, progress on which is already far too slow. The actual payments last year amounted to \$525,939, whereas the proposed payment for this year is down to \$425,000, again, a substantial reduction in the total programme. That is extremely bad in every way; it is bad for the economy of the State, in that less is being done by the Government to stimulate activity through the reduction in the overall sums. It is bad, too, that these individual lines are reduced, and I can say that there will be plenty of discontent in all sections of the community as the year goes on, and as it is found that works are not nearly up to the same level as they have been in the past. I say again that it does not give me any pleasure to have to say these things, and to see what is happening in this State, because all of us desire to have an expanding, prosperous economy in South Australia. It is a pity that the present Government is in office, because the present Government is responsible for the fact that South Australia has fallen not only from its past performance but behind the other States. Again, I say that this situation will not be cured until the present Government is out of office, and until this Party again forms the Government of the State. I support the adoption of the first line.

The Hon. G. G. PEARSON (Flinders): I support the adoption of the first line, but do so with some qualifications. We were all disappointed and not just a little concerned at the Treasurer's explanation. I, personally, was surprised to note the candour he showed in setting out in the first page or so of his statement the very serious financial position in which the Government, after 18 months in office, found itself. One has only to look at the first three paragraphs of the Treasurer's explanation to see a fairly concise description of the extent to which the State's finances have drifted in such a short period. It is, of course, rather idle for the Treasurer to attempt to justify

or explain away the situation in which he finds himself, but I shall leave that side of the debate for a moment. The Treasurer said that, at the end of the first complete financial year of the Government, the State recorded a deficit both on Loan Account and on Consolidated Revenue Account, and went on to illustrate what the deficits were. He concluded that paragraph by saying:

Thus, on the combined accounts there was an aggregate run-down during the year 1965-66 of \$9,240,000, and an aggregate deficit at the year end of \$8,077,000.

I do not think the circumstances, either collectively or individually, justify this serious run-down in the State's finances. The Treasurer, of course, blamed the weather (the season), and said that part of the problem associated with the dry season was the pumping of some water. I point out, however, that that has to be done every year, in any case, either to a greater or lesser extent (although, admittedly, pumping during the last financial year may have continued a little longer than normally). Then, the Treasurer blamed another place by saying that the Government's attempts to secure additional revenue were obstructed. He also said that the previous year commenced with rather fortuitous balances, as a result of the Radium Hill project being wound up, etc., but I do not find the explanations convincing. After all, it is not unusual for South Australia to experience the kind of difficulties, seasonal particularly, that the Government may have experienced last year.

Indeed, it is not unusual for the State to experience these difficulties to a greater degree. For example, 1959 saw one of the most severe droughts the State has experienced. I know that droughts throughout the country in 1944 posed serious problems, but the 1959 drought followed closely on the low-rainfall year of 1957 although, admittedly, 1958 was a better year. We were perhaps not well prepared, agriculturally, for the severity of the 1959 drought, the kind of drought that I do not think had been experienced here at least since 1914. Did we have to run down our finances in 1959 in the way they have now run down? Did we have to use the trust accounts? Were we in such a budgetary position that we had to use the Loan Account? I remember, when discussing the matter with the then Treasurer in 1959, that he said how fortunate it was that the State's economy had become so diversified that we no longer depended on one string on our fiddle in order to play a good tune: ours was a healthy economy; we were able to weather 1959 without any serious difficulties in

regard to the Budget or Loan Estimates. In that year I think we pumped water at practically full bore for the whole of the year without a let-up. We continued pumping at full operation for the whole year at substantial costs, in addition to which we suffered a drop in railway revenues and harbour receipts, an inseparable corollary of the lower production of cereals in the State's agricultural areas. As a matter of hard fact I think, from memory, that in that year we had shipped away all our available surplus of wheat and barley before six months had elapsed. There have always been problems about getting sufficient Loan funds from the Loan Council—that is not new. I point out that the purpose of the exercise in which I am now indulging is to show that the Treasurer is not justified in blaming seasonal conditions or the vagaries of the Loan Council (if I may dare use that term about such an august body) to account for the position in which he finds himself at the moment.

I do not intend to dwell on the expediencies to which he has resorted in order to pay his bills during the last year. That subject has been covered by earlier speakers and I do not wish to comment on it except to say that it is most unfortunate that we have had to use, as the Leader said, other people's money in order to pay our bills, and that is what we have done. In reply to a question on notice today, the Treasurer declined to give the facts because, he said, it was impracticable to say what amounts were held in trust accounts on March 6, 1965. I do not know why that is impracticable: Perhaps the Treasurer did not desire to give those figures but I cannot see that it would have been impracticable to give them because, in fact, the trust accounts were fully balanced at that date; everything that should have been in the trust accounts was in them at that time. The Treasurer admitted as much in so many words when he said, in his explanation:

Of an aggregate of \$27,322,000 of trust and deposit accounts held by the Treasury at June 30, 1966, \$18,000,000 was held in fixed deposits at the Reserve and State Banks.

The Treasurer admitted that the difference between \$18,000,000 and \$27,322,000 had been used by the Treasury this year in an effort to pay the bills. Therefore, that is the position in which we find ourselves and, whether we like it or not, we have to function as a State and pay the bills as they become payable. The Government has set about adopting ways and means of carrying on the expenditure of the State.

The member for Glenelg (Mr. Hudson) was careful to say, in his opening remarks, that there was no relation between the State Budget Account and the Loan Estimates. I agree that probably there should not be, in the sense that we should not rob Peter to pay Paul, but the fact is that in this case we have done that and it serves no good purpose for the member for Glenelg to get up and piously say there is no relation between the accounts. The Treasurer said:

Moreover, in the present situation when the Revenue Budget has run considerably into deficit it is quite unavoidable that the Loan Budget must be constructed having full regard to that fact.

That statement of the Treasurer's is remarkably frank and is obviously correct, although it was probably not written by him. The Treasurer is saying that the inescapable fact is that if we are indebted in the Budget Account then the Loan Account must take care of it. As it has been said so often regarding Government financing (and again I am indebted to the former Treasurer for this comment), it does not really matter what money is in the Treasury—there must be money in the Treasury because it is the cash in the bank that matters. In this case, undesirable though it may be (and, possibly, as improper as it might be from the accounts point of view) to rob Peter to finance Paul, that is what the Treasurer has done and what he has had to do in order to pay his debts. The Treasurer continued by pointing out that there were penalties incurred by the Treasurer if he used borrowed money to pay housekeeping accounts. He said:

There are certain disabilities which flow from such action, apart altogether from the obvious necessity to withhold such borrowed money from expenditure upon capital works and developmental purposes.

That is a rather interesting statement. In the past few weeks, during debates in this Chamber, we have criticized the Treasurer. We deduced from facts before us that he was, in fact, using Loan money in order to pay housekeeping accounts. This was strenuously denied by Government members who said that we had no authority to make such a statement and that it was incorrect. However, the Treasurer admitted this fact in his speech on the Loan Estimates. We have been saying that the lack of progress in Loan works, which, unfortunately, has become apparent in the last two months, has been because the Loan moneys have been used to finance Budget accounts. We were told we were wrong. However, the Treasurer admitted that it was highly undesirable to

do this, because, as he said, it withheld such borrowed money from expenditure on capital works and developmental purposes. That is the crux of this debate.

Although the Treasurer claims that the Loan Estimates this year provide for a higher expenditure than last year, it is obvious to everybody who walks around the streets or travels the countryside that the developmental works of the State are not proceeding at the moment. Also, the Loan Estimates programme does not forecast that they will receive any real impetus. Let me assure the Treasurer that the moment he ceases to carry out to the fullest extent possible the developmental programme of the State he will be setting in train the law of diminishing returns which means, simply, that the moment one ceases to develop, one ceases to put oneself in the position of earning additional annual income. Unless the Government continues to develop the country and to supply services and essential needs for development, both primary and secondary and in every other way, then the State's earning capacity is immediately affected and this will bring in its train further Budget deficits. That is what I would call, I think correctly, the law of diminishing returns. It is not as though we were saving any interest charges or any debt charges by adopting this policy. Indeed, every \$1,000,000 we borrow incurs about \$50,000 in annual interest, and more if Sinking Fund is added to it. Therefore, we are piling up an interest bill from borrowed money which is not earning anything but is only going to pay for past deficits. This cannot go on, and I am pleased that the Treasurer has realized this.

The member for Glenelg (Mr. Hudson) was very busy this afternoon telling us about the unemployment situation. He said there was a good deal of virtue in the fact that the Government had during the last financial year overspent its Loan programme, because that was a means of keeping up employment. I agree that insofar as this is on a short-term basis it may have some little merit. However, he went on to say that the State Treasurer does not really have much control over the employment situation, that it is the Commonwealth Treasurer who has that control. I do not see how we can marry those two arguments together. If there is virtue in the State Government's overspending in order to maintain employment, how can the honourable member in the next breath turn around and try to make a political speech for the next Commonwealth election by saying that it is the

Commonwealth that exercises control over these matters? He cannot have it both ways. I agree that the Commonwealth Budget is by far the greater part of the overall spending programme. However, the honourable member takes away from his claim to virtue all the substance of the claim when he says that the State Treasurer's control of finance could not affect the employment situation by more than, plus or minus, about 500 people. I do not agree with him on that. I think a greater fluctuation in employment can occur and does occur with the ups and downs of State Government expenditure. However, it is a point that possibly cannot be finally resolved, so I will not argue it further.

Let us examine the point the Treasurer and the honourable member for Glenelg made that the Loan programme this year provides for more money than last year. This year (for the first time in history, I think) the Treasurer intends to pay subsidies to non-Government hospitals out of Loan funds instead of out of Revenue Account. On his own showing, this amounts to \$2,600,000, so he needs to have that amount extra in his Loan Account in order to show any real increase in that expenditure at all. I will say more about that later. That is the effect of financing the four non-Government hospitals: Whyalla, the Queen Victoria, the Lyell McEwin and the Adelaide Children's Hospital. Each of those receives substantial subsidies, \$2 for \$1 in most instances, and I think the whole amount in the case of the Queen Victoria Hospital. I do not quarrel with that at all. However, it means that the Treasurer is bringing this \$2,600,000 into the Loan Account this year, so his claim that more money is being spent on the Loan Account this year is reduced to the extent that this is money on account of those four hospitals that has never previously been charged to that account.

The Treasurer also claims that under the Commonwealth-State Housing Agreement he will be spending \$307,000 less than the comparable amount for last year, after bringing into account the supplementary \$2,057,000 secured last March. I do not know how this housing programme completely adds up. He goes on to set out how the Housing Trust will receive its funds, from what sources they will come, and so on. He says:

From the agreement funds it is proposed that the Housing Trust will receive \$10,000,000 and \$10,750,000 will be paid into the Home Builders' Account. The trust will also receive \$4,250,000 from semi-governmental borrowing

and will have available for expenditure a greater volume of funds from recoveries and cash in hand than in the previous year.

There has been a very great public demand for the rental-purchase house. In a recent statement by a spokesman for the trust, this matter was given some prominence. I am very pleased to see that this is occurring. I am told that at present the trust has no buyers for the substantial number of houses it has for sale. However, it appears that there is a strong demand for the rental-purchase houses, and that the trust considers it advisable to increase the amount spent in this direction. I cannot escape the impression that the falling off in the purchase of Housing Trust houses and the lowering of the tempo of the economy generally are very closely related, and that the people who are working on a weekly budget are feeling very much less secure than they have done for some time past. I believe that as a result of the slowing down of the economy these people are getting very little, if any, overtime in their pay packets. I believe that those people are not quite sure that the enterprises in which they are employed are going to be able to keep all their employees in work. I believe also that there is a feeling of uneasiness abroad in the community, and this, of course, is having a direct result and effect upon many other things. For example, a person who normally might be quite happy to involve himself in an obligation to buy a house is now having second thoughts and wondering whether or not it is a wise move in the light of the immediate future, and he is perhaps a little unsettled.

It is not only in the realm of house-buying that this effect is noted. Indeed, it is being felt throughout the whole of the electrical trade, particularly in respect of electrical appliances. If we go down the street and ask people who sell washing machines, refrigerators, vacuum cleaners, television sets and so on how business is at the moment we get a very prompt response. Some are more frank than others, but they all tell the same story: they say, "This can't go on for very much longer. Surely it cannot get much worse, and it must get better." This is what a prominent Gawler Place businessman told me last week. He said that business had never been worse in his experience than it was now, and he went on to say, "It cannot get worse; it must get better." He said he would take advantage of the opportunity to diversify and expand, and perhaps he is wise. However, turnover in this business has been seriously reduced. The manufacturing industries are important to the economy of the

State as they provide 70 per cent of the Australian market for washing machines and refrigerators, and one can appreciate the impact in these industries of this slowing down. In almost every avenue of private spending people have tended to husband resources, although South Australians generally are conservative spenders compared with people in other States.

It is necessary to remove the uncertainty existing in the public mind. This may be relieved by the Government's frank statement, and the more frank statement to come in the Budget, but the confidence of the people will be seriously shaken as a result of the Government's action in taking money from taxpayers in order to achieve this laudable objective. Expenditure has not been wisely controlled and the State has run into debt. Now we are patting ourselves on the back and telling ourselves what good people we are because we are now attempting to correct the situation. In my short experience of Government finance it is unwise to loosen control on the State's finances. It is easy to add a little here and a little there, but this practice results in a large obligation. The uncertain future is affecting the purchase of houses from the trust, with the result that many houses are now available. The Treasurer claims that various departments have overspent last year's allocation and referred to the Public Buildings Department and the Engineering and Water Supply Department. I cannot argue with that statement, but I see no evidence of it in my travels through the State. Neither of those departments spent money wastefully: the money has been spent on something worth while, and if departments have exceeded their budgets I am not unduly worried. I know the member for Frome will say that that is why we can afford to reduce allocations this year, and that I have committed myself, but I do not regard it in that light. If it is possible to keep ahead of the programme in any one year that is a good thing.

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

The Hon. G. G. PEARSON: In moving down the list of items that come within the purview of the Treasurer's statement, I come to a comment that he made regarding roads. I do not know why he included this item in his statement, except that he said the Government was committed to a certain extent in respect of the Morphett Street bridge project. This, of course, is correct. This project was agreed to by the

previous Administration, which made certain commitments. He went on to mention the healthy position of the Highway Department's funds. That rather intrigued me, as the Highways Department takes into its revenue directly all the accumulations from motor registrations, which are tending to increase in this State as they are in other countries as more and more motor vehicles are used by the public. I am wondering whether the Treasurer may not be looking with an envious eye on the healthy finances of the Highways Department. Under an agreement negotiated by the former Minister of Roads at a Commonwealth conference, a formula was evolved that automatically increased the Commonwealth contribution to road finances of the States each year over a period of, I think, 10 years. The Highways Department is reaping the benefit of that increase each year and it is also receiving an advantage from increased motor registrations.

Mr. Shannon: That grant is for country areas.

The Hon. G. G. PEARSON: Yes, it has special application to rural roads. Although criticism has been expressed because it earmarks funds for rural roads, I believe that is an excellent provision.

Mr. Shannon: My people understand it.

The Hon. G. G. PEARSON: Exactly, and so do mine. I think it is a proper and important safeguard for people who must travel long distances over country roads several times a year to come to the metropolitan area in that it provides that a proportion of the funds shall be spent on rural roads. In addition to the funds available from the two sources I have mentioned is the sum now being raised under the provisions of the Road Maintenance (Contribution) Act. Last week I asked the Minister how much had been collected under this Act during the last financial year, and was told that it was \$1,903,177. This has to be disbursed for the purpose of maintaining and repairing roads, including district roads. This is a wise provision, as it channels this money to specific purposes and prevents the Treasurer, however short of money he may be, from using it for any other purpose. However, I wonder whether the Treasurer is not casting a rather envious eye on this money. He has not hinted that he is, and I do not think he would consider it wise (politically, at any rate) to tamper with the funds by attempting to amend the Act. If he attempted to do this, it would not be looked at kindly by any section of the community.

Mr. Shannon: Or by councils.

The Hon. G. G. PEARSON: No. Much criticism has been levelled at the Commonwealth Government because it has not seen fit to return to the States for road purposes all money collected in petrol tax. If this is a sample of public thinking, I suggest that the Treasurer would be most unwise even to take a second look at these moneys as extra revenue in his present budgetary and Loan Estimates difficulties. I wonder why he did not mention these matters in his speech and why he referred to the rather healthy financial position of the Highways Fund.

I will deal, as he did, with some of the items in these Estimates. Unfortunately, there is a reduction in most lines. I marked page 3 of the schedule with two coloured pencils (red for reductions and blue for increases or proposed new lines) and found the red marks were much more conspicuous than the blue. In some lines there are small increases, but most lines are reduced. A reduction I noticed with some concern was in the provision for student hostels, for which \$220,000 was advanced last year to help finance accommodation at schools and institutions, principally for country students. This form of assistance was very much desired, and it is not many years since it first appeared. The previous Administration desired to give ear to the requests of country people and to help provide accommodation for children who had to board away from home to get a higher education. Many worthy people formed themselves into bodies or acted under the aegis of existing organizations to see whether they could obtain assistance to provide such accommodation. That is what this provision does. I appreciate that the disbursements in any financial year depend largely on the number of applications and that the Treasurer may not have received as many applications this year as he received last year. The total involved is not huge, and probably the demands would vary from year to year. I should be indeed disappointed if the Treasurer were forced by financial stringency to decline proper and worthy applications from people who were trying to help themselves, and who needed a little Government assistance to do so. I assure the Treasurer (and I think he knows, without my assurance) that this money is well spent. Indeed, I think that it saves him money, because if people are attempting to help themselves it naturally means that they rely less on Government help than may otherwise be the case.

I inferred from an answer given recently by the Treasurer in regard to the south-western

suburbs drainage scheme that he was a little concerned about the scheme as a whole and about the fact that it perhaps was not making the desired progress. I think the question was asked immediately after a rainstorm had flooded the area concerned. This scheme will obviously involve much more expenditure than was originally expected. A project now before the Public Works Committee involves a considerable additional sum, but I think it can only be expected that the cost of a scheme that takes such a long time to complete will increase as years pass. Of course, substantial development has taken place in the area concerned, which means that the drainage problem is increasing. The roofs of houses and factories, and the paving of streets and footpaths, all make a watershed out of country which, in its broad acre state, absorbs much of the rain that it receives. Development only accentuates flooding problems in such areas.

When the scheme was initiated most of us realized that, until it was well advanced towards completion, it could not confer substantial benefits on the low-lying areas affected by the scheme. I believe, however, that already some benefit has been created and, of course, more benefits will accrue as the scheme nears completion. When any criticism is levelled at the delay on the part of the constructing authority for the scheme or its partners (the councils concerned), I think the Treasurer must be expected to provide the necessary revenue. After all, the scheme can progress only as fast as finance can be provided. Much work has yet to be undertaken, and \$420,000 is provided for the work this year, as against \$526,000 last year, in addition to which the Treasurer is faced with an additional \$3,000,000 of expenditure for the re-alignment and concrete lining of the Sturt River channel. The scheme will involve much time and expenditure.

The south-western suburbs drainage scheme is an example of a number of schemes which this year will receive less money than they received last year, as a consequence of which they will have to be spread over a longer period of time. The time factor is important in the ultimate cost of such a project. I think the Minister of Works would have it on the good authority of the Engineer-in-Chief that the longer it takes to construct a pipeline, build a reservoir, or complete a drainage scheme (which, incidentally, is not the responsibility of the Engineer-in-Chief) the higher the cost involved, whereas schemes

completed in a short time tend to be finished at or below the estimated cost.

Mr. Shannon: The interest burden has to be carried.

The Hon. G. G. PEARSON: Exactly. The interest burden is going on from the commencement of the expenditure. Apart from that, I have found in my time as Minister (as, I am sure, the present Minister of Works has found) that a scheme, commenced and proceeded with as rapidly as manpower and material resources permit, is usually finished at a minimum of cost. I cite, for example, the Eyre Peninsula water scheme in which the Poldra Basin was harnessed, I think at an estimated cost of about \$960,000. That scheme, of necessity, was implemented with all possible speed so that water from the Poldra Basin would flow into the Tod River trunk main before the end of the summer, in order to save the whole of the peninsula's water position. Although I am not sure of the final cost of the scheme, I think because of its speedy implementation, it was under \$800,000. A tendency exists (in fact, an announced intention) to reduce expenditure on various separate projects and to spread them over a longer period, and so delay completion.

Many of these schemes do not earn much until they are completed. Take, for example, the proposed main from Murray Bridge to Hahndorf, which was considered at considerable length before I left office. I pointed out to the Engineer-in-Chief (who, by the way, did not need to be told) that the scheme was estimated to cost \$24,000,000. It would, of necessity, take several years to complete, with the interest burden mounting all the time. Every \$2,000,000 that we spent incurred an interest charge of about \$100,000, which would continue until the scheme was completed and delivering water into the Onkaparinga system. Therefore, the expenditure would be \$24,000,000 over, perhaps, four or five years before any benefit could be obtained from the scheme apart from the possibility of reticulating small areas of adjacent country that might be ratable because of the construction of the main. That is one of the problems confronting the Minister of Works.

He has the same problem with the scheme he has announced for a main from Swan Reach to Stockwell. This project is not nearly so large as the Murray Bridge project, and he does not intend to allocate large expenditure to it, for this year's allocation is \$1,360,000 on a scheme, the total cost of which will be about

\$8,000,000. On this basis, the scheme will take about six years to complete. This scheme does not offer any relief to the Mannum-Adelaide main until it is actually delivering water into the Warren reservoir. Therefore it cannot afford relief until it is completed. In so far as it is intended to relieve the Mannum-Adelaide main of the Warren reservoir load, it will make more water available to the northern end of the metropolitan area (which is its whole purpose) and, incidentally, by making more water available to the metropolitan area it can safely delay the construction of the Murray Bridge to Hahndorf main because of the additional water that it will make available to the metropolitan system by exchange. This is a good project, as I know, for I suggested it and it was referred to in the policy speech of this Party before the last election. We intended to defer commencement of the Murray Bridge to Hahndorf scheme for a few years because we were faced with heavy expenditure on the Morgan-Whyalla duplication, the Tod River trunk main and the Chowilla dam project. It was desirable to take whatever steps we could to safeguard the Loan programme over the next few years. Thus, this scheme was evolved to do it. It will serve the constituents of the member for Angas (Hon. B. H. Teusner) and provide an assured water supply for a large area of the Murray Plains which, on more than one occasion, has been rather hard pressed for water.

I point out that there is a great danger of added costs by spreading the period of construction of a given work over a long period, which I believe the examples I have given show. Another example is the construction of the main from Middle River to Kingscote on Kangaroo Island which, again, was completed rather ahead of schedule. There was, and still is, a problem in regard to the storage tank and, of course, the reservoir and pumping station have yet to be constructed. The actual laying of the main from Middle River to Kingscote was done in good time and at a lower cost than was expected at the time the work was commenced. I know that great difficulties are involved in attempting to actually stop work on one project in favour of another. Some of these problems are political and others are practical. However, these things point to the desirability of doing, perhaps, the opposite to what is proposed in this Loan programme, namely, giving a little to many projects and spreading the time of construction over a longer period, which increases the cost of each project.

Mr. Shannon: Unfortunately people will be waiting for water.

The Hon. G. G. PEARSON: Perhaps the honourable member is correct. I do not know how long we can wait for additional support for the metropolitan scheme. The load is growing each year and whether or not the scheme across the Murray Plains will operate soon enough and whether it will be big enough when it operates to meet the needs of the metropolitan area until the larger main can be completed are moot points. I believe it is a good scheme and I am pleased the Government has decided to go ahead with it.

I wish to refer briefly to the lack of any announcement as to what is popularly known as the tidal basin scheme. I know the scheme has some problems associated with it but it has much appeal. It will change the whole aspect of that area which, after all, has become the front door to this State. Most people coming to South Australia now arrive by air; they fly over this area and I do not think it is a good advertisement as an approach to the city. Years ago it used to be said that the Outer Harbour was the front door to metropolitan Adelaide and that it should be tidied up. However, no provision is made in the Estimates for a new terminal at Outer Harbour. Perhaps the tidal basin is now more important than the Outer Harbour with regard to those entering the State. Nothing much has been heard about the tidal basin in the last 18 months or so and I wonder what has become of it because I believe that, although it will require substantial Government funds, it will probably return funds to the Government more quickly than will other works.

Mr. Shannon: The whole of the expenditure will be returned.

The Hon. G. G. PEARSON: I hope the honourable member is correct and I think he has a good chance of being correct. Only \$80,000 is proposed for the purchase of land, suitable for forestry, as it becomes available. I should like the Minister of Forests to tell me how much suitable land for afforestation is held in reserve for the Woods and Forests Department. It is planting at the rate of about 6,000 acres a year and, of course, the stage has now been reached where more clear felling is done and more reafforestation takes place on existing lands. The demands of the timber industry in South Australia are growing all the time, particularly with the advent of brick veneer housing and with the greater use of timber in housing generally. I wonder whether the provision of \$80,000 is at all realistic. It would

probably purchase about 1,000 acres of suitable land. I know the department considers that land that has been used for pasture is ideal country for afforestation. I commend the Government with respect to provisions for the Railways Department, an item that has maintained its position on the Loan Estimates. The programme of re-laying and re-ballasting the 3ft. 6in. line on Eyre Peninsula is progressing. For years we have sought for this work to be done but, apparently, previous Governments did not realize the urgency as much as the people who lived there. However, the programme was commenced about four years ago and is now proceeding, and I was pleased to see the progress made in the Buckleboo area. The increases in the quantities of superphosphate and other commodities carried justifies this expenditure.

We have real problems with regard to harbours accommodation, the provision for which has decreased. We thought that ports around our coastline were assets, and no doubt they were when communications were slower and we relied on old-fashioned methods to get produce to market. However, with modern vehicles and better internal communications many of our ports have disappeared. I think that about 95 per cent of the goods traffic into and out of ports converges on six main outports—Port Adelaide, Port Pirie, Wallaroo, Port Lincoln, Ardrossan, and Thevenard. The present programme provides funds for work to be carried out at Port Adelaide to accommodate larger vessels. Our outports are well equipped with mechanical handling devices and are suitable for every purpose, but they lack sufficient depth of water. We deepened and widened the swinging basin at Wallaroo, and constructed a new approach from the deepened water into that port. We completed the deepening of the outer end of the channel at Thevenard; we took high spots off the swinging basin at Port Lincoln; and years ago we completed the deepening of the channel into Port Pirie, which was a major work.

Mr. McKee: It wants more improvement.

The Hon. G. G. PEARSON: Exactly, but to deepen it effectively for modern requirements would be a huge undertaking. Taking high spots off a channel can be done economically, but to deepen it seven or eight feet over its total length means that it also has to be widened. I know this problem exercises the minds of the Minister of Marine and the General Manager of the Harbors Board. People who buy our goods want to take them away in large quantities and are interested in

20,000, 30,000 or 40,000-ton ships, which provide greater economy in freight costs. These ships need about 32ft. of water and no port in this State can accommodate that size vessel, so that we must build ports that will accommodate this class of ship. The Port River is amenable to dredging and has a good tide, but at Wallaroo, Port Lincoln and Thevenard the tide is about 4ft. only. It is essential that we develop ports like Giles Point on Yorke Peninsula, which has a good depth of water, as having established the port, it will be serviceable for many years. Also, an additional port on the Spencer Gulf side of Eyre Peninsula is essential. At Port Neill the depth of water is adequate, and there is a rapidly increasing quantity of goods to be handled. Any honourable member, who travels through that area, will be impressed, as I always am, at the increase in land development in that area. Land which was thought to be unacceptable and dangerous to develop because of its character is being brought into good production, and the counties of Buxton and Jervis are developing rapidly. In a few years, practically the whole of that vast area will be producing useful crops of grain. The department ought to be planning for this development and looking seriously at the matter of providing at least these two additional ports, one at Giles Point on Yorke Peninsula and the other at Port Neill on Eyre Peninsula. Although I understand that the Government has accepted the proposal regarding Giles Point, I do not see anything provided in the Loan Estimates for that port. Of course, there could be no provision regarding Port Neill, because no firm programme has been submitted regarding it.

I ask the Government to look ahead on these matters. I think a start should have been made this year on work at Giles Point. After all, everything cannot be done in one year, but no provision has been made for a start on the work of providing this harbour accommodation. I urge the Government to get on with the planning of another port on Lower Eyre Peninsula. I understand that the Minister considers that this is justified and that the committee he set up to investigate these things was not unhelpful, having taken into account the necessity for a deep water port in that area. I suggest to the Minister that at least some tentative plan should be drawn up and an estimate of cost prepared for examination and referred to the Public Works Committee so that the project will be forward when money can be allocated for it.

Some matters regarding the Engineering and Water Supply Department call for comment and the first of these concerns the Kangaroo Creek reservoir, which is an integral part of the improvement of the metropolitan water supply and is required urgently in order to assist the pipeline schemes and the other reservoirs in tiding the metropolitan area over the next few years. However, we find that the Treasurer is providing only \$360,000 for this work this year, while the total cost is \$5,300,000 and expenditure to the end of June last was \$480,000. An amount of \$4,820,000, including the \$360,000 provided this year, is still to be found. On my calculations, the reservoir will not be finished for about 13 years at this rate of expenditure. I know that, as soon as the department can get going on this reservoir, the Minister will increase the expenditure, but, despite that, I consider that this project is being stultified by lack of finance.

The Treasurer will say that it is all very well for me to talk about more money being required for this project and that project, but that the Government just has not the money. I appreciate that the Government has not the money, and have set out my reasons for thinking so. The Middle River water scheme on Kangaroo Island will take two years to complete if expenditure continues at the rate of this year's allocation. The Taillem Bend to Keith scheme is coming to a stop after two miles of pipe has been laid. Admittedly, that will bring the first stage into operation. If the main is continued to Binney's lookout, where the first storage tank has been constructed, that will make the main operative for that part of its length. However, the knowledge that the work is ceasing has a rather depressing effect on people in the other areas to be served. The Treasurer has said that it will be resumed when funds permit.

The Tod River main is another long drawn-out scheme. The Minister replied the other day to a question that I asked, and the Tod River main is one about which the Director and Engineer-in-Chief has been concerned for many years, and his concern is evidenced by the fact that no funds are being provided this year for the Lock to Kimba main. Rather, the Minister considers that the Tod River trunk main should take precedence and that all the funds available for the Western District should be channelled into that project. Even when that is done, we find that this is where the project stands. The Minister informed me of a programme for finishing the bigger part of the main as far as Warrambo, but between

Warramboe and Minnipa a 43-mile section will be replaced in the next part of the programme. I think the Minister proposes that about 10 miles be done on this section each year, so it will take four years from March this year, when the gang moved there, to complete the section to Minnipa.

The relaying programme extends a long way from there. One of the worst sections of the line is immediately north of Minnipa, where every joint has been leaking, where the pipeline was unprotected, and residents were complaining that the Pimbaacla tank was running dry. If it ran dry, it would jeopardize the whole area from Minnipa to Ceduna. I do not know whether the Minister will get around to re-laying that section. He said in his reply:

Following completion of mainlaying between Knott Hill reservoir and Minnipa, further replacement of pipes beyond Minnipa must continue as an urgent job.

I agree entirely, but here is another case of a programme being spread over a long period. One can only hope that a serious breakdown does not occur during a period of high temperatures, because the Minister must know that many stock are being carried in that area at present and that the country has developed to such an extent that perhaps not even the most optimistic owners foresaw. Wherever one looks in that area at present, there are good, big groups of sheep that depend entirely, over an extensive area on either side, on water from the Tod River trunk main to maintain them during the summer months.

I could refer to other matters. There are problems regarding sewerage, and country townships have been awaiting this facility for some time. The member for Gawler (Mr. Clark) will bear out what I say in this matter. He has been endeavouring for many years to get sewerage for Gawler, and has been asking questions about that subject. I am sure the honourable member cannot get excited about the Loan Estimates this year, because I do not see anything on the Estimates for the commencement of a sewerage scheme for Gawler.

I notice that a considerable sum is being provided for the Mount Gambier sewerage scheme. Here is another case where a most acute difficulty arises when a scheme takes a long time to complete. Mount Gambier sewerage has been in progress now for several years, but it seems to me that the city is growing almost as fast as the sewerage scheme is growing, and it therefore becomes a matter of some difficulty to get the scheme completed. I should think the Minister would be looking forward

to the time when that scheme could be completed and the small additions and alterations to the scheme could be effected by the maintenance gang that he would station down there. That \$270,000 provided for Mount Gambier this year is a substantial sum. Other country towns are looking for sewerage, and Murray Bridge is one that comes to mind. I had several deputations from Murray Bridge seeking a sewerage scheme. Various alternatives were suggested, such as effluent disposal, which I am pleased to notice is being taken advantage of in some of the Murray River towns. I think that is one way of overcoming the acute problem that presently exists.

I should like the Treasurer or the Minister on some convenient occasion to set out, if he would, the programme that is envisaged by the River Murray Commission for the completion of Chowilla dam. This year \$2,910,000 is to be spent by the commission, of which South Australia is responsible for one-quarter. Tenders are not yet closed, nor indeed have the tender documents been issued for tenderers to submit their quotations, but I notice that this is imminent and that very shortly tenderers will have an opportunity to tender. However, I remind the Treasurer that about 2½ years have gone by since the agreement with the Commonwealth and the other States was effected.

The Committee will recall that at that time the agreement provided that the Commonwealth would make available the money for New South Wales' share of the building of Chowilla. That was an internal arrangement between the Commonwealth and New South Wales, and it did not really concern this State. Part of the agreement was that New South Wales would make available to the River Murray Commission a considerable amount of water from the Menindee storages, contingent upon the commission's agreeing to pay interest charges on the Menindee storages during the prescribed period. I think that amounted to about \$320,000, a year, if my memory is correct. There was a time limit on the agreement, and that is what concerns me now. The agreement provided that this amount of water would be made available for a period of seven years, and I would think that we will be flat out (if I may use that term) to have Chowilla operating before the expiration of the agreement, which is seven years from the time it was executed. My memory may be at fault in this matter, but I should like the Minister or the Treasurer on some convenient occasion to check on this matter to see just how we are going regarding

Chowilla and what the effect of the agreement will be on our water supply in the Murray River areas.

It seems to me that we are becoming more acutely aware of the problems of the Murray River as the years go by. Quite recently I heard (I think in a news item) that the flow in the river is down to about 1,000,000 acre feet this year, which is a serious matter for South Australia and, indeed, for all the participating States. The tributary rivers from Victoria have run very little water, and the snow fall in the Alps has apparently been somewhat below normal. The Snowy Mountains scheme in the Alps is being utilized this year, I think for the first time, to bring Snowy water through into the Murray River, and it is rather pleasing to know that we are now able to draw something from that source and obtain from that huge expenditure some benefit regarding water supply.

There are one or two notable omissions from the hospital programme. The rebuilding of the Royal Adelaide Hospital seems to be going fairly well, and the Treasurer has provided nearly \$5,000,000 for that work. However, I cannot help noting that there appears to be nothing on the Estimates for two hospitals that were particularly in the public eye during the last election campaign. I refer to the proposed Tea Tree Gully and south-western districts hospitals. Also, I believe that Port Augusta is urgently in need of a hospital and that it has been seeking one for some time. I think the understanding up there was that when Port Lincoln was finished Port Augusta would be immediately commenced. However, I do not see anything on the Estimates for these works, nor do I see under the heading of "School Buildings" anything for the high school at Port Lincoln, a project which was approved by the Public Works Committee and by the previous Cabinet and which has been deferred indefinitely, apparently, by the present Administration, because I see nothing listed for that matter. I looked up the appendix containing the list of buildings that were to be planned during this coming year, but I did not see anything there regarding the Port Lincoln High School.

I know that the Minister is concerned, as I am, with the primary school accommodation at Port Lincoln, and I know that he is casting about to get the land into his possession to build another primary school. However, I urge upon the Minister the acute problem of the Port Lincoln Primary School. I think he is aware of it, but I want to mention it to him

particularly because this school (as he knows) has a limited area, and I do not know how he is going to put many more buildings on it than are there at present without encroaching on the playing area. There may be a plan for this, but I think the Minister agrees that it would result in very crowded conditions. The number of children requiring education at Port Lincoln is growing all the time. The Treasurer pointed out that Port Lincoln is one of the towns where the Housing Trust has accelerated its building programme, and this means in turn more and more schoolchildren needing accommodation. The Kirton Point school, although it has room for more, has been added to on two or three occasions. I ask the Minister to press on with this matter and to secure the land at the earliest opportunity, not to wait until he has the land but to get ahead at the earliest opportunity if he possibly can with any of the planning for it or at least the basic requirement of specifications as to the amount of accommodation required, the type of accommodation, and so on.

That completes my summary of this document. I said at the outset that I was most disappointed with and concerned about it. I do not want to cover that ground again. My criticism is levelled more in sorrow than in anger. It is a fact that we have to face up to this document. I do not absolve the Government from a high degree of culpability for the position in which we find ourselves, and I should be doing less than my duty as I see it if I did not approach this matter in this way. Although there are one or two bright spots in the programme (electricity, perhaps, being one of them) I do not give the Government many marks for its electricity programme. The Electricity Trust's programme was set out long before this Government took office. The programme for the two 120-K.V.A. alternators was designed and determined before the Government took over the reins of office.

When all is said and done, it is a matter under the jurisdiction of the Electricity Trust, which, I am pleased to say, has at all times been aware of the necessity for forward planning and has somehow managed to keep up with it. I appreciate, however, the fact that a reasonable amount of money is provided for rural extensions, because I feel that no single item has given more satisfaction and pleasure or has assisted more in the development of decent living conditions in country areas than the single wire earth return

system, which has enabled the Electricity Trust to take the standard power of 240 volts and 50 cycles into country homes.

All we can hope is that we shall not have next year a repetition of the kind of document with which we are now confronted. I do not quite see that the Government will recoup the position or how the steps that it is allegedly taking will do more than hold the position. The Treasurer will tell me at once that, unless he gets a greater allocation from the Loan Council, he will not be able to do much about it. I repeat that what he can perhaps do when he brings down his Budget is to see whether he cannot do a little better with the Budget, without too much high taxation, thereby protecting his Loan programme and not having to come back to us next year complaining that he is short in his Loan Account because he has to help his Budget, and particularly by transferring items, as he has done this year, from one account to another. I very much regret that the Treasurer has done this. I appreciate that he feels there is no escape from it—at least not now, although there may have been earlier had he taken the proper steps to control the Treasury 12 months ago. I support the first line and appreciate the courtesy of the Committee in hearing me for so long.

Mr. CASEY (Frome): I support the Loan Estimates for 1966-67 and compliment the Government on the manner in which it has gone about the not so easy task (in fact, the rather difficult task) of arriving at these Estimates. The member for Flinders, who has just resumed his seat, spoke along these lines and I must compliment him on the attitude he has taken. Members opposite could follow in his footsteps and be more realistic about this whole issue that faces not only this State but also (contrary to the opinions of some members opposite) every State of the Commonwealth. I know it is the job of an Opposition in Parliament to oppose, but it must face up to the position fairly and squarely and realize that our present financial position is not 100 per cent the fault of the Government. There is another Government in Australia, the Commonwealth Government, which controls much of what goes on throughout the length and breadth of this country, not only in this State but also in the other States. These Loan Estimates, as I see them, go to prove one thing—that the South Australian Government is prepared to meet any emergency fairly and squarely. It does not sidetrack any issue; it

has made no bones about money being tight. It has done its utmost to create a little confidence in the matter of unemployment, something that the Commonwealth Government has not done. We are, of course, limited in the money we have, and our public works last year proved this.

If we look at paragraph 2 of the Treasurer's statement, we shall appreciate that he was not at all reticent about the position; he came out and quoted the four factors that this State has to meet fairly and squarely. According to his statement, they were the result of the present position, as we see it. Of course, some members opposite have attempted to distort the position. I remember listening attentively to the member for Mitcham speaking about New South Wales. He quoted from the monthly summary of the National Bank of Australasia and referred lightheartedly to the fact that all other States were going along quite well but here in South Australia we were being faced with the biggest percentage of unemployment in the Commonwealth. There is no denying this, but at least we have tried, as a State Government, to rectify the position. I know that members opposite will appreciate the fact that the Commonwealth Government, too, has a big stake in this. There are many projects in respect of which the Commonwealth Government could come to the party in South Australia, but it will not. Here again, it is politics. Let us look, however, at the position in the other States. These are some of the points that the member for Mitcham did not mention. Let us look at the industrial activity in New South Wales. This is from the same column from which the member for Mitcham quoted:

Little change in the overall tempo of industry was apparent in June and many establishments worked to capacity whilst others experienced a lower output than for a year earlier.

So the industrial activity is not as good in New South Wales this year as it was last year. Then, the steel industry in New South Wales, which produces the greatest bulk of steel in the Commonwealth (we have two major centres there—Newcastle and Port Kembla) is maintaining its activity at about the level of previous months, and it was adjudged below full capacity. Export demands were tapering off. All this type of thing shows that there is a deterioration in the unemployment position in other States. The retail trade in New South Wales continued to be quiet.

Then we turn to Victoria, and let me remind honourable members that I happened to be in Victoria at the weekend when I heard the

Premier of that State (Sir Henry Bolte) give a little talk on television. Sir Henry made no secret of the fact that the deficit was staggering and that he did not know how to overcome the problem. Victoria has been under a Liberal Government for some time. The publication continues (in relation to Victoria):

Trade remained dull during June although retailers anticipate that the receipt of taxation refund cheques and the basic wage rise will eventually stimulate sales. Grocery items sold well . . .

Naturally, a household commodity sells well in any State.

Mr. Hudson: The Commonwealth Government is worrying, because Mr. McMahon has just budgeted for a \$270,000,000 deficit. It's scandalous, isn't it!

Mr. CASEY: That may create some worries among honourable members opposite. The publication continues:

Secondary Industry: Manufacturing activity showed a further slackening during the month and despite a strong demand for skilled labour there was some retrenchment of unskilled workers in the building, furniture, car and engineering industries.

This type of thing is happening right throughout the Commonwealth. When in Melbourne at the weekend I was informed by a welder who works in a large organization there, manufacturing "Wonderheat" appliances, that in the last few months over 60 men in the organization have been retrenched. Although all those men had over 10 years' service to their credit, I was informed that this sort of thing was prevalent in Victoria today. I returned from Victoria on Monday with the news that rail fares in that State had risen by 15 per cent. The man to whom I have just referred will now pay \$2.30 instead of \$2 for his weekly pass. His daughters who work in the city will have to pay increased fares, too. Tram fares have also risen, and rail freights have been increased by 10 per cent. The Opposition here is trying to create an impression that this Government is doing nothing to stimulate prosperity in South Australia, but I point out that many things required attention when we came into office. It is all right for the Opposition to say that it had the best Premier in South Australia for 30-odd years but, of course, he was this State's only Premier during that time. Although I admit that he did a good job, I think he neglected to make many improvements during his term as Premier.

Mr. Shannon: He could have had a few deficits too!

Mr. CASEY: Yes, but the member for Onkaparinga must remember that Sir Thomas

Playford was Premier at a time when South Australia's prosperity had never been equalled.

Mr. Langley: Or that of other States!

Mr. CASEY: The whole of Australia has been living on a wave of prosperity since the war. Even the primary producer must admit that.

Mr. Coumbe: Since 1949!

Mr. CASEY: Members opposite have not mentioned the fact that the Estimates provide for expenditure on the Roseworthy Agricultural College, at which many improvements could have been made by the previous Government. They should bear in mind, too, that in the past South Australia has been basically an agricultural State and even now still relies for most of its oversea exports on agricultural products. Nothing substantial was ever done in the past to stimulate agricultural research. I know the former Minister of Agriculture, towards the latter part of his reign, said that his Government would do something about a plant at Northfield, but little was done actually to stimulate agriculture in this State.

Mr. Coumbe: What about artificial insemination?

Mr. CASEY: That is what I was referring to. Agricultural land is unfortunately becoming scarce in South Australia so that, as has occurred in the United States of America, we have to resort to scientific methods to lift our yields. Honourable members may recall that 12 months ago I instanced how America had lifted its corn yield since the war from 35 bushels to 95 bushels an acre today, and that some strains yielded as high as 120 bushels. That is one way in which we can tackle the present problem, and I give full marks to the Government for looking ahead in this matter.

Mr. McAnaney: Hasn't your allocation for agriculture dropped this year?

Mr. CASEY: I think the honourable member will find, if he reads the Treasurer's explanation, that over \$200,000 is provided to commence the construction of the new agricultural, engineering and science laboratory, and a plant-breeding centre.

Mr. McAnaney: All to be provided by the Commonwealth Government!

Mr. CASEY: I do not think it is. I think a certain sum has to be provided by the States before the Commonwealth contributes to the scheme.

Mr. Shannon: You are entirely wrong.

Mr. CASEY: According to the Treasurer's statement, the Commonwealth Government is prepared to make grants to the State that may be used towards this project under technical training arrangements. As soon as a member

on this side tries to point out to the Opposition that the Government is attempting to improve the State's agricultural position, he is howled down.

Mr. Shannon: Your Government isn't finding the money; the Commonwealth Government is.

Mr. CASEY: It amazes me how members opposite can resort to these tactics, when the Government is doing everything possible to stimulate agriculture in this State. If they compare the figures for country water supplies and for Adelaide water supplies they will see that more is allocated for country schemes. A sum of \$6,425,000 has been set aside for the Adelaide water district. For the Morgan-Whyalla and Iron Knob supply \$3,018,000 is allocated, for the Barossa water district, \$96,000 and for the Warren water district \$161,000. For country water districts \$2,945,000 is allocated; a sum of \$1,302,000 is provided for the Tod River Basin; and \$440,000 is provided for the Beetaloo, Bundaleer and Baroota water district.

Mr. Heaslip: That's only for maintenance.

Mr. CASEY: It does not matter whether or not it is for maintenance—this work has to be done.

Mr. Heaslip: Why?

Mr. CASEY: Because in some cases the pipes have been laid for many years, are now rusting, and must be replaced. It does not matter whether the money is for maintenance or for extensions: the point is that water supply must be maintained in country areas, and it is being maintained to a greater extent than is the city supply. I point that out in case the member for Rocky River should say that country districts are not getting a fair deal in this respect. It is obvious that the Government is seeing that the country water supplies are not disregarded. I am absolutely staggered that representation has not been made over the years to the Commonwealth Government for South Australia to receive a special grant in view of the position with which we are faced with regard to water supply. South Australia is known as a dry State—probably the driest State in the driest continent in the world. In view of the fact that Queensland receives a special grant to carry out certain works, South Australia has been treated poorly by the Commonwealth Government.

Mr. Heaslip: More people are supplied with water in South Australia than in any other State in the Commonwealth.

Mr. CASEY: That is the point I am making. If other States can get money for special projects, we should ask the Commonwealth Government for a special grant to assist in providing water supplies in this State, because nothing can be done without water. After water the most important factor is power. The Government realizes this and, as the member for Flinders pointed out, a substantial sum is being allocated to the Electricity Trust in 1966-67 and will be utilized to the greatest extent. The Government has realized that water and power are the two most important factors in the development of the community, and the Estimates show that it has provided adequately for them. The Government is to be congratulated on the way in which it has arranged the Estimates. The Treasurer has been accused of juggling funds about but, as the member for Flinders pointed out in a fair speech, money in the Treasury is the most important thing. He said that these were the words of the former Treasurer who fervently believed that there must be money in the Treasury and that it did not matter where it came from as long as it could cover the necessary items.

Mr. Heaslip: From where is it coming?

Mr. CASEY: The member for Rocky River is a businessman as everybody knows; he is a good businessman and should know about this. If he wanted to invest some more money in the Grosvenor Hotel and did not have quite enough, he could draw a little from his property in the north and put it back later. That is an example of good business and it is the type of thing to which the member for Flinders referred and which is quite in order. There is nothing underhand about this way of doing things and I give full marks to the Treasurer for the way this was done. I compliment the Government on the way in which it has placed these Estimates before us. This was a difficult task but the Government was not afraid to state its position and deal with these matters fairly and squarely. I have much pleasure in supporting the first line.

Mr. COUNBE (Torrens): The Treasurer must have been at his wits end in preparing these Estimates.

Mr. McKee: You're only jealous because the Government handled it so well.

Mr. COUNBE: The Treasurer must have gone to much trouble in preparing the Estimates, which disclose an aggregate deficit of over \$8,000,000. He has had the job of trying to spread the expenditure as fairly as possible over all his departments. A close

examination shows that much gymnastics and jumping around have gone into preparing these figures to avoid the penal effect of funding the deficit through the Loan Account. We should acknowledge the nimbleness with which the figures have been adjusted.

Mr. McKee: Did you hear your colleague in the Commonwealth Parliament tonight?

Mr. CUMBE: The Treasurer has been most adroit on this occasion. In these Estimates we see for the first time certain revenue items, whereas the Loan Estimates are normally reserved for capital items. The two universities and the South Australian Institute of Technology, in addition to non-Government hospitals are to be provided with funds that normally come from Revenue Estimates, to ease the burden on the Revenue Account, but these buildings are not owned by the Government. Normally, Loan funds are spent on buildings owned by the Government, or in which it has a good equity. The Treasurer, explaining why this has been done, said that if Loan funds improve he might revert to the old system that was carried out for many years in which these items were provided under the Revenue Estimates. It is clear that one day he will come back to this scheme.

Mr. McKee: That is why you are where you are.

Mr. CUMBE: We will have the Treasurer over on this side of the House.

Mr. Langley: Impossible.

Mr. CUMBE: Perhaps the Treasurer will not be here long enough. It is obvious that the Treasurer has had the unenviable task of wielding a blue pencil, and much pruning has been done in all departments, in some cases severely. The Treasurer has had a difficult job because the position the Government is in as a result of carrying out its policies and election promises. The Treasurer rightly said that he was trying to spread the expenditure and maintain employment this year, but he has found himself in a real dilemma in trying to do this and also to get out of the fix in which the Government has found itself. Last year, when the Treasurer introduced the Loan and Revenue Estimates, he hoped that he could promise more this year, and we hoped that that would happen. However, that is not the case. For some lines the status quo has been maintained but in others the allocation has been reduced: in isolated cases there have been modest increases. In many instances the same allocation has been

made as was made last year, but in these cases the \$2 basic wage increase that occurred on July 11 has not been considered. If the same amount is provided this year as was provided last year, less work will be carried out, as costs of material and labour have risen as a result of the basic wage increase.

The member for Glenelg today appeared in a strange role, one we have not seen him in for a long time; he worked hard indeed in trying to justify and explain the Loan Estimates. However, he had to admit that it was a dreary and dismal document and in direct contrast to the bright promises and hopes that he and his Party made a mere 16 months ago. The member for Frome explained the record deficit in a rather facetious manner, not justifying it but using the old trick of comparison. He dragged in Sir Henry Bolte with his "staggering deficit" (which I think was the phrase he used), but the member for Gawler referred to the really staggering deficit announced tonight by the Commonwealth Treasurer.

Mr. Hughes: I know someone else who mentioned Sir Henry Bolte lately, too.

The Hon. D. A. Dunstan: You had better look at the front page of this morning's *Sydney Morning Herald*.

Mr. CUMBE: It is a matter of comparison, but the point to be considered is that this is probably a record deficit for South Australia. It certainly does not give Opposition or Government members pleasure, and we hope that before long the position will be rectified. If this deficit were deliberately constructed to provide more public works, more development, or was an effort to stimulate more employment, it would be understandable, but that does not seem to be the case. The provisions in this document maintain the present position, and no more. The Treasurer set out reasons why the deficit and the rapid deterioration in our economic outlook have occurred, and these reasons should be carefully examined. The first was that the consequent rate of expenditure beyond the revenues currently available in 1964-65 created insuperable difficulties in any attempt to bring expenditures and revenues back fully into balance in 1965-66. Whose fault was that? The Liberal and Country League Government when it went out of office in 1965, had an expansive programme of public works, and we went to the poll on that programme. We expected to return to power; we did not, but we would have carried out the programme if we had been returned.

The Hon. J. D. Corcoran: It would have been impossible.

Mr. COUMBE: The then Leader of the Opposition, now the Treasurer, said that the Labor Party would honour all undertakings of the Playford Government and the promises made by Sir Thomas Playford if it were elected to Government. He said that the Labor Party would carry them out, but now that Party is pleading that it cannot carry them out. The Labor Party said, "Return us, and we shall carry out the work." However, the Government now says that it cannot keep up with the programme.

Members interjecting:

The CHAIRMAN: Order! The member for Torrens.

Mr. COUMBE: That was the first of the four reasons given by the Treasurer as to why the position has deteriorated. The second reason was, to paraphrase the Treasurer's words, that the maximum increase in Government and semi-Government Loan allocations to which the Commonwealth would agree was increased in 1965-66 by only 1.2 per cent. The Treasurer, along with the other State Treasurers, attended the Loan Council meeting. Actually, the figure for that period was an increase of \$1,723,000. This year the increase is \$5,481,000, or about 3½ times the increase last year, and that more than makes up the figure that the Treasurer said was so low.

The third reason given by the Treasurer in trying to explain away this position was that the Government's attempts to secure additional revenue were obstructed in another place. In other words, he meant that the Government had introduced several financial measures that were defeated in another place. Let me show members how fallacious this misleading statement is when we look at the true position regarding the overall deficit. One measure defeated was the Road and Railway Transport Act Amendment Bill. It is obvious to anyone with any understanding of Parliamentary procedure that, even if this Bill had been passed by the other place, it could not possibly have come into effect until after June 30. Therefore, the loss to the Government in the year ended June 30 last because that Bill was defeated was nil.

The other Bill germane to this argument was the Succession Duties Act Amendment Bill, which passed here and was defeated in another place. It was estimated by the Government that the amendments in that Bill would have brought in \$1,500,000 in a full year. That Bill was defeated at the end of February last. If it had been passed, it could not have come into operation until after March, having regard to

the machinery provisions in it. Therefore, even making an allowance, the return to the Government from the Bill might have been \$300,000 in the last financial year.

These are the two measures that the Treasurer has referred to as being defeated by another place and he mentions the defeat of the Bills as a reason why the Government ran into this deficit of \$8,000,000. The fourth reason given by the Treasurer was the drought and the slowing down of the economy. This slowing down has occurred, and has been referred to by other members and by me in another debate. In the current year the drop in the house construction rate means that the rates and revenues that the Government will be procuring will drop off. The rate of increase that has been going on in recent years will drop away seriously and the Government will feel the effect for some years to come, despite assessments or any increase in rates, because there will be fewer houses from which rates will be brought in to the Treasury. These were the four points on which the Treasurer hinged his argument to explain away the deficit. However, the points I have put forward are unassailable, because they are factual.

I shall now deal with some detailed items in the document before us. I am trying to be constructive and request that the Ministers supply information when we deal with the lines. The first matter to which I refer is bridges. Apart from the Morphett Street bridge, which is being built by the Adelaide City Council under a special Act, no bridge is mentioned. Tenders are being called for the Jervois bridge at Port Adelaide, and it has been announced that this bridge is to be financed this year entirely from the Highways Fund, not from Loan Estimates. This is the Government's decision.

I should have thought that such a large capital expenditure item, involving more than \$1,000,000, would be provided for out of Loan funds, but it appears that the Government has made a deliberate decision to finance this project in a different way and to ease the burden on the Loan Estimates. Of course, if the money comes from the Highways Fund, fewer roads will be built in South Australia. The Highways Fund, as members know, consists of money derived from motor car registration and licence fees, and the fund is sacrosanct. It is to be used by the Highways Department on the construction and improvement of roads in the State. If the Jervois bridge is to be classed as a highways bridge, as I assume it

will be, then fewer miles of roads will be built for the motorists. However, that is the Government's decision.

The next matter with which I shall deal is Government hospitals. Last year in this debate I said that nothing was being done under "Mental Health" about the Strathmont Hospital for the rehabilitation of mental patients. At page 1062 of *Hansard*, in the proceedings of August 17 last year, I drew the attention of the Committee to the position, and the Minister of Works (Hon. C. D. Hutchens) made this interjection:

You may be interested to know that planning is proceeding.

I shall repeat the date—August 17, 1965. On the same page the Minister also said:

In a few weeks the Minister of Health and I will be determining the order in which work on these projects will be planned.

Later in my speech that evening, as reported on the same page, I cited the following extract from the Labor Party's policy speech, which was delivered in February, 1965:

Labor will immediately speed up the rehousing of mental hospital patients in modern buildings adequate for their needs.

This very matter is the subject of a separate item to be discussed tomorrow. There is no mention in the document before us this evening of anything to be done about this home to be built at Strathmont.

Mrs. Steele: The Minister of Health said in a public statement that it would be late next year.

Mr. COUMBE: Yes. We find not a word about Strathmont. Quite apart from the humane aspect of providing this home for these people, we pointed out last year and this session time and again the fact that the Government must build this quickly, and in this financial year, or we will miss out entirely on the Commonwealth Government subsidy. I invite the Minister of Works to reply and to comment on this aspect, because if this is not built (and there is no line on the Estimates for it) this State will miss out completely on the Commonwealth Government subsidy, for if we do not get it in this triennium we will never get it.

Let us run through the list of the special items mentioned in the Estimates and compare them with last year. I refer to the general line of "Hospitals". Last year \$7,314,000 was provided for Government hospitals, and this year the sum has shrunk to \$7,280,000. This is a line that I would imagine would naturally increase year by year. However, it has decreased by \$34,000. This may not be a significant amount, but the important thing

is that less is being provided for hospitals this year than was provided last year. When we consider the compounding effect of the \$2 a week basic wage rise which comes into this lesser amount, it means that much less is being spent on hospitals this year than was spent by this same Government on hospitals last year, and this is significant.

We see the same effect with schools. This year under "Schools" \$10,640,000 is being provided, which of course is arrived at after the credit that is received from the Commonwealth Government of subsidies of about \$800,000. Last year the sum provided was \$11,759,000, so we have gone back by \$1,119,000. We know the terrific population explosion that has occurred in primary, secondary and tertiary fields over the past decade or so, and we know how the expenditure on schools has risen on a very steep scale. In 1964-65, when the previous Government was in office, the expenditure on this account was \$11,600,000, which is more than is being provided today. I point out, too, that money was worth a little more then than it is now, and in addition this \$2 a week basic wage increase has to be taken into account. This seems extraordinary, because to my knowledge this influx of children into secondary schools, especially, has not decreased in recent years. I should be interested to hear the Minister of Education explain why this has occurred. There must be some special reason for it, or else the Treasurer's blue pencil has been wielded heavily in this department: if that is the case, I am the first to regret it, because I think we should spend every penny we possibly can on education.

When we look at the whole gamut of Government buildings we find that this year there is a slight reduction again. Last year the amount set aside for this purpose was \$22,960,000, and this year the amount is reduced to \$22,310,000. We then come to the most controversial subject of all. I refer to the south-western suburbs drainage scheme in the Glenelg District and in several other districts. This matter causes great concern to people in Marion, Brighton, Glenelg and other areas every year when there is a heavy downpour and local flooding occurs or the Sturt River overflows. In the last year the Playford Government was in office it set aside and spent \$3,200,000 on this project. Last year, under the new Administration, the amount set aside had dropped to \$2,609,000 and this year it has dropped back even further, despite the complaints of the people in those areas, which, incidentally, are Labor-held

areas. It has dropped back to a mere \$2,050,000, which amount includes an allocation for the famous Drain 10 in the Glenelg District. Something seems to be a bit hay-wire here. This is not indicative of works being expanded to provide more employment: all it indicates is a shrinkage of these works. These are matters that concern the Opposition, and I should like the Government in due course to explain why these major departmental works are being reduced. This was not made clear at all in the Treasurer's speech, and in fact it was not even mentioned. The figures were enumerated, but they were glossed over, and no indication was given of why the amounts were to be reduced.

The amount allocated to even a small department like the Mines Department has been cut back. To my way of thinking, this department should be expanded to its utmost so that it can play a major part in exploiting the natural resources of this State. I admit that the expenditures involved are only small ones. However, in the last year the Playford Government was in office it set aside \$400,000 for this department. This amount was reduced last year by the present Government to \$320,000, and this year a miserable \$250,000 has been provided for it. How can the department expect to expand and to carry out the exploitation and the exploratory work that is so vital in this State, especially with natural gas around the corner? It is simply not being provided here, and I am most concerned about it.

The Railways Department is an essential public authority in South Australia, and in the Islington Railway Workshops we have an industrial undertaking of which everybody in South Australia should be proud. The systems and the craftsmanship displayed there are of the highest standard. We find that the amount provided in each of the last three years has been about the same. In 1964-65 it was \$5,680,000, last year it was \$5,600,000 and this year it is the same. This means that less work will be carried out at Islington this year than last year when the rise in the basic wage and the decrease in the value of money are taken into account. It is the rolling-stock section of the Railways Department that the Islington workshop functions under and where most of the tradesmen are employed. Many of these men live in my district and many in the districts of the members for Hindmarsh and Enfield. In the rolling stock section this year an increased sum is being provided by the Government on what was provided

last year, but it is still less than the sum provided in 1964-65 under the Playford Administration. In the document that the Treasurer has presented to the Committee he has set out the details of the locomotives, waggons and carriages to be constructed at Islington. Some honourable members during a recent visit to the workshops were able to see the type of work being carried out. Last year I expressed concern that the sum provided for rolling stock had decreased. This year there is a slight increase: it is up now to \$3,784,000. But the position two years ago under the former Treasurer was that this item attracted a figure of \$3,844,000—and that at a time when there was no such thing as a deficit of \$8,000,000.

I am concerned that the work force at Islington will not be reduced, that the undertakings it can carry out will not be restricted because of the Loan funds available. It is fundamental that we maintain this work force because, if it is dissipated, it will be hard to replace many of those men, quite apart from the hardships that they personally will suffer. This is especially germane in view of the current standardization of railway lines, because these workshops manufacture not only rolling stock but also permanent way for this system in South Australia and for systems in other States. I should like the Minister in due course to explain this position.

Mr. Heaslip: Because of the recent increase in the basic wage there will be less work done there this year?

Mr. CUMBE: Yes, and fewer men employed. I would expect that, if the work force was to be maintained at the same level, it would mean that the figure on the Budget line would be increased to accommodate at least the \$2 a week increase, but the reverse has happened: there is a smaller allocation this year. The other section upon which I want information is the Engineering and Water Supply Department, under the Minister of Works. The allocation this year is \$26,000,000; last year it was \$26,200,000. In 1964-65 \$29,100,000 was spent, meaning that today less is being allocated to this department than in 1964-65, two years ago, once again ignoring this \$2 a week increase. The Engineering and Water Supply Department has, to my mind, always been one of the major developing organizations of this State. Wherever water can be produced, development follows. I have always taken the view that as much money as possible should be channelled and concentrated into this department, because of the nature of

its works, which are essential and vital to the development and well-being of South Australia.

Last year the allocation was reduced. Practically the same level is being maintained this year. Why? Surely this department should have received a greater allocation? I realize, in his favour, that the Treasurer said that in an effort to maintain employment (and this is to be commended; I agree with this) the Engineering and Water Supply Department and the Public Buildings Department overspent their allocations. Allowing for this position, the total allocation, in the upshot, is practically the same as for last year; in fact, it diminishes by \$200,000. If South Australia is growing, as it is and should be with more and more migrants arriving here and with extra houses being built, surely there is an increasing demand for water and sewerage services in South Australia. Think of the major pipeline works detailed in this document: the completion of the duplication of the Morgan-Whyalla main; the Swan Reach to Stockwell main, the Keith main (which seems to run into much bother), and others. To my way of thinking, it is a tragic and retrograde step to grant this department only the same allocation as it had last year. I realize that nothing can be done about it at present, but the Government will regret this move in years to come, and the State may be the worse for it and a sufferer from it. I know the Minister is worried about how he will spread his work and get all the projects done that he wants done. I hope he does not get an ulcer worrying about it.

The Hon. Frank Walsh: His blood pressure hasn't gone up.

Mr. CUMBE: The other item to which I draw the attention of the Committee and which was not referred to by the Treasurer is the operation of the Leigh Creek coalfield. It is shown here that from internal funds the Leigh Creek coalfield will provide the additional trucks and equipment required for this financial year, the normal additions to their capital requirements. Also in the Loan Estimates is shown a refund to the Government of \$600,000. No explanation of this is given. The other items appearing alongside it in the same category are all loans to bodies such as the Municipal Tramways Trust, the Housing Trust and other statutory bodies. These, of course, are repayments of principal, but there is no notation against "Leigh Creek Coalfield". Why is this \$600,000 credit being paid in? Is it being done in the same way as the Woods and Forests Department pays into the Treasury

the surplus on its operations? I do not know. I invite the Treasurer to explain this, because this is the one item that has not been explained.

I conclude by admitting that the Treasurer has had a tough time spreading these moneys throughout all the departments for which he has to provide; but, for all that, we have a record deficit, which makes dismal reading. The items I have referred to this evening can in due course be explained, because it is information that we as members of the Opposition require. The Government with the funds available has, possibly, done the best it can, but I point out that it will probably have to produce Supplementary Estimates of some magnitude before this year is out, because not enough provision has been made for the recent adjustment in the basic wage made on July 11 of this year. I support the first line.

The Hon. D. N. BROOKMAN (Alexandra): I shall refer to a few aspects of the Loan Estimates and endorse in brief the comments of my colleagues about the disturbing deficit showing in the Loan programme this year. It is a bad reflection on the State and no amount of reasons given can shield the fact that the Government has seriously mismanaged the financial affairs of the State. The four reasons given by the Treasurer for the deficit have been fairly well discussed by previous speakers. Although I do not intend to repeat their statements, I endorse what honourable members on this side have said. The arguments advanced by the Opposition have been particularly fair. However, while it is clear that any Government may have been in difficulties, such difficulties have been vastly magnified by the present Government's lack of application to its task. I have previously said in this Committee that other States in Australia are not faced with the same difficulties as those confronting South Australia; although Australians generally are a well-to-do society, this State is battling against considerable financial difficulties that are not experienced to anywhere near the same extent by other States.

I am more interested not in the reasons for the present situation but in illustrating its effects, and in deploring the fact that the Government is not doing what it should be doing. During the debate on the Loan Estimates last year I said that the allocation for fishing havens had been reduced from \$80,000 the year before to \$42,000. However, it has been reduced again this year (albeit slightly) to \$40,000, with the result that expenditure on fishing havens and provision for the fishing

industry generally have practically come to a halt. That is a serious state of affairs, bearing in mind that South Australia has previously been able to boast about what it has done for this industry. Right along our coast provisions have been made for facilities that were previously non-existent. I have previously referred to a complaint made by New South Wales tuna fishermen about the fact that South Australian boats were fishing in Eden (New South Wales) waters in the last few months of each calendar year, before the South Australian season opened. Although the New South Wales fishermen did not complain about the fact that they later fished for tuna in South Australian waters, they asked the then Labor Minister how they could compete with South Australian fishermen who received such good support from their Government. Indeed, that was true; they received much support, both financial and in the provisioning of facilities.

Although South Australia does not have many natural features to assist small craft, a healthy string of facilities has been provided, and we should not need too many more facilities to bring about a reasonable state of affairs for our fishermen. The previous Government provided facilities at Port MacDonnell, a magnificent small harbour at Lake Butler (at Robe), and a slipway at Beachport, and so on. Right throughout St. Vincent and Spencer Gulfs one will find that the previous Government was active in its support for the fishing industry. However, much still needs to be done on the West Coast, despite the work already undertaken at Port Lincoln, which has stimulated the tuna industry in that area. For instance, primitive facilities for the unloading of boats, and for the general provisioning of small fishing craft, exist at Thevenard and Ceduna.

Such places urgently require havens to obviate the risk of boats being forced by strong winds on to the rocks, and to facilitate the unloading of fish and protect fishermen from being drenched. I have been told that even under good conditions it is extremely unpleasant for fishermen to come in at the end of the day and be completely drenched because of strong winds. Although the Government could overcome such problems, this programme has simply come to a halt. One would not mind so much if there were any sign of improvements being made but, as I say, the expenditure on this item was reduced by one-half last year and further reduced this year. South Australia now seems to be merely relying on the good reputation it has previously established by

providing facilities of which we can be proud, prior to this Government's taking office.

The member for Frome (Mr. Casey) made an absurd statement about the Roseworthy Agricultural College. Clearly, the honourable member knew little about the situation and, although I know he is busy with the Land Settlement Committee, apparently he had not examined the Public Works Committee's report on the extensions to the college. The whole of those extensions, which the honourable member considered to be such a tremendous credit to his Government, are being financed by the Commonwealth Government. Although the member for Frome laboured under that delusion, I think he may be excused, because he probably saw his Treasurer on television recently referring to this expenditure. I have had much to do with the Roseworthy Agricultural College over the years and it has improved steadily in this time. For some time I was responsible for its welfare. When the present Principal took charge he came to see me and made many suggestions about what should be done immediately to improve certain facilities, particularly furnishings and other work associated with generally brightening up the place. These things were done as quickly as possible and the result was most successful.

This college is the oldest agricultural college in Australia. For many years its enrolment was only about 60 but after the war it had to be enlarged because of rehabilitation training and so on. It took in more students including an oenology course of over 100 students. This was a considerable number to take in and new laboratories and other buildings had to be provided over the years. Generally, I think the college has made steady improvement but, because of the demand for further education that has grown so dramatically in the last few years, there has been pressure for the college to take even more students.

When I was first a member of the Government there was no difficulty in accommodating all who wanted to go to the college. In the last few years, however, two or three times the number of firm applicants, who could actually be admitted, applied. Because of this growth, something more will have to be provided for agricultural education. For instance, is it necessary to have a 3-year course to train agriculturists in the various types of occupation they are going to follow? For some people a 3-year course is important but for others a 1-year or 2-year course would be perfectly adequate and probably more

desirable. Problems like this must be worked out, although I would not criticize anybody for not working out the problems yet. However, if the problems are to be worked out, obviously much capital expenditure will be required.

I point out that the expenditure referred to by the member for Frome had little or nothing to do with any previous plans for this college but was the result of the Commonwealth grant for tertiary education. The Public Works Committee took evidence on the college on June 3 and recommended the construction of a science block and farm engineering centre at an estimated cost of \$670,000. That is the good news to which the Treasurer referred on television recently. Apparently nobody seems to give much thought to where this money comes from. Yet the committee set this out clearly in its report, paragraph 6 of which states:

The following was extracted from the evidence submitted by Mr. Barnes regarding the availability of Commonwealth funds to meet the cost of the proposed works:

An amount of \$3,733,000 was available from the Commonwealth Government as a grant to South Australia for technical education provided that this amount was committed on approved projects prior to June 30, 1968. The schedule of projects had been approved by the Commonwealth but it was left to the State Government to determine priorities and to see that the funds were put to as effective a use as possible. This could be the last opportunity for Roseworthy to participate in a full Commonwealth grant under "technical training" because of new arrangements for advanced education as a result of the report of the Martin Committee. It was doubtful whether the full amount of the grant referred to earlier could be put to effective use prior to the end of the present triennium.

I think that fairly effectually shows that the member for Frome's straw clutching defence of the State Government has been ineffective. It shows that the money was Commonwealth money. In those circumstances, not only the member for Frome should feel a little apologetic but also the Treasurer, who should choose his subjects for television a little more carefully. In my district, there are two schools badly in need of replacement.

Mr. Curren: How long have they been like that?

The Hon. D. N. BROOKMAN: They were originally small but have been crowded seriously since the rapid increase in population a few years ago in the Reynella and Morphett Vale areas. When the last Government left office it was expected that the new

schools in the areas would probably both be open by 1967, although no hard and fast date could be given at that time. Land had to be acquired and planning had not reached a stage where it could be positively stated that they would be open in 1967, but it was expected that they would be. The position has drifted rather seriously since then. The present Minister of Education on June 23, 1965, stated in a letter to me that the earliest opening date that could be expected for the new Reynella school was February, 1967. On March 3, this year, he told me that the tenders for the construction of this school would be let early in the new financial year. Those tenders were advertised in the *Government Gazette* of last Thursday, but I understand they have not yet been let. The Minister expects work on the site to commence in September next and the school to be completed early in 1968. The erection of the new Morphett Vale Primary School has been recommended by the Public Works Committee, but it is not possible for that to open before February, 1968. A considerable slowing down has occurred in the programming for these schools, demonstrating what happens when the Government's Loan programme gets into difficulties. About 500 children attend each school: both are old and were not designed for that number.

I have asked questions about the traffic problem at the Morphett Vale Primary School, which is adjacent to the South Road, where hundreds of children approach the school in the morning and leave it in the afternoon with heavy traffic proceeding past the school. No permanent provision can be expected at a school that will remain for a short time only. However, much danger exists at present, and I am pleased that the Minister has said that further warning signs are to be erected, as they may alleviate the traffic problem. Other problems exist: lack of sporting facilities, shortage of playgrounds for the children, and unsatisfactory sanitary and hygiene facilities. The closer the school comes to being replaced the more difficult these problems become, and I urge the Government to seriously consider them. Perhaps the completion date for both schools, but certainly the new Morphett Vale Primary School, should be advanced as far as possible, but one cannot expect the Reynella school to open much earlier.

I think the Opposition is justified in criticizing the Government. Perhaps the Government can produce reasons for the parlous condition of the State's finances, and may claim

that outside factors have affected them. However, it would be fair to say that the Government made firm and optimistic promises that it has failed to live up to.

Mr. McANANEY (Stirling): In supporting the first line of the Loan Estimates, I criticize the way in which they are set out. Last year, about \$24,000,000 was to be collected in repayments, but no explanation is given why the amount received was \$1,200,000 short, and it should be given. Last year, the Treasurer in his explanation set out the balance carried forward and the repayments to be made this year, but this year it is difficult to ascertain the Treasurer's intention. The amounts owing on the year before as at June 30, 1965, are briefly set out, less repayments and less securities cancelled, but the actual amount of repayment on each line should be shown together with the amounts of securities cancelled to give an idea of what has taken place during the year. Without that information the Loan Estimates are vague. Many new ideas for the setting out of accounts are used by companies to show more detail, and perhaps the Government should follow these ideas.

Many reasons have been given for the deficit in the Loan Estimates but, without criticizing the Government, I believe that the basic reason is that when it came into office it paid out a large sum for service pay that increased the Government's costs, whereas it did not have the resources to meet them. As it will cost more for every job, public works in South Australia will slow down and certain projects will have to be postponed. Perhaps the present Ministers (unlike the previous Ministers who were careful and considered applications on their merits) are being good fellows, doing this and that so that money is spent quickly without accomplishing anything essential. The Australian Labor Party advocated that the Commonwealth Arbitration and Conciliation Commission should increase the basic wage, but this increase helped to get rid of its money quickly, so that the Government must be blamed for the present difficulties of the State. Perhaps members are sick of hearing the word "drought". Although the wheat harvest was reduced slightly this year, the State had a record wool yield with a higher price a bale. That means that more money is circulating within the State and compensating for the loss on the grain harvest. Whereas in New South Wales 17 per cent of the sheep population has been lost, the figures in this State are at an all-time high, there being no need to sell sheep.

Generally speaking, primary-producing industries are relatively prosperous compared with the position last year. So, that cannot be given as a reason. It has been suggested that another place denied the Government revenue and that that caused a slowing down in employment. However, I pointed out in another debate recently that, if spending power is taken from the individual and given to the Government by way of increased tax, employment is not increased one iota, because this represents only a transfer of purchasing power.

In the 1952 boom period high wool prices caused a big influx of money to Australia and the Government imposed a tax on wool. The woolgrowers complained at that time that purchasing power was being taken from the community and was being placed into the general revenue of the Commonwealth Government, which spent it, so not one penny of spending power was withdrawn from the general community. At that time we got into the inflationary trouble that has been a liability to Australia ever since. We cannot now export our primary or secondary products without incurring a loss, and that has been the cause of unemployment.

To take purchasing power from one person and give it to another does not solve the problem. The member for Glenelg (Mr. Hudson) referred to 1964, when we experienced another boom period. There was an excess of purchasing power, a strain on our resources, more vacancies than unemployed, a tendency for prices to rise, little competition among manufacturers, and no incentive for manufacturers to be efficient. At that time the Reserve Bank, in its wisdom or otherwise, withdrew money from circulation. I think even the member for Glenelg will admit that at that stage that should have been done. Perhaps it was not done in the right way, because, as he has said, some time elapsed before what was done took effect in the community. Such action takes time before its effect is felt through the banking system, and the reaction may be slow.

However, generally throughout Australia the number of vacancies exceeded the number of unemployed, and in South Australia right up until March, 1965, that position obtained. Therefore, the action taken then did not affect our position. Immediately there was a little tightening up the Reserve Bank made money available and employment figures generally throughout Australia have kept reasonably good. When an economy is running down, unemployment is not eliminated by taking

purchasing power from the community. The Commonwealth Government cannot be blamed for not having made money available in that period.

The unemployment position is unique to South Australia. Between March, 1965, and February, 1966, the Commonwealth Government put on 800 extra employees in South Australia, whereas the State Government put on only 500, so it can be said that the Commonwealth endeavoured to assist this State. The blame for this recession cannot be placed on the Commonwealth Government: rather, it has been caused by a lack of confidence in South Australia. When people think of a deficit and increased taxation, they lose confidence and do not spend money.

Irrespective of the amount of money that the Commonwealth Bank or the Reserve Bank puts into circulation, it is the rate at which the money turns over that determines whether or not there will be a slowing down. Lack of confidence slows down the whole process, and unemployment results. That is the cause of the recession in South Australia, and I reiterate that it is peculiar to this State.

Mr. McKee: What is causing it?

Mr. McANANEY: If people think that more taxation will be needed to meet a deficit, they become careful and money does not turn over at the same rate. The volume of money is not material: the speed with which it goes from one pocket to another is. If the member for Port Pirie (Mr. McKee) leaves money in his pocket for a couple of months and does not go to the dog racing, that may slow down the economy.

There is one aspect in which the Government will increase its expenditure. That is in respect of the Electricity Trust. I think the figure is about \$700,000. I congratulate the Government on spending money for the good of the community. Most of the work that the Electricity Trust will undertake will be financed from internal reserves. How these reserves are made up has not been made clear. I presume that they have been built up from depreciation (about \$8,000,000), securities cancelled, and profits that have been made. The Electricity Trust really got started under the dynamic leadership of Sir Thomas Playford, and as it has always operated at a profit it has the funds that will generate more work without the necessity of taking much money from the Loan funds for that purpose. Electricity is gradually spreading over the whole State and, in my district, few people are not served by electricity.

The CHAIRMAN: Order! I ask honourable members on both sides to observe the Standing Orders. There has been a continual discussion in the Chamber, and not only is it difficult from here to hear the honourable member who is speaking but the staff whose duty it is to record the speeches of members are having difficulty. I ask honourable members to look at Standing Order No. 107. The honourable member for Stirling.

Mr. McANANEY: Well, Mr. Chairman, I am sorry if I am not speaking loudly enough. I was attempting to instruct the Government how to get out of its troubles. We are doing our very best in this regard at the moment, and I think I have a convert in the honourable member for Port Pirie. The reduced allocation for the Engineering and Water Supply Department is regrettable. I consider that if that department had adopted the same system as the Electricity Trust has adopted over the years, with the same method of receiving its money and carrying out its projects and charging on the rate of consumption, it would be better off in that respect. This is going to apply very much to the area around Langhore Creek and the lakes, for many vegetables must be grown in that area; they are being grown in the Murray Bridge area now, and I think there are some 800 glass houses in one area.

Some people do not have enough water to water their tomatoes. Many people are connected to the town supply and they are allowed a $\frac{1}{2}$ in. pipe into their blocks to water their tomatoes, but instead of taking two or three hours to water their seven or eight houses it takes anything up to two days, then they have to start watering again because they have only that small diameter pipe into their blocks. A number of them have installed tanks which cost about \$600 each. Others buy the next-door block, and this gives them another pipe which they can connect to their tanks and so water their tomatoes in an efficient manner. This area is only two or three miles from the river.

One person there asked me the other day why, instead of one person spending \$600 putting in an unnecessary tank, they could not all get together and be put on a standard charge like the one the Electricity Trust has and perhaps pump from the river to the blocks. This would be much cheaper and more effective for them. There are areas where everybody needs water, but much of it is saline. If the people in those areas could get fresh water they would just about double their carrying capacity and would increase the value of their land by \$10

or \$12 an acre. I think a method of charging similar to that adopted by the Electricity Trust would be more equitable, and would result in funds being available to do the job more quickly. Some other areas have salt water and fresh water alongside, and it is very hard for the people in that district to get together and agree on a water scheme because some people want a scheme while others do not. However, if we had the same system as that adopted by the Electricity Trust we could get water to these areas because the people who needed it would be prepared to put in a scheme and it would be much cheaper than the present system.

It is very pleasing to see that the Government saw fit to put some money into the Government Produce Department in Light Square so that the carcass meat system of selling could be extended. I congratulate the Government on taking this action. I consider this is a much more efficient way for the growers to dispose of their meat than selling it as livestock. It is also beneficial to the consumer, because the meat goes not through the hands of the middleman but direct from the producer to the consumer. We shall make much better progress by having efficient methods that will reduce costs. At times we tend to increase our costs, with very little benefit to anybody.

Something was said tonight about the \$270,000,000 deficit that the Commonwealth Government will incur, and it was stressed that that was something that could be bad. However, it is a little different from what this State Government did last time, when it budgeted for a \$34,000 deficit in the Loan funds and finished up with a deficit of nearly \$3,000,000. The Commonwealth Government budgeted for a \$110,000,000 deficit last year as a sort of boost to the economy, and I think it finished up squaring its Budget. This time

the State Government has budgeted for \$144,000 deficit, but if it follows last year's form this will become a deficit of \$10,000,000 or \$11,000,000. Probably the Commonwealth Government will finish up with a much smaller deficit than is expected.

I think I said in the Address in Reply debate that when we have a slight recession in the other States and a big recession in South Australia possibly the easiest and quickest way of overcoming a little slowing down in the economy is to refrain from raising long-term loans. One was raised in May and it was not very successful because there was not enough money in the country to fill it. If no attempt had been made to raise that loan, that money would have remained in the banking system or in life assurance companies, and both of these are sources of much money for housing. Had that money been available for housing it would perhaps have strengthened the economy much more quickly than would the method of budgeting for a deficit, for we do not know what the revenue will be and what the expenditure will be.

Immediately we get a shortage of purchasing power we get unemployment, and that is bad. In the same way, if we get a state of over-employment we get price rises, and then we may even need the Prices Act in South Australia to keep prices down. If we keep that balanced economy and there is no inflationary pressure there is no need to control prices, and the only thing that would then be necessary would be to cut out restrictive practices. Mr. Chairman, at this stage I will merely support the first line and will reserve other comments for debate on the lines.

Progress reported; Committee to sit again.

ADJOURNMENT.

At 10.31 p.m. the House adjourned until Wednesday, August 17, at 2 p.m.