

HOUSE OF ASSEMBLY

Wednesday, July 24, 1974

The SPEAKER (Hon. J. R. Ryan) took the Chair at 2 p.m. and read prayers.

PETITION: RAL RAL IRRIGATION DISTRICT

Mr. ARNOLD presented a petition signed by 64 members of the Chaffey Settlers Association of the Ral Ral Irrigation District, praying that the Minister of Lands would, following a plea for leniency, reconsider water rates for the 1973-74 season; proceed to complete the new irrigation system forthwith by providing mains for the channels now left; and endeavour to improve the drainage system, the overloading of which had resulted in some pumps being switched off when most needed.

Petition received and read.

PETITION: SODOMY

Mr. COUMBE presented a petition signed by 25 persons objecting to the introduction of legislation to legalize sodomy between consenting adults until such time as the Parliament had a clear mandate from the people by way of a referendum (to be held at the next periodic South Australian election) to pass such legislation.

Petition received and read.

PETITION: WATER RATES

Dr. TONKIN presented a petition signed by 871 residents of the City of Burnside who expressed concern at the present inequitable system of estimating and charging water and sewerage rates, particularly in the present period of high inflation. This practice had resulted in water and sewerage rates being increased, in many instances, by more than 100 per cent, which was an unfair, discriminatory and grossly excessive impost on them, and which would cause hardship to many residents on fixed incomes. The petitioners prayed that the House of Assembly would take action to correct the present inequitable and discriminatory situation.

Petition received.

STATE'S ECONOMY

The Hon. D. A. DUNSTAN (Premier and Treasurer) moved:

That Standing Orders and practice be so far suspended as to enable Notices of Motion for Leave of Absence Nos. 1 and 2 to be postponed and taken into consideration after Notice of Motion (Other Business) No. 1, and to enable Notice of Motion (Other Business) No. 1 to be taken into consideration forthwith.

Mr. MILLHOUSE (Mitcham): I regret that I have not been consulted about this matter and I am not sure of the complete purport of the motion. I therefore take this opportunity of finding out what is going on. I take it that we are to debate the motion, notice of which the Leader of the Opposition gave yesterday. I think, with great respect, that it is proper that we should debate it, but does that mean that we are to go straight on with the motion without having Question Time today? Are we to have questions first, or what is to be done about this? Because of the weakness of the Premier's voice, I did not catch all of his words (I think that the Premier mumbles often); therefore, not having been consulted and not having understood precisely what was in mind, I wish to ascertain what the effect of the motion will be.

I do not believe that we should abandon Question Time and go on with the motion; we should have Question Time first. I will support the motion if we are to have questions

and then to debate the motion. Having now been handed a copy of the Premier's motion, I see that we are not to have Question Time, but that Notice of Motion (Other Business) No. 1 is to be taken into consideration forthwith. If that is the case, I will not support the suspension of Standing Orders. As I say, I believe we should debate the motion, but I do not believe that, after a gap of four months, we should abandon Question Time on the second day of the session, nor is this matter so urgent as to require that we do so. I hope that it will be possible, in view of what I have said, to come to some arrangement so that we can have our normal Question Time, then go on with the debate on the motion; otherwise, I will not support the motion for suspension.

The SPEAKER: Order! The question before the Chair is the motion moved by the Premier to suspend Standing Orders. Those for the question say "Aye"; those against, "No". As there is a dissentient voice, a division is necessary. Ring the bells.

The House divided on the motion:

Ayes (36)—Messrs. Arnold, Becker, Broomhill, Dean Brown, and Max Brown, Mrs. Byrne, Messrs. Chapman, Coumbe, Crimes, Dunstan (teller), Eastick, Evans, Goldsworthy, Groth, Gunn, Harrison, Hopgood, Hudson, Jennings, Keneally, Langley, McAnaney, McKee, McRae, Nankivell, Olson, Payne, Rodda, Russack, Simmons, Slater, Tonkin, Virgo, Wardle, Wells, and Wright.

Noes (2)—Messrs. Boundy and Millhouse (teller).

Majority of 34 for the Ayes.

Motion thus carried.

Dr. EASTICK (Leader of the Opposition): I move: That this House—

1. express grave concern at the effects on the well-being of the citizens of South Australia of the Commonwealth Government's inadequate anti-inflationary policies and the adverse repercussions for South Australia of—
 - (a) the continuing wage-cost-price spiral;
 - (b) increasing housing costs;
 - (c) growing unemployment;
 - (d) escalating State taxation.
2. urge the Commonwealth Government to adopt a realistic attitude towards the financial requirements of the States.
3. call on the Commonwealth Government to take a more positive stand against irresponsible trade union leadership, and
4. call on the State Government to adopt a more realistic and responsible attitude to the economic management of the State, or to forthwith resign.

On an occasion as important as this is for the economy and well-being of the people of this State and also of Australia generally, I would have expected a unanimous vote to allow a debate on this motion to proceed forthwith. The South Australian Government, and the Premier in particular, has failed the people of the State in a period of economic crisis of disastrous proportions, which is certainly unparalleled in the history of South Australia or of the Commonwealth. The Government has failed in South Australia by refusing to take positive action against any of the major factors contributing to inflation—inflation over which the Government has some degree of control.

The Premier, in his statement yesterday, indicated that, although he realized and accepted that certain opportunities existed for bringing before the House proposals that could be promoted before the Commonwealth, he has persistently failed to do so. If I would not be transgressing too much, I would say that it was not indicated yesterday that an attempt was being made to bring this

matter before the House to enable it to be promoted and raised in Canberra. The failure of the Dunstan Government has been twofold: it has refused to take positive actions open to a State Government to promote economic sanity, and it has refused to exert any serious pressure or influence on the Commonwealth Government in an attempt to force that Government to accept its responsibilities. The Whitlam Government has consistently shown that it will not adopt policies aimed at lifting the country out of the economic mire into which it has sunk under Australian Labor Party mismanagement. By interjection yesterday I indicated that, in September last year at the Commonwealth Constitution Convention, all State Premiers (our own included) indicated to the Prime Minister that they would be willing to meet him and make available provisions relating to both prices and incomes, provided that there was a limit and an indication by him of the way he wanted to exert those measures.

The Hon. Hugh Hudson: That's not so.

Dr. EASTICK: It is reported in the record of the Commonwealth Constitution Convention, and I have no doubt that other members will indicate their position in relation to this matter. The Premier referred to Mr. Bjelke-Petersen (Premier of Queensland), who made it clear that he would not go into a one-way deal when there was a chance for a mutual and co-operative arrangement to exist between all States and the Commonwealth. We find that the Prime Minister let the side down by being so dogged in his approach that, come hell or high water, he would sponsor a series of referendums, the result of which is now history.

Last evening the mini Budget announced in Canberra by the Commonwealth Treasurer was the clearest example yet of the Commonwealth Labor Government's inability to comprehend basic economics. It introduced measures aimed at a form of inflation that is not present in Australia. The action taken will only increase the problem of inflation in Australia. The supposed anti-inflation measures introduced in the mini Budget will be as unsuccessful as every other measure that the Commonwealth A.L.P. has so far introduced in the preceding 12 months. According to the newspaper reports today, this belief is also held by everyone involved in the economic policies of Australia. For 12 months the Government has been bungling around with the lives of people on this important issue. Economic experts in Australia are saying today that the measures taken last evening will be grossly inflationary, not anti-inflationary as has been suggested by the Treasurer and his colleagues.

Such measures will have no effect on spending in Australia. Everything that the Government has attacked by increased taxation will still be required by the public: the demand remains. All the Government has achieved is an increased cost of those commodities, so adding to the spiral. Certainly, if the announcement that was made only a few moments ago is correct, members of the Labor Caucus in Canberra have increased that spiral by going against the attitude of the Prime Minister and Deputy Prime Minister in respect of their own salaries. The next step will be for the trade unions to increase their pay claims to cover the increased cost of living that is forced on every person in respect of every service they receive. This is irresponsible mismanagement of the Australian economy at its highest level and not even one person will dispute that argument. It is typical of the "we know best what is good for everyone" attitude that has been promoted by the Prime Minister and his

colleagues. Such an attitude has been espoused continually by the Prime Minister and all his Commonwealth colleagues in their writings and pronouncements. The State Governments have an influence on Commonwealth policy and, if we can believe the electioneering propaganda put forward by the A.L.P. before the Commonwealth elections held in 1972 and in May this year, an A.L.P. State Government would receive great benefit from having an A.L.P. ally in Canberra. Yet what is the true position? A document presented yesterday clearly recognizes the fact that South Australia is disadvantaged more than are the other States.

The increased excise on spirits, particularly brandy, together with measures already introduced by the irresponsible Commonwealth Labor Government, will further seriously harm the constituents represented by my colleagues the members for Chaffey, Mallee, Kavel, Victoria, Heyden and Rocky River, all of whose economies are based on a viable vine industry. It will be anything but viable, considering the intrusions made by the Commonwealth Government since it has been in office and the further irresponsible action it took last evening. I ask members opposite to demonstrate how they have used their influence, as we were led to believe would be the distinct result of having a Commonwealth Labor Government to supplement the State Labor Government. That influence is non-existent; this State is getting it in the neck from a Government that could not care less about South Australia.

Mr. Payne: Where were you on the recent referendums?

Dr. EASTICK: Where was Mr. Hawke on the prices referendum?

Mr. Payne: Where were you?

Dr. EASTICK: Very clearly where any responsible person would be: against the attempt by the A.L.P. to gain total control over the lives of the people of this State and of other States. The people of this State, whether they voted for the A.L.P. or not at the election, gave a clear response to the referendums in 1973 and again to the four referendums in May this year. We have not received many benefits that were promised by the Premier, other members opposite, and Commonwealth Labor members, including the Prime Minister. We are the victims of a lie, because, on the contrary, we have seen an erosion of the benefits formerly received by South Australia. If the Whitlam Government has been consistent in anything, it has been consistent in its contempt for State Parliaments generally and their responsibilities to the people in those States, the very same people who I suspect now very much regret having returned that Government to the Commonwealth Treasury benches. The people are expressing this regret more day by day. In this respect, the Premier (except for one occasion) has repeatedly attempted to help the Commonwealth Government to cover up its succession of financial bungles; he has refused to utter one word of condemnation.

Mr. Langley: What about the pensioners?

Dr. EASTICK: I applaud the fact that pensioners have received an extra \$5, but what good will that money do pensioners or superannuants who do not get help in view of the present circumstances? What about the promise made to pensioners that the means test would be phased out for those over 70 years of age?

Mr. Langley: What did the Liberal Government do when it was in power: nothing!

Dr. EASTICK: It progressively improved the situation.

Mr. Langley: It did nothing about it.

Dr. EASTICK: On only one occasion has the Premier condemned the Commonwealth Government for what it

was doing. I should say that the Prime Minister was as surprised as anyone in Australia when the Premier turned his wellknown vitriol on his Commonwealth Leader when the Prime Minister so rightly deserved it for his nose-thumbing at the States at the last Premiers' Conference. That was a case of powder puffs at a hundred paces. About a week or two later the Premier told us that there had been no misunderstanding and that the Prime Minister and he were the greatest of friends. If they are the greatest of friends, why has he been unable to prevail on the Prime Minister to recognize the special needs of industry in South Australia? Nothing about this matter has appeared in any pronouncement of the Prime Minister, and certainly the Premier has not been able to say anything about it.

Will the Premier level the same degree of condemnation as he levelled on that earlier occasion at the Commonwealth Government for its latest demonstration of backward administration? Will the Premier go to the Prime Minister and, in addition to referring to this motion before the House, tell him clearly that the people of South Australia cannot and will not accept the decisions that have been taken. Let us consider the mess Australia has been swept into on the wave of Socialist doctrinaire policy of the A.L.P. The A.L.P. pulled its greatest confidence trick and the most successful piece of advertising distortion ever achieved in Australia when it sold itself to the people as a responsible political Party which supposedly had the interests of all Australians at heart and which was entitled to a chance to show what sort of job it could do as a national Government if it were permitted to conclude its period of office.

What has happened since the election has been the opposite of what was said before that election. Right up until May 18, the A.L.P. said that inflation was not an issue of consequence. Suddenly, after May 18, inflation became a matter of consequence. This case is rather similar to that of the education problem which was an issue in South Australia until May, 1970, but which from that time ceased to be an issue, almost overnight. The present position is as farcical as was that position. We have seen what sort of job the Commonwealth Government can do. We have seen the State Labor Government sitting back, obviously hoping that none of the bad effects will rub off on its own electoral image.

I have news for the Government: the people of South Australia are clearly saying, with more gusto day by day, that they are sick and tired of the inaction of the Government, of being taken for granted, of not receiving the consideration they deserve, of having further taxation levied against them by the back-door methods of the Acting Minister of Works, and of the actions and comments he has made about water and sewerage. They are sick and tired of being told that they are better off than anyone else, and that the cost of inflation in relation to the price index is going down, when actually it is increasing. They are sick and tired of the attempt being made to hoodwink them. They are reacting in a responsible way. They have the right to expect the Government to do something to restore the good life that people have enjoyed in South Australia in the past.

The people should be able to expect the industrial security that South Australia has previously enjoyed. However, they are being gravely disadvantaged by the erosion that is taking place, affecting our industrial base. The industrial base of this State places us in a more vulnerable position than is any other State. My authority for that

statement is the reference made by His Excellency yesterday, a remark to which every Opposition member subscribes. The current level of wage settlements indicates that earnings are increasing at a rate of about 25 per cent; this would indicate an inflation rate of about 20 per cent. That is the level forecast early this year by the Liberal and Country Parties when they went to the people of Australia. According to the A.L.P., that forecast was alarmist.

I was supposed to be an alarmist when six weeks ago I said that job opportunities for many people in South Australia would be seriously jeopardized by the problem of demarcation at the Port Adelaide wharf. I was accused of being an alarmist when I said that unemployment would follow tariff cuts, and that people in the leather, textile, motor car, and electronics industries were being disadvantaged as a result of the actions taken by the Commonwealth colleagues of members opposite. I was not being an alarmist: I was speaking factually and indicating clearly what situation would arise. That situation has now arisen. Not even one member opposite can deny the disastrous effect that it is having on the forward security of this State.

Regarding the cost of living (and other members also will comment on this matter), we were told that the 2.4 per cent increase for the March quarter was, in fact, a reduction, but the 2.4 per cent increase in that quarter was the highest for that time of year for 22 years and, notwithstanding the protests and claims by members opposite that inflation had been controlled and that it was on the way down, we have had nothing but increases ever since. In this time, we have achieved one thing: we have beaten the 14.5 per cent inflation that was admitted at that time and we are progressing further.

Last evening the Commonwealth Treasurer acknowledged that events already taking place would increase the percentage for the September and December quarters. Where is the relief that has been promised to the people of Australia? The Commonwealth Treasurer would not admit those facts during the Commonwealth election campaign, but they were known to everyone else. He kept walking away from them, saying that that just was not so and that he and others who knew could assure the people of Australia that everything was all right. How all right it is is much clearer each day! Last evening the Commonwealth Treasurer stated:

Without exaggeration, the Australian economy now faces a highly dangerous situation.

Of course it does, and it was facing it before May 18; but the Commonwealth Treasurer would not accept that. Liberal leaders around Australia were saying about six months ago that the economy faced a highly dangerous situation. It followed on from a series of summit meetings and announcements made in the Commonwealth Parliament, in this Parliament, in other State Parliaments, and publicly.

An inflation rate of 20 per cent means that we double costs in three years nine months, because it is a matter of compounding, and a house that costs \$15 000 today will cost \$30 000 soon after Christmas 1978. We all know that housing costs are increasing at a rate far greater than 20 per cent. Statements made by the industry representatives about three or four weeks ago have indicated a rate of increase of about 40 per cent, and other members will be dealing with that matter.

It also has been stated that many incomes are increasing rapidly, some more rapidly than others, but the take-home pay is being reduced in effectiveness and, in many cases,

decreased because of the higher taxation rate applicable and higher superannuation payments. In 1973 the average wage-earner increased his earnings by 15 per cent, but his income tax increased by 34 per cent. If, as is expected, average weekly earnings for 1974-75 increase by 25 per cent, the increased Commonwealth Government revenue from personal income tax alone, excluding the adjustments that already have been "promised" in September this year, will exceed \$2 500 000 000. Therefore, Government revenue is increasing at a higher rate than the increased rate of inflation and, although the value for the man in the street of his dollar is decreasing, the Commonwealth Government is getting a massive rake-off.

Arising out of the inflationary situation, the level of industrial disputes has reached a record. It was easy for the Premier to state here yesterday that South Australia had a particularly good record. Regardless of our good record when measured against the Commonwealth figures, the *News* of Friday, July 19, contained a report that stated:

Strikes take big toll of lost work. South Australia lost more working days through industrial disputes in the four months ended April this year than in the whole of 1973. Much other information, including statistical detail, is given in that report, and in the editorial comment. The Government's statement of expenses released last Friday shows that position, and the effect has been to increase greatly the cost of Government projects. Throughout Australia 3 419 200 days were lost in that period of three months, and that number is higher than the number for any 12 months since the depression of the 1930's. What is the State Government doing while South Australia is being racked by militant unions, blackmailed out of bread and milk, and crippled by go-slow campaigns, union demarcation disputes, and straight-out union strong-arm tactics? What is being done for the people who are being disadvantaged by the present transport strikes? It is a rolling-strike situation: Yesterday the Premier stated, in effect:

There is nothing the South Australian Government can do about the inter-union dispute that has left more than \$1 000 000 worth of steel rusting on the wharves at Port Adelaide.

He also implied:

We have said the Transport Workers Union are naughty boys, but I am sorry, there is nothing either the State Government, the Commonwealth Government or even Captain Super-Hawke and his Australian Council of Trade Unions trouble shooters can do.

We have the position that financial hardship is being caused to workers in this State because of the inability of the industry that employs them to offer them freedom or the amount of job security that they should be able to expect, because the industry has no clear indication of when the next supply of steel will be available or the quality and size of it. We also have the position that, clearly, the Government is pleased to accept the situation as it is and do nothing tangible about it.

One of the major reasons why we have this situation is that the Premier is a prisoner of the trade union hierarchy. He cannot cast off the continuing demands of that hierarchy. It will be interesting to see whether the next pay-off is not the elevation of Mr. Cavanagh as a Commissioner of the Industrial Court. Two years ago the A.L.P. said, "It's time". Today the people of Australia certainly echo that sentiment: it is time the A.L.P. did something about the mess Australia is being forced into by the guerilla warfare of the hierarchy of militant unions which is acting against the best interests of the union rank and file by bringing about exorbitant wage claims and irresponsible

strike action. These strikes, and the increased costs that result from them, are forcing on manufacturers a prime cause of the increasing inflation now rampant throughout the country. The housing industry, as will be discussed later, clearly indicates this. In last Monday's *News*, under the heading of "Massive slump in new homes," appears the following:

Figures released today by the South Australian branch of the housing industry association reveal a dramatic slump in new home building. The number of new homes started in South Australia since January is down 35 per cent on last year's figure. And, according to the association's State President, Mr. M. Lloyd, the expected decrease over the next six months is 40 per cent . . . Mr. Lloyd said the main cause of the slump was the shortage of finance. What a depressing future for young people and young couples who have just married or who are planning to be married: a future of living in rented flats or multi-storey low-cost housing apartments, or the opportunity, by a little solid work by the whole of the community, to allow them to enjoy their own home. I am at least thankful that it was the Opposition's initiative that forced the Government into increasing the maximum home loan from the State Bank to \$15 000. Although the Government tried to take credit for the move in yesterday's Opening Speech by the Governor, if one goes back to the press cuttings of the time one finds that it was clearly a request and a demand that at least a \$15 000 minimum apply and that it should be greater, as applies in other States.

I have listed some of the areas in which the South Australian Government has failed the people, whose trust in the promises of good, responsible and effective administration led them to return State and Commonwealth A.L.P. Governments at the last two elections. The Dunstan Government has not lived up to this trust. It has failed to give impartial leadership to all sections of the community. It has failed to exert any restraint on its own spending at a time when restraint from all sectors of the community is desperately needed. It has failed to live up to its promise that a State A.L.P. Government could deal more effectively with a Federal Labor Government. It has failed to put Party politics aside when dealing with the overwhelming problem of national inflation. It has failed to make any attempt to dissuade its Federal colleagues from the course of economic ineptitude we see destroying the economic fibre of this country. It has failed to give positive leadership against the union militancy and industrial anarchy that have plunged this State into its worst era of industrial disruption for decades. Let the Premier drown in his own dribble if he tries to tell us we are not under union siege or that we need not be alarmed because our total man-hours lost in industry is smaller than that of any other State.

South Australians know what a mess this country and this State is in, and they know who has put it there. We have been dragged down by the Socialist philosophy of mediocrity whereby no man can stand out as an individual, where there is no incentive for anyone to try that little harder for himself, his family or his country. The message is clear: it was summed up concisely by the heading in yesterday's *News* that I repeat to the Premier now—fix it, or resign, because we can do it if you can't, or won't.

Mr. CUMBE (Torrens): I have pleasure in supporting this motion, which the Leader moved so cogently and so strongly this afternoon. The Opposition feels so strongly on this subject that it has taken the very first opportunity since the House has been in session (having given notice only yesterday) to bring this motion before the House, because it believes that inflation is of overriding

importance in the minds of South Australians. As they believe the country, as well as this State, is in a mess under Labor Governments in Canberra and in Adelaide, we are moving the motion today. There is no doubt in my mind that the people of South Australia, particularly pensioners and housewives, are deeply concerned over the economic mismanagement of the country: in fact, they are beginning to fear the grim spectre of inflation. We were told not long ago that, with a Labor Government in power in Canberra (in concert with a Labor Government in South Australia), all our ills would be over. If this is the answer to everything, let us look at what is happening today: just the reverse.

The purpose in moving the motion is to cail on the House to support it and to ensure that the State Government will dissociate itself from some of the rash policies now being adopted by the Whitlam Government in Canberra. The Leader has already cited in some detail the effects of inflation on the State. He referred to the cost of living, the increases in food and housing costs, and to industry and employment generally. The figures he has quoted are much to the point and paint a particularly grim and frightening picture. I draw members' attention to some of the effects on monetary policy of the Commonwealth Government's misguided actions that it fondly believed at the time would be anti-inflationary and point out what effect these have had and the impact they are having on South Australia and its people.

Members will recall that the two major measures introduced formally by the Commonwealth Treasurer were revaluation and tariff reductions. Regarding tariff reductions, I need only cite the flood of cheap imports into Australia as a direct result of the reductions. One must realize the effect the tariff reductions have had on some of this State's industries; this should be of concern to every member. I shall now cite some as examples.

Regarding the shoe-making industry, we have seen what is happening to the Johnson Brothers tannery at Mt. Barker and the drop off in demand for tanned and leather goods. What about the electronic components manufactured by Philips at the Hendon complex, a sophisticated plant that was brought to South Australia by Sir Thomas Playford when he was Premier: that factory may have to leave South Australia because of the inaction of the present Premier. I hope that the introduction of colour television is handled realistically, because I fear that, because of tariff reductions, some colour television components will be imported rather than made here.

We all know the importance of the textile industry to South Australia and to the rest of Australia, but it is important to remember also that that industry will not be the only thing affected by the Government's economic policy: the work force engaged in such industries will also be affected. South Australia is being harder hit than any other State in the Commonwealth for that reason. One has only to read the Industries Assistance Commission's report to realize that, although the same impact will not be experienced in the other States as will be felt here, South Australia will bear the brunt if recommendations made in that report are implemented, because we in this State rely more heavily on pressed metals and consumer durable industries than do other States.

We have seen many wage settlements made recently, particularly in the last few months, a matter to which the Leader referred, and the rate of earnings has increased by almost 25 per cent. The result, quite apart from experiencing an inflation rate of about 20 per cent, is that more and more workers will unfortunately enter a higher tax bracket.

Many of their gains won through negotiation will be eaten up by the tax man. The only person to really gain from these increases in wages will be the Commonwealth Treasurer: he must surely be laughing all the way to the bank because of the extra money he is receiving from increases in personal taxation. I suggest that, largely as a result of uncontrolled inflation currently being experienced, the number of industrial disputes has reached a record level.

We have seen in South Australia that more working days were lost in the first four months of this financial year than were lost during the whole of 1973. That is difficult to appreciate at first glance, but it is true: figures from the Commonwealth Statistician show that for the first four months of this year 153 700 man-hours were lost compared to 130 600 for the whole of 1973. The Premier did not talk yesterday about man-hours lost under previous Governments. I believe that the record figures to which I have just referred will take some beating in future because they refer only to the first four months of this calendar year. Unfortunately, each day one opens a paper one sees that a new strike has begun. I wonder which union will be striking tomorrow.

Dr. Tonkin: Perhaps a telephone service could be provided to supply information about strikes that are to be held each day?

Mr. CUMBE: Yes, and perhaps the Premier's new monitoring system could pick up the new strikes and issue early warnings. Unfortunately, as prices go up materials are harder to get. Also, South Australia is experiencing wildcat strikes, guerilla tactics in some factories, picketing, and (the one I like least of all) the strike over a demarcation dispute (a matter referred to yesterday and about which the Premier said he was powerless to act). We are living in a time of complete industrial chaos and madness. Yesterday, when replying to my question about the industrial dispute at Port Adelaide, and referring to the Industrial Commission, the Premier failed to say that the excessive wage-cost-push effects we are experiencing today were caused by the support from the Commonwealth Minister for Labour (Mr. Cameron) of the Commonwealth Government's appearance before the national wage tribunal in support of increased wages. Unions cannot have it both ways. People in South Australia are beginning to ask who is governing us: is it the Labor Government or the union bosses? It is a question being asked more and more each day. Even the South Australian Government admitted yesterday that the increased costs of building under the State Loan programme (because of increased costs of labour and material) could even have some effect on the erection of some schools and other Government buildings. I submit that the increased costs of many materials are caused by excessive wage demands.

Part of the Leader's motion refers to State taxation, an area in which the Premier plays an interesting role. Members will recall the Prime Minister's ultimatum issued to the Premiers on behalf of the Commonwealth Government at the recent Premiers' Conference (and I should not have liked to be in our Premier's shoes at that time), when they were told that each State had to raise its level of taxation because that was the only way they would receive extra money to provide essential services. The Commonwealth Government was not prepared to supply the extra money sought by the Premiers. I can imagine how the Premier felt at that time, but the treatment he received was as a direct result of the Commonwealth Government's attitude that the States should increase either direct or indirect taxation.

These moves have generated further inflationary effects that are apparent today, and have added to the cost of living. The Premier has already announced direct and indirect increases which have staggered many people in this State and some of which were referred to yesterday by the member for Davenport. Several of these items will add materially and directly to the cost of living of the average person in this State and, in themselves, will further generate inflation. Of all the increases about which we have heard, not a word about them was hinted at before the May election, but the announcements were made after the election had been held. During the campaign leading to the election, the Prime Minister was reported to have said that he had inflation under control and that it was being reduced. Members will recall that statement by the Prime Minister, because it was noticeable during the campaign. I remind the member for Peake of this statement, because he was absent at that time, and I also inform him that the Prime Minister changed his tactics towards the end of the campaign. During the first part of the campaign he did not recognize that there was a problem of inflation.

Dr. Tonkin: He didn't want to.

Mr. COUNBE: We have seen what has happened since the election, but not a word was said before it about these increases. No doubt the increased charges announced by Mr. Crean last evening in his so-called mini Budget will generate further inflation. We need not refer to the matter of pensions between the ages of 70 years and 75 years being deferred and some pre-school facilities being postponed, but the increased charges outlined by Mr. Crean will add to the cost of community living and further aggravate inflationary trends in South Australia.

Mr. Payne: Are you advocating that these charges should be lower than the cost of the services?

Mr. COUNBE: I am commenting on what your Commonwealth Treasurer said last evening and the effects of what he has announced. If the honourable member wishes to pursue that subject he should consult with Mr. Crean directly, if the Treasurer will listen to him. What else is happening in South Australia as a result of these inflationary costs? I have referred to the cost of living but, in addition, housing is also a serious problem, and I am sure the employment position is causing grave concern to the Minister of Labour and Industry (or it should be), to me, and to many people. I have checked on figures and effects, and it seems to me that unemployment is increasing. I would be the last person to wish that this would happen, but I have seen it happen already.

Mr. Gunn: The member for Spence knows that what you are saying is true.

Mr. COUNBE: The amount of overtime is steadily declining, and night shifts have been dispensed with in some factories. Factories are reducing staff, and factories have reported to me that, for the first time in about 12 months, skilled tradesmen have been applying to them for jobs. This action would have been a rarity about 12 months ago. In the Commonwealth Employment Service the excess of vacancies over the number of registered unemployed is fast disappearing, and the number of housing approvals and commencements throughout Australia have been reduced by about 40 per cent. I have checked these facts with a large company making components and parts for the housing industry: these are the immediate effects of what is happening in South Australia which we, as an Opposition, deplore and regret very much. These trends are mainly being caused by the inflationary

effects in Australia that the Whitlam Government in Canberra has taken no action to combat. Only in recent weeks has the Commonwealth Government realized the problems it faces, and, until the Government takes some positive action, its monetary moves will not prove effective. Its reduction in tariffs and its revaluation policy have not worked. We must realize that this State's Government is of the same political persuasion as the Commonwealth Government that has caused this mess, and the State Government and its members are supposed to follow the same policy. Its members certainly take the same pledge and must follow the policy that has proved so disastrous for Australia. We call on the State Government to dissociate itself from those disastrous policies, to think of the interests of this State, and to adopt a more realistic and responsible attitude than that being adopted by the Commonwealth Government, and we call on all members to support the motion.

The Hon. D. A. DUNSTAN (Premier and Treasurer): The Government has facilitated the debate on a motion of no confidence in the Government in accordance with the tradition of the House that, when a real and substantive motion of no confidence has been moved, it should take precedence of other business. I have listened carefully to what the Leader of the Opposition and the Deputy Leader have had to say, and I carefully read the motion.

Mr. Chapman: There's a lot more to come yet.

Members interjecting:

The Hon. D. A. DUNSTAN: I understood that the gravamen of the charge against the Government would be outlined at least by the Leader and his Deputy, and that it was therefore appropriate for me as Leader of the Government to reply. I was not waiting for the Indians to discharge their arrows before I replied to the chiefs. I have read the motion with care in order to ascertain what was charged against the Government of this State. Most of it seems to relate to the Commonwealth Government: indeed, most of what was said by the Leader and Deputy Leader relates to the Commonwealth Government and not to this Government. I notice that paragraph 4 of the motion calls upon the State Government to adopt a more realistic and responsible attitude to the economic management of the State or to forthwith resign.

Mr. Gunn: That's the best thing you could do.

The Hon. D. A. DUNSTAN: I waited with interest to see what the alternative Government, as it would put itself forward as being, believed is a more realistic and responsible attitude to the economic management of this State, and I waited for the specifics of the policy which it would adopt were this Government to accept its call to resign and it took over the Treasury benches. I listened in vain. There was not one single specific proposal put forward by the Leader or the Deputy Leader—not a single one.

Mr. Jennings: The Deputy Leader was very servile, though.

The Hon. D. A. DUNSTAN: Yes, he referred to you, Sir, often.

Mr. Jennings: Every second word!

The Hon. D. A. DUNSTAN: I wondered what we were being accused of concerning irresponsibility and an unrealistic attitude to the management of this State. I tried to find out and I put down a few notes because these are the only things I could find being referred to as faults of the State Government. The Leader said that I had only once condemned the Commonwealth Government for its attitude to South Australia. I am afraid he

has not been reading the press terribly much. I am afraid his monitoring service does not seem to be very reliable.

Dr. Eastick: Not at the taxpayers' expense.

The Hon. D. A. DUNSTAN: The Leader has services provided to him, including secretarial research and press assistance, never given by Liberal Governments to the then Opposition, not at any time; in fact, this was specifically refused by Liberal Governments. Members opposite cannot complain of their treatment by this Government regarding assistance in this way. If we can return to the charge made by the Leader, which was that I had only once condemned the Commonwealth Government, I seem to remember saying some very terse words after the Premiers' Conference last year at the time of the imposition of taxes upon the wine industry in this State. I was extremely outspoken about the repudiation of what I believed were electoral pledges given by the Commonwealth Government on this issue. I was very clear on the attitude of the Government of this State about employment in an important industry here as a result. I seem to remember having some severe words to say, too, about the fact that I was unable at one stage to get any answers from the Commonwealth Government about the Redcliff project.

Dr. Eastick: Who put that motion up?

The Hon. D. A. DUNSTAN: The Leader knows very well the attitude I adopted publicly and in this House, but he says that I only once condemned the Commonwealth Government in relation to matters of interest to this State. That is the charge: that I did not stand up for South Australia if it was against Party interests. He said that what I said critically of the Prime Minister at the Labor Party Conference was "powder puffs at 100 paces". I do not know where he got that from, but I can only say that it is singularly inappropriate, although I suppose it is about the average standard of his comment.

Mr. Millhouse: Just before you leave that point, will you deal with one further point: do you think you ever got anywhere with the Commonwealth Government as a result of your criticism?

The Hon. D. A. DUNSTAN: Yes, I do.

Mr. Millhouse: Tell us what you ever got.

The Hon. D. A. DUNSTAN: I can give the honourable member a long list.

Mr. Millhouse: Come on!

The Hon. D. A. DUNSTAN: As a result of the criticism which I made at the A.L.P. Conference, I got a revision in the matching requirements for roads grants for South Australia.

Mr. Millhouse: How much has it been worth?

The Hon. D. A. DUNSTAN: That was worth about \$4 500 000. I did get from the Commonwealth Government an undertaking to examine special projects for the State which have been submitted to the Commonwealth Government and out of which I expect to get about \$5 700 000 or \$6 000 000.

Mr. Millhouse: What are they?

The Hon. D. A. DUNSTAN: They will be revealed at the time of the State Budget.

Mr. Gunn: That will be interesting!

The Hon. D. A. DUNSTAN: Yes, it will. Otherwise I can assure the honourable member that taxation would have been much heavier in South Australia. As a result of my protests to the Commonwealth Minister concerning the Redcliff project, I got an unequivocal undertaking

from the Commonwealth Government plus the promise of Commonwealth Government direct involvement financially in the development of the Redcliff project. In addition to those matters, since the Liberal Governments elsewhere were not prepared to take money from the Commonwealth Government, instead of the original budgeted amount of about \$2 400 000 for the Land Commission, we got \$8 000 000, and instead of the \$1 200 000 we were getting for Monarto under the Budget, we got \$8 200 000 and bought all the land.

Dr. Eastick: And less next year!

The ACTING DEPUTY SPEAKER (Mr. Crimes): Order!

The Hon. D. A. DUNSTAN: Members opposite cannot produce any evidence to show that I have not stood up for South Australia and have not got anywhere: the evidence completely belies their charge.

Mr. Millhouse: What about the wine tax?

The ACTING DEPUTY SPEAKER: The member for Mitcham is not in order asking questions at this stage.

Mr. Millhouse: The Premier seems keen to answer them, except this one.

The ACTING DEPUTY SPEAKER: Order!

Mr. Millhouse: He does not seem to want to answer this one.

The Hon. D. A. DUNSTAN: I do have to give the necessary courtesy to the Leader and Deputy Leader of the Opposition and I am endeavouring to answer what they said. The next thing the Leader said, without producing any evidence at all, was that there was no restraint in spending in South Australia in this inflationary situation. Apparently he did not read the published statements sent to him on the State's finances, because we were able to effect significant savings in Government accounts in this last year, amounting to many millions, and that appears in the accounts. I will admit that, when on a previous occasion as a result of some fairly stringent notices sent out from the Treasury we were able to reduce our accounts by over \$2 000 000, the Leader then charged me with poor budgeting, because he always likes to have it both ways; but in fact the Treasury results this year did not show the \$15 000 000 deficit that the Leader was talking about previously.

Mr. Payne: He said it!

The Hon. D. A. DUNSTAN: Yes. We had significantly less than the projected deficit for the State this year.

Mr. Becker: You capitalized on inflation, didn't you!

The Hon. D. A. DUNSTAN: No. Members know perfectly well that the supplementary Budget was introduced before the charges made by them as to the prospective bankruptcy of this State, and they know perfectly well, too, that there was no time in the period between those charges and the end of the financial year to overcome their so-called prospective Budget deficit by inflationary effects—

Dr. Tonkin: What was the level of unpaid accounts?

The Hon. D. A. DUNSTAN: Let me finish my sentence instead of trying to change the subject every time I answer a question. Honourable members know well that there was no time between the time of their charge that we were facing financial bankruptcy in the State and the end of the financial year for the position that they forecast to be overcome by inflationary effects in South Australia. In fact, clearly the economic management of this State has been vastly better than economic management by the Liberal Governments in the Eastern States. This Government does not face the vast deficit faced by the New

South Wales Government which, in this financial year, faces a minimum deficit of \$130 000 000. Members can do what sums they like, applying the multiple of people in New South Wales, the economy, and anything else, and they will not get that kind of result for this State, the reason being that the economic management of South Australia has been responsible and careful. We have been willing to go out to the people, telling them our revenue position and expenditure position, and what we believe must happen. Sir Robert Askin was not willing to do that, so his State is facing a consequence now that is grave and dire.

Dr. Eastick: What is the per capita from the Commonwealth?

The Hon. D. A. DUNSTAN: I do not know what the Leader hopes to achieve by bringing in that sort of consideration. This happens to be a claimant State on the Grants Commission; South Australia is in a different position from New South Wales.

Dr. Eastick: Unfortunately we receive more!

The Hon. D. A. DUNSTAN: Of course we do, and we received more from extras, too, because we were willing to co-operate.

The Hon. Hugh Hudson: Our claim to the commission is justified.

The Hon. D. A. DUNSTAN: Yes; we can justify the claim, and we receive enough from the commission as a result to be in surplus in Budget this year from the completion grant, instead of, as the Leader forecast, \$15 000 000 down the drain. That is how the Leader supported his charge of irresponsibility in State financing.

Dr. Eastick: You're 12 months out.

The Hon. D. A. DUNSTAN: The next charge was laid by the Deputy Leader, who said that the Government was somehow apparently not concerned with employment; somehow or other we were defective, although he did not say how. However, he said that a grave unemployment situation was facing South Australia. As far as I can make out from his argument, somehow members on this side were involved in this because it was all Canberra's fault. As far as I can follow that argument, I will try to analyse it. The unemployment situation in South Australia is at present, and has been for the last year, far less grievous than the situation that faced the State (the worst situation of any State in the Commonwealth) under a Liberal Commonwealth Government. At the time the Commonwealth Liberal Government left office, we had a significant number of metropolitan as well as rural unemployed, and I was unable to get any help from the Commonwealth to pay for works to employ those unemployed. I did not get assistance until the Labor Government was in office in Canberra. The first thing that Government did was to give money to South Australia: that was its first decision. I received \$7 000 000 to employ the unemployed—unemployment created by Liberal policy.

Dr. Eastick: That's only a fraction of the unemployment Labor will bring about.

The Hon. D. A. DUNSTAN: The situation in South Australia at present is that the level of unemployment is low. The Deputy Leader says that he is concerned at growing unemployment. I have been watching this position as closely as I can. All I can say is that most of the business leaders who now come regularly to my office to discuss matters of the economy and matters concerning them and their businesses disagree with the Deputy Leader. On Monday evening, when I had the major employers in South

Australia in my office, they told me that, with regard to the employment situation and the demand for labour, they were looking for labour in several areas.

Dr. Eastick: Will you be more specific so that we can check that statement?

The Hon. D. A. DUNSTAN: Although I will not quote any of them without their consent, as what was said was in a private conversation with me, I will point out that, as against the statement that the building industry is likely to have a considerable fall in employment, Mr. Tosh, the General Manager of L. J. Hooker Limited (not exactly a small company in this area), is quoted in yesterday's *News* as follows:

Massive retrenchments in the building industry were unlikely, the General Manager of L. J. Hooker Limited (Mr. L. M. Tosh) said in Adelaide today.

In fact, it is still difficult in South Australia to get building tradesmen. If the Deputy Leader is worried about the building industry, I can point out the difference on this score between the present Commonwealth Government and its predecessor. Each State has been told by the Commonwealth Government that, if it finds unemployed resources in the building industry, it will get money for welfare housing from the Commonwealth, to the full limit necessary to employ those resources, beyond the welfare housing grants that it has been given. There will be no limit on the Commonwealth funds for welfare housing to take up any lack of employment in the building industry of men and resources. If there is unemployment in this area, South Australia will be able to get these funds, as will New South Wales and Victoria.

The position with regard to the grants is that we spent every cent we received to build houses, and other States did not. In fact, New South Wales had its housing grant reduced this year because last year, under a Liberal Government, it did not spend the money it was given. As a result it has been told, "You do not need to worry. If you can spend money on welfare housing at a rate that will employ productively the people in the building industry, you will have extra money to do it." In other words, the Commonwealth Government is seeking to see that there is an effective restructuring in the industry.

It is most necessary in the building industry that there is some restructuring at present, because the position we are facing is that, as demand has been so high in the industry, we are at present in a hopelessly unrealistic tendering climate, in which building companies are now loading costs by margins of 20 per cent to 25 per cent, compared with about 4 per cent two years ago. The result is that tenders are coming in at present in the Government area far above estimate. The Commonwealth Government has said, "We will not continue to finance a situation of that kind; it is necessary for us to reduce excess demand in the building industry in order to stop, not cost-push inflation, but a demand inflation in the area." That Government is right.

It also says that if, as a result of that policy, there is a lack of employment in the area, it will expand employment in the area of the industry that the nation considers to be one of need in building. And the most needy situation is that of welfare housing. Members opposite say that this Government, in going along with that policy, is being irresponsible, but the Government is not being irresponsible. I return to what I said at the outset: I have been waiting to hear what the realistic and responsible policy is that members opposite want us to adopt, but I have not heard it. Indeed, I have not heard one single proposal. I certainly heard from the Leader of the Opposition and the Deputy

Leader complaints about union leadership. I can remember sitting on the Opposition benches when the Deputy Leader was in the Ministry, and I can remember industrial disputes that took place in South Australia then. Further, I can remember requests from the then front bench seeking the Labor Party's good offices in settling those disputes, because the Liberal Party could produce absolutely no policy for settling disputes, and it does not have such a policy now. What does the honourable member suggest that this Government should do about the wharf dispute? If he has something specific to suggest, we shall be glad to hear it.

Dr. Tonkin: That's your problem.

The Hon. D. A. DUNSTAN: The pretence of members opposite that they are an alternative government is difficult to sustain after the extraordinary display of disunity that occurred subsequent to the disastrous by-election defeat that they have just suffered. In such circumstances, for members opposite to put themselves forward as an alternative Government in South Australia is a joke.

Mr. Gunn: Let the people give their judgment.

The Hon. D. A. DUNSTAN: I do not have to, because the people will do so at any time the honourable member likes to try it. So, members opposite cannot really suggest that they are an alternative government but, if they pretend to be such a government, at least they might say what they would do if they were in government. They have utterly failed to do that this afternoon.

Dr. TONKIN (Bragg): It would be less than generous of me if I did not at this stage say how very good it is to see the Premier here and in South Australia again, together with so many members of his Ministry. In view of his peripatetic activities overseas and interstate, I think he has kept up with things very well, but one thing we can be sure about is that the Premier totally supports the action taken by the Commonwealth Treasurer (Mr. Crean); this is absolutely clear and on record. We can get some small satisfaction from the fact that at least Mr. Crean recognizes that inflation exists, that it must be tackled, and that up until now the Government's measures have not been successful in tackling it. In fact, Mr. Crean says that new measures must be taken. Indeed, those new measures are so different from the State Labor Party's policy announced at the last election and also announced in a policy speech only a few weeks ago that there must have been a remarkable reversal of feeling.

It has been quite evident from the Speech prepared by the Government and given in another place yesterday that this Government is well aware that South Australia is particularly disadvantaged by the current rate of inflation. However, the Government has done very little about it here. The Premier has made great play of the fact that the Opposition should be coming up with positive suggestions. Actually, we have been doing that for far too long in this place and in another place. The result is that much of the legislation that has been introduced in South Australia under the guise of Labor policy has resulted from Liberal Party intervention. It is about the only thing that keeps the popularity poll running the way it does. If the Labor Government had to do it by itself, I doubt very much whether it would make the grade. When Labor Party members were in Opposition they continually demanded action but they could come up with no firm propositions. However, when the Labor Party was elected the Government, it said that it could get no co-operation from a Commonwealth Liberal Government, and now it says it can get no co-operation from a Commonwealth Labor Government,

either. Actually, it can get co-operation when it suits the Commonwealth Labor Government to give it in furtherance of the political ideology of central control.

We are faced with a Commonwealth Labor Government which last night abandoned the pledges made by the Prime Minister just a few weeks ago. The Prime Minister pledged not to increase indirect taxation and not to increase direct taxation, but such increases have since been foreshadowed. The Commonwealth Labor Government is postponing its child care programme and a stage in the abolition of the means test. The Commonwealth Labor Government also undertook not to implement measures that would increase unemployment. I do not know whether the Premier has a crystal ball, but he says that there will not be any unemployment. Time will tell, but I believe that there will be unemployment and that many people in this country will suffer far more than they have suffered for at least 40 years. Instead of reasonable, sensible measures to control inflation, we simply have increases in duties and in postal and telephone charges—increases all over. I am not in any way decrying the increases in pensions, because I believe that they were long overdue. At least something is being done to help some of the people who will be particularly and increasingly disadvantaged, but the delay in phasing out the means test takes much of the lustre from the announcement.

We are faced with the question: is the pension increase particularly worth while financially to these people? Is it really worth very much? I do not think it has hurt the Commonwealth Government to give a pension increase of \$5 or \$6 now, because those sums are not worth anything near what they were worth two years ago. Of course, the Commonwealth Government can give what appear to be very generous increases, but I suspect that they will not be sufficient to offset the increases caused by inflation. At the same time, it is interesting to note that the Reserve Bank has reduced the statutory reserve deposits from 6.9 per cent to 6 per cent; \$58 000 000 has been sent out into the community. I presume that this will provide the extra money necessary to meet the extra charges and taxation, and it will go straight back into the Commonwealth Treasury. It is an absurd situation and one about which I am sure most Labor Party members are very upset and embarrassed.

Mr. Crean says that the current inflationary trends are due to a wage explosion; I suppose that that is pretty obvious. As a result of all the wage demands at present, obviously there is a wage explosion. The whole point is that, to offset the present rate of inflation, the man in the street wants more take-home pay. The only way in which we can bring that about effectively without adding to inflationary pressures, as I am positive members opposite must know, is by reducing taxation—not by increasing it directly or indirectly. There must be a balance here. We must provide more purchasing power for the man in the street. Then he will be more likely to listen to the pleas that are made for people to be responsible in relation to their pay claims. How on earth can we expect the average worker to be responsible in his wage demands when the money that he gets as a result of these claims is worth less and less and when, in fact, as soon as he gets it, the greatest proportion of that money is ripped off of him by Government taxation and goes straight back into the Treasury? Wage increases are out of all proportion.

Mr. Keneally: What about doctors?

Dr. TONKIN: They are out of all proportion when compared to any projected rises in doctors' fees. One of the most sickening things about this whole matter is that,

at a time of critical inflation, when the Commonwealth Treasurer has finally woken up to himself (even though he has taken the wrong action) almost in the same breath massive pay rises for members of the Australian Parliament have been approved by the Labor Caucus. At this time it behoves everyone in the community to be responsible regarding their pay demands. However, this move has finally destroyed any credibility that the Australian Labor Government ever had. I do not think anyone can believe now that that Government is seriously concerned about inflation. This is an appalling situation. Everyone agrees that it is a wage-cost price-push inflation. The Australian Government's ineffectual, harmful and suicidal approach is totally wrong. Indeed, that Government has made an elementary error. Unfortunately, South Australia is stuck not only with an incompetent Australian Government but also with an incompetent State Labor Government. From what the Premier said this afternoon, he obviously agrees totally with the point of view expressed by the Australian Treasurer and with the action that has been taken.

The Premier wanted to know what he could be doing. Well, he could be making much more noise: he could be taking steps to exert pressure on the Australian Government in relation, for instance, to tariffs on motor cars. Although the motor car industry is vital to South Australia, one finds that the Australian Government has raised from 14 per cent to 26.25 per cent tariffs on cars imported in parts and assembled locally using local labour. Also, it has reduced from 45 per cent to 33.75 per cent the tariff on fully-built imported cars. Is this the way to encourage employment in this State or to protect South Australia's interests? Of course it is not! Why does not the Premier threaten firm action to obtain this State's fair share of the revenue? There must be enough of it. I do not know what the Australian Government is doing with all the money in the Treasury that is coming in from income tax. More importantly, why does the Premier not restrict State spending? This is not the time for the Premier and his Ministers to be travelling overseas. Many people in the community have delayed business or pleasure trips overseas. Having seen the current financial situation, they have decided not to go away but to save money. Why does not the Premier restrict some of the spending in his top-heavy department? Why does he not delay the installation of his propaganda machine, the media monitoring (I was nearly going to say "monolith") complex? Why, if he cannot reduce them, does he not act to hold State charges at a stationary level? True, it may be difficult to do so and this may be a hard situation to juggle and balance. However, why does the Premier not remove some of the inflationary pressures caused by State charges, a matter with which the member for Davenport will, I think, deal in detail?

The Premier does not have to follow the same suicidal line as have his Commonwealth colleagues. Why should he stand by and watch the State being dragged to disaster by an incompetent and irresponsible Government that makes promises and then breaks them within a few weeks? Why does not this Government take a firm and definite line against the activities of the irresponsible trade union leaders? I am not saying that all trade union leaders are irresponsible; indeed, far from it. However, many are showing a tremendous degree of irresponsibility at present. The sad part about the whole matter is that the people who are being hurt by the irresponsible actions of trade union leaders are the rank and file members. Indeed, some people have got to the stage of saying that the only way

out of the whole ghastly mess and to escape the Australian Government's incompetence is to do what is being suggested in Western Australia: to secede from the Commonwealth. Although I consider that to be impractical, many people in the State would seriously entertain such a suggestion if they thought that it would improve their standard of living.

The economy of this State is, unfortunately, too closely tied in with and controlled by the Australian Government. Even after the relatively short term of office of the Australian Labor Government, we have, with the wholehearted co-operation of the State Labor Government, handed over financial control to the Australian Government. In any case, I doubt whether this lily-livered Government would have the guts to stand up to its masters in the Australian Government, which is dishonest and disreputable and which has been discredited. The State Government's admitted policy is to work for its own abolition, a policy of which, I understand, the Government is proud. I cannot for the life of me understand why it should not have the intestinal fortitude to abandon its ideological policy in favour of the welfare of the people of South Australia, as the people of South Australia want it to do. I am beginning to believe that the Government is not concerned about what is happening in South Australia, which is, after all, its province. The Government is blind, wilfully or otherwise, to the effects that State and Commonwealth actions are having on the people.

The State cannot afford to have a Commonwealth A.L.P. Government (and certainly not one that is acting in this appalling way) as well as a State A.L.P. Government, which is not willing to stand up for the welfare of its people. The Premier and his Ministers should get up off their seats and get working—not somewhere else, but here! I repeat, and I am not being low, that the Premier and his Ministers should have spent more time in South Australia at this critical time: they should not have been electioneering in other States at the expense of the South Australian public. I believe that the people of South Australia are telegraphing a clear message: that this Government is running out of time. It has one last chance to do something, and I do not think the State will survive unless it does something. The Government must act now. If it cannot or will not do anything else, at least it can resign and face the people, which is exactly what we challenge it to do.

Mr. DEAN BROWN (Davenport): A short time ago the Premier stood in his place and claimed that the State was not facing a financial disaster and that the Government was acting in a responsible way financially. However, we should look at the facts. First, during the past 12 months South Australia has had a higher inflation rate (14.5 per cent) than any other State. Certainly, that does not suggest that there is no financial crisis in South Australia. Further, in seven of the past eight financial quarters South Australia has had a higher inflation rate than the national average, and that certainly does not suggest financial responsibility by the Government.

For the June quarter, which has just concluded, the inflation rate is 4.3 per cent, or an annual rate of 17.2 per cent, yet the Premier claims that his Government is acting in a responsible way. I predict that South Australia again will have the highest inflation rate in Australia, and surely that must be the guide by which to judge the Government. The Premier has claimed that the Government was acting responsibly because its deficit was lower. However, the deficit is lower because he has taxed the people of South Australia to the hilt, as we find from increased water and sewerage rates and other taxes.

The signs are that the economic management of this State is in complete disarray. In the first four months of this year the number of industrial disputes has been higher than in the whole of the last year, and that certainly is not a sign of sound economic management, yet the Premier has stood in his place and said it is. The number of job vacancies has decreased dramatically and unemployment is about to rocket. We have industrial stagnation: the Philips company either has left the State or is in the process of doing so, and the motor car industry has had much lower production in the June quarter this year than in the same quarter last year, yet the Premier claims that there are no worries and that the economy is sound.

The crunch point is that the South Australian people now have lost confidence in the economic management of the State and the Government has lost control of the economy and the trade unions. No-one cares a damn any longer: everyone does as he likes and says, "To hell with the State and the State Government." In trying to bring forward a solution to the problem (and I think it is important that we do that, if only because of the people who cannot pay for inflation), the first thing that we need is economic discipline from our own State Government.

Mr. Keneally: Where would you cut down spending?

Mr. DEAN BROWN: During the 12 months just ended, the growth rate of the public sector has been tremendous. In reply to the member for Stuart, I would cut down the 28.5 per cent increase that the Premier's own department has had in that time to a growth rate of 2.5 per cent, which the Commonwealth Government and the State Liberal Governments have accepted and by means of which inflation has been controlled. Other Government departments have had incredible growth rates in the past 12 months, but that is the first and most important area in which action must be taken to cut down this wasteful and extravagant growth in the public sector.

The Government needs to ensure that there is responsibility in any price increases in the private and public sectors. I agree that in this State we have taken a responsible attitude towards the private sector. We have a Commissioner for Prices and Consumer Affairs, and I support the principle of his operations. However, I think his hearings should be made public so that he could justify those decisions to the people. At present the decisions are not his but Cabinet's, with no rationale behind them. Responsibility has been lacking in the Government's price increases. It has increased taxes and charges, with no real regard for the people who will pay them.

Mr. Millhouse: Have you anything to say about the Burnside council's rates?

Mr. DEAN BROWN: I ask the member for Mitcham to wait. Recently, the Government announced the pay-roll tax increase to raise further finance to allow the growth of the public sector. Further, the Government has imposed a levy on gas and electricity and has increased the liquor tax. There are also increased hospital charges, and we know what they are. Water and sewerage rates have been increased despite the increase in valuation, and the Government has kept that quiet. How dishonest and irresponsible is the Government when, merely on metric conversion, it has increased the effective charge for the water and sewerage rate by 12 per cent and has not told the people! Yet that Government claims to be responsible.

The Government further increased water and sewerage rates effectively by 10 per cent on July 1 when it increased the rate from 10 cents a kilolitre to 11 cents a kilolitre, and recently we have seen the effect of that in Burnside. We have had the new valuation of properties, and the Government, instead of acting responsibly and saying that it would reduce the rate, has said that it will retain the rate of 7.5 per cent that applied on the old value. In some cases the increase is over 300 per cent and in many cases it is over 100 per cent.

Last year this Government was condemning the doctors about reasonable increases of 20 per cent or 25 per cent in fees and, because the doctors would not go along, the Government brought them under the Prices Act. Yet the same Government, comprising the two-faced group of men who try to govern the State, has increased charges by more than 100 per cent without even thinking about the matter. Other side effects also have been experienced. Those poor people in Burnside who had to face this rapid increase in water and sewerage rates now face a 28 per cent increase in council rates. Why? Because the Government has reduced its loan grants to local government. It has said, "No more money for development." So the council, in order to maintain its present programme and staff, has had to increase its rates by a considerable 28 per cent.

The people of Adelaide are now being taxed out of their standard of living and their homes by the State Government. No longer (and this was made obvious at a public meeting held in Burnside last week) will people sit back and take it: they have taken it for too long. They will stand up and fight and ensure that at long last they get justice. They will no longer accept the financial irresponsibility of the A.L.P. Governments of this State or of the Commonwealth.

I will back them in their fight. I will stand with them and not bow to the pressure of this Government's financial irresponsibility. The Premier has thrown down the challenge to come forward with recommendations regarding what should be done. I have put forward certain recommendations, which I now summarize. The first thing the Government should do is reduce this State's inflation rate. The best way of doing this would be to cut back on the growth rate in the public sector to a reasonable 2.5 per cent increase as opposed to the 28.5 per cent increase in the Premier's Department. Secondly, the Government needs to gain the respect of South Australians once again, and the respect of the trade union movement and industrialists. The Government must ensure that the trade unions take a responsible attitude in any wage claims and that private enterprise takes a responsible attitude in applying price increases. The responsibility must be placed both on the trade union movement and on private enterprise, because one without the other will not work.

We need to cut down on the price-wage inflationary spiral, and the Government could take a positive stand by reducing its taxes. A short time ago the Minister of Education claimed that such action would further push up the inflation rate. He suggested that the present inflation rate was a demand-supply inflation rate. As a former economist (it must have been a very long time ago), he must realize that most of today's inflation is cost-push and not demand-supply. The Minister should realize that, if taxes were reduced, people would have more money to spend. As they would make fewer demands, the cost-push spiral would be diminished. Further, it is about time the Government

tried to adopt the same responsible attitude towards the trade union movement as it insists should be taken by employers in private enterprise.

It is interesting to note that the State Government has handed out over-award payments in excess of what private enterprise has been able to offer, not because private enterprise does not want to do likewise but because the Government is the greatest encourager of any employer of the wage spiral in the State. The Government now pays \$20 more in over-award payments to its transport drivers than does any private company. That is another area in which the Government should take a responsible attitude. If the Government is to control inflation it must ensure that it does not encourage the wage spiral.

The Government could cut back on certain development plans. I cite the classic one to which Government funds will have to be directed: Monarto. For Monarto to get off the ground it will require \$15 000 000 over the next five years for general planning. In addition, it will require an extra \$50 000 000 a year for actual development. That money would be far better spent on providing houses and reducing the rate of inflation on house building in the metropolitan area. By Monarto, the Government is creating an expensive baby that will turn out to be a fiasco for which the people of the State will have to pay. It is about time we had evidence of financial responsibility. We should not be bluffed by the Premier's words or by the clear attitude he took in claiming that South Australia was doing fine. South Australia has the highest inflation rate in the Commonwealth, yet this Government is taking no action to reduce it. Rather, it is taking just the opposite attitude: in all terms, it is financially irresponsible.

Mr. MILLHOUSE (Mitcham): I support the motion for what it is worth although, in my view, it is not worth very much. I agree with the Premier, who said that not one thing had been put forward by the L.C.L. in support of its intentions. I congratulate the Premier on the speech he made this afternoon. He was able, because of the ineptness of the mover and seconder of the motion, to avoid all the real issues facing us at present, and to have a very pleasant few minutes at the expense of the L.C.L. Although one cannot but agree with what the Premier said about the vagueness of the motion, at least it gives the opportunity for some of us to raise the real issues, even though they were not raised by the mover and seconder. The motion is divided into four parts, the first three of which are directed at the Commonwealth Government, not the State Government. The motion states:

1. express grave concern at the effects on the well-being of the citizens of South Australia of the Commonwealth Government's inadequate anti-inflationary policies and the adverse repercussions for South Australia of—

- (a) the continuing wage cost-price spiral;
- (b) increasing housing costs;
- (c) growing unemployment;
- (d) escalating State taxation.

2. urge the Commonwealth Government to adopt a realistic attitude towards the financial requirements of the States.

3. call on the Commonwealth Government to take a more positive stand against irresponsible trade union leadership.

The only time the State Government is mentioned is in part 4, which states:

and call on the State Government to adopt a more realistic and responsible attitude to the economic management of the State or to forthwith resign.

Three of the four parts concern the Commonwealth, and parts 2, 3, and 4 are vague in their terminology. What is meant by "a realistic attitude", "a more positive

stand", and "a more realistic and responsible attitude"? Such phrases do not mean anything. One can see why the motion has been couched in this vague way, because the members of the L.C.L., who are responsible for it, do not know what they mean, nor do they know what they want to have done. My distinct impression is that the motion was drafted by the Leader and the Deputy Leader without the help of any of the three pretenders to the leadership of the front bench. It might have been a trifle better, because so far (and I speak with due deference to the member for Davenport) I think that the member for Bragg has made the best contribution of L.C.L. members who have spoken. Although I cannot praise his contribution very highly, at least he had some points to bring forward. However, that is not to say that I favour him in the struggle for the leadership of the L.C.L.

Mr. Payne: Whom do you favour?

Mr. MILLHOUSE: It is a matter of supreme indifference to me.

The Hon. Hugh Hudson: I would support the member for Victoria.

Mr. MILLHOUSE: We will not pursue that. This notice of motion was given yesterday by L.C.L. members. One would have thought that what happened in Canberra last night would have been, for the purposes of this debate (and only for those purposes), like manna from heaven for them, yet they seem totally to have ignored the cataclysmic effect on the economy of this State of what has been announced in Canberra. I am pleased indeed that the Minister of Education, at least, is here. I hope he will listen to what I say and I hope that I may even tempt him to reply, because it is important that we should nail the Government on its view of the effects of last night's announcement by the Commonwealth Treasurer on the economy of this State, and in my view that is the only thing that really matters in this afternoon's debate.

Before we reach that specific point, I want to make a couple of comments about the Premier's attitude to his Commonwealth colleagues. I was surprised that those points were not used by honourable members who have already spoken. In preparation for this debate, I asked the Premier a question yesterday to see whether he had got anywhere in his representations to the Commonwealth Government. I asked:

Now that the Premier has returned to the Chamber, I will address my question to him. Is the Government satisfied with the financial deal that this State is getting from the Commonwealth Government? If not, what action, if any, does he propose to take?

The answer to this specific question was complete waffle, and it was obvious to me yesterday afternoon that the Premier had got precisely nowhere, after his complaints of the last few weeks, with the Commonwealth Government. These are the only sentences with any substance in them—and just let us see how much substance there is:

The dissatisfaction I expressed at the Labor Party conference was real, and what I had to say there was intended to give real expression to what I felt. Since then, the Prime Minister has met with the Labor Party leaders here and made an offer of help in some specific areas . . .

We were never told what those areas might be, and when I challenged him I was told that we should not know. He took as his usual refuge and excuse that this was information to be given to Liberal and Country Party colleagues in other States, or some such nonsense. What are these specific points in which we have made progress with the Commonwealth Government? The Premier said:

In consequence, as these things are still under discussion, it is not possible for me to spell them out until we reach some conclusion.

No conclusion whatever has been reached, even in those specific areas. This is what he goes on to say in concluding his answer:

I have been markedly unhappy about the deal we got from the Commonwealth Government and I have expressed my dissatisfaction. I am hopeful of some redress and am in the course of pursuing it.

As I said when he sat down (and it is not reported in *Hansard*), that is as weak as water, because there is nothing at all in that reply, and it shows that the complaints the honourable gentleman made trenchantly a few weeks ago are still real complaints and still unredressed. Let us go through a few of them to see what he said. First, I refer to the *Advertiser* of June 8, to which I also referred yesterday (this was after the Loan Council and Premiers' Conference):

The South Australian Cabinet will meet on Monday to consider increases in State taxation.

Cabinet did meet, and some severe increases have been announced. The report continues:

Mr. Dunstan said South Australia had received "the most sickening deal in roads of all States. I think this is certainly not in the best interests of Labor," he said.

He goes on in that vein. I do not intend to read through it, but I hope that will be enough to recall these matters to the Minister of Education and to any other member of the Labor Party who may care to give some sort of reply in this place, where they are answerable on these matters. Let us look at another heading:

Dunstan complains bitterly to Prime Minister on South Australia's deal.

This is under the by-line of Ian Steele, who said:

South Australia faces a deficit of about \$28 500 000 in the next year—

That is rather different from what the Premier said this afternoon in reply to the Leader of the Opposition. He did not refer to that this afternoon.

—and, as the Premier told Mr. Whitlam yesterday, he had Buckley's chance of meeting it from State resources.

He goes on in this way and tells the story of how he circled over Canberra and wished he could do what he could not do. This was his complaint. A week later when the Prime Minister was in South Australia for the Labor Party conference we saw the heading:

Dunstan attacks Whitlam policies.

The article states:

South Australia's Premier (Mr. Dunstan) last night accused the Prime Minister (Mr. Whitlam) of taking decisions on his own which conflicted with Federal A.L.P. policy. Mr. Dunstan said the Federal Government's policy was forcing State Governments into regressive tax measures. He did not admit that this afternoon, and he had no need to, because there was nothing much for him to answer at that stage. I do not believe the situation is any better now than it was when he said this a month ago. The article continues:

Centralized decision making from Canberra could spell "disaster" for industries and workers in South Australia.

Now we are getting to what I believe is the real point, on which I would like a reply in this debate from the Government. He went on to say—and I will not read that—

Mr. Payne: Because it doesn't suit your purpose.

Mr. MILLHOUSE: Very well, I will read it:

The Labor Government in Canberra already had accepted proposals of the Industries Assistance Commission concerning tariffs on home appliances which in the long term could produce serious results for the "white goods" industry in South Australia—results so far concealed only by the fuel crisis in Europe but which would become increasingly apparent.

If the member for Mitchell thinks that does not suit my purpose, he had better think again.

Mr. Payne: Then why did you intend to leave it out?

Mr. MILLHOUSE: Because I wanted to get to something more appropriate but as the honourable member challenged me I shall read the intervening paragraph, too.

Mr. Payne: I will challenge you on every occasion when you say you will not read something.

Mr. MILLHOUSE: And I shall answer the challenge. Listen to this one:

And if the commission followed its previous pattern of recommendations in its report on the motor industry, its proposals could "spell serious difficulty, if not the end, for at least the one major manufacturer with all its capacity in South Australia".

This was the paragraph I was not going to read, but I appreciate the interjection because I think it has probably linked the whole thing up in a better way. The report continues:

"That would do such harm to employment in South Australia that it would more than undo everything so far achieved by the South Australian Labor Government in promoting a more diverse, secure and enlarged employment base here, and would spell disaster for the employment of thousands of unionists represented at this conference," Mr. Dunstan said.

Does the Government say anything has been done to answer that complaint, which I endorse and which was made by the Premier last month? Everyone on the other side is rather silent now, and we will see whether any member on the Government side will say that anything has been done to clarify the situation their Leader outlined in his speech at the Labor Party conference.

I could go on with more of it, but I hope I have read enough to make the point, and to make it sufficiently well not to allow any speaker from the other side (if there are to be any speakers from that side) to run away from it. Let us now consider what has happened since then, what happened last night in Canberra, and what announcements were made last night in what was called the mini Budget. The reaction to the mini Budget has been, so far as I can judge, almost entirely adverse. There has been much criticism of what has been done. The first criticism which I saw and which is relevant to what I have been saying concerns employment in this State. I should have said that the Premier's remarks were echoed by the Minister of Development and Mines, and I quoted him yesterday when he referred to the serious threat to employment in this State. The first criticism is on the front page of the *Australian* this morning, in an article by Dr. Barry Hughes, an economist at Flinders University, who states:

The Government's approach to anti-inflationary policy can only be described as economic madness. At a time when such different figures as Dr. Cairns and Mr. Snedden agree that our present problems are the result of cost-push elements, the Government's approach is to treat demand inflation.

He continues:

The Government's approach is not only useless, but harmful. To fight cost-push inflation by increasing sales taxes and other indirect charges represents the depths of economic madness. If the problem is a wage explosion, as Mr. Crean described it last night, what help will his measures provide? When added to the effects of the credit squeeze, and other policies already in operation, they will certainly add to unemployment. The recent slowing of demand pressures, which Mr. Crean now notes will ease further in the year ahead, will push unemployment to a level of well above 2 per cent.

Having read that, I telephoned Dr. Hughes and discussed the matter with him. I spoke also to economists in the Economics Department of Adelaide University, and those

experts agreed broadly with his statement. So we have economists in both university departments in South Australia condemning as economic madness what the Australian Government intends to do.

It is easy to condemn, and the Premier rightly criticized the L.C.L. for condemning without making any positive suggestion for improvements. However, I find it extraordinary that I should be in the position of drawing attention to the suggestions appearing on page 11 of today's *Australian* (and I am sure the Minister of Education has seen this) by four economists in this State of whom Dr. Hughes is one, the others being Professors Eric Russell and Geoffrey Harcourt and Mr. Frederick Bentley. These people, and I speak in all fairness of them, could hardly be regarded as political supporters of this side of politics, yet I refer to the suggestions included in their article on inflation. Although they used the word "indexation" which I had not come across before, it being one of those bastard words that has crept into our language, I find myself advocating the measures they have advocated, such as control of company profits and severe company taxation. I am, extraordinary though this may seem, in broad agreement with their approach.

Further, this is a better approach than that which has been adopted by the Commonwealth Government, but I only say these things because of the desperate situation in which Australia is in. I do not believe that the Australian Government will be able to keep to the path it adopted last night. That path will lead to unemployment, which will be especially hard on this State. I believe that the political pressure over a year or so will be far too heavy for the Australian Government to be able to continue to pursue that policy. The Labor Party cannot tolerate any level of unemployment, yet that is what is implicit in the policy adopted and spelt out by Mr. Crean last night.

These are the matters we should be debating this afternoon. These are the things on which I should like an answer from the Minister of Education. I very much regret that they were not put in the debate before the Premier spoke, because he is the man who should be called on to give the answers. Indeed, whether he has them or not I do not know, but we want to know whether the State Government supports the measures taken by the Australian Government in its mini Budget or whether it does not support them. Does the State Government believe these things will harm South Australia? Does it believe they will not harm South Australia? If this debate provides an opportunity to get answers to these questions, it will have been worth while.

Of course, if it does not, if the Government simply sidesteps these questions, then the debate will not have been worth while. If we do not get an answer to these questions in this debate, I believe that silence will be eloquent because it will show that the Party opposite knows that what the Australian Government is doing will result in disaster for this State. Let us see whether members opposite will support their Commonwealth colleagues or whether they will say nothing, which will be as eloquent an admission that they do not support their colleagues as if they actually said that they did not support them.

There is one other matter on which I should like members opposite to make their position clear (indeed, I am willing to make my position clear), and that is the proposed increases in Parliamentary salaries. That is a burning issue at Commonwealth level, and it will undoubtedly

be an issue here in the future. Apparently the Commonwealth Cabinet, by a majority of 15 to 11, is recommending massive increases in Commonwealth Parliamentary salaries. I agree entirely with the editorial in today's *News*, wherein the learned editor states:

Wrong time for M.P.'s rise. Hammer the people. Tell the unions to stop asking for more money. But a hefty pay rise for ourselves is in order, say many M.P.'s. This is the sad, depressing news today from Canberra to add to the shock of last night's mini Budget.

I should like an assurance from the Government that it condemns such rises in Parliamentary salaries at this time. Although I believe that it may be possible to argue on economic grounds that a rise is justified, how can one possibly explain a rise of \$5 000 annually to people who by and large are the supporters of the Party suggesting this rise but who exist on far less in total than the suggested rise.

Mr. Keneally: What about—

Mr. MILLHOUSE: Let me finish explaining this point. How can one suggest that members of Parliament, who are leaders in the community at a time when the one thing required is self-restraint in this matter, can themselves take such rises as this and at the same time set an example to anyone? I (and I speak only for myself) condemn the rises entirely, and I challenge both sides, both of the numerically larger Parties in this House, to say what is their position on this matter in this debate, because I believe that one cannot do both things: one cannot take action in the economy as a whole and then grab a hefty increase for oneself and retain any respect whatever. What about getting from the Minister of Education or the Minister of Development and Mines, or even from the back-benchers on the Labor side of the Chamber, a condemnation of the proposal for salary increases at this time; and what about getting a condemnation from the Liberal and Country League members at the same time so that everyone knows where at least we in this Parliament stand on these issues?

I have said all I need say in this debate. There are two matters on which I have asked for replies. First, I ask for a reply from the Government on the effect it believes the mini Budget proposals will have on employment in this State and therefore the general economy. Secondly, I ask for a reply (because it is in the public interest that we should have one, and it is certainly a matter of great public concern) on the proposed salary increases for Parliamentarians, and I ask for an assurance that there will be no move in this State for similar increases in the foreseeable future. I support the motion for what it is worth—an opportunity to get down to these issues which I believe are fundamental and the only ones worthwhile at the present time.

Mr. WELLS (Florey): I did not intend to enter this debate but I think I should make a contribution. I doubt whether many other members on this side of the House will do so, as that would tend to dignify the stupid and unwarranted motion before us today. One could have imagined that he was sitting in the House in Canberra, because the contributions to the debate from members opposite have considered almost entirely of abuse and condemnation of the Australian Government, in no way relating to the State Government. No concrete proposals have been put forward regarding what can be done for the betterment of this State; no suggestions have been made to the Government so that it could examine them and perhaps initiate action on them if it was considered they could be beneficial. What concerns me more than anything is that

this debate is being used by members opposite who have spoken as a vehicle to pour poisonous invective on to the heads of the trade union movement in this State.

Mr. Gunn: That is incorrect.

Mr. WELLS: I deprecate that action; it is a shameful thing for them to have done.

Mr. Gunn: But you support—

Mr. WELLS: I suggest you speak to your farmers union and leave me to tell you about the trade unions. The fact is that the wage increases that the labour force of this State has been seeking and is at this moment seeking—

Mr. Chapman: Every day.

Mr. WELLS: —every day in all probability will continue until the workers are given a fair and equitable share in their production. That is the key to the situation. The employers are continually increasing their profits, year by year, as a glance at any financial paper, or even at the daily newspapers, will reveal.

Mr. Gunn: But you cannot—

Mr. WELLS: Also, for the benefit of the member for Eyre, it will show that the income of the average farmer in this State has increased by \$20 000 or more in the past financial year, representing a 56 per cent increase. The workers rightly want a share in the productivity of their labour. It is this that brings about the situation where strike actions and stoppages are occurring, because the greedy and grasping employer is most reluctant to release his purse strings to permit a little more money to flow into the pockets of the workers, to increase the standard of living of their families. Until the voice of the trade unions is heeded by the employer, it is inevitable that further stoppages will take place, and there will be further industrial trouble, too. Let me tell the House of the situation at Port Adelaide. Steel is being held at berth No. 29 at Port Adelaide which cannot be released because of a demarcation dispute between the Waterside Workers Federation and the Transport Workers Union, each of which claims that the handling of this steel is its work. Criticism has been heaped on the head of the Premier for inactivity in this matter. People want to know why something has not been done about it, why the trade union movement or the Government has not done something about it. The Premier was quite correct when he stated there was no existing machinery to enable the Government to intervene in this matter and, if the unions concerned were not ready to accept intervention and would not agree to accept a particular method of demarcation, that was it. I hope that, through their activities and the intervention of other people, we shall see an early solution of this problem, but I can give no guarantee. Now let me say this to you, Mister, if what you suggested by interjecting yesterday—

The ACTING DEPUTY SPEAKER: Order! The honourable member must address other honourable members in the correct way.

Mr. WELLS: I apologize for my indiscretion, but the member for Alexandra by interjection said he would sack them and starve them. We know that this is his ideology and his method of operation regarding the labour force; and he repeated it today. Recently, I heard a radio interview concerning the member for Alexandra. He spoke of his career in politics and why he was in politics: he thought something had to be done and someone had to do something, and that someone was he. At the close of the radio interview, he was asked about his ambitions and, honestly, he said, "Ah, well, of course, you know, I want to get to the front benches." I say to him that I hope

his wish is fulfilled, because nothing could be better for us on this side than to have the honourable member on the Opposition front bench.

I want now to deal shortly with some of the speeches that have been made. The Leader confused me somewhat in one of his statements, when he said that the Premier had made no attempt to influence the Australian Government to give South Australia a better deal. That of course is wrong, and I know the Leader knows it is wrong, because the Premier in fact organized a meeting of State Premiers, and he was eulogized for his activities at that meeting.

Dr. Eastick: He did not initiate it.

Mr. WELLS: Perhaps I am wrong there, but my information is that he did.

Dr. Eastick: He was going to Canberra.

Mr. WELLS: If he did not initiate it, he soon took control. I understood the Leader to say that the mini Budget would have no effect with its increase in the price of spirits, because it would not decrease the demand for spirits. However, he then said he was concerned because of the situation of the member for Chaffey and others who had predicted that this increase would have a drastic effect in their districts. If there is no decrease in the demand, how will that affect brandy producers? The Leader, in referring to the militant union hierarchy, implied that unions were governing this State. I have said before, and I repeat, that trade unions in South Australia have democratic elections for their leaders: once they are elected they are entitled to the loyalty and support of rank-and-file members, and they get it.

It was suggested that a group of trade union leaders, without consulting their members, asked for wage increases of \$25 to \$35 a week. However, rank-and-file members are always consulted, and any demand for wage increases comes from the grass roots. If a member is discontented, he tells his leaders that he wants more money and that they should get it, and the member will support their action. That is how they operate. Any reference to union hierarchy is so much stupidity, because union leaders are elected by rank-and-file members, and can be sacked by them. If the leader does not act as he is required to do by his members and does not produce beneficial results for them, they will sack him, and so they should.

The contribution by the member for Torrens was not of the standard to which I usually enjoy listening. The honourable member is a discerning politician, and I think he knew there was nothing in this motion into which he could really get his teeth but, in his usual loyal way, he did his best for the Party. He said that Clyde Cameron had intervened in the Industrial Court on behalf of workers. That is true, and more strength to his elbow. However, the honourable member did not say that the Minister in the Liberal Government intervened during his term of office and opposed wage increases. Fortunately, we have a Labor Government that is ensuring that wage justice is meted out to workers.

I have nothing to say about the speech of the member for Bragg, who used abuse and invective against the Australian Government and tried to reflect it on this Government. If necessary, I will repeat outside this Chamber that he scraped the bottom of the barrel and stooped to the lowest depths when he criticized the Premier and other Minister for being absent from the State, knowing that they were engaged on State business and could not be present. I am sure that, if the honourable member had been truthful, he would have said that

his problem was that they were not away long enough to suit him: he does not like them replying to him after he makes stupid statements. The honourable member said that unemployment would be rife: we may have a degree of unemployment, and this situation would be regretted by me and by this Government but, if the recent by-election at Goyder is any guide, perhaps the honourable member will be soon unemployed as a politician. I regret that this motion has been introduced, because I believe it was not genuine. It was flag waving and an attempt by the Opposition to influence the thinking of the general public: what was the Liberal and Country League (it has now dumped the Country Party, because it said that was not worth worrying about) and is now the Liberal Party says it is a brave new Party that will strongly oppose the Labor Party and show it how to conduct the affairs of this State.

The Hon. G. T. Virgo: They are the real Conservatives now!

Mr. WELLS: True, but I believe the Country Party will increase its number of members after the next election. I oppose the motion.

Mr. GOLDSWORTHY (Kavel): I was worried about the member for Florey when he commenced speaking, because I thought he had lost some of his sting, but he worked up a fair head of steam and eventually we had one of his more normal orations. We were challenged by the member for Mitcham to state our position in connection with the pay rise in Canberra. This matter has not been discussed by our Party, but, in my opinion, the move is ill timed. I am sure the honourable member's criticism would be more pointed if his attendance in this House was more regular, and no doubt his military and legal activities contribute to his income. The honourable member is the last one who should make pronouncements on this issue. After the display of invective that we have become used to hearing the honourable member direct at us at the beginning of his speeches, he made some other comments, although it took him a fair while to do so. He traversed the same ground covered by the Leader and the Deputy Leader, but perhaps used a few different newspaper quotations. I do not think that his speech was anything to write home about; his criticism of the Leader and the Deputy Leader was particularly ill directed.

When he had worked up a head of steam, the member for Florey made one or two points. Again, he trotted out this nonsense about our alleged attitude towards the trade union movement. We have to say over and over again that we do not hate the trade union movement and that we certainly do not hate members of trade unions; perhaps if we say this often enough the member for Florey and his colleagues will desist from saying that we do hate them. Criticism that we level at the activities of some trade union leaders cannot be considered to be hatred of the trade union movement. I believe that some of the activities of trade union leaders do not contribute to the welfare of the country in the present economic climate. However, that cannot be sensibly and reasonably construed to be hatred of the trade union movement. Some of the trade union members in this Chamber are amongst the more amenable members of the Government Party. I refute entirely the charge trotted out with monotonous regularity (particularly by the member for Florey and the more vocal spokesmen of the Labor Party) that we hate the trade union movement; we do not hate trade unions. I believe that wage claims made by trade unions will have to be moderated.

Mr. Wright: Do you think that company profits should be moderated too?

Mr. GOLDSWORTHY: I do. I refute entirely the allegation that we pour poison on the trade union movement. We do not seek to do that, and we are misrepresented regularly in this Chamber. The member for Florey also said that the average rural income had increased to an incredible sum—I think \$20 000.

Dr. Eastick: That was the increase, he said.

Mr. GOLDSWORTHY: I do not know where he dreamt that up, but I suggest he make a rather closer study of the average rural income and compare it with the average income of any other industry he likes to name; I think he will find that the average rural income is significantly less than that of any other field. If the honourable member can prove by reputable statistical evidence that his figure is correct, I will listen to him. However, at present I reject his statement, as I believe it is completely false and nonsensical to say that rural income has risen by \$20 000. He must have dreamt that.

Much has been said about economics. The newspapers contain sheaves of comment by economists and others, and we hear other references on morning radio programmes. This afternoon it has been alleged that the Liberal Party has no solution to the economic crisis. The Minister of Education interjected, saying that we had no answer. Reference was made to the policy suggested by the Commonwealth Leader of the Liberal Party. On the P.M. radio programme this week I heard precisely that policy put forward by an economist, who said that, if the public could get more money to spend by way of tax relief, there would then be a strong case indeed for wage restraint. I believe that there must be both wage and price restraint.

We have reached the present economic situation at the State and Commonwealth level because of the policies with which the Australian Labor Party has approached State and Commonwealth elections. I do not think that any responsible political Party can put forward at elections the types of policy which the Labor Party has put forward in the past in this State and which so far it has managed to get away with, although its policies are fast catching up with it. Moreover, I do not think that it was responsible for the Labor Party to present at a Commonwealth election the sort of policy it used to buy votes when it was first elected. In fact, what that Government is doing now is reversing trends that it advocated in its policy speech before first being elected. Reference is made to this fact in today's edition of the *Financial Review*, under the heading "Treasurer Jawbones", as follows:

Mr. Frank Crean last night warned the nation that the Government intends to resort to the creation of unemployment as a strategy against cost inflation.—

and this is the irony of the situation—

In a spectacularly candid way, the Treasurer embraced the 1971 strategy which put the McMahon Liberal Country Party Government out of office.

If that is not a reversal of form, I do not know what is. The Labor Government came to office in Canberra with an expansionary Budget across the whole board, with the one exception, to my knowledge, of defence. In any other area that can be thought of the Commonwealth Government intended to spend not millions or tens of millions, but hundreds of millions.

The motion before us refers to economic reality. I say in all sincerity that I do not deny, in my charitable moments, that some of the motives of the Labor Party are not entirely false. Members on this side have a social conscience. I believe that some of the moves of the

Labor Party perhaps stem from the existence of a social conscience, but its policies stem from a completely unrealistic economic attitude and outlook. In Government, we were criticized federally for producing a Budget surplus; there were howls that we were not even spending the money we had. Education is one field that comes to mind readily in this respect. I can remember the Premier spouting in this House about Keynesian economics, or something or other. In times when it is desirable to stimulate things, a Budget deficit is suggested.

Mr. McAnaney: He's forgotten about that.

Mr. GOLDSWORTHY: Now he has. That sort of surplus Budget, which was introduced for several years in the Commonwealth sphere, was deliberately an anti-inflationary Budget designed to siphon off money in a situation where demand was tending to be excessive. The Labor Party threw that policy out of the window, saying "You name it: we will spend it." Bigger and better! Perhaps the Labor Party's motives were not base, but its economic grasp of the situation was completely hopeless. I believe that that sort of policy has put us fairly and squarely in the mess we are in at present.

When the Premier came back from overseas he was criticized, and I think validly. While he was overseas, at one stage the Minister of Education was maid of all work: he was Acting Premier, Minister of Education, Acting Minister of Works, and Lord knows what. It was almost a repetition of the Whitlam-Barnard show that we had for a time. When he returned, the Premier replied to criticism by saying that he was running the biggest business in the State.

The Hon. G. T. Virgo: Quote what he said.

Mr. GOLDSWORTHY: If that is what the Minister wants, I will do so. He was quoted as saying:

I find it very strange when I am running the biggest business in the State that it is not considered proper for me to go.

All I can say is that the Premier and his Government are running the business in a fashion quite unlike that of any other business leaders, big or small, rural or secondary. This Government has never shown any restraint in economic management. It got away with it for a while because of the economic base that had been built up in this State over many years. I wish to quote from a sensible article in the *Advertiser* written by Bruce Guerin. The article which was factual, honest, and sound economically, states:

In fact, South Australia's manufacturing sector is almost the handcrafted achievement of Sir Thomas Playford, who used skill, influence and straightout financial enticements to suppress the economic arguments that South Australia was too far from the main markets and too deficient in raw materials to be the best place for these industries. They have worked wonders for the local economy and made it possible more recently for Mr. Dunstan to push ahead steadily with his quality-of-life programmes.

That is a statement of fact. The article also says:

When economic conditions or policy changes bring pressures to bear for rationalization of their operations, it is too often the fact that firms see such rationalization in terms of consolidating away from South Australia towards the bigger Eastern States markets. This tendency is now being reinforced by a steady erosion of South Australia's position as a low-cost State. Both wages and prices have been rising faster than the national average. I believe that that statement is right on the spot: it is a statement of fact. We know the nonsense that the Labor Party in this State used to go on with; for example, it used to say, "We will be the pace-setters." Actually, the Labor Party inherited a sea of prosperity.

Mr. Langley: When Sir Thomas Playford was in Government there was one of the biggest depressions that this State has ever experienced.

Mr. GOLDSWORTHY: It has been unjustly claimed that when Sir Thomas Playford was in Government we had people leaving the State in droves, but in their more honest moments (and the Premier had one of those moments on the occasion of the retirement of Sir Thomas) people have paid due regard to the economic policy which was instituted in this State by the Playford Government and which put this State right where it is. The Labor Party has been trading on that prosperity ever since. This is the kind of statement members opposite made. They do not like what I am saying, and they are becoming vocal. What I am saying is the truth. They know it, and it hurts. This is what the Labor Party went to the people with in 1970:

In other parts of the Commonwealth, they call us the Cinderella State.

What nonsense! The Premier always trots out this nonsense. He trotted it out at the most political exercise I have seen, namely, the opening of Modbury Hospital, where he said that we spent less on hospitals when in Government. If one takes the figures, that is true, but everything cost less here then. Our record, when in Government, was second to none. Houses cost about half the current prices, and people appreciated it. The policy speech continues:

Our development, our education, our freedom, our environment and our protection have all suffered.

What nonsense! The policy speech continues:

We'll set a standard of social advancement that the whole of Australia will envy.

This is the kind of guff the Government has been churning out ever since:

We will not cut back on health and education.

The Minister of Education repeated those words when the Government got the clout from the Commonwealth Government recently. In more recent statements by the Premier, I think he has decided that the Government will have to cut back on health and education. During that period of development, South Australians were encouraged to work hard and be thrifty. I believe it was that response by the people which put this State where it was. It was the result of the leadership of successive L.C.L. Governments. One of the economic facts of life is that this State is in competition with the other States and, unless it retains some cost advantage, it will lose the markets that it has enjoyed in the Eastern States for its consumer durables such as washing machines. We will lose whatever advantages had been built up during the many years of L.C.L. Government. I believe that the honeymoon is over for the Labor Party in South Australia. It was said that, if we had a Labor Government in Canberra, it would be Utopia. The Premier was soon knocking at the door after that Government was elected. Some of the many appropriate quotes in front of me are humorous. A press cutting, under the heading, "We're ready to go", states:

The South Australian Government already had plans for State development to put before the Whitlam Government, the Premier, Mr. Dunstan, said last night. "I expect to be on the doorstep with plans in Canberra the week after next," he said. "A whole series of programmes for South Australia have already been discussed between us and Mr. Whitlam, and we have been told by federal officers that this State has made more plans than other States in this area. We can therefore expect Federal help for our programmes pretty quickly."

He said that back in 1972. It seems to have gone sour, as he wanted to do something from an aircraft just recently.

That is a sample of the propaganda this Government has issued. The Government has shown no sense of any economic reality in its approach to running what the Premier has called "the biggest business in the State".

Another suggestion made in another excellent article by Bruce Guerin indicates the Government's attitude. I recall the Commonwealth Government's supporting claims for wage rises before the arbitration commission. The State Government has set the pace here. The Commonwealth Government's national superannuation scheme will not be nearly as generous as this State Government's superannuation scheme that was passed by Parliament recently. We do not wish to deny people the benefits of this State's production. By the same token, however, we are not willing to lose touch with economic reality. The working party's terms of reference for the superannuation scheme were aligned with the policy statement that it had to be the best in the Commonwealth. However, that is not in touch with economic reality.

Mr. Payne: Who benefits?

Mr. GOLDSWORTHY: In the long term—

Mr. Payne: Never mind the long term. Who benefits—the Government or the people?

Mr. GOLDSWORTHY: In the long term, no-one benefits.

Members interjecting:

Mr. GOLDSWORTHY: Members opposite obviously have not got the nous to concentrate on what I am saying. If the Government, by making moves to which it has given its full approval, destroys the cost advantage that has existed in this State for so long, things will catch up with the Government, as I believe is happening now. I believe that when chill economic winds blow, as they are blowing now, this State will be the first to go down. This is because no restraint has been shown in economic management. This afternoon, the Premier mouthed nonsense regarding the provision of members' district officers, a matter about which I could certainly say something. This is not an example of good economy, or a good example to set.

Mr. Langley: Aren't you satisfied?

Mr. GOLDSWORTHY: I am having difficulty at present doing electorate work with the office arrangements that the Government is seeking to enforce. If one is to run a business successfully, one must keep a close eye on expenditure and ensure that one gets value for money. If the Premier is running the biggest business in the State (as indeed he is) he must ensure that he is getting value for money, but he is not doing so. I do not believe any industry leader in South Australia would have initiated the moves that this Government has initiated. If Government workers want extra money or extra leave entitlements, they get it. The Government dictates economic conditions. Of course, private industry competes with the Government and, if the Government takes the lead and gives leave loadings and extra holidays, the private sector must follow suit. I am convinced that, when the low cost advantage that we in this State have enjoyed is destroyed, this will become a mendicant State. There are many instances of Government activity in which there has been a lack of restraint. If what I have said is false, I should like the Minister of Education to say so. It was alleged that there was crisis in education. The only statement I got from the Government was that there was a crisis in relation to morale. However, the Labor Party when it was in Opposition would have been the only

one that contributed to that situation. The Minister has shown precious little restraint in some of his activities. One of the troubles in Canberra is that not only does the Government not know where it is going but also it does not appear to have the talent to reach a unanimity of purpose. I refer now to the following report in the March 26, 1973, issue of *Time* magazine which I thought interesting:

One of Whitlam's major liabilities could, indeed, be his Cabinet Generally they are an unimpressive group of long-serving Party hacks

I refer now to a report by Bruce Guerin, who developed this theme in the June 7, 1973, issue of the *Advertiser*, as follows:

There is still room for vigorous Government action, however, starting with a reversal of the Federal Government's wide support for increased pay and improved conditions for its own employees.

The Government built up the Australian Public Service, and now it is talking about shrinking it. It was going to go into a tremendously expansionary pre-school education programme, but now it is going to knock it back, just as it has done in every other area of Government spending. It was the policy which the Australian Party espoused, which it took to the people, and which gained it an election victory that has put Australia in its present position. Now, one sees a complete reversal in today's issue of the *Financial Review*.

Members interjecting:

Mr. GOLDSWORTHY: This is a motion to censure the past activities of these Governments, and I have been addressing myself to that motion. I have canvassed in the debate the reasons why I consider the Government should be censured: because of its lack of appreciation of economic realities. If this motion fails, I can only hope that the Government will in future approach its economic management in a saner and more realistic manner than it has done in the past. I support the motion.

The Hon. HUGH HUDSON (Minister of Education): When listening to the member for Kavel, I was reminded of the occasion during my student days when the final year students in the economics faculty at Sydney University gave an annual dinner to the staff. I was reminded particularly of the toast, which was moved by one of the students, to the academic staff. This student was fairly rude about many of the staff, describing one lecturer, a gentleman who is now a professor, as a man who had perfected the art of giving a 50-minute lecture in only 10 minutes. He described another gentleman, who is now Sir Hermann Black, as having perfected the art of delivering a 10-minute lecture in 50 minutes. I suspect that the member for Kavel falls into the latter category.

We have this afternoon listened to debate on a motion which concerns mainly the Australian Government and which contains one sentence allegedly referring to the State Government, which sentence, I am appalled to say, contains a split infinitive. When debating this motion members opposite indulged in the worst and lowest form of Party politics. That seems to be about as far as they are capable of going. I listened to the various members who spoke this afternoon and I agreed with one interjection: that it was no wonder the Liberal and Country League lost the Goyder by-election.

Mr. Gunn: We will say a bit about that in a few moments.

The Hon. HUGH HUDSON: There is no doubt that on an occasion like this their inability to rise above the

traditional type of Party-political garbage that has been indulged in many times in the past is one of the chief reasons why the Party opposite is not acceptable to the people of South Australia as an alternative Government and why Liberal supporters not only in the metropolitan area but also in the country are seeming to turn to an alternative. Indeed, the only member this afternoon who really made any attempt to argue a reasoned case was the member for Mitcham, about whom, Opposition members will be aware, I do not often say anything flattering. However, he tried to address his mind to the basic questions involved in this inflation issue. I suggest that the so-called mini Budget introduced last evening has been reported in the press and talked about in a way that does not add anything significant to the basic arguments about inflation. I consider that that Budget was the response by the Commonwealth Government to the Treasury arguments doubtless presented to the Government about the costs of increasing pension payments without at the same time taking other action to pay for them.

Mr. Gunn: You're blaming the Treasury for the Commonwealth Government's incompetence.

The Hon. HUGH HUDSON: I am not, and I wish the honourable member would pay attention. I referred to the Commonwealth Government's response to Treasury arguments about the way in which an increase in the pension would be paid for. That does not mean that the Treasury is responsible: it means that the Government is responsible for the decisions taken, and I wish that the member for Eyre would not jump to false conclusions. I also suggest that the particular reasons why the taxes were confined to spirits and cigarettes relate to the question of views about cost-push inflation. I do not think it can be argued that the impact of taxes on spirits and cigarettes is significant in the effect of overall costs of the industry concerned. It is of an entirely different order of magnitude from an increase, for example, in sales tax on petrol, which would automatically flow across the board into all costs of production. Therefore, I do not think that discussions about the so-called mini Budget reflecting something basic about Commonwealth Government economic policy are really valid. I think that the matter was related entirely to the Commonwealth Government's commitment to move towards a certain relationship between the pension and average weekly earnings.

Mr. Millhouse: Do you think the Budget had any effect on South Australia?

The Hon. HUGH HUDSON: No, not significantly. To the extent that expenditure on spirits and cigarettes is maintained, people in South Australia will have less money available to spend on other things, but that is true across the board throughout Australia. The only way in which it can be argued that the particular imposts have a differential impact on South Australia is in relation to the increase in excise tax on that part of spirits represented by brandy production. Against that, it can be argued that the change that has taken place may produce a shift in demand towards wine and, consequently, any effect on brandy production may be offset by a stimulating effect on wine production. Therefore, in so far as those increases announced last evening are supposed to have a differential impact on South Australia compared to other States, there is no significance in that argument. It seems to me that the basic arguments regarding South Australia relate to the tariff policies of the Commonwealth Government and policies that we may hear about later relating to sales tax in the consumer durable goods area and on motor cars.

Clearly, the changes in relation to tariff protection in the white goods or motor car industries have a different impact in this State from that in other States, and the Premier has been vocal on these issues. I think it is recognized generally, not only here but also elsewhere in Australia, that the Premier is determined and effective in the way he stands up for the basic interests of South Australia. I put forcibly to members opposite the point that I do not believe that they have given the Premier anything like the credit that is due to him for sticking up for South Australia. He does it time and time again.

It is not only a question of making the appropriate noises: whenever there is any difficulty regarding an industry, the Department of the Premier and of Development in this State is immediately in touch with that industry to do anything possible to assist it to negotiate more satisfactory arrangements. I am certain that any member opposite who contacted industrial leaders in the white goods industry, the motor car industry, or the wine industry would appreciate that point. The Premier is fearless, irrespective of Party loyalties, in looking after the interests of this State, and he is so recognized nationally.

Mr. Millhouse: Have you any comment on the Commonwealth Government's decision last evening to reduce expenditure on pre-school education?

The Hon. HUGH HUDSON: I regret very much that the Commonwealth Government, in the area of pre-school education, has adopted what Mr. Snedden said he would do.

Mr. Millhouse: You put it rather more strongly at election time.

The Hon. HUGH HUDSON: I was appalled at that prospect, and I still am. The member for Mitcham may say what he likes, but I am willing to give my views on this matter.

Mr. Millhouse: You seem a little reticent about it.

The Hon. HUGH HUDSON: Now the honourable member is being uncharitable and is reverting to type once again. I had visions of the honourable member's being a future Liberal Leader in this State and of his being able to show some real statesmanship. However, now he is descending to the real type of political garbage about which he was accusing the Liberal Party a short time ago.

I will be clear about my attitude on pre-school education. In this State we are geared to develop a universal system of pre-school education that will cover all four-year-old children within five years. Indeed, if our plans could have been implemented, we would have achieved a coverage of significantly more than 50 per cent of four-year-old children by the end of 1975. I am disappointed and appalled that the Commonwealth Government's priorities have been such that its proposals for the further development of pre-school education and child-care facilities will not be implemented at this stage but will be deferred for one year. I regret that very much. Regarding the basic question of inflation, it is all very well for any member to speak about wage restraint or price restraint, but the only effective way—

Members interjecting:

The Hon. HUGH HUDSON: I know that it is difficult for the member for Davenport to follow anything at all but I suggest that, if he cannot make a sensible interjection, he stop embarrassing his colleagues by making an unintelligent one. It is difficult for any one employer to accept price restraint unless he has some real assurance that all other employers will accept it. It is difficult for any one union, union leader, or group of employees or salary earners, whether they are judges, members of Parliament, civil servants, or any other group, to accept salary restraint

unless they are assured that all others will accept the same thing. That is a fundamental fact of life and, in circumstances where a rapid rate of inflation exists and people become fearful of what will happen to their standards of living unless they make determined efforts to protect them, it becomes even more difficult to convince any group within the community that it should be restraining itself in relation to prices or wages, because the irrational and the unreasonable tend to dominate the normal arguments and the fears of individuals tend to prevent them from taking a step that they can see will be in the national interest if adopted by everyone. It is for this reason that I believe firmly that a policy of voluntary wage and price restraint will not work, that it will break down.

Mr. Millhouse: Do you think they should take the rise, then?

The Hon. HUGH HUDSON: The honourable member may care to let me develop my argument in the way I wish to develop it.

Mr. Millhouse: I hope you will come to a conclusion.

Mr. Langley: What do you think they should do?

The Hon. HUGH HUDSON: And I ask the member for Unley also to let me develop the argument as I wish and not to interject on the member for Mitcham. I do not believe a policy of wage or price restraint will work, because I do not believe there would be sufficient adherence to such a policy (no matter how many Liberal leaders we got into the policy) or that a sufficient number of employers or employees would toe the line and agree to any voluntary restraint.

Dr. Eastick: Who is talking about voluntary?

The Hon. HUGH HUDSON: I shall develop that point further. I do not believe that a process of calling conferences, as Mr. Snedden has suggested, or of calling people together to try to get them to accept voluntary wage and price restraint, is going to work. I suggest it would be worse than useless.

Dr. Eastick: But at least Mr. Snedden—

The Hon. HUGH HUDSON: I gave the Leader the courtesy, while I was in the Chamber, of listening to him without interjection. He has a right of reply, and I suggest he should contain himself until the time for his reply. We are living in a community where no one authority can exercise overall wage restraint or overall price restraint. Certainly, in South Australia, in almost any respect in relation to prices or wages or salaries, the arbitration authorities here are doing little more than follow what is taking place elsewhere. It is clear, too, that, at the Commonwealth level, the powers of the Government are exceedingly limited. It has a Prices Justification Tribunal, which has a limited impact only. In the arbitration of wages and salaries in the Commonwealth sphere, many of the changes taking place are outside the direct control of the Commonwealth Government, and the whole arbitration system would have to be scrapped or altered substantially before they could be brought under such control.

It is a crazy world in which we live, but it is even more crazy that the people of Australia did not see fit, at the end of last year, to vote "Yes" in the referendums on wage and price control, because here is the epitome of the reason why effective powers are required.

Dr. Eastick: The perfect centralist!

The Hon. HUGH HUDSON: The Leader of the Opposition knows full well that unless there is some overall price and wage restraint it will not work. He knows that overall

control by some authority is necessary, but he voted "No" at the end of last year and advocated a "No" vote, and now he has the gall and the dimwittedness to say something should be done about inflation.

Mr. Coumbe: The majority of people voted "No".

The Hon. HUGH HUDSON: That is so. No referendum in history has been passed without the support of both major Parties. I charge the Liberal Party in other States and the L.C.L. here with a signal failure in their responsibilities in the way in which they campaigned at the end of last year. I hope the Commonwealth Government will see its way clear to again put this question to a referendum. In this community, in Australia generally, we live in a highly dangerous situation, because other countries in the world that are our major trading partners have the powers we do not have centrally in Australia, and it will require only one or two of those trading partners to get some measure of control over the rate of inflation for Australia to be in an absolutely disastrous situation. The only reason we have not experienced this is that the rate of inflation in the overseas countries which are the major trading partners for Australia is just as rapid as it is here, if not more so.

Dr. Tonkin: Do you approve of the Labor Caucus's decision?

The Hon. HUGH HUDSON: The member for Bragg has had an opportunity, and I suggest that he let me develop my argument in my own way. Members of Parliament in this State are the lowest paid members in Australia by about \$2 000. As a Minister, I earn considerably more than back-benchers earn. It is all very well for me to say, as I would be willing to say, that I do not need a salary increase. That is true, but is it right for a Minister or for the Leader of the Opposition, on his salary, to say that back-benchers generally do not need a salary increase? This is something the back-benchers in this Parliament would need to decide for themselves. I do not think people on higher rates of pay should decide it for them.

Dr. Tonkin: What about the increase in Commonwealth Parliamentary salaries?

Mr. Payne: What about professional men in Parliament?

The Hon. HUGH HUDSON: The position of the Commonwealth Government regarding any attempt it may wish to make to restrain wages is somewhat difficult. Let me confine myself to that remark. Since the honourable member for Mitcham spoke, I have glanced at page 11 of the *Australian*, mentioned by him, and I believe the type of suggestions made there, including indexation, are suggestions that have some chance of bringing the rate of inflation under some degree of control, but it is absolutely clear cut that if we continue in this country to operate an economic system where basic questions ultimately affecting the economic well-being of all the people are not under effective control by the Government that has overall responsibility for the economic well-being of this nation—

Dr. Eastick: Centralist again!

The Hon. HUGH HUDSON: It is really most unfortunate that the L.C.L. has fallen into such a state that the only thing the Leader can think of saying, when a point is raised about those responsible for the economic well-being of this nation having the effective power to ensure that the nation's well-being is reasonable, is "Centralist again". Had the Leader listened for one moment to the general tenor of my remarks he would have appreciated that it is not possible for one State acting

on its own to make a significant contribution and that a situation where economic decisions of the most fundamental importance will require the agreement of seven Governments of seven different political complexions, is a situation fraught with the gravest danger for the country's future. The Leader must do better than he did this afternoon, or than he looks like doing in his reply, before he has any prospect of making any contribution whatsoever to the settlement of these grave economic questions. To put at risk the whole well-being of this nation, because any economic decision that will impinge on our basic problems will require the agreement of all seven Governments, is to be anti the future of this country.

Members interjecting:

The Hon. HUGH HUDSON: The alternative—

Mr. Goldsworthy: Then get rid of those Party hacks in Canberra!

The Hon. HUGH HUDSON: If the cap fits, wear it. No-one would know better what a Party hack looks like. The alternative facing the nation is either the adoption of an effective national policy on inflation, which cannot be implemented—

Members interjecting:

The SPEAKER: Order!

The Hon. HUGH HUDSON: If members opposite will let me conclude the sentence, an effective national policy cannot be adopted under the present limited powers that are available to the Australian Government. The alternative is either to have an effective national policy—

Members interjecting:

The Hon. HUGH HUDSON: It would not matter who was in power nationally, because the same problems and issues come up for grabs. The alternatives are either an effective national policy by a Government that has the powers to fulfil its responsibilities, or the gravest economic crisis developing since the Great Depression.

Members interjecting:

The Hon. HUGH HUDSON: It is difficult having to put up with the kind of trash put forward as arguments by members opposite. We saw in Australia during the Great Depression a situation where, because the national Government (first a Labor Government and then a national Government) did not have effective power, Australia's record during the Great Depression was far worse than that of many other western countries, especially the United States.

Mr. Becker: Because it was a Labor Government.

The Hon. HUGH HUDSON: The record of the Government which came into power in 1933, and which was in power from 1933 until the Second World War, was one of the worst records of any western Government. There was a good reason for that because, apart from the inept economic policies at that time, the Government did not have the power to do the kinds of things that were open to many of the Governments of Western Europe, and especially the United States Government, where many more steps were taken to correct the economic ills at that time.

Nevertheless, we must put up with the attitudes of troglodytes on these matters, because they think that the cry of centralism is something that might work for them politically. They are not willing to have a Government in this country that would have authority equal to that of the United States Government, the United Kingdom Government, the New Zealand Government, even the Canadian Government, or any other Government in

Western Europe. Members opposite are willing, as a Party, to go along with this nation's Government not having the power to handle future economic difficulties with which it is going to be confronted. As a Party, it is a disgrace.

Mr. EVANS (Fisher): I will not attempt to answer the Minister of Education at this stage; however, there are two other points to which I wish immediately to refer. First, I refer to the statement by the Premier that, because members of the Opposition have district offices and secretarial assistance, they are better equipped to act as an Opposition than they were in the past. That is untrue. We are political organizations fighting one another on political philosophies concerning the many activities in which we engage. The Premier and his Ministers have increased their staffs many hundreds of times more than they have increased the staffs of Opposition members. Indeed, every Minister has a press secretary and research officer working for him all of the time.

Each Government back-bencher and Opposition member has only his secretary in his district office, where only typing and similar work is undertaken, and some do not even have that. The Premier knew that when he made his statement. Further, the Government has now a monitoring service of every radio programme, to the disadvantage of the Opposition and to the distinct advantage of the Labor Party, and that service is for the sake not of the State but of a political philosophy. The Minister of Education and each of his colleagues knows that. How many members have read the motion now before us? I refer especially to one member not here now (as is often the case), that is, the member for Mitcham.

Mr. Becker: Perhaps he's attending a C.M.F. parade.

Mr. EVANS: He is always attending to C.M.F. duties, in court, or somewhere else. The motion states:

That this House express grave concern at the effects on the well-being of the citizens of South Australia of the Commonwealth Government's inadequate anti-inflationary policies and the adverse repercussions for South Australia of:

(a) the continuing wage-cost-price spiral;

Do the Minister of Education, the Premier and the member for Mitcham say that they do not have grave concern at the continuing wage-cost spiral? Are they saying that they are not concerned about that? Indeed, that is what they are telling us, for they say that there is no power in the motion. The member for Mitcham himself said that, he being a so-called anti-Socialist (but I have my doubts about that). The motion continues:

(b) increasing housing costs;

(c) growing unemployment;

Any member in this House who states that he is not concerned about increased housing costs is, I believe, not a responsible member of Parliament. Recent increased housing costs are an utter disgrace. Can members say that they are not concerned about growing unemployment (the next matter mentioned in the motion)? Can members involved in the trade union movement say they are not concerned about growing unemployment? How can they say that there is no power in this motion? Indeed, I would hope that the member for Florey is concerned about unemployment.

[Sitting suspended from 6 to 7:30 p.m.]

Mr. EVANS: Subparagraph (d) of the motion states that this House should be concerned about escalating State taxation. Regarding the subparagraph, the Premier in this debate was talking tongue in cheek because, immediately after his discussion with his Commonwealth Leader

(the Prime Minister) he said he was concerned that he would have to increase State taxation. He expressed concern then, but he was not prepared to do so in this Chamber so that it could be recorded in *Hansard* and a copy of his statement sent to his Commonwealth Leader and members of his Cabinet who say they are concerned about the Australian people. The Premier had the opportunity today to speak on that and he will have the opportunity later to vote on it.

Another paragraph in the motion urges the Commonwealth Government to adopt a realistic attitude towards the financial requirements of the States. The Premier himself has said that he is not receiving enough money and so will have to increase State taxation because the Commonwealth Government will not give him enough money; yet he is not prepared to support this motion. Who is playing politics when the Minister of Education states that this motion has reached the lowest ebb he can see on the political scene? It is the Premier who has the double standards, and he has left the Chamber.

Members interjecting:

Mr. EVANS: I hope the member for Unley, as Government Whip, sees that the Premier votes for what he says he believes in and what he has supported in the immediate past. The next paragraph in the motion calls on the Commonwealth Government to take a more positive stand against irresponsible trade union leadership. It is not accusing all of the trade union leaders: it is accusing the irresponsible leadership within the trade union movement. There is no doubt, as at least 90 per cent of Australian people will agree, that there are irresponsible leaders in the trade union movement.

Mr. Langley: Who are they?

Mr. EVANS: Finally, the motion calls on the State Government to adopt a more realistic and responsible attitude to the economic management of the State or to forthwith resign. This House should call on the State Government to take a more realistic approach to the financial management of the State.

The Hon. D. H. McKee: What are you going to do about it?

Mr. EVANS: I will make a proposal that will help the Government tonight in this situation of lack of finance. At one stage, the Premier supported me but I do not know whether or not he does so now. My proposal is in respect of rent paid for Housing Trust houses. I am glad the Minister responsible for housing is present, because he can say that he either supports or does not support his Leader's views on this. South Australia faces a crisis in housing, a crisis that we have never experienced since federation. In 73 years we have not experienced the escalation in building costs that we have at present; we have never had as many people waiting for houses as there are now. The member for Gilles has admitted there are 12 000 people, as recorded in the Housing Trust's report, waiting for rental houses in this State. The situation has not improved since the present Minister took over the reigns in this field.

Members interjecting:

Mr. EVANS: When the Builders Licensing Act Amendment Bill was introduced, I made a prediction to this House on April 1, 1971, when I said:

I make a prediction similar to the one I made in 1969. I predict that, because of this Bill, building costs in this State will be considerably increased. I justify that statement by saying that the Bill will force people into day labour instead of subcontracting, and the incentive to work

harder will disappear. As a result, in two years housing costs in this State will increase by 10 per cent more than the increase resulting from wage rises; this will happen as a direct result of this Bill. I am sure my prediction will prove to be correct, and the 10 per cent increase I have referred to will involve much expenditure for our young people who even today are struggling to acquire homes.

What I predicted then has occurred. When the member for Unley talks about lack of co-operation, he knows as well as I do that many subcontractors got out of the field because they would not put up with the dictatorial attitude in respect of the licensing of builders.

Mr. Langley: They could stand the strain.

Mr. EVANS: Nowhere in Australia will anyone find houses equal to the standard of houses in this State. If there are shoddy houses, he will find as many in the Housing Trust sector as in the private sector. Before the Building Act was amended, the Housing Trust was, for several years, building houses outside the regulations and under ceiling heights required by that Act.

Mr. Langley: Name the houses.

Mr. EVANS: In 1969—

Mr. Langley: Whereabouts?

Mr. EVANS: In 1969 they were built under the required ceiling heights. Another point is that on October 18, 1973 (not quite 12 months ago) the Premier of this State (it is unfortunate that we have the same Premier today—Mr. Dunstan) said he was going to carry out an investigation into the spiralling costs of house building in this State. At that time this State was experiencing an increase of 8.3 per cent for the year to the end of July, 1973. Since that time, building costs have escalated by 40 per cent. Apparently, the Premier was concerned in October, 1973, but he is not concerned today. He states in this House that he is not concerned that the increase has risen to 40 per cent. Was he concerned in October, 1973, that the increase in the cost of housing was too low? Is he happy with the position today now that the increase is 40 per cent? That is what he has suggested today by the attitude he has taken in this debate. We know it is the average man, and not the rich man, who suffers; he is being pulled to pieces.

Under the A.L.P. Government, both Commonwealth and State, we have learnt these things: there is no reward for thrift; there is no incentive for initiative. That has gone. There is no reward for extra effort: that, too, has gone. There is, however, every incentive and encouragement for a man to become a parasite in a parasite's paradise. When I said that many months ago, members opposite challenged me and said I was calling everyone in Australia a parasite; but I remind them of what Mr. Clyde Cameron said about parasites who were living on the country by taking unemployment relief when employment was available. He himself had to condemn that state of affairs because he knew that that policy was wrong.

Members interjecting:

Mr. EVANS: Under the A.L.P. Government in power in Canberra, we have lost all incentives. The mini Budget announced last night took away all the incentives. One thing that leaders in this country can do, whether they be Liberal or Labor, is to ensure that we all work longer for the same money to produce more goods, and we should be looking, as the member for Davenport has said, to industry, and private and public enterprise, to cut down the demands that occur and to become more productive. That is what

is wrong with this country: we do not have enough growth productivity, and we have become a lazy and an apathetic country.

Mr. Langley: What about companies telling workers what they have to do?

Mr. EVANS: From 1950 until the present Government assumed control of the Treasury benches in 1970, the Housing Trust was building an average of 3 000 houses a year, but in 1972-73 the trust constructed only 1 618 houses, the lowest number since 1948.

Mr. Langley: What caused that?

Mr. EVANS: It was the escalation in costs and prices. The member for Gilles said that we have received \$5 000 000 more because of the Commonwealth-State Housing Agreement, and when he was asked whether that amount would help the building industry he said it would. I challenge him to say how it would, because in his statement he admitted that this sum would not enable any additional houses to be built. In other words, we need \$5 000 000 to provide for the increase in the cost factor for the previous 12 months. The Commonwealth Government has gained \$2 500 000 000 in taxation in one year, but has allowed this State only an extra \$5 000 000 for housing.

Whom is the member for Gilles trying to kid? At present a house worth \$17 000 will cost \$490 000 to build in 1985, if the present 40 per cent inflationary increase continues as it has done in the previous 12 months. To borrow to build that house a person will need a 10 per cent deposit, which is about \$50 000: he will need to ask a finance company for assistance and, if he pays today's interest rate of 11 per cent, by the time he pays off the house in 30 years he will have paid \$1 500 000. Yet the Australian Labor Party suggests that there should be no grave concern about the housing industry and the effect of inflation on it! What member of Parliament could tell his 15-year-old son these facts, because that is what it will cost if the present process continues?

Mr. Langley: I look into the future, but not that far. You would need a crystal ball.

Mr. EVANS: That is a great statement from the honorable member, but any person trying to build a house is looking ahead and is concerned about this problem. Yesterday I asked the Premier, "Will the Premier say whether he supports an 11 per cent interest rate on housing loans made through the South Australian Superannuation Fund?". The Premier did not reply to that question, and was not willing, as the Leader of the Government, to say that he supported an interest rate of 11 per cent on Superannuation Fund money for housing loans. He waffled about legislation that was passed last session.

Mr. Langley: What do you support?

Mr. EVANS: I believe that this is an organization that does not have to compete with other societies for contributions, as it has a guaranteed clientele, and it is not necessary for this organization to chase the present fashionable interest rate. The Commonwealth Government has made money available to the State Government for housing at an interest rate of 4 per cent, and I believe the Superannuation Fund could operate on a rate of about 8½ per cent to 9½ per cent without harming the fund, and could then assist people who contribute to and borrow from this organization. The aim of the Housing Trust since its inception has been to provide low-cost housing for people who could not afford rentals that were applicable in our society. I support that philosophy, but I believe a practice

that has applied for some time should be changed; that is, of allowing people to live in trust houses at a nominal rental after they have prospered by promotion or through business activity. A group of people is paying a low rental at a time when they could afford a normal rental charge. I do not advocate that these people should be tipped out.

Mr. Slater: What would you do?

Mr. EVANS: I consider that the improvements to the property should be taken into account. If it is possible to give these people a separate title, it could be offered to them at the ruling market rate. If they cannot or do not wish to purchase the house, they should be allowed a period in which to find other accommodation, or if they remain they should agree to pay an appropriate rental at the normal ruling rate for that style of house. By this method more money would be made available to the trust to enable it to build more low-cost houses. I do not know whether any member has considered the number of houses rented by the trust and the amount of rental received for these houses, but I will give these details. There are 5 100 tenants (16·7 per cent of the total number of tenants) who pay up to \$6 a week in rent for trust accommodation; 2 700 tenants (8·8 per cent) pay between \$6 and \$7 in rent; 7 100 (23·2 per cent) pay between \$7 and \$8; 4 100 (13·4 per cent) pay between \$8 and \$9; and 2 900 (9·5 per cent) pay between \$9 and \$10. Therefore, 71 per cent of the people occupying this type of trust accommodation pay less than \$10 a week. Only 8 700 tenants (28·4 per cent) pay more than \$10 rent.

All members know of at least one person (if not a dozen people) who went into a Housing Trust house when in poor circumstances, deservedly needing that type of accommodation at the rental prevailing. However, there is no way today, when the Government is short of money for housing, that we can support the continuance of that policy. As I said before, I have friends who are in business who pay \$6 000 in tax (they will hate me for saying this) and who, although they have a holiday shack, a caravan and two cars, continue to pay \$9·75 a week for the house in which they live. Whether they vote Liberal or Labor does not matter; what they do is parasitical. What type of society can support such a thing when 12 000 people, many of whom are in needy circumstances, have their names on a list waiting to get a roof over their heads?

The Government members who have spoken so far have said that they are not concerned with the rising cost of housing; they are happy about that. They do not worry about the people; they are more concerned about protecting their Commonwealth colleagues whose policies have brought about many of these ills. The Commonwealth Government's attitude towards interest rates has affected people who need a loan in order to buy a house and also those who are already attempting to buy houses. An article in today's *News*, headed "Rush for trust homes", states that the trust has had a massive approach from the community in relation to trust houses. Because of the high interest rates and building costs, young people with common sense are unable to look to the future with any confidence when it comes to buying a house.

Mr. Langley: I can cite three a week in my area.

Mr. EVANS: Apparently the member for Unley is happy about the situation, believing that there is no problem in connection with the building industry. Does he realize that building costs in this State are escalating at the rate of \$100 a week? Does he realize that the average

wage is \$115 a week, out of which people are supposed to deal with this escalation? No-one can support that sort of escalation in price. In October, 1973, following the great increase in the price of wholesale building materials, the Premier set up a committee to investigate the building industry. There has been no report made public since then; the Premier just used that means to save face. All we have seen is a statement from the Minister in charge of housing to the effect that builders will be helped with forward purchasing in connection with oversea orders. The Minister has also said that the dream of having one's own home has ended. In 1970, he admitted that this was the dream, but now it has ended, after four years of the State Labor Government and 18 months of the Commonwealth Labor Government.

Socialist policy has meant the end of that dream. Instead there are handouts to those who are unwilling to contribute to the economy and who live on those who do contribute. We have encouraged a society in which there is no privilege for thrift and no benefit for those who use their initiative; we have developed a paradise for parasites. In supporting the motion, I challenge the member for Mitcham, the Premier, and the Minister of Education to read it again carefully. The motion expresses grave concern about various issues. There must be concern about these issues.

Mr. Langley: Tell us what we should do.

Mr. EVANS: I have said what could be done in relation to the Housing Trust policy on rentals. Previously, the Premier has supported that view. If the Government does as I have suggested, I will support that action. In the Commonwealth-State Housing Agreement, the Commonwealth Government has laid down that a means test must operate with regard to loan money. The Minister in charge of housing knows that this is the case. I support the motion.

Mr. RODDA (Victoria): I, too, support the motion, which has been criticized from this side as well as from the other side of the House. Probably the best way to deal with criticism from this side is to dismiss it. Characteristically, the member for Florey chided Opposition members, saying that they did not appreciate the affairs of the working man. I do not think he really believes that, because members on this side sincerely appreciate the working man, as we are all working men.

Mr. Langley: You should vote for the A.L.P. then.

Mr. RODDA: Straight away sectionalism protrudes its ugly head, like a mushroom in the first rain. The member for Florey spoke about workers being ground by grasping employers. That is good stirring talk of this day and age, but it adds nothing to the situation.

The Hon. D. H. McKee: How would you like to milk cows for the member for Eyre?

Mr. RODDA: He would pay very well. It does the member for Florey little credit to stir along the lines he followed. The people who have worked with me have supped with us, lived with us, and been paid well, as the member for Salisbury knows as a result of his peregrinations in that wonderful part of the State. I believe, however, that one irate woolgrower was supposed to have wrestled the honourable member in a wool bin in a shearing shed, although I believe they are friends now. The Opposition's attitude is not as the member for Florey would have members believe: the Opposition is not against the working man and it does not want to grind him under. Indeed, the member for Kavel ably illustrated this.

The Opposition appreciates the people who work for a wage or salary. The Minister of Labour and Industry made a crack about my Party's change of name. If he cared to examine the Liberal Party's philosophy, he would see that it was not a sectional one, as the member for Unley suggested it was. Indeed, the Liberal philosophy reaches right across the board, extending as it does the hand of friendship to anyone who wants to take hold of it. This is why the Party of which I am a member changed its name.

The Hon. D. H. McKee: Do you think it will help you politically and attract votes?

Mr. RODDA: The Opposition has an extensive and deep concern for the people of South Australia, and the Liberal Party of Australia (South Australian Branch) is today a reality. The member for Florey said that farmers' income had increased by over 56 per cent.

Mr. Payne: The Commonwealth Statistician said that.

Mr. RODDA: We must accept his authority, of course. If one examines this matter in detail, one finds that there is a story to be told and many facts to be heeded. In 1971-72, the rural sector, feeling the effects of bad seasons in many districts throughout the country, was struggling for its existence. Indeed, prices in the wool industry had dropped to a record low ebb.

Mr. Payne: You had a Liberal Government in Canberra.

Mr. RODDA: There are certain things over which Governments have no control. In this respect, I want to be fair about the present Government not only in this State but also the Government in Canberra. The McMahon Government faced up to the difficulties being experienced in the wool industry, the then Minister for Primary Industry (Mr. Anthony) having introduced legislation that gave supplementary assistance to woolgrowers. At that time there was one bright spot on the rural scene: because of the effects of the United States market, beef prices were reasonably high. The wool industry assistance plan, instituted by Mr. Anthony and supported by the Government of which he was a member, had to be introduced quickly. The matter was speedily researched and a prescribed formula was laid down in relation to legitimate woolgrowers, who, from memory, needed to have been in the industry for at least two years in order to qualify for assistance. The growers were required to state their income in those years and, if there was a declared percentage difference, they became eligible for a maximum grant of up to \$1 500. Realizing that these growers needed the money urgently, Mr. Anthony did the right thing by getting it to them quickly. The scheme worked well in most Australian areas, although there happened to be a nigger in the woodpile. In the high rainfall areas where most wool is grown, primary producers who were able quickly to get out of the wool industry and into the beef cattle industry did so. Even these people became eligible to participate in the wool subsidy scheme to which I have referred.

Certain people in my own district who had faith in the wool industry chose to stay in it. Because of the high rainfall in their respective areas, and despite the low wool prices, these people found themselves receiving only a small return from the subsidy that was made available to them. On the other hand, many growers and their families who had left the industry to go into the beef cattle industry were able to receive the full \$1 500. This led to members receiving many representations from their constituents. Indeed, I know what I went through in this respect.

Because the member for Florey whacked into farmers regarding their 56 per cent increase in income, I had to show that there was more to this matter than met the eye.

The subsidies paid helped woolgrowers in a most important industry. The member for Florey probably did not realize, when he made that statement, that in 1971-72 many producers were almost bankrupt, although in my sound district only six people faced the bailiff and were sold up. Had the situation not improved, I hate to think what might have happened. In April, 1972, no less an authority than Sir William Gunn (Chairman of the Australian Wool Board), when speaking to a gathering of farmers at Keith, said that if in the opinion of the Australian Wool Board wool could reach a price of about \$1.30 a kilogram we could make the industry pay. Of course, things happened thereafter: at the next wool sale there was a dramatic increase in wool prices, with growers receiving over \$1.50 a kilogram for their wool. The price increased even more after that, when we experienced the spectacle of a wool boom, which certainly worked wonders for woolgrowers.

The irony of the whole matter is that the persons who received the \$1 500 subsidy (and in some cases many members of their families also received it) were later placed in a higher taxation bracket. Therefore, the joy experienced in 1972 became somewhat of a bitter pill to swallow in 1973. At that time, the Rural Industries Assistance Corporation was inundated with applications from farmers who needed assistance to be able to remain on their land. That is the back-up, and we had this unprecedented increase on overseas markets, which were willing to pay large amounts for wool, and beef prices were high. The demand for dairy produce was big, and we had the big increase in the farmers' income about which the member for Florey was keen to chide members on this side. In December, 1972, there was a change of Government in the Commonwealth Parliament, and the actions of that Government are the basis of this motion.

For three weeks we had a two-man open Government making all the changes and laying the foundations for the inflation that now has beset this country. The rural community went on to enjoy one of the most bounteous seasons that Australia has known. Indeed, the prices were in line with what the farmer had received in the 1951-52 period. The 1972-73 income tax year was one of high yield. However, with Treasurer Crean operating in this atmosphere with the backing of the Coombs task force, the news for the farmer was extremely bad. The *Stock Journal* Canberra service has reported on bitter pills to be served up to the man on the land. The report states:

This year's Federal Budget promises to provide little but cold comfort for the man on the land.

That Budget has yet to be introduced. The report also states:

Indications are for a tough Budget for all sectors of the community but more particularly for the man on the land. A taste of this was given recently following the State Premiers' Conference, when the Prime Minister (Mr. Whitlam) announced the removal of the petroleum products subsidy scheme.

This was when the Premier of South Australia wanted to do things from great heights on his erstwhile colleagues. The report also states:

Removal of this subsidy was one of the many measures of Government saving recommended by the Coombs task force.

This task force, which the report refers to as having assembled a Pandora's box, has had some deep repercussions for the farmer, and it made recommendations on

ways that the Government could save money. Some of the recommendations that the rural industry fear are:

The termination of the non-metropolitan unemployment relief grants;

Removal of the apple and pear stabilization scheme;

Termination of the dried fruits stabilization scheme;

The end of the processed milk products bounty;

The end of special rural research grants;

The phasing out of the wool deficiency payments scheme and wool marketing assistance;

The end of the averaging of incomes of primary producers for tax purposes;

The phasing out of drought bonds;

The phasing out of the carry-forward of primary producer losses for taxation purposes;

Termination of cattle tick control and research expenditure; and

Termination of estate duty concessions for primary producers.

Those announcements about what the Commonwealth Government has pending are sufficient reason for the motion that the Leader has moved today. Also, prices for all agricultural products have dropped. The value of beef cattle is about half what it was three months ago, and wool prices are falling. Added to all this, costs have escalated and the superphosphate bounty will be terminated at the end of this year. The Premiers' Conference in June was a fiasco for the States, and our Premier made loud noises about the inadequacy of funds being made available to his State.

We have had the announcement that the State Government intends to proceed with the proposed developments that it has set down for South Australia, and this makes members on this side wonder whether priorities should not be set up regarding what should be proceeded with in this emergency. We in Adelaide had the spectacle of Australian Labor Party leaders meeting the Prime Minister and the Deputy Prime Minister, when they had long and anxious discussions. It was significant that the Prime Minister did not make an announcement after the discussions, and it was left to the host Premier to announce that the discussions had been fruitful and that a working party was to be set up, headed by him and the Premier of Tasmania (Mr. Reece).

Since then things have gone from bad to worse and we have had an announcement that in the June quarter the cost of living has reached a record. We in South Australia have the doubtful honour of being the pace-setter in this regard, and these costs are affecting all sectors of the community, not the least of which is the primary-producing section that I and many of my colleagues represent. The many increases in costs that have been announced have not yet had their impact on the economy, and a large slug is to come in the announcement that will be made in August or September. The rural sector faces a bleak period, and we shudder at the thought of what Mr. Crean will announce to the Commonwealth Parliament. It will be a bitter pill for the people of South Australia, and the Dunstan Government, which has the commission to govern in South Australia, has the responsibility of drawing up a blueprint that sets the pattern in this State.

The rural sector has lost incentive. There has been a long waiting period for vital supplies, and there has been a waiting period of two years for Electricity Trust extension services for primary industry in my district in the South-East. I predict a big drop-off in production, and the Commonwealth and State Labor Governments share the responsibility for bringing this about. We will all share the consequences of that. Although I do not have pleasure in supporting the motion of the Leader, I hope that the Government will heed what has been said sincerely by

members on this side, not perhaps in criticism but in a constructive way so that the State of South Australia, along with the rest of this great Commonwealth, will attain an economy more stable than that at present prevailing.

Mr. PAYNE (Mitchell): In opposing the motion, I sympathize with Opposition speakers in their dilemma. It is rather a daunting task for them to endeavour to castigate a State Government when the same State Government has recently received, in a public opinion poll, the endorsement of more than 69 per cent of the citizens of South Australia, who have expressed complete satisfaction with the performance of the Government; yet the Opposition is faced with the task of attacking the performance of that Government. To say the least, it is rather a daunting task. Perhaps this explains why, although the motion called on the Government to adopt a more realistic and responsible attitude to the economic management of the State or to resign forthwith, the Opposition has failed utterly to display this same realistic and responsible attitude in its efforts to argue its case. It seems to me (and the Premier made this point well in his remarks) that if an Opposition purports, imagines or hopes that it can provide an alternative Government to the existing elected Government (and let us not forget that the present Government was elected by the people of this State)—

The Hon. G. T. Virgo: Overwhelmingly, too.

Mr. PAYNE: If Opposition members wish to argue that we should not be here, the Opposition must appear a viable and credible alternative. Clearly, in this debate, this has not been shown in any way. We have heard many condemnatory statements about the Commonwealth Labor Government. That is all they have been: statements, not facts.

Mr. McAnaney: Are you going to defend them?

Mr. PAYNE: The honourable member for Heysen has been in this House long enough to have developed just a little patience. One would have hoped that, after his long sojourn here, he would realize that a member is entitled to develop his argument and to produce his points when he is ready, not when some other member, interjecting and out of order, endeavours to distract him. I do not intend to be distracted, because this is an important debate from our point of view. The Government is being attacked for its performance. It is being attacked wrongly, because its performance has been subjected to the scrutiny of the people of South Australia for more than four years. The people have had the opportunity to make a change if they desired but, as the Minister of Transport reminded me a moment ago, they returned the Government with a considerable majority. That is something Opposition members must keep in mind.

Conversely, the only recent test of Opposition members as performers has been in the recent wellknown by-election—and what a performance! The figures speak for themselves. I notice there is a paucity of interjection now. No-one opposite wants to buy into that matter. These are the facts of life for politicians: ballot figures, seats won and lost, performance measured by the reaction of the people and not by some waffle from the Opposition, unless it can produce facts to accompany its allegations. I have said that we have provided a good performance in Government. I have also said that the Opposition has not provided any alternative performance that appeals to the people. The Opposition has given all sorts of performance in this House: its members spend so much time in fighting and back-

stabbing one another that it is clear to the people that the Opposition does not represent any alternative form of Government.

Opposition members know this, and they are even resorting to aliases. They have scrubbed the old name, and their Party is now called the Liberal Party of Australia (South Australian Division), alias the L.C.P., alias the Conservative Party, alias the troglodyte group. No matter how they change the name of their Party, members opposite will be judged on their performance, and this motion is about performance.

Let us see what some South Australian people think of the performance of the South Australian Government, which, with the Australian Government, Opposition members have set out to condemn by this motion. Let us see what are the views of the people—not politicians but influential business leaders, people of considerable stature in the financial and business world. Surely we can accept those views as a guide to the state of the nation. We do not have to look far. One can only marvel at the way in which the so-called Opposition trots out such motions as that before us: it seems that its members do not ever seek to find the true position. In the *News* on Tuesday, July 23, the day on which notice was given of this motion, there appeared an article by Mr. Ron Patterson, who is not a member of the Australian Labor Party but is the President of the Chamber of Commerce and Industry. Mr. Patterson said, for example, that major undertakings at present being carried out within the State could be expected to thrust South Australia into a period of industrial expansion and diversification. These undertakings are actually being carried out, not just hoped for. Now let members of the Opposition say that business enterprises will undertake major expansion when dissatisfied with the Government of the State in which they propose to carry out that expansion.

Members interjecting:

Mr. PAYNE: I suggest that one honourable member who has just interjected should take up the matter with Mr. Patterson. I am sure he would be delighted to enlighten the honourable member, who apparently does not know what is going on in his own State. I do not intend to help him. Let him find it out for himself. Perhaps that is the problem: perhaps the rest of the Opposition do not know what is going on in their own State. Perhaps I am doing members opposite an injustice, but I thought they had a few clues and would know what was going on in South Australia. However, maybe I am wrong and they are just plain dumb. If I am criticizing them unjustly, I apologize. However, I do not think I am.

The member for Kavel advanced several points and theories, and I commend him for doing so. True, I do not agree with his views, but at least he put some forward, and he did not go on like the Leader and, to his shame, the Deputy Leader, who can do better but who waffled on vaguely about the naughty Australian Government and things of that nature; no facts, just nonsense. At least the member for Kavel made some points, unlike the member for Davenport, who promised us, while we waited with bated breath to hear his solutions to current problems, that he would tell us what to do. When we goaded him by interjection he replied, "You wait, I will let you know." What did he tell us but, "Cut down in the Premier's Department". That will fix everything; it will solve the whole inflation problem! However, when the member for Davenport was further cajoled by interjection and asked, "Who else would you sack?" he hurriedly

shifted from that tack and moved on, because he knew well that we went to the people of South Australia in 1973 and said, "We believe you want us to do this in education and that in hospitals and in expansion in the State's water supply. We ask you to return us on that basis, and we will tax you to the extent necessary to provide this level of development and expansion for the State."

That was made clear to the people of this State then, and they endorsed that policy. It is this with which the Opposition is stuck, and it cannot argue away from it. The State Labor Government did not hide one thing from the people. The Premier made clear that the Government would be engaged on a policy of development and providing services to which the people of the State were entitled. It is at this point that I sharply part company with the member for Kavel, who, as I said, made some interesting points. He is entitled to express his views, but I differ from him. That is what Parliament is all about, and I pay credit to him. In his effort to discredit us, however, the member for Kavel praised us. He said we had become the pacesetters in workmen's compensation. Well, I am proud to stand here as a member of a Government that has given the workers of this State the best workmen's compensation provisions in Australia.

The member for Kavel also said we were the pacesetters in the Public Service superannuation scheme. If the honourable member does not consider that scheme is acceptable to members of the State Public Service, he should go out and ask them to see whether they are satisfied with the performance of this Government.

Mr. McAnaney: You have missed the point.

Mr. PAYNE: I have not missed the point at all. We are talking about performance, and performance is measured, in this case especially, on how the State's business community feels about the present Government. Mr. Patterson continued:

South Australia has always provided a large share in Australian exports. In the year 1972-73 exports from this State reached a record of \$525 000 000, and imports \$200 000 000. It is expected that, when the containerization facilities are completed, South Australian exports will be given another boost.

In the export field, the fact that the Premier sometimes undertakes overseas visits and yet is subjected to snide remarks from the member for Mitcham and other members is elsewhere recognized as bringing benefits to the State. It appears that despite all that has been said our export markets have been increased, and the reason for most of the overseas visits made by the Premier has been to work in the export field.

What I have quoted is not a politician talking: it is the President of the Chamber of Commerce and Industry, the business community at large. What have other members of the business and industrial community of this State to say about development in South Australia? No less a person than Sir Ian McLennan, Chairman of that well known company so dear to the heart of the member for Whyalla, Broken Hill Proprietary Company Limited, only yesterday (the same day as notice of this motion was given) said the following concerning this State, which has the Government that the Opposition has the temerity to try and castigate with this puerile motion:

Australia's industrial giant B.H.P.—
not a small firm, but a fairly large concern—

Members interjecting:

Mr. PAYNE: This statement shows the validity of my comments. Of course, members opposite do not want to hear this statement, because it hurts them. Sir Ian McLennan stated:

Australia's industrial giant B.H.P. continues to show its faith in the future strong development of South Australia. That is strange. This large industrial company apparently has every confidence in the Government of this State: it "continues to show its faith". Apparently members opposite have not read this report, which is as follows:

The company is at present investing \$40 000 000 in development projects at its various interests throughout the State.

Mr. Evans: What about—

Mr. PAYNE: I do not blame the honourable member for interjecting, because, when one is being hit with the real McCoy, there is not much else one can do. One can either interject, make out one is sleeping or go outside. There is nothing else one can do. Certainly, members opposite cannot refute this. Sir Ian McLennan is not on our team, but he is an honest business man making a comment. He further states:

There is no reason why the company and the State cannot continue to grow and develop together.

He agrees that we are growing and developing. That company is putting its money where its mouth is to the extent of 40 000 000 simoleons! He says we are growing and developing, and I agree with him. We are the Government. We are doing a good job, and the company is satisfied that we are doing a good job. Indeed, it is beginning to look as though everyone is satisfied with the performance of the State Labor Government. At least 69 per cent of the people indicated in a recent poll that they were satisfied. Apparently the only people not satisfied with our Government's performance in office are the few gentlemen sitting opposite who are dignified by the title "Her Majesty's Opposition".

Members interjecting:

The SPEAKER: Order!

Mr. PAYNE: Sir Ian McLennan went on to say that on the mineral side of their operations more than \$20 000 000 was being spent—\$14 000 000 of it for a magnetic plant to treat low grade ore. So those people are not only happy with our progress and happy to share in the benefits of the State Labor Government and its wise and far-seeing development plans but are also prepared to put their money where their mouth is and work the lower grade ore, from which the returns will be less. So, they are really satisfied with the State, the working people of the State, and the Government.

I selected those two examples, but there are others. However, out of deference to the Opposition and as members opposite are squirming somewhat, I leave that area. I am certain I have shown what almost everyone in the State thinks about the Labor Government and its performance, although of course I have not convinced members opposite who form Her Majesty's Opposition. I now turn to the remarks of the member for Fisher, who preceded me in this debate. He said he was greatly concerned about the increase in housing costs. I would not take issue with him on that. We should all be responsible enough to be worried about the rise in housing costs.

Members interjecting:

Mr. PAYNE: The member for Alexandra is already on record as being a "hang them" merchant, so I would thank him to keep his interjections to himself. On this side we have a somewhat more enlightened view on the working people, their rights and what they should receive as

emoluments for their labours. I ask the honourable member to keep his remarks until he speaks, if he intends to take part in this debate. He should also allow the member for Fisher to hear what I have to say about his remarks. It is a courtesy that should be accorded to members on one's own side. The member for Fisher may want to hear what I have to say, even if the member for Alexandra does not. The member for Fisher said that housing costs had risen and offered a possible panacea, at least in the Housing Trust area; but he did not say how the costs had risen. When this Government last year tried to do something about land and housing costs in this State, what happened? This Government introduced a Bill, which it was able to do with the assistance of the Australian Labor Government that members opposite are attempting to criticize. That Government made funds available to this Government. We introduced the Bill to attempt to control the price of land.

Mr. Gunn: You wanted to nationalize all land in this country.

Mr. PAYNE: The honourable member should keep quiet, because he seldom says anything worth hearing. The Opposition both here and in the other place had every opportunity to do something to keep down the cost of housing in this State, but what did they do with the Urban Land (Price Control) Bill? This Government was forced to accept certain amendments to retain some of the provisions of that Bill. Members opposite may become a little quieter now that I am referring to that Bill, which provided that the maximum increase in land value could be 7½ per cent a year. What were we forced to accept? Every member opposite knows we were forced to accept the loan rate, which was considerably in excess of 7½ per cent. The Government set May 1 as the date for fixing the base rate for land prices that would be covered by the Bill, but what did the members in another place do with that? We were forced to bring that date forward to November: in other words, to permit the further speculative increases that had occurred. That is the record of the Opposition's attempt to keep down costs in the housing industry.

Members interjecting:

The SPEAKER: Order!

Mr. PAYNE: This motion sets out to castigate the Australian Government for its attitude to the citizens of South Australia. In conclusion, I mention some other information available as recently as in His Excellency's Speech yesterday, yet apparently overlooked by members opposite when they ask, "What has the Commonwealth Government done for the people of South Australia?" I remind members of the Opposition that it was the Australian Government, in a critical and tight housing situation, that made available large sums of low-interest money to South Australia, at 5½ and 6½ per cent. That was a low rate of interest even several years ago, as the Leader of the Opposition knows. Thousands of people would like a loan at such a low rate of interest. There are people in my electoral district who have already received loans from those funds, so let the Opposition try to make capital out of that. Finance has been advanced for land acquisition at Monarto, and we should realize that it came from the Australian Government, which, according to this ridiculous motion, is not doing anything for the people of South Australia.

Paragraph 14 in the Governor's Speech clearly shows that South Australia received \$8 000 000 as funds for the

South Australian Land Commission for land acquisition. We also received funds for community health centres, which were mentioned in the Speech yesterday. In my own district, at Clovelly Park the Commonwealth has supplied \$139 000 for a community health centre, and the people of Clovelly Park welcome the action in this matter of the Australian Labor Government.

I could go on and mention other things that have been brought to fruition because we have Labor Governments in Canberra and in South Australia. I need only mention the Crystal Brook standard gauge line. How many years did we wait for that under a Liberal Government in Canberra? We had Buckley's chance of getting it until a Labor Government took office in Canberra, a Government that keeps in mind the welfare of the people of Australia. It is not its job to give South Australia a very special go: its job is to give every citizen of the country a fair go, which it is doing and will continue to do.

Dr. Tonkin: Are you not concerned about South Australia?

Mr. PAYNE: I am just as concerned for the people of South Australia as is the honourable member who has just interjected. In fact, I am so much concerned for them that I became a member of this Government, so that the people would get a better deal than they would get if the Opposition was in Government. That illustrates the degree of my concern in this matter. I am sure I have shown the utterly ridiculous way in which the Opposition has introduced this motion, and I have clearly shown it has no substance; it is simply a waste of this House's time, and I utterly oppose it.

Mr. GUNN (Eyre): I strongly support the motion, because it clearly indicates to the House and to the people of South Australia that we are concerned about the irresponsible effects of legislation and policies being put forward by the Commonwealth Labor Government and its satellite Government in South Australia. The situation we are reaching is that South Australia and the other States will become nothing more than satellites of the present Commonwealth Government. It is all very well for the Premier to return to South Australia and be loud in his criticism of the Commonwealth Government, but he is as much to blame as is anyone else. The Premier went around the countryside in December, 1972, and was loud in his praise of Whitlam and his colleagues. He was part of the greatest confidence trick that has been pulled on the Australian people: it won the Commonwealth election for the A.L.P. I quote from the policy speech of the Prime Minister delivered in November, 1972: this can only be described as a document of deceit. On the first page of this obnoxious document it states:

Will you again entrust the nation's economy to the men who deliberately, but needlessly, created Australia's worst unemployment for 10 years? Or to the same men who have presided over the worst inflation for 20 years?

At that time the inflation rate was 4½ per cent: consider it today 18 months after the election of this bunch of Socialists!

Mr. Langley: What about America?

Mr. GUNN: Let us consider the situation in 1973. An excellent document placed before the Australian people, entitled *The Way Ahead*, was the joint manifesto of the Liberal and Country Party, and was a document that clearly outlined the rates of inflation in other parts of the world. Australia had the honour to be in No. 1 position with a rate of inflation of 13.2 per cent; in Great Britain it was 10.5 per cent; in New Zealand it

was 10.2 per cent (and not even a Labor Government there could beat the Socialist Government in this country); in Canada it was 9.2 per cent; in the United States of America it was 8.8 per cent; in France it was 8.5 per cent; and in West Germany the rate was 7.9 per cent. Members opposite and their Commonwealth colleagues have created the worst inflation situation in the history of this country. They have reduced a booming economy, which encouraged people to show initiative and enterprise, into a situation that can only be described as economic chaos, and have created industrial anarchy in this country. It seems that Government members are proud that dairy farmers have had to tip milk down the drain.

Mr. Langley: That was in Queensland!

Mr. Nankivell: It was in the Adelaide Hills.

Mr. GUNN: The member for Unley is going into hysterics, but he is not aware of the situation in which people in the Adelaide Hills had to tip milk down the drain. Apparently, the honourable member believes that this sort of thing is good for our citizens, that women and children can be denied milk and bread, and that steel can rust on the wharves at Port Adelaide. Is that the progress brought by the Labor Party to this country?

Mr. Langley: Where did they tip milk down the drain?

Mr. GUNN: I hope my colleagues in all Parties on this side will stand with the Liberal Party of Australia and condemn the actions of the industrial wing of the Labor Party.

Mr. Keneally: Will you answer me one question?

Mr. GUNN: No, because the honourable member is out of order: he should contribute to the debate instead of sitting back and making snide remarks. I do not need any help from him to make my speech. The Leader of the Opposition properly gave notice yesterday that he intended to move this no-confidence motion today. I am sure that most people in this State and in this great country are concerned at the manner in which we are being governed and controlled. The Minister of Education was the first member of the Labor Party to indicate that we are heading toward a serious economic situation. However, I believe this is part of the Labor Party plan to destroy the Federation and the States. It is creating inflation so that the States will have to go to the Commonwealth Government on their knees for assistance, and this will enable the Commonwealth Government to take complete control of this nation and destroy the decentralized form of Government we have today. This type of Government is one of the best systems operating throughout the world, because it is a system that allows government to be close to the people, and this is a situation that the Labor Party has set out to destroy. If one reads the policies and platforms of the Australian Labor Party in the Commonwealth and State spheres, one can only conclude that this is its aim. I believe it was the member for Mitcham who said that one cannot be a good South Australian and be a member of the Labor Party: I agree with his statement.

Mr. Keneally: Many people disagree with it.

Mr. GUNN: Members of the A.L.P. who enter this Parliament desire to do one thing: to destroy the responsibilities that now belong to this Parliament, and they are bound by the pledges they signed to transfer all power to Canberra. I think it was this evening that, when asked to comment on the so-called anti-inflation measures taken last evening by the Commonwealth Treasurer, Dr. Cairns said that they were not really anti-inflationary. I believe

that the Commonwealth Government wants to continue the economic chaos it has created so that it can gradually destroy the States, with Australia finally having one House of Parliament in Canberra.

The Hon. D. H. McKee: Then you'll be back behind—

Mr. GUNN: We are well aware of how highly the Premier regards the Minister of Labour and Industry. This afternoon the Premier showed that he had no confidence whatever in the Minister's ability: the Minister was not allowed to reply to a question.

Mr. Langley: You don't even know what day it is.

Mr. GUNN: Well, it was yesterday. When a question was directed to the Minister, the Premier took action that amounted to a vote of no confidence in the Minister. If the Minister had any courage, he would resign, because he was completely humiliated by the Premier.

The Hon. D. H. McKee: You're asking the whole Government to resign, aren't you, or are you just joking?

Mr. Jennings: I'll resign if you will, and if you'll stand for my seat.

Mr. GUNN: I could make some very uncharitable remarks about certain actions of the member for Ross Smith in the last few weeks. However, as I wish to deal with other matters, I will not go on with that subject. If the honourable member wants to engage in his usual personal abuse of members he should take a look at himself.

The Hon. D. H. McKee: Are you getting thin-skinned?

Mr. GUNN: I would be happy to face my constituents, with a clear conscience, at any time. Before I was so rudely interrupted, I was trying to show that the A.L.P. had needlessly created the present economic situation. The present Premier (and he will be Premier only temporarily) was part of the plan. As soon as the last session of Parliament concluded, the Premier spent State funds to go overseas. In fact, Parliament had to adjourn early, so that we did not have time to discuss properly the business before us. The Premier rushed off overseas, but he found plenty of time to return to Australia, at the expense of the taxpayers, to campaign for the Commonwealth Labor Party.

Mr. Langley: Why don't you—

The SPEAKER: Order! The honourable member is out of order in interjecting.

Mr. GUNN: When the Premier had returned from overseas the second time, he went to New South Wales, this time to campaign for the Labor Party in that State. Next, he was loud in his criticism of the lousy deal South Australia had received from the Commonwealth Government. If ever there is a political hypocrite and if ever anyone has engaged in political acrobatics, it is the Premier, who has pulled a confidence trick on the people of the State. I do not accept his criticism of his Commonwealth colleagues; it is nothing more than part of a campaign to save his own skin. Knowing the political situation and the industrial and economic climate in this State, he believes that the Government is in such a poor condition that he has to find a scapegoat. On this occasion, he picked on the Prime Minister. He is willing to turn on his own colleagues to save his political skin.

Mr. Keneally: You're supporting the Prime Minister?

Mr. GUNN: I would not support him.

The Hon. D. H. McKee: Are you supporting the Premier or the Prime Minister?

Mr. GUNN: When the Labor Party has finished holding a Caucus meeting, I will continue. I well recall coming into

this House in 1970. In the election campaign, an interesting brochure was put out, headed "If you need help". The brochure has in it the beaming face of the member for Unley.

Mr. Langley: Is that the Unley District? I am going up and up.

The SPEAKER: Order! If the honourable member continues to interject, he will go out.

Mr. GUNN: At the back, this brochure states "Join me in a fight for a better future." I wonder whether people in this State, who are paying record interest rates and seeing their savings depleted by inflation and their initiatives destroyed, believe that members of this Government and their Commonwealth colleagues have built a better future. The brochure also states, "We would all like things to be better than they are: better schooling, better roads, transportation, housing, a better deal for the man on the land."

If there is one section of the Australian community on which the Commonwealth Labor Government has launched a bitter attack it is people living in country areas. A more vicious campaign than that conducted by any previous Government has been conducted against citizens living outside the metropolitan area. The people I represent and those represented by other country members have been subjected to the most severe taxation measures. As a result of the Prime Minister's decision, they have had to pay increased petrol charges. I understand the Prime Minister is presently having trouble with some country members of his Caucus. The Prime Minister has imposed higher petrol charges on country people, and his roads programme is a disgrace. In an attempt to win the Northern Territory seat at the Commonwealth election, the Prime Minister, at Alice Springs, promised that he would support the building of a new Stuart Highway within three months. I have written to the Prime Minister asking him to honour his election promise, which I believe was made dishonestly.

Mr. Coumbe: Another broken promise.

Mr. GUNN: Yes. I think that Mr. Wentworth aptly described the Prime Minister when he said that he was a plausible rogue masquerading as a statesman. If Government members are honest, they will recognize the disgraceful condition of this country. People living in country areas have been penalized because they do not traditionally support the arrogant Socialists. That is why the Prime Minister chose them for special treatment, but he can go only so far. Now he has turned his attention to people who live in the metropolitan area: they will receive similar treatment. I challenge the Prime Minister and the Premier, who was so loud in his praise of Mr. Whitlam in 1972.

Mr. Langley: He still is.

Mr. GUNN: That is interesting, as a result of what happened after the A.L.P. and Premiers' Conferences. Is the Premier willing to argue about the effect that the Prime Minister's Government is having on the people of this State, as the Opposition invited him to? If he believes that the Prime Minister's decisions are in the best interests of the people of this State, he will accept the challenge and go to the people. However, I do not believe he has the political courage to do so, as he knows full well that the economic policies of the A.L.P. have been a complete disaster.

Mr. Simmons: What happened to Bill Snedden?

Mr. GUNN: At least he was honest and told the Australian people what the situation was; he was not dishonest like the Prime Minister. However, Mr. Snedden

was intimidated by a group of biased press and television interviewers who tried to show him up in a bad light. It was a disgraceful campaign conducted by these completely dishonest people. I believe that at the next opportunity, when the Australian people are given a chance to judge the respective actions of Mr. Whitlam and Mr. Snedden, they will choose the latter by an overwhelming majority. Only then will the Australian people be given the type of Australian Government which they deserve and which will fully develop this country. The Australian people do not deserve the Government of deceit they have now.

The Hon. D. J. Hopgood: Why, then, has that Government—

Mr. GUNN: It is all very well for the Minister to interject and try to get off the matter that is being debated. It is typical Labor Party tactics to reduce debates to arguments involving personalities and to get away from the facts. The country is facing economic chaos, and on this issue I challenge the Minister, whose Commonwealth colleague has done more harm to this country than anyone else in the last 25 years. His friend and colleague, Mr. Connor, has already tied up \$1 000 000 000 worth of mining investments in Western Australia. What has he done to the uranium deposits that could still be exploited to the benefit of the Australian people? He will destroy this country's economic basis. Indeed, already under his policies, oil rigs are leaving Australia. I suppose the junior Minister is proud of Mr. Connor's actions.

Mr. Nankivell: He is conserving our resources!

Mr. Simmons: You gave them away.

Mr. GUNN: We did not give them away. Indeed, during the 23 years of Liberal-Country Party Government this country experienced its greatest development of our natural resources. More houses were built that people could purchase, because in those days people could afford to buy their own homes. They were not forced, as they are now, to rent houses, or to live in flats without a hope of ever owning their own home. This is the position in which Mr. Connor and his friends have now placed Australia. This is a deplorable state of affairs and, if any member is proud of that policy, he ought to be ashamed of himself, because the basis of the Australian nation is the family and, in turn, the basis of any family is the home that it owns. This is the basis of the Liberal Party, of which I am proud to be a member. Indeed, the only group of people in this country that is concerned for the future of the nation is the Party to which I belong: the Liberal Party of Australia. That is the Party that will defeat the Labor Party, and this country will then again settle down on an even keel with a responsible Government and we will not experience the unfortunate occurrences that we have experienced recently.

The Labor Party has a record of deception. Only recently I was reading a publication called "A Complete Guide to Labor's Policies", which bears a photograph of Mr. Whitlam on the front page, under which the slogan "Gough's Going Great" appears. He is going, all right, and we all know where. On page 64 of this publication under the heading "Interest Rates", the following appears:

The provision of realistic low rates of interest (2 to 3 per cent a year) for long-term development loans in line with successful policies followed by overseas Governments.

That is interesting, as people in this country are at present paying the highest rate of interest they have ever had to pay. I strongly support the motion, and I sincerely hope that all the responsible members of the A.L.P. will support

it, too, so that the public can have an opportunity to judge this satellite Government, which is manipulated by its Canberra masters as a tool of Labor Socialist policies.

Mr. McRAE (Playford): The debate seems to have degenerated somewhat into a series of caterwauling across the Chamber since the speeches made earlier today. I hope that what I have to say will be brief, adequate, and to the point. First, I find difficulty in understanding the motion, as it begins as follows:

That this House express grave concern at the effects on the well-being of the citizens of South Australia of the Commonwealth Government's inadequate anti-inflationary policies and the adverse repercussions for South Australia of:

- (a) the continuing wage-cost-price spiral;
- (b) increasing housing costs;
- (c) growing unemployment;
- (d) escalating State taxation.

It is therefore difficult to unscramble just who is being criticized, at what point, or whether we are to assume that both Governments are being criticized. I gather from what the member for Eyre said that both Governments are being criticized. His first point was that the South Australian Government is a satellite of the Australian Government. Nothing could be further from the truth than that, as was clearly evidenced by the Premier's action in calling together the State Labor leaders after he had made a statement at the A.L.P. State Convention, so that he could specifically point out to the Commonwealth Government certain features of that Government's policy that he considered were not helping the States, particularly this State.

Furthermore, the Premier made public at that State Convention of the Australian Labor Party and also later that he was not willing to put the good of South Australia anywhere other than at the forefront of his mind and endeavour. To call the Premier a satellite of the Prime Minister or to call this State Government a satellite of the Commonwealth Government in that sense is quite wrong.

Mr. Nankivell: What about a term like "sycophant"?

Mr. McRAE: That would be a worse term. As the honourable member knows, that would be the last expression that could be used in regard to the Premier, who is capable of speaking up for himself. The member for Eyre then went on to, I suppose, categorize the criticism that the Opposition is making in this motion by talking about a bunch of Socialists. Of course, as the late Dr. Evatt, a Labor leader, made clear, the Australian Labor Party was not Socialist and never had been.

The Opposition in this House puts its own definition on the word "Socialist", uses that from time to time, and then is surprised at the reaction it gets from this side. It is similar to my putting my own definition on the word "Fascist" and saying that Opposition members are a bunch of Fascists. I think that my doing that would bring a fairly angry reaction. The easiest way to put the matter is to say that Opposition members are a bunch of Conservatives and that Government members are a bunch of progressives. If the honourable member had used those terms, he would have not only helped his own cause but also told the truth.

The honourable member's next statement was extraordinary. It was to the effect that the Government (and I presume that by this time he was talking of the State Government, although it was difficult to untangle his references to the two Governments) had deliberately

created industrial anarchy. He gave milk, bread, and the steel situation at Port Adelaide as three examples. Is the honourable member serious, and do his colleagues support him, when he says that this Government deliberately created industrial anarchy in the milk industry? That is an absurd and nonsensical statement and there is not a scrap of evidence to support it. This Government and its Ministers did everything possible, through the tribunals established under State legislation, to settle the milk dispute, and it was settled promptly.

Mr. Coumbe: What about the bread dispute?

Mr. McRAE: The member for Torrens, a former Minister of Labour and Industry, will well know the trouble there. The bread industry deserves much consideration. The first thing to understand is that 80 per cent of South Australian bread is manufactured and marketed by the Tip Top group of companies, and these companies are owned by Western Foods in the United States of America. Of the remaining 20 per cent, two apparently old-established South Australian companies, Opies and Oldfields, control 10 per cent, but one of those is owned by the British Tobacco Company and the other by Sunny Crust of Sydney, the latter company being owned in turn by an off-shoot of Unilever.

Therefore, 90 per cent of South Australian bread is controlled by multi-national corporations. I am pleased that members opposite have readily invited me to explain the bread dispute, which stems from the reasonable desire of tradesmen bakers (who, before the decision by Mr. Commissioner Pryke, were receiving about \$90 a week) to receive something in excess of that sum. The manufacturers presented a situation to the Commissioner, through the Secretary of the Bread Manufacturers of South Australia. I do not blame the Secretary: the member for Torrens knows him as well as I do, and this gentleman has not been called upon many times to act as an industrial advocate.

Because of the information put before the Commissioner, he awarded an increase of \$6. That increase produced a total wage of \$96.60 for a baker, and that amount is ridiculous and disproportionate, as can be shown in many ways. The bakers' reaction was angry and I do not support the motion that they adopted, nor do I think any other member on this side supports it. Certainly, the Minister did not, because he intervened to try to help in the matter.

However, I come now to the key point. What instructions were given from Sydney in relation to the bread dispute? The Secretary of the Baking Trade Employees Federation asked, in the public interest, that one company produce essential requirements of bread. That company declined to do so and gave as its reason the need for a confrontation. Knowing well that the Commissioner did not have all the information that he required to make a proper decision and that the men's feelings were genuine, the Western Foods group, through its satellites in Adelaide, decided on a head-on confrontation, and I shall explain how it was to work.

If essential services were not provided, two choices were open to the Government. They were either to produce bread by force and so create a dispute between the Government and the workers in that industry or, alternatively, to do nothing about it and receive the public odium. That was a deliberate set-up by the employers in that industry, and it is not the first time that employers in industry have indulged in that sort of tactic. I admit equally that similar tactics have been indulged in by unions in industry.

Dr. Tonkin: Congratulations!

Mr. McRAE: I accept reality, but I have been outlining the history of the bread dispute so that any member opposite who sincerely believes that this Government set out on a process of anarchy or that the majority of unions set out on a process of anarchy will be disabused.

Mr. Chapman: Now you're getting off the track.

Mr. McRAE: I ask the honourable member in what way am I doing that.

Mr. Chapman: You've told us that anarchy does not exist in the unions. That's where it stems from.

Mr. McRAE: I am the first to concede that certain unions and union officers do not live up to the standards that we would expect. In this debate we have heard of union anarchists, but we have heard nothing of capitalist anarchists, and the bread dispute, on which I was asked to comment (although I intended to do so anyway), is a classic example. The steel dispute exists because of a deficiency in the Commonwealth Constitution. The State has no control over the matter, nor has the Commonwealth Government; in terms of the State it is a federally demarked maritime area, yet in terms of the Commonwealth authorities it is an intrastate dispute. That sort of nonsensical technicality could have been removed long ago had the industrial policy of the Australian Labor Party been put into effect.

Notwithstanding these difficulties, the Minister of Labour and Industry and the Premier have been at great pains to do something about it. Further, the Premier was prepared, in that dispute, to criticize one of the most highly respected and best known trade unionists, Mr. Nyland. In four years in this House I have never known one member of the Opposition bench to criticize by name one leading member of capital, and I defy members opposite to give an instance of it. If those examples of so-called anarchy are to be given, a great deal of research by the Opposition seems necessary.

The member for Eyre spoke of various things done to the man on the land. Every metropolitan member (Liberal, Labor, L.M. or whatever brand we have nowadays) knows only too well the fantastic price the man in the city pays for the man in the country. Why is it that the constituents of the member for Bragg and the member for Davenport are paying an increased amount (they say a wholly disproportionate amount) for their water? It is because they are subsidizing the water supplies to the man on the land. That is just one example. All metropolitan and country members know that the man on the land has received, for a great many years, advantages in relation to petrol, marketing of various kinds, transport of various kinds, and motor registration. Many concessions have existed. I do not denigrate the man on the land. He is the person who fought for and created Australia. He lives under tough conditions and he deserves a fair go, but that does not mean he deserves an inordinate go at the expense of the city person. I have in mind particularly the rural subsidies I have just mentioned, as well as many others that exist.

The motion thus far has deliberately referred to the continuing wage-cost-price spiral. Notice the use of the word "wage", which deliberately ignores incomes. However, the total moneys received for effort expended or for capital invested in Australia can be split up roughly in the proportion of 70 per cent for wage and salary earners and 30 per cent for shareholders, directors, partners and the like. That can be found by looking at the report of the Commissioner of Taxation.

The average Australian wants a fair go, and the average Australian is in one of four groups: he is in the non-tradesman group, the tradesman group, the clerical-administrative group, or the shareholder-partner-director group. An inflationary spiral exists in Australia; it exists throughout the world. One reason why it exists in Australia is that we cannot control some of the situations that exist elsewhere in relation to grain shortages, and so on.

The Hon. D. J. Hopgood: There is an inflation rate of 30 per cent in Japan.

Mr. McRAE: Yes, and the Japanese are prepared to live with it. At present the Australian non-tradesman is averaging about \$85 a week, the Australian tradesman is averaging about \$115 a week, while the clerical-administrative group is averaging about \$170 a week. Where is the balance going? I recall vividly the 1950's and the 1960's. In that period, after a bout of inflation in the early 1950's wage restraint was urged and accepted by the work force in the vain hope, as it turned out, that, when things returned to normal, companies, out of a moral duty if not a legal one, would give a fair share of their profits to the "non-tradesman tradesman" group, but that did not happen. The price now being paid by the community is due largely to the insatiable greed for money of the large Australian corporations which, having recovered from the slump of the early and mid-1950's, maintained until the mid-1960's the wage levels existing in the mid-1950's, taking all the profits in the meantime without passing on the benefits to the "non-tradesman tradesman" group. In particular, the former Minister of Labour and Industry will know that situation applied in the building industry, and part of the fight now going on arises from the ineradicable determination of the "non-tradesman tradesman" group not to be caught again. That is a determination I support, because I was a member of a family that suffered badly from the earlier situation. It seems most curious that, when people talk about restraint, they refer to wage restraint. What should be carefully looked at is income restraint.

Mr. Nankivell: That is what your Commonwealth colleagues are frightened of.

Mr. McRAE: I do not think they are looking at incomes. They are looking at tradesmen's rates, as it were. Other people might be advised to do the same thing. If history is any indication, it will be the income earner who wins in the long run. The shareholders and directors—

Mr. Nankivell: In what category are you?

Mr. McRAE: I fall into the tradesman category. I own no shares, and I am a director of no company. Therefore, on my own definition, and because I would not admit to being a non-tradesman, there is the only one category left, tradesman. If members opposite really want to overcome the spiral referred to, they should help the Australian and State Governments overcome it by looking at the income situation—not just the wage and salary situation. My belief concerning those who shout the loudest about the Socialist bugbear is that, if such people want to eradicate their fears of 1984, they should give justice to the non-trades group, the trades group and the salaries group at the expense of the incomes group. The gap existing between the first three groups and the last group is too enormous to be fair or just, and that gap should be eradicated. If that were done, we would be taking a large step towards justice and, if it could be guaranteed, the so-called fight for wages might well be held.

Mr. Nankivell: Do you agree with people being paid according to ability? How do you assess ability?

Mr. McRAE: It cannot be assessed. Bernard Shaw made that clear.

Mr. Nankivell: Why is a professional man entitled to earn \$15 000 annually while a working man is entitled to only \$6 000?

Mr. McRAE: That is a good point. Bernard Shaw asked how one jumped from a value of a parson, a doctor or a lawyer to a price for a workman's wage. Of course, this cannot be justified, and it is a purely arbitrary assessment. I should be happy to see the non-trades group brought up to the level of the salary groups, provided that it was done not at the expense of all three groups but rather by levelling out the incomes group, the last group.

One point in this motion which amuses me concerns increased housing costs. Presumably that part of the motion refers to this State. However, if any State has something to be proud of concerning housing costs it is South Australia, although at present housing costs and the general situation are not good, and I have many constituents who are suffering in the current situation. In relative terms, however, if any State has managed to achieve stability it is South Australia. I need refer only to the Sydney metropolitan area and the situation applying at Liverpool, 40 kilometres from Sydney. There, the New South Wales equivalent of our Housing Trust house at Ingle Farm costs \$30 000, so we should compare that with what one can purchase in Adelaide to see what this Government has done.

Mr. Nankivell: I'll say—it's built up the price to about the same level.

Mr. McRAE: One can purchase in Adelaide a nice house within three or four miles of the city in Adelaide for much less. Another speaker appeared to suggest earlier in the debate that the workmen's compensation scheme had led to an increase in housing costs. If that is so, someone is being damned dishonest, because there is no justification to increase housing costs more than \$100 for each \$15 000 involved. Accidents occur not in domestic construction but in commercial construction, and that is well known to insurance companies and to fire and accident underwriters. The fault lies in the fact that policies are being written *en bloc* instead of in sectional groupings. Insurance companies make an unfair profit from the contractors who, in turn, are forced to pass on that cost to the home buyer. That is what happens.

Mr. Nankivell: You say that they are making a profit out of workmen's compensation?

Mr. McRAE: I say that about domestic construction. There is a disgraceful situation whereby insurance companies charge about \$300 premium on each \$15 000, whereas that is 200 per cent more than should be charged.

Mr. Nankivell: The State Government Insurance Commission charges the same.

Mr. McRAE: I suggest that this be checked with fire and accident underwriters. What should be done is to sectionalize the groupings of the premium charges, and anyone who is concerned with the building industry knows that what I say is correct. The State Government insurance office already knows that this is a fact. The second last part of the motion refers to irresponsible trade union leadership, but I believe that South Australia is most fortunate that, with few exceptions it has the best trade union leadership in the Commonwealth.

Members interjecting:

Mr. McRAE: I have had many brushes with trade union leaders in this State, but I am not frightened to tell the

truth across the floor. Generally, we have the best group of trade union leaders in the Commonwealth and, if members opposite like to test that, they should ask their colleagues in Melbourne and in other places to obtain some sort of comparison.

Mr. CHAPMAN (Alexandra): The Leader of the Liberal Party has this day demonstrated the type of material that we would expect from a Premier. He has demonstrated the type of leadership that we are looking for in the next Government of this State. The Leader moved a motion expressing concern on behalf of all South Australians, irrespective of their political colour. He has responsibly brought to the notice of this House the lack of attention given to the problem of inflation throughout the nation and he has shown how those problems affect this State. The Leader has echoed the concern of all Australians.

I have been most concerned during this debate by the attitude of the newly appointed Leader of the Liberal Movement. The member for Mitcham tried desperately to deny to the people of South Australia the opportunity of having their concern expressed in this way. I believe he disgraced himself and his minority group by attempting to prevent a debate on this important matter from being held.

Mr. Nankivell: He said it was not important.

Mr. Millhouse: I said we should have had Question Time before this debate.

Mr. CHAPMAN: We all look forward to Question Time in this place. It is important that we have it, but it is about time the member for Mitcham got his priorities right.

Mr. Millhouse: I see. A motion such as this is more important, then?

Mr. CHAPMAN: I am proud to support the motion moved by the Leader of the Liberal Party this afternoon. I intend to take up the challenge from members opposite who want examples of how we could solve the problem rather than criticize the intention that has not been carried out by both the State and Commonwealth Labor Governments. Temporary price and wage freezes are not the answer to inflation; I cannot accept that these will work in Australia. They have not worked in other countries and I do not accept that such temporary measures comprise what is required in this country.

The very first step that should be taken by the Commonwealth Government is to restructure its taxation system because the result of the Commonwealth taxation system in this country and what is now attempted to be echoed by the States is destructive to industry and consumers generally. That includes those people we so often hear about who need so much protection—the workers of this State. The incentive has been destroyed for those workers to put in a day's work for the return they are demanding, and at no time have I denied the workers a fair return. I was grossly criticized for a comment on the workers in the community about 12 months ago in this place but in no way do I back off in my attitude to those who work and receive a fair and adequate return. I still support helping those who cannot work, but I stick to the attitude I expressed in this place last year and declare that a starvation diet is too good for those who can but will not work.

The inflationary effects have been talked about by many speakers on this side of the House, but let us look at the situation in which South Australia finds itself. Once again we have set the pace. We find that South Australia had an inflation rate during the last quarter of 4.3 per cent.

In my opinion, that is not coincidental: it is not by accident, but it is by State Government mismanagement also that Tasmania, the only other Labor-dominated State in Australia, is just a little behind that inflation rate with 4.1 per cent for the quarter ended June 30, 1974. I repeat that it is not by accident: it is by gross mismanagement of the Labor Governments in those respective States. I agree that the Labor Government in South Australia, under the leadership of our Premier, would try to curb inflation if it could, but it cannot. The machinery set up behind the Labor Party in these States and in the Commonwealth sphere does not allow Labor Ministers to administer and govern a State in their own right. The dictation and direction that come from the trade union movement across Australia is clearly the basis of this fault.

Getting back to the methods that we have been invited to suggest for curbing inflation in this State and elsewhere, I believe that the most positive way to do this is to make every effort to increase production in the community at both secondary and primary levels. I am not sufficiently aware of the details of secondary industry to be able to speak at great length on that, but let us look at primary industry, where the incentive, to a degree, has been destroyed, where primary producers have no alternative but to reduce their productive capacity. Apart from those people who in many cases have to leave the land because of the present income structure in that field, the member for Eyre covered many of the effects on the primary producer. I do not intend to go into them in great detail, but this Government is echoing the attitude of the Commonwealth Government, which has set out to destroy that section of the community. It has taken away the assistance and subsidies necessary to the dairying industry and it has crippled these people by its attitude towards them. The Commonwealth Government has recently taken away the superphosphate subsidies, vital to economic production in the wetter areas of the State, and, worst of all, it has taken away the incentive for those people to improve their properties. It has completely destroyed the incentive of primary producers to develop more, produce more, and assist in a natural way to curb inflation in Australia. One has no alternative but to conclude that, in its efforts to destroy this sector of the employers, it is in fact destroying its own people; it is destroying those people for whom it professes so often to stand up. To me, it appears that these Governments, both in the State and in the Commonwealth sphere, have set out on a long-term positive plan to weaken the community so that it will be easier to manipulate, control and dictate to.

Mr. Wright: How has the State Government affected it in that respect?

Mr. CHAPMAN: The South Australian Government has supported the Commonwealth Government in its attitude to the rural community across the nation because it has failed to support the primary producers of this State in their appeals for the subsidies I mentioned and the return of vital taxation concessions in respect of their developmental costs.

Mr. Wright: How can the State Government affect that aspect?

Mr. CHAPMAN: The member for Mitchell, in his screaming and raving lunatic address, claimed that Labor had a mandate to expand industry and to implement unlimited service policies. Whether or not it had a mandate at the time it was elected in this State, and two years ago in the Commonwealth sphere, let us look at the mess we

are in today and how we are going to get out of it. I cite the reconstructing of the taxation system in Australia. I wonder whether the State Government, in an effort to recognize the gravity of the situation in South Australia, is willing to suggest to the Commonwealth Government areas in which the taxation structure could be remodelled so that incentive could be restored to industry at all levels and men would return to work and do a day's work. At present the system denies any genuine person the chance to have a proper attitude towards his employment. Perhaps the Government would consider introducing a system of regular taxing so that, irrespective of how much effort and how much return the employee made, he would pay a common rate in the dollar for the money earned.

One industry in which this system would be applicable, workable, and acceptable would be the shearing industry. This industry is faced with extreme claims. The wool industry cannot absorb the present shearer claims, and the shearing employees cannot be expected to work their guts out for the Commonwealth Treasurer, as they do under the present taxation system, which is creating chaos. Also, the Commonwealth Minister for Labour (Mr. Cameron) has suggested a hairbrained retraining scheme by which he hopes in the long term to bring people into industries that have a shortage of labour and take the overflow elsewhere. This is a useless scheme to consider for an industry that is already facing a crisis and in a state of chaos. It must be remembered that this is Australia's golden industry and it must be restored and preserved.

It is important to realize that before we can export or market any wool it must be separated from the sheep, and there is a desperate shortage of labour in this industry. The situation had to come when the incentive to the men had been completely destroyed, and they had nothing left for which to work. They have no incentive now to work at full speed or to work for 40 hours a week. I do not hesitate to admit that the situation has been grossly aggravated by the lack of thought and of proper attention given to this industry by the trade union movement in attempting to represent these men. If the suggested restructuring taxation scheme was introduced in that industry, the problem of the labour shortage would be solved quickly. Also, the scheme would provide for the worker a net return that he justly deserves. It would restore the essential balance in the industry that is necessary and it would eliminate the need for unrealistic claims.

Mr. Keneally: What would Mr. Dunford say about that?

Mr. CHAPMAN: Jim Dunford would not know. In saying that the Government can improve the economic situation in Australia generally and in particular in this State, I refer to some of the Government-controlled services, which over a long period the Government has not been able to manage and which should be distributed and operated by private enterprise. I cite the Postmaster-General's Department, and believe that this country would advance if this department's activities were distributed to and managed by private enterprise. I place the South Australian Railways Department operations in the same category. As a result of a long period of mismanagement and gross losses to the State, I believe we should be diverting the operation of the railway system to private enterprise. Also, the Government has been unable to manage the meat-processing industry in this State.

I have said before, and I repeat, that the Gepps Cross abattoir, owned and administered by the Government, is a disgrace. It is a financial burden to producers and an

embarrassment to the Government and, irrespective of the efforts to reorganize the works in recent years, it is a financial burden on consumers in the metropolitan area. The sooner the Government recognizes that to continue to spend money at this abattoir is pouring good money after bad, the sooner it will be better for all sectors of the community, from producers to consumers. If part of the money being spent annually at this works was directed to helping establish regional abattoirs throughout the State, the interests of the people generally would be much better served.

I said earlier that I did not intend to criticize the Government for what it had not done, but I am prompted to make one or two comments about interjections that have been made this evening. The member for Playford said that ratepayers in the metropolitan area subsidized the man on the land. I think that he connected up his remarks with our water rating system. Let me remind the honourable member that, although I support the efforts of the members for Davenport and Bragg to have the rates in the Burnside council area adjusted to a reasonable level, I cannot accept the suggestion that metropolitan water ratepayers subsidize the man on the land.

The Hon. Hugh Hudson: It's absolutely true that that is the case.

Mr. CHAPMAN: It is interesting to note that the Acting Minister of Works is in the House. The water rating formula is based on the value of the asset served with water. The water provided to a metropolitan household is chargeable at a rate based on a formula including the value of the house, but the householder is not charged water rates at his place of business or employment. If he works in an office in the city, in this place, or in some other building away from his own property, he does not make a contribution to the water rates of the building. However, a primary producer in a country area, with his house and business in the same place, is rated on both his home site and business site.

Mr. Keneally: What makes you think that small industrial businesses are not on the same basis?

Mr. CHAPMAN: Let me remind the member for Playford and other members who are interested that a primary producer must, of necessity (not by desire), have a property, comprising the business site and the home site, of a value of at least \$100 000 in order to be able to make enough to feed his family. Let us examine the basis on which he is rated. We can see that he is rated on a property valued at \$100 000, while a person in the metropolitan area is rated only on the value of his house.

Mr. Keneally: But the position is—

The ACTING DEPUTY SPEAKER (Mr. Crimes): Order! The honourable member for Stuart is not in his proper place.

Mr. CHAPMAN: In addition, primary producers help to conserve water by providing rainwater tanks, earthen tanks for stock, and so on. Despite the fact that such a producer may spend considerable sums on these improvements, he is now denied a taxation concession in relation to the improvements. Moreover, if a water main goes past his property, he must pay rates, whether or not he needs the water. Therefore, I cannot accept the unreasonable remarks of the member for Playford about water rating. Earlier this evening, the Minister of Education, Acting Minister of Works, and so on said that Australia could be confronted with the worst depression since the 1930's. Unless this Government and the Commonwealth Labor

Government take some notice of the responsible Opposition in this State, I will have to agree that we are heading for the sort of depression that the Minister described earlier. Unfortunately, the only effective weapon this Government seems to have, at the time of industrial disputes, for example, is to take action with regard to wages and workmen's compensation.

Dr. Tonkin: Comment on that. The Liberal Movement has gone home.

The Hon. Hugh Hudson: Don't you agree that they are a responsible Opposition?

Mr. CHAPMAN: Those members have not been of great assistance to the Parliament so far this session. I support the motion so ably moved by the Leader and supported by the Deputy Leader and other members of the Liberal Party of Australia (South Australian Division).

Mr. BECKER (Hanson): In supporting the motion, I pose one or two questions. How is it that on every occasion that we have a Labor Government we also have an economic crisis? How is it that the Government has not taken the opportunity to amend this motion so that it will praise the Commonwealth Labor Government? Government members have attempted to oppose the motion straight out. The Premier hopped around like a ballerina at the Festival Theatre. The Minister of Education tried to give one of his typical economic lectures, and failed. The member for Mitchell, as usual, slapped and slammed, abusing everyone who had spoken before him, while the member for Playford tried to make an intelligent apology for the Government's attitude. The member for Florey provided his usual entertainment, and typically lampooned the Opposition.

This is a responsible motion moved by a Party that is worried about the future of all South Australians. We are worried at the effect the Commonwealth Government's actions are having on the economic situation in this State. One would have thought that the so-called Australian Labor Party would learn in its long history that, whenever it comes into Government, there is an economic crisis. It should have learned that, after a conflict such as a war, there is always a boom period and then a recession, which has many causes. After the Second World War, there was a boom followed by a recession, with shortages and so on, a situation similar to the present situation. The Korean War in 1951 produced a similar situation. In 1960-61, a Commonwealth Liberal Government created the credit squeeze, with a mini Budget being involved. The Vietnam War produced a similar situation. One would have thought the Labor Party would learn from experience and, as soon as it assumed office, would ensure that this situation would not arise. However, that has not happened. It called the shots and decided to have an election on May 18.

The Hon. Hugh Hudson: Oh, come off it!

Mr. BECKER: The Minister of Education cannot tell me that the Opposition in Canberra called the election, because that is nonsense. The Labor Party threw up the issues knowing full well that this would happen, and it planned the election long before it was held. Indeed, the election was planned back in October or November of last year. The Labor Party was looking for this election, and it got it.

The Hon. D. H. McKee: Who won?

Mr. BECKER: Although the Labor Party has won enough seats in the House of Representatives to retain Government, it can, as the Prime Minister has admitted, still lose on the issue. The Prime Minister has admitted

that, if his Government cannot control inflation, it will lose the next election. He knows that full well, as does Dr. Jim Cairns. Mr. Whitlam will be made the scapegoat and Dr. Cairns, who is waiting poised to take control, will do so, with the support of the Labor Party in this State.

Dr. Tonkin: Bob Hawke will probably get in.

Mr. BECKER: He is only fooling around on the fringes. The issue was forced by the Liberal Party, and the Labor Party did not accept it until towards the end of the whole campaign. Let us see what happened under Labor. It promised to reduce inflation, but this trebled in the first few months after the Labor Government assumed office in 1972. Prices increased threefold, and food prices increased fivefold. Treasurer Crean was then forced to admit that inflation was running at a rate of 9.6 per cent a year when, in fact, it was 13.6 per cent. Now, he has been forced to admit, after the last quarter's figure of 4.3 per cent (which is equivalent to an annual inflationary spiral of 17.2 per cent), that we are in the throes of inflation. He therefore introduced what he called his mini Budget. I refer now to the editorial in today's issue of the *Australian Financial Review*, which gives a fair and reasonable summing up of the matter, as follows:

What is was—

referring to the mini Budget—

after a period of anticipatory build-up for which the Government itself is quite as responsible as the press commentators it will attempt to blame was a simple anticlimax—and, as such, it represents a wasted opportunity.

No doubt the Government will blame the press for forcing the issue, saying that it leaked certain information: the television programme *Federal File* has already been criticized for giving out information in advance of the Budget. However, this merely proved that the commentators involved in that programme were on the ball, as were the members of the press: the relevant information was leaked to the press by the Government to build up the people for what was to come. The editorial continues:

In fact, monetary policy will continue to bear the burden of anti-inflationary policy, and in the meantime cost increases will go on unchecked except by the very direct means of increasing competitive pressures on companies.

The mini Budget will therefore do nothing to curb inflation. Indeed, it will add to it. The editorial continues:

Nor has the Commonwealth Government shown the courage to reject the pathetic apology for an analysis of inflation and its solution with which its advisers have provided it. It may be that the signs of downturn in the economy to which Mr. Crean refers militate against strong counter-inflationary action; if that is the case there is all the more reason for the Government to have moved to substitute the much more flexible tools of fiscal policy for those of monetary policy . . . It has not dared to put directly on the spot both the wage earners and the profit-takers whose refusal to accept anything but their maximum demands as acceptable are, in present circumstances, the real culprits for our spiralling cost inflation.

The Commonwealth Government has an economic task force, the leader of which is Dr. Coombs, who was Governor and Chairman of the Commonwealth Bank from 1949 to 1960 and Governor and Chairman of the Reserve Bank Board from 1960 to 1968. Anyone who has worked in a private bank knows the performance of Dr. Coombs during that period. We also know of his background in economics, he having been educated at the London School of Economics. Dr. Coombs was the chief economic adviser to the Commonwealth Government. However, as an economic adviser I believe that he has misinformed the Australian Labor Government and has created more economic crises in this country than has anyone else. He

has always exerted pressure on the private trading banks, which had to stand the brunt of inflationary trends and which had to implement his policies, which never really worked. Indeed, they were over-reactionary in the community. How can the Labor Party follow his recommendations? I claim that he is the one who has led the Labor Party up the garden path and into real trouble. No wonder the Australian Labor Government is unable to come to grips with inflation: it cannot understand it. If one listened to the Australian Treasurer, Mr. Crean, address the Society of Accountants dinner in Adelaide last year, as I did, one could fairly have concluded that he was nothing but a bush accountant who was following his Party's policies of bushranger tactics, robbing the poor for the rich and providing funds for his Party to throw around in the unproductive areas.

All members realize the tremendous pressure that back-bench members in the Australian Parliament have exerted on the Australian Government for salary increases. I claim that the mini Budget was the greatest cover-up of all time in order to make it appear as though the Government was taking some steps in certain areas to curb inflation. However, the back-bench members could not grab their salary increases quickly enough. The Government sets the pattern regarding salaries; the Government has the numbers; and the Government will see that increases in members' salaries are implemented. All members will know who has won out if these increases are promoted in the House of Representatives: the back-bench members of the A.L.P. in Canberra.

The pensioners deservedly received an increase in the mini Budget, but does that increase bring their pension up to 25 per cent of the average wage as was maintained during the term of office of the Liberal Party? After the last pension increase, the pension went to only 22 per cent of the average weekly wage, so that the Labor Party has not done the right thing. It is the Government's philosophy to give pensioners and members of Parliament something, and then to come out with a mini Budget as a measure to cover inflation. The motion therefore correctly attacks the Australian Government in relation to inadequate inflationary policies and adverse repercussions for the people of South Australia. Although South Australia has price control, it has the highest rate of inflation in the country. Yesterday, I asked the Premier the following question:

Can the Premier say whether price control is working in South Australia, and will he say what applications for price increases are being considered currently by the Commissioner for Prices and Consumer Affairs?

In reply, the Premier said:

No, under the terms of the Prices Act, I cannot.

I assume from that that price control is not effective in South Australia and that we do not have the open Government that his Party often claims that we have, because under the Prices Act we cannot be told what organizations are applying for increases under that Act. Price control has not worked in South Australia. It has been a dismal failure, and the people know what increases have been granted only when they read an announcement in the press.

The Commonwealth Government must stand condemned for its anti-inflationary measures, and the South Australian Government must bear part of the brunt, because the State Labor Government, in its four years of office, has not presented a balanced Budget to this House. On each occasion, it has budgeted for a deficit. Through sheer fluke, this Government was able to have a credit balance

in one of its Budgets in four years. The Government is not frightened to spend, and deficit budgeting is inflationary. If one looks at the deficit Budget that the Labor Government introduced in Canberra last year, one sees where the inflationary area was.

The Commonwealth Government has failed, above all things, to control interest rates. The interest rate is governed by the Reserve Bank and the bond rate, and from there supply of and demand for money are generated. As the bond rate increases, so does the interest rate. As the member for Fisher has said, young people cannot buy houses. The reason for this is not only the cost of the house. If these young people can get a loan, they must pay a high interest rate. Under the policy of the A.L.P., people are born into poverty and they will die in poverty as wards of the State. The Labor Party's latest economic theories will be called democratic Socialism, under which people depend wholly and solely on the State. My Party is concerned for the welfare and future of all South Australian citizens. We are concerned for the future of the workers, the housewives, and young children, because the future of this State depends on what we can build today and what we can prepare and provide for future generations. All that the people of this State ask for is respectability and a fair go. The Labor Party has said that it wants a fair go, but what sort of fair go has it given us? It has put us further into debt and has put pressures on the working man and taxed every pleasure that he has.

The Hon. D. H. McKee: No.

Mr. BECKER: The Labor Party has done nothing to assist the cause. A new tax in South Australia is being considered, and that does not surprise me. The State Government knows that, if it wants to raise millions of dollars, it will ask every male to submit a return, and it knows that no-one will submit a nil return. There is a bachelor tax now, because the single man and the single woman pay more tax than do married people. Some Government members have attacked my colleagues for calling on the Commonwealth Government to make a more positive stand against irresponsibility by union leadership.

The member for Playford has said that, generally, union leadership in the State is quite good but that there are a few exceptions. There are a few exceptions to everything, and those few exceptions make matters difficult for the majority. Of course, the few exceptions in the unions are power crazy at present. They want to reduce the number of unions not only in the State but also in the Commonwealth sphere. They want complete control and they want to dictate to the State and Commonwealth Governments. They are the ones who are really upsetting any economic planning for this country at present.

One only has to read the press to see the number of letters to editors from housewives who complain about the shortages that are caused by strike action. Of course, housewives have available a solution to that, too. A few years ago housewives broke a strike overseas by withdrawing their services, and it would not surprise me if we reached that situation here as a result of the action of unions. No-one has considered the effect on the housewife of inflation or of the measures taken by the Commonwealth Government. She must plan the family budget and, if the budget does not balance, she cannot borrow additional money from her husband or create money. She must live within the means provided to her. The basic and simple economic policy starts in the home, and the housewife must suffer under this sort of thing, yet the Minister of Labour and Industry laughs at that type of statement. He, like

this Government and the Commonwealth Government, is not concerned for the women and the housewives in this State.

The Hon. D. H. McKee: That's not so.

Mr. BECKER: The Minister may say that that is not true, but he laughs at my statement. If he was genuine, he would make sure that his Party in this State and in the Commonwealth Parliament did all in its power to act more responsibly. As I have said earlier, how is it that the Government has not seen fit to amend the motion? The Government is embarrassed by the tactics and antics of the Commonwealth Government. The area in which the Commonwealth Government can play the biggest role in curbing inflation is in regard to interest rates, and this relates to the funding of the Loan programme of the States.

The Premier has said that he has been critical because he has not been allowed to extend his Loan programme in the next 12 months as much as he would like, but we will soon see what happens in that area, because this State Government is not beyond juggling State finances and using money from the Revenue Account to prop up the Loan works programme, but a higher interest rate must be paid. In 1970, State taxes covered the amount of interest on the loans created by the State. However, at present State taxes far exceed the interest payments, which proves that the taxpayer is being charged at a higher rate than ever before and a higher rate than he should be charged.

We remember the famous letter that the Premier sent to all unionists, regretting certain tax increases and other increases and stating that he would tax the tall poppies. Now he says he can no longer tax the tall poppies, who, after all, comprise only a small part of the structure of society. Taxing the tall poppies really affected the middle income-earner who makes up 70 per cent of the community. Now the Premier is warning the workers that he will tax them again. On it goes, and inflation will continue in this State. We have a Labor Government so progressive that it has taken us from being the State with the lowest cost structure and the highest industrial development to being the State with the highest inflation and the highest cost of living in the Commonwealth. That is the record of the Labor Government. It is progressive: it has progressed us right into the economic doldrums!

The Minister may say that industry is developing and expanding, but I should like him to say how much it has cost the taxpayers of this State to attract industry to South Australia and to hold it here. That is the real challenge. Let him tell the people of South Australia how much we have to pay to subsidize Whyalla, Port Augusta, and Port Pirie, and how much we pay to subsidize certain industries and decentralization. We cannot compete with Victoria and New South Wales in attracting industry. The concessions given out by other States to attract and hold industries cannot be matched in South Australia unless we tax every person in the State. That is the type of development we are getting. It is high time we got the management of the State into better hands. There is only one way to put the affairs of South Australia in sound hands, to give back to South Australian people the respectability they had, and to give them a fair go so that they can plan for the future and bring up their children in a stable economy; that is, return a Liberal Government.

Mr. BLACKER (Flinders): Much criticism has been offered on the framing of this motion. On looking through it, one could see that alterations could be made, but the

important thing is the import of the motion. That is what we are supposed to be debating. The import of the motion is of the greatest importance to this Parliament, to South Australia, and to Australia. Any person who votes against this motion is freely admitting to the public that he does not have at heart concern for the well-being of South Australia. He has thrown aside the import of the question and said that he will not accept the responsibility for the well-being of the people of South Australia.

I support the motion mainly because inflation is that phase of the economy that most affects primary producers. While I realize that it affects all sections of the community, the primary-producing section is the one that cannot pass on costs. Most other sections can pass costs back along the line, but when it gets to the primary producer, that is it, and he has to bear the burden of it. The member for Alexandra has said that people have had to leave the land. In my home area this year there has been a greater turnover of land than I can recall ever having taken place previously.

The dictionary defines inflation as being the undue increase in the quantity of money in relation to the goods available for purchase, and that is exactly what is happening at present. Money is the means of exchange, and it is this means of exchange that has been distorted out of all proportion. In listening to the debate, I have been somewhat concerned today that grave injustice has been done by two Parliaments. First, members of the Commonwealth Parliament saw fit to recommend an increase of \$105 a week to Commonwealth politicians. That makes it most difficult for a politician to offer suggestions to combat inflation. Today we have seen in this House a considerable amount of superficial handling of this problem. Without doubt, this is the greatest problem we face, yet we have seen much laughter and conjecture on both sides. Having such a display before the public does Parliament no service.

Early in his speech, the member for Playford drew a comparison regarding the Opposition. He mentioned Fascists, and then referred to the Opposition as Conservatives, meaning that when we refer to the Labor Party as Socialists we are attaching a stigma to it. I think I am correct in saying that the pledge of the Labor Party is the socialization of the means of production and the means of exchange of the State. Every member of the Labor Party pledges himself to that. When we refer to members of the Labor Party as Socialists, surely that is the correct term.

The member for Playford explained how many services were made available to the public and those subsidized, as he put it, by metropolitan people for country interests. He mentioned water, petrol, and motor registration, and he quoted figures from the report of the Commissioner of Taxation. However, he did not quote figures covering the amount of State and national revenue received from each taxpayer. Had he done so, it would have been obvious that the taxpayer in the rural area pays considerably more than the metropolitan taxpayer (sometimes three times as much) towards State and national revenue. To draw a comparison one must present the whole picture and show just who is contributing towards the revenue of the State and of the nation. If we realize that country people contribute three times as much, perhaps we can get our values right. It is a matter of who is subsidizing whom. Allow the revenue received in the country to stay in the country, and the country people will be more than happy. The member for Playford mentioned the levelling out of incomes and suggested bringing the lower incomes up in

relation to the higher income bracket. I agree with this. Closing the gap would be a good move, but how can this be achieved when wages are increased on a percentage basis? It cannot be done, and as long as wages are increased on a percentage basis we will get a widening of the gap and not a closing of it.

I was interested in the speech of the member for Mitchell, who mentioned the term "simoleons", and I assume that he was referring to finance. If he is a member of the South Australian division of the Australian Government, surely we are entitled to the correct terminology. He also said that the Labor Party, before becoming the Government in Canberra, did not hide anything from the people. However, I question this, because before assuming office it made no reference to presenting a deficit Budget. I believe that such a Budget was probably the first step toward the problem we face. The presentation of a deficit Budget indicated that the Government was willing to spend beyond its means. The Government might have thought it would have controlled spending, but living beyond its means has sown the seed of inflation, which has developed from that point.

Earlier in the debate the member for Mitcham severely criticized the content of the motion and asked whether the South Australian Government condoned the actions of the Australian Government. Certainly, he condensed the original motion into point-blank terms. He then asked what did the Government believe would be the effect on employment. The member for Florey immediately followed the member for Mitcham, but he did not answer that question, and the inability to answer the question has been of paramount significance throughout the speeches of all Government members. They did not answer that question.

One point raised by the member for Florey must be refuted. He referred to primary producers earning \$20 000 annually. In fact, he referred to a \$20 000 increase in income and value of increased production. I wish I knew a farmer who could claim a \$20 000 income. I do not think it is possible. True, that may be a gross income in some cases but, in the majority of cases, with bank interest what it now is, I do not believe many farmers can justly claim they are making even as much as bank interest.

In his explanation of union actions, the member for Florey said that union members sought a fair and equitable share of production: I agree that, if all production was of the same efficiency and was the same throughout in other respects, we could accept that as being a workable proposition. However, where do we draw the line?

I disagree with the principle of companies, large or small, making exorbitant profits. I do not believe in that at all, as that has caused part of the back-lash we are now facing. The exorbitant profits of a few people have created animosity between management and workers. Of course, any company or organization can exist only while it returns an amount better than bank interest on its capital invested, and I do not believe it is reasonable to ask a company, manufacturer or processor to function if it cannot make the equivalent of bank interest on its money. If this incentive is taken away, what company will undertake any manufacturing or labour-intensive business? If money cannot be made from industry, industry will shut down, and if that occurs unemployment will be inevitable. Somewhere a balance must be found. While possibly good in its intent, the term "fair and equitable share in production" is the first point where confusion starts.

One man's labour is worth a given value, and the value of the same work does not change because the economic

administration happens to be better in one industry than in another. When we abandon the principle of being paid for the value of work done, we abandon the principle that has maintained reasonable control of past inflationary trends. Why should one man's work be worth more merely because he has a different employer? I understood it to be Labor Party policy that all men were equal, and that they were entitled to have their work considered as being of equal value. The principle expounded by the member for Florey is, if followed through in its entirety, a contradiction of Labor Policy, because it is impossible to obtain equal efficiency and productivity among all industries. Therefore, it is impossible to provide for equality of work value. When employees in one company receive more than employees doing the same work in another industry, dissension arises among unions.

Many of today's problems have been aggravated by high interest rates, and by placing a burden on manufacturing industries and management in having to justify their existence and in having to increase productivity in order to return at least bank interest rates or higher. As the Savings Bank interest rate on long-term (25-year) loans is now 10.5 per cent, all industries face the problem of making profits at a similar rate. If an industry cannot make a profit equivalent to bank interest, will it continue to operate? Should it try to continue? Indeed, why should it try to do so? I believe such an industry will close, sell its assets and invest at high interest rates, and cause much unemployment.

Consumer demand causes inflation, yet in past weeks we have seen the Australian Government release about \$280 000 000 into the economy. These funds were released on the pretext that they would boost the economy. True, it artificially supported it for a while, but it certainly did not achieve the desired result.

Mr. Simmons: You don't believe it was the answer?

Mr. BLACKER: The Government had the answer at hand, namely, frozen funds. However, I do not believe it had any courage in this regard. It is a bold step to withhold finance from the community, especially when people who have been brought up to accept a high level of consumer demand want to spend in the economy. It is hard for a Government to withhold funds, but I believe the jacking up of interest rates is the wrong approach, the best way to beat inflation being to reduce interest rates and put value back into the dollar. Money has to be made available at low interest rates in cases of absolute necessity.

The ACTING DEPUTY SPEAKER (Mr. Crimes): Order! There is too much audible conversation. The honourable member for Flinders.

Mr. BLACKER: Thank you, Mr. Acting Deputy Speaker. Money must be made available at low interest rates in necessary cases, but it should not be applied indiscriminately. I now refer to an article written by John Penrose, Lecturer in Economics, at the Adelaide College of Advanced Education. He comments on the prospects of unchecked inflation, as follows:

Taking into account the state of cost inflation at present, the following conclusions are not unreasonable:

Increases in taxation on essentials and Government charges, such as increased P.M.G. rates, will prove highly inflationary. Monetary policy, if maintained, will eventually reduce prices at the cost of unemployment.

It is this problem with which I am most concerned. I believe we are forced into a situation of confrontation between rising inflation and unemployment, and that the whole problem revolves around this. The article continues:

Some form of restraint on both prices and wages is essential to combat cost inflation, but restraint over prices without a similar control over wages will choke off investment and again lead to unemployment. The prospects of continued, unchecked inflation are even more grim. Whether or not we like it, inflation is a legacy of Socialism and we should wholeheartedly support this motion.

Mr. RUSSACK (Gouger): I support the motion so ably moved by the Leader and should like to comment first on the criticism made by the Premier and other speakers on the Government side about the mention of the Commonwealth Government in the motion being irrelevant. I say it is most relevant and has a direct bearing on the situation we are now discussing. I refer first to the time when the Australian Labor Party won the Commonwealth election of 1972, when the Premier of South Australia is recorded as saying:

"We are ready to go". The South Australian Government already had plans for State development to put before the Whitlam Government, the Premier, Mr. Dunstan, said last night. "I expect to be on the doorstep with plans in Canberra the week after next. A whole series of programmes for South Australia have already been discussed between us and Mr. Whitlam and we have been told by Federal officers that this State has made more plans than any other States in this area. We can therefore expect Federal help for our programmes pretty quickly."

So there is a direct association between the finances of this State and those of the Commonwealth Government, and the State places great reliance upon the central Government in Canberra. Some 18 months or two years later, when the election of May 18 was decided, the Premier of South Australia criticized the Prime Minister and in the *Australian* of Monday, June 17, the following statement appears:

The South Australian Premier, Mr. Dunstan, last night launched a full-scale public attack on the Prime Minister, Mr. Whitlam, for eroding the power of State Governments and defying Labor Party policies.

He goes on to say:

If Mr. Whitlam proceeds as he is doing at the moment we will have to reduce the very activities which are in the priorities of Labor policy and which have so far enabled us to make this State a pacemaker in Australia.

I suggest it is a pacemaker State in leading in the percentage of inflation! It is only statistics that prove this, and I quote from last Saturday's *Advertiser*:

Inflation leaps 4.1 per cent: "Grave concern"—Crean. The article states:

It represents a rise in the inflation rate of 14.4 per cent over the past 12 months, the highest annual increase for 22 years. The cost of living in Adelaide increased by 4.3 per cent, compared with 2.5 per cent in the March quarter and 4 per cent in the December quarter. Adelaide's annual rate of inflation of 15.3 per cent is the highest of any capital city, according to the figures issued yesterday by the Australian Bureau of Statistics.

Therefore, from the Bureau of Statistics we find that South Australia has been the pacesetter in the last 12 months in the rate of inflation. I am given to understand that the Premier has been associated with acting over the years. I commend him on the act he has presented over the months concerning disagreement and dissatisfaction with the Commonwealth Government over Mr. Whitlam's attitude, to which I referred a little while ago. I think it was the member for Florey who this evening mentioned the A.L.P. leaders' conference which was held in South Australia. From that conference came a very happy Premier of South Australia; yet no concrete evidence or plan has arisen from that conference, because the report states:

The Premier (Mr. Dunstan) said he was "very very happy". "There has been a great deal of agreement," he said. "All financial matters are being looked at" Mr. Dunstan said he expected some of the solutions to be available by the end of July.

We have received no indication of any of these solutions, apart from the mini Budget that has come from Canberra. That is as late as last night. Then we find today that the Premier of South Australia is reported as saying:

"Correct, but only a start." The Premier, Mr. Dunstan, said today the Federal Government's new measures were not enough, on their own, to counter inflation in Australia. But he said they were a step in the right direction and could be followed with further measures in the September Budget. Asked about the likely effect in South Australia of Mr. Crean's mini Budget, Mr. Dunstan said: "On present indications it does not present any special problems in this State."

That is contrary to the opinion and understanding of members on this side of the House. We accept the fact that real problems are involved here, and it is hard to understand how the Premier would accept it and say there are no apparent problems. In April of this year, prior to the Commonwealth election, the Prime Minister of Australia in his policy speech made this statement:

World events and the policies of our predecessors inevitably meant a higher rate of inflation in 1973 than in 1972. We have acted firmly to moderate these pressures. And these policies are beginning to work—inflation has slowed.

I believe the Prime Minister said that with tongue in cheek, because inflation has not slowed—it has increased. The direct association with this motion, linking the Commonwealth Government with the situation in this State, can be confirmed by his next statement:

All our efforts to curb inflation have been opposed or obstructed by our opponents. Where we took administrative action, they criticized. Where we took legislative action, they obstructed. Where we sought more powers from you by way of referendum, they opposed. Where we have sought co-operation with the States, Governments of the same political persuasion as our opponents have failed to pass the necessary legislation.

In other words, the Prime Minister is commending the States of his own political persuasion, and South Australia would be such a State; yet it has the greatest percentage increase in inflation. Therefore, I consider this motion appropriate because of the situation in South Australia today. The efforts of the South Australian Government are not arresting the problem but are accelerating the effects of an increasing inflation. I do not accept the statement of the member for Playford about the fantastic price the man in the city pays for the man in the country and, as an example he quoted water charges. I suggest to the honourable member that a similar situation exists in the metropolitan area, in that one area of metropolitan Adelaide pays for other areas because of the formula used. A higher water rate is paid on a property assessed at greater value in residential areas. However, his statement aroused my interest to the degree that I will investigate the taxation raised in the country and the per capita contribution to the Treasury of this State. Who pays for the losses of the Municipal Tramways Trust and the deficit on the South Australian Railways? Obviously, that burden does not fall on city people only.

Mr. Langley: Who pays for the losses on railway services in your area?

Mr. RUSSACK: I believe all people in the State contribute, but Government members are trying to drive a wedge between city and country people. One area cannot do without the other and one relies on the other. It has

been suggested that nothing positive has been suggested to combat inflation. Inflation is a world-wide problem, but Australia must do what it can to solve this problem, and the South Australian Government must do the same. It is the responsibility of everyone, even to the family unit. Where is there any substantial industry in any rural town other than storekeepers and similar businesses? These operations are finding it difficult, particularly when other people are employed, but it is up to the business man to try to make his business a paying proposition in the circumstances in which he finds himself.

Therefore, the Commonwealth Government and the State Government should make a businesslike approach to this problem to keep it in its real perspective. The member for Playford said that there should be a coming together of expenses and of receipts and income, but I do not understand what he means when he refers to income, and I certainly do not know what is meant by the reference today to a \$20 000 increase in income for a farmer. People speak of gross income, but, after costs are considered, the profit is small in many cases. A farmer does not work a 40-hour week, and many primary producers cannot employ workmen because of the cost structure. Many business people, particularly those in country areas, work more than a 40-hour week.

Mr. Langley: How many hours a year?

Mr. RUSSACK: On average, the man on the land today works between 44 and 48 hours a week, and business men, particularly in country areas, work longer than 40 hours a week.

Mr. Wells: For how many weeks a year?

Mr. RUSSACK: A farmer with stock requires to work seven days a week, and these people are entitled to a reasonable return for their labour. Only one person will lose as a result of the mini Budget introduced last evening, and that is John Citizen. An article in this evening's newspaper states that low wage-earners will pay more and, obviously, the ordinary family will be affected. The Government in South Australia and the Commonwealth Government suggest that they are concerned about the little man and, if that is so, something must be done to arrest rising inflation. We have to accept the situation as it is and not as the Government thinks it should be. The member for Playford can call it a progressive situation, but I call it Socialism, and suggest that there can be no other name for it. With pleasure, I support the motion.

Mr. ARNOLD (Chaffey): When the Leader of the Opposition moved this motion I thought that all members would support it, because I believed that they would recognize the problem that exists today, but it is obvious from this debate that Government members do not believe that a problem exists. In his speech the member for Florey said that an average farmer was making about \$20 000 a year. I would like to see the member for Florey find in the Riverland a fruit farmer whose income is \$20 000 a year. Only last year in this House I asked the Premier how many fruitgrowers had applied for emergency assistance. From memory, I think he said that 25 or 27 growers had applied for assistance, with about five growers having their applications approved. The other applications were rejected on the ground that the properties concerned were no longer viable units. Therefore, the Riverland area is not included when average incomes of \$20 000 are suggested. In addition, in the Commonwealth mini Budget the cost of brandy has been increased by 3c a nip, representing an increase of 78c a bottle. In the last Commonwealth Budget, the Commonwealth duty on

brandy was increased from \$440 a ton to \$794 a ton. In the last nine months, this has caused the sales of brandy in Australia to drop by about 50 per cent.

The member for Playford said that city people subsidized people in the country. In a television interview not long ago, the Commonwealth Minister for Labour (Mr. Cameron) said that it was criminal that the taxpayers of Australia should be in any way subsidizing farmers by way of the superphosphate subsidy. I suggest that, if it were not for tariff protection in this country, few people in any of the cities would have a job in secondary industry. If tariff protection is not a subsidy for secondary industry, I do not know what it is. If it were not for tariff protection for secondary industry causing increased costs to an extent where it is almost impossible for primary producers to sell their products on the world market, there would be no need for a superphosphate subsidy or any other assistance for primary industry. It is one thing to sell products internally with the cost structure that exists. However, if people in most primary industries are to survive they must sell on the world market. With the current inflation rate in this country, that is becoming more difficult every year.

Mr. Cameron also said that, if primary producers could not, without subsidy, provide the food required at the price people in Australia were willing to pay, he would import the food from overseas. I wonder whether his attitude would be similar with regard to importing secondary industry consumer items to take the place of items presently manufactured in our cities. I do not think his attitude would be the same in both cases. It is all very well to talk about removing subsidies or assistance from primary industry, but no consideration at all is given to the complete support needed by secondary industries in this country to enable them to produce items that can be sold on the Australian market. If that support were not provided, we would all be using imported products, but I wonder what our employment position would be then. Any member who does not support this motion is completely ignoring the facts of today. On behalf of the people I represent, I support the motion.

Mr. McANANEY (Heysen): I, too, support the motion, which concerns the current position in Australia. From members on both sides, I have heard some novel ideas, some of which seem to me to be extraordinary. Sometimes there appears to be a parochial attitude towards these problems, but we must face up to the facts. It has been said that no case can be made out against the State Government, as it does not have much say in the economic management of Australia. However, at least this Government can adopt some principle with regard to how money should be used in boom times and how it should be used in times of depression.

In the past year, South Australia has gone through a boom period, yet our so-called knowledgeable Premier has spent \$8 000 000 more than he had available. This has added to inflation in South Australia. Admittedly, the effect of this expenditure has not been great, but it has had an influence on prices. There is excess demand throughout Australia, so the question is to decide what can be cut out. The situation is similar to that of a household budget; at times people must draw in their belts and live within their means. What additional work has been achieved as a result of the extra expenditure? Production in this State depends on the willingness of people to work and on the efficiency of management.

I would not say a word against the general workers who are carrying out the renovations to this building, as in doing so I would criticize some conscientious workmen. However, I have seen one individual 60 or 70 times in this House in the past three or four months. He is fairly tall and wears a calico hat, so that he stands out. I have never seen him with a tool in his hands or his hands off his hips. Whether or not he is a union representative I do not know, but I believe that people of that type can produce a situation of increased prices. The Minister in charge of housing almost cried about the fact that young people in South Australia had no opportunity to build their own house. Who is responsible for that? I have seen some fairly tough times (I suppose I am the oldest member in the House), having worked through the depression when many people were hungry. However, Australia has passed through some fairly good times in the last 40 or 50 years. It has had its booms and depressions. Surely it is time that our financial experts, economists and accountants came up with a sound policy in this respect. However, they do not seem to be able to come down to the basic fact that we will have a more sound economy when there is a balance between production and demand, and when every worker can obtain a job when he wants to for which he will be paid a reasonable wage.

Just over two years ago the unemployment rate in this country was too high compared to the norm. The Minister of Education referred to countries that controlled wages and the economic management therein, many of which countries have had a 5 per cent rate of unemployment for 20 years. The more controls that are given to Governments, the more economic difficulties are caused. The more the Government meddles in economic management, the more trouble we will experience, as there will be wasted manpower because people will have to be employed to control these aspects.

Two years ago Australia went through an inflationary period. The then Government exerted pressure and set out to reduce the demand for goods so that a more even balance could be achieved. It raised between \$800 000 000 and \$900 000 000 in Loan funds and, instead of using up the surplus manpower, placed that money in the Reserve Bank. This action probably caused that Government to lose the election in December, 1972. At that stage the Commonwealth Labor Opposition estimated that 200 000 people would be unemployed by Christmas, 1972. Despite there being more money in the banking system than there had been for years, people became frightened and would not spend their money. The Labor Opposition, with no thought for Australia's future, circulated these false rumours, which led to the situation that I have outlined.

About 18 months ago the Commonwealth Treasurer budgeted for a deficit of about \$700 000 000, whereas last year Australia had a more or less balanced economy. That is an ideal situation—where the demand for goods is equal to our capacity to produce them. In such a situation industry must be efficient, and everyone must be employed so that the country has the highest possible living standards. But what did the Australian Government do? It budgeted for a \$650 000 000 deficit and injected \$650 000 000 worth of excess purchasing power into the community. Immediately, shortages began to occur and all the housewives rushed out to purchase certain products. One of my constituents told me, "I had to build another room on my house because my wife had bought so much toilet paper that I had to have somewhere to put it." When there is an excess demand for goods, people find that they must wait a certain period to obtain those goods.

A certain amount of inflation, with which we were unable in any way to cope, was caused by price rises for some overseas primary produce. Meat prices increased but, other than in the case of beef, meat prices generally were not excessive relative to rising wage rates.

The Hon. D. J. Hopgood: What about the 30 per cent inflation in Japan?

Mr. McANANEY: That was caused by dear foodstuffs and oil price rises. However, Australian consumers were still getting wheat more cheaply than they did 10 years previously. Although the price of wheat has doubled today, this is perhaps because of increased handling costs. In the period to which I have referred there was an excessive demand for goods. The manufacturers who were doing well and making profits gave their employees wage increases and over-award payments. Naturally, when this happened, all the other union members wanted the same increases. Despite these wage and salary increases, which, by its own actions, the Government had permitted to build up, the living standards of the people did not improve. Despite this, the increases have amounted to much more than any subsidies primary producers have received. This has deprived the primary producer of the opportunity to compete on world markets and to send overseas some of the goods he can produce or to exchange them for cheaper goods that are produced overseas. If one can produce a thing at which one is efficient and exchange it for something that other people are able to produce and sell to one cheaply, one will enjoy a greatly improved living standard.

During its first few months in office, the Labor Government did many things that the former Liberal Government should have done, one of which was to lower tariffs. This is the only way in which Australia can become a great nation: to be able to export secondary industry products to Asia. When I was in Singapore 2½ years ago, I was amazed when our Trade Commissioner said, "We have been working out whether, with a 4 per cent adjustment in the final valuation, we could export polythene sheeting to Singapore." If we could keep our costs down, it would benefit the whole country.

It is silly to compare the living standard of Australian people with the wages and salaries they receive. All that union representatives do when obtaining increases for their members is to put those members ahead of someone else who, in turn, will want to catch up with them. This does not produce any improvement in living standards. If we can produce goods efficiently and exchange them with overseas products, we shall be making real headway. We missed a real opportunity in this respect when the Labor Party lowered tariffs, and a continuation of this policy would have enabled us to export. Australia would then have been able to stand on its own feet and become a great nation. However, by budgeting for a deficit and creating an excess demand for goods, it led to demand inflation. Now this demand inflation has led us into cost inflation, as wage increases have made it necessary for the Government to increase various fees such as postal charges. Otherwise the Post Office, for instance, would make a tremendous loss. However, we must increase wage rates to cope with demand inflation. If demand inflation had not been allowed to develop, we would not be experiencing the cost inflation into which Governments are forced in order to pay additional money to cover services. I have spoken on this matter during my 10 years in Parliament and I wrote about it some 20 years ago. Because of the number of economists, accountants and politicians in Australia, surely someone can work out how to establish a system under which private enterprise can exist and plan ahead on production so that people

will know that there will be a steady demand for goods. If we can do this and get a steadying, we will not get differences in attitude.

I have put forward the theory that the day-to-day Budget should not be interfered with. It should be balanced, and it could be maintained on a weekly or monthly basis, whether credit was being used or whether loans were being raised. We should not have to worry about fluctuations, as long as we keep the overall demand for goods equal to the capacity to produce. There would be two Budgets, one being for day-to-day operations and the other for capital expenditure. Sometimes capital expenditure would be financed by credit and the money would be left in the banking system, but, when pressure was excessive, loans would be floated.

When all interest rates are increased, the banks make much money and the banks lose when the rates fall. The Commonwealth Government has obtained about \$200 000 000 in taxation from increased interest rates, but there is no reason why the interest rates should not be left as they are. In time of excess demand, high interest could be paid on a short-term Government loan for three months. Then, when due, the position could be again re-assessed and the loan either repaid or renewed. Every member opposite knows that it is impossible to control wage demands and to tell unions that wages will not be increased. That has not been done successfully anywhere in the world.

We should have strong legislation against restrictive trade practices, and I would make provision to cover lawyers (although the Premier claims that payment is fixed by the courts). I would also cover doctors, who get together and fix fees. That should be dealt with as a restrictive trade practice and an independent tribunal should decide whether it is fair. I consider that there should not be a restrictive trade practice operating for one group and affecting the man in the street.

I have been disappointed with the standard of this debate from both sides of the House. The Party that has a future is the Party that assesses what is fair and square for the whole community. It is all right to change the name of a Party, but when every member of the Liberal Party considers what is best for every section of the community and does not bother about parochial attitudes, that Party will govern Australia for about 30 years.

The Labor Party has good intentions when it comes into office, but it considers everything from the point of view of one section of the community, and people want hand-outs. The Labor Party thinks that it creates goods or raises living standards, but living standards have fallen every time that Party has been in Government. The Labor Party cannot do what it wants to do, because it considers matters from a narrow viewpoint, and the successful Party will be the one that considers what is fair. When the Labor Party came into office in 1965, the railways were paying their running expenses. That Government let things slide and when we were returned to office we reduced the railway losses. The only successful thing the Minister of Transport has ever brought forward is the Bee-line bus service. I think it is a good service, but who pays for it? Regarding economic matters, I consider that we must help the sick and needy, but must we help some people and make other people pay the cost? At present the Australian people are more unhappy and discontented than they have ever been, and this position will continue while we have an artificial economy, with one person deciding what someone else should do.

I suppose the working man has a right to stay home from work if he wishes. I do not think there is any logical

argument to force him to do what he does not want to do, but what right has one individual or one group of persons to say that a firm with materials in a yard (for instance, Monier tiles), with someone wanting to buy them, should have its factory picketed by the unions? What right has any person to say that that material, in which he has no share, should be treated in such a way? Why should we accept such a situation? Are we not a weak and gutless lot of people in South Australia, or in Australia, to accept this situation? All the declarations of human rights and other legislation will not be worth the paper on which they are written if we accept that people can picket other people's goods and interfere with other people's activities. It is dishonest and illegal, and we are gutless people if we do not do something about it; I include myself in that.

I am sure not one member on the other side will defend this right. I have never seen members opposite look so dumb; they are dumber than usual. Through the fence we have seen quantities of steel rusting. The steel belongs to someone else, but some people say it cannot be shifted. If I were the dictator of Australia I would call out the Army and the steel would be shifted in no time. Will members opposite defend the right of people to stop trade in which they have no interest? Have they the right to picket properties and stop the livelihood of others? The Minister of Transport will be telling us soon that he cannot finish the freeway to Mount Barker because he has not got the steel to build a bridge, and then we will have a few million dollars of assets lying idle.

Mr. Langley: What did you do about it when you were in Government?

Mr. McANANEY: I would take action to stop people picketing. If people in South Australia have not got the guts to stop picketing then we are reverting to the Stone Age. Surely this is not a civilized State if people can do these things. We talk about freedom, but I cannot get steel because some clot says it cannot be shifted!

Mr. Langley: How would you get it?

Mr. McANANEY: Forty years ago we could not get material off the wharf, but that was soon arranged. The laughing hyena from Unley has been a joke ever since he came here. I support the motion, hoping and trusting that the Government of South Australia will realize its responsibility to the average citizen, see that he gets a fair go, and ensure that he is not pushed around by gangster action. In that way we will finally develop into a country where the individual has some freedom rather than being restricted, as is the case today.

Dr. EASTICK (Leader of the Opposition): I thank members for the attention they have given this real problem which is a major part of the South Australian (and, indeed, the Australian) scene today. The fact that such an amount of material could be directed against the activity (or the inactivity) of the Australian Government and the South Australian Government indicates clearly that there is concern by those people on this side who have a real interest in the people of South Australia. There seems to be a lack of genuine conviction on the part of members opposite. The fence-sitting action of the Minister of Education and the play-acting of the Premier clearly indicated their concern at being exposed in the way they were exposed by the argument.

It is all very well for the Premier to list actions taken over a period of time. Quite clearly, that action was normal Government activity, and he could give only one example of having gone out of his way to criticize the

Prime Minister for actions that obviously disadvantaged the people of South Australia. He has made a comment about how he had words to say on the increased excise on wine, and well he may, because the Premier was responsible for circulating a letter to the wine industry before the 1972 election seeking funds for the Labor campaign, promising in return that the industry would have removed from it the excise existing at that time, and stating that it would be in a better position. How is the industry in a better position today after two additional imposts have been placed on it?

I am interested to find that, quite obviously, the author of much of the Surfers Paradise type of activity appears to have been the Minister of Education, who has indicated in no uncertain terms that he proposed for a long period of time some of the actions taken. He has gone further in suggesting that he hopes the referendum subjects denied by the people of Australia, denied by the Australian Council of Trade Unions in the first instance, and then denied partly by the A.C.T.U. when it backed two horses in the one race, will be brought forward again. I hope some of the substance of those referendum subjects will be brought on again, but I hope it will be as a result of action taken and recommendations made by the Commonwealth Constitution Convention. I do not know what chance there is of the convention bringing about a consensus of opinion that it could then promote to the Australian public. That depends entirely on the Prime Minister, whether he will allow the convention to meet according to its schedule, and whether or not he will allow the working parties the opportunity to discuss all facets of the subject matter put before them. I was at one of those meetings when we went through the agenda, and the Prime Minister said the meeting would deal with certain matters and would not deal with others because members could not agree on them. Why was the working party there? It was there to consider the whole apple, not only the part the Prime Minister thought was edible. Representatives were to return with recommendations that could be submitted to their Parliaments and brought forward to the people.

[Midnight]

Mr. Jennings: You would say "No" then?

Dr. EASTICK: I am talking about the referendum subjects in total. We are looking for a consensus of opinion and some honest work on the part of all who are participating in this area, as well as answers that will show necessary compromise by both sides in an attempt to obtain improvements in the best interests of the community. The member for Florey tried to suggest that my Party was against unionists, but I made clear in my speech then, as I do now, that I was referring to some of the union hierarchy, and I do not retract from my statement that some members of the union hierarchy work not only to the disadvantage of the community generally but also to the disadvantage of their own members.

The member for Gilles made the point, which was taken up by another member, concerning statistical information relating to Party leadership, especially A.L.P. leadership. However, if the honourable member had looked further at the statistics available to him (and undoubtedly questions have been asked), he would have found that the same percentage, or an even greater percentage of the people in South Australia, do not like the existing relationship between the A.L.P. and the unions. Clearly, they are not satisfied that the best interests of the community is served by these close links between the A.L.P. and the unions.

They would like that arrangement even less if they were aware of the notice displayed at General Motors-Holden's by the Vehicle Builders Union indicating a future increase in union fees. The fee will increase at the rate of 50 per cent a year until 1976, certainly no later than 1978, when workers will be paying 1 per cent of their wage as their union fee, although it is not clear whether this is 1 per cent of the base wage or 1 per cent of the take-home wage. However, when the people of South Australia know more about this, members opposite will find that the existing arrangement between the Labor Party and the unions is disliked by even more people in Australia than at present.

Mr. McRae: Union membership fees in Australia are about the lowest in the world.

Dr. EASTICK: That is no justification. The member for Mitchell has indicated this evening that he is looking for the twelfth position. Obviously, he has taken lessons in play acting. He seemed to think this matter was a great joke. He liked reading from various reports, but they were all selected articles. Now, I should like to select a few articles for him. I refer to the *Advertiser* editorial of July 16, 1973, under the heading "Labor and the States", as follows:

The Prime Minister, as he freely acknowledged at the final session of the A.L.P. Federal Conference on Friday, is an "avowed centralist". He has never disguised his belief that more legislative power should be transferred from the States to the Commonwealth. It is therefore not surprising that the conference, at which no serious challenge to Mr. Whitlam's authority ever looked like developing, should have formally endorsed his views on this basic issue. There are, nevertheless, alarming implications in the sweeping nature of the resolution passed on Friday. It calls for the referral by the States to the Commonwealth of "such concurrent legislative powers as will assist it to achieve the party's objectives". The decision, now forming part of Labor's official platform, commits the entire party to the principle of centralized power in the hands of the national Government. It is a complete negation of the federalist theory of a division of legislative power between the Commonwealth and the States.

The editorial continues and makes most interesting reading. I now refer to the editorial in today's *Financial Review*, under the heading of "Too little, too soon". I read the following extract, although I could read the lot (but I have regard to the needs of members to conclude this debate as soon as possible). The editorial is as follows:

What is it possible to make of the budgetary measures and the account of the economic situation offered to Parliament and the nation by the Treasurer last night? It was less than a "mini Budget"; it was less than an analysis of the problem of inflation and possible counter-measures, it was much less than a programme either to reduce the rate of inflation or to overcome the shortages still bedevilling industry, and it was not even a convincing earnest of the Government's intentions to reduce the rate of inflation. What it was, after a period of anticipatory build-up for which the Government itself is quite as responsible as the press commentators it will attempt to blame, was a simple anti-climax—and, as such, it represents a wasted opportunity.

The editorial continues:

Mr. Crean's changes, in fact, amount to too little, too soon. Instead of waiting the few weeks to the full Budget, and presenting a total anti-inflationary package, not just a few increases in charges and excise which—set against the inevitable and desirable increase in welfare benefits—amount to little, the Government has gone off half-cocked, and effectively closed off a goodly proportion of its budgetary options. There is nothing tough about Mr. Crean's statement last night, nor is there any evidence that official circles have much improved their understanding of the situation since the similar exercise undertaken under Mr. Gorton early in 1970. Instead, much of what the Treasurer had to say last night was simply ear-stroking,

and this is typical of the decline in realism which affects all Governments as they become more and more accustomed to office: they begin to take their desires for reality, and resent it bitterly when people ask for real actions and not just pious sentiment.

Those last few words are most critical, and the rest of the editorial continues in equally scathing terms concerning the action taken. I should like now to get closer to the matter. I refer to the letters to the Editor in the *Advertiser* of July 23, 1974, under the heading "Unchecked Inflation Prospect Grim". Here is presented a lengthy argument, and I intend to read the complete letter, because I believe it is important. The letter states:

Up to the time when the federal Labor Government took office, responsible people were concerned at the possibility of prices rising by 5 per cent a year resulting in a doubling of the general price level about every 15 years. The latest figures reveal that the current rate of inflation will double prices about every 4½ years. Unchecked inflation of this order is likely to accelerate, eventually undermining business confidence in the economy.

It may be debatable as to what part demand inflation is now playing, but it is certain that the price-wage spiral is causing cost inflation to be the major responsible factor. Yet, up to now, the Federal Government's remedial measures, apart from tariff cuts and revaluation of the currency, both of doubtful effect, together with an abortive attempt to implement control over prices and incomes, have comprised the traditional deflationary methods to counter demand inflation. As such, they have been quite inadequate in countering cost inflation.

The continuing reliance on monetary policy, one of those traditional weapons, is fraught with danger. Exercised over a long period it is likely to dampen investment plans of firms to the point where it will eventually stabilize prices induced by either demand or cost inflation, but with accompanying widespread unemployment.

Taking into account the state of cost inflation at present, the following conclusions are not unreasonable: Increases in taxation on essentials and Government charges, such as increased Postmaster-General rates, will prove highly inflationary. Monetary policy, if maintained, will eventually reduce prices at the cost of unemployment. Some form of restraint on both prices and wages is essential to combat cost inflation, but restraint over prices without a similar control over wages will choke off investment and again lead to unemployment. The prospects of continued, unchecked inflation are even more grim.

Who was the author of that Letter to the Editor? It was John M. Penrose, Lecturer in Economics, Adelaide College of Advanced Education, the endorsed Australian Labor Party candidate against Mr. C. R. Kelly at the 1969 Commonwealth election, and one of the two persons who nominated for preselection for the District of Light in 1970. Here is a person who clearly has outlined the problems that exist today and the effects that the action taken by, or the inaction of, the Commonwealth Government will have. I believe the member for Mitchell did not truly understand the position when he said that the destruction of the States, having overall centralized power, was not a possibility. If the member for Mitchell can obtain from his colleagues a copy of the address that the Prime Minister gave at Melbourne University in July, 1957, he will find there a document that clearly outlines the action that a Labor Government would take. In that document he will find an almost identical pattern of the action we have seen in Australia over the past 18 months to 20 months, which destroys the States, takes "local" out of local government, and gives power to regional authorities controlled from Canberra. This motion not only requires but also deserves the support of every member of this Chamber, and that is what I ask for.

The House divided on the motion:

Ayes (18)—Messrs. Arnold, Becker, Blacker, Boundy, Dean Brown, Chapman, Coumbe, Eastick (teller), Evans, Goldsworthy, Gunn, McAnaney, Millhouse, Nankivell, Rodda, Russack, Tonkin, and Wardle.

Noes (21)—Messrs. Broomhill and Max Brown, Mrs. Byrne, Messrs. Crimes, Dunstan (teller), Groth, Harrison, Hopgood, Hudson, Jennings, Keneally, Langley, McKee, McRae, Olson, Payne, Simmons, Slater, Virgo, Wells, and Wright.

Majority of 3 for the Noes.

Motion thus negatived.

SESSIONAL COMMITTEES

The Legislative Council notified its appointment of Sessional Committees.

LEAVE OF ABSENCE

Mr. LANGLEY moved:

That two months leave of absence be granted to the honourable member for Mount Gambier (Mr. A. R. Burdon) on account of absence overseas on Commonwealth Parliamentary Association business.

Motion carried.

Mr. EVANS moved:

That one month's leave of absence be granted to the honourable member for Rocky River (Mr. H. M. Venning) on account of absence overseas.

Motion carried.

BRIGHTON TO CHRISTIE DOWNS RAILWAY DUPLICATION AND EXTENSION BILL

His Excellency the Governor, by message, recommended to the House of Assembly the appropriation of such amounts of money as might be required for the purposes mentioned in the Bill.

Adjourned debate on second reading.

(Continued from July 23. Page 17.)

Mr. COUMBE (Torrens): On behalf of the Opposition, I support this measure. The Bill does two things: it provides for the extension and duplication of the railway line from Brighton to Christie Downs. This is an important aspect and an important move for the Railways Department, because it will provide an extension to a developing centre at Beach Road, Christie Downs, and it will also provide by the duplication of the railway line, a rapid transit system that would not be possible with a single line operation. This measure has been considered by the Public Works Committee, whose report was tabled on November, 29, 1973, about nine months ago. I know the location extremely well and have seen some of the work proceeding on this line.

On studying the Public Works Committee report, I have noted the comments of Mr. Ramsay concerning the expansion of the area, those of Mr. Hunt, who spoke on behalf of the Noarlunga District Council, and also the report of the Railways Department representatives. The local bus proprietor, Mr. D. J. Briscoe, will be pleased to work in conjunction with the rail/bus/park-and-ride centre, which will allow more people to commute from that area. These operations have the approval of the Opposition, but I have considered the cost of the project. Evidence given to the committee suggests that the single track extension to the north of Beach Road and the track duplication from Brighton to north of Beach Road (and we are referring not to electrification, but to the use of diesels) will cost about \$7 300 000. Through the Transport Bureau of Economics the Commonwealth Government has approved this scheme

and its eventual electrification, but I was interested in what the Public Works Committee reported about this project when it referred to the revenue that would accrue from the use of this extension. It is expected that in 1975 the revenue will be \$330 000 a year and that in 1986 it will be \$898 000 a year. The committee report states:

In spite of substantial cost-benefit ratios in favour of the proposed railway line, the committee notes that in the initially planned operations in 1975 the expected additional revenue for both freight and passengers is about \$330 000 a year compared to additional operating and maintenance costs for a diesel rail-car operation of about \$447 000. Extending population forecasts to 1986, the expected additional revenue is about \$898 000 a year, and additional operating and maintenance costs of about \$1 152 000. In the foregoing figures allowance has already been made for the fact that the Australian Government is prepared to bear two-thirds of the capital cost incurred after July 1, 1973, but, nevertheless, a substantial additional charge against the general revenue of the State for extra railway losses will be incurred.

In paragraph 10 of its report, the committee sets out three items concerned with the extra cost to the State of this undertaking. In its final paragraph, the committee's recommendation is as follows:

The committee recommends duplicating the track between Brighton and south of Beach Road, Christie Downs, for the existing Adelaide to Hallett Cove railway line, as extended in terms of the Hallett Cove to Port Stanvac Railway Extension Act, 1971, at an estimated cost of \$7 385 000, but draws attention to its findings in paragraph 10 of this report.

I believe the committee was correct in drawing the House's attention to the fact that this would be an additional charge. However, my point (and I believe the committee took this view) is that this line will serve the area with much benefit to the people in that area, and will not only provide a fast commuting service to Adelaide but also enable buses to be taken off the road, as they will travel not to Adelaide but to the regional centre. I hope that this action will reduce the need for those who live in the area and who work in and near Adelaide to use motor vehicles. I believe that this is the first passenger line service to be introduced during this century, and is a worthwhile project, despite the loss that we have to bear.

I believe that other aspects of the railway system in this State need to be considered closely, but I believe that the cost-benefit analysis for this service submitted to the Commonwealth Government is very favourable compared to some other railway services. However, the figures I have quoted were presented in the report to the House nine months ago. The Minister's second reading explanation does not give one iota of information on the cost. Therefore, I ask the Minister whether, at a later stage, he will give some idea of the actual cost; otherwise, he is asking us to sign a blank cheque. Although we do not know what the cost will be, we realize it will be fairly substantial. The committee's report does not state the full position relating to population development figures for the area. However, I have obtained some figures for the area of the Noarlunga council, although that area ranges far and wide, covering more than the area related to this line. The population predictions are as follows: 1976, 55 000; 1981, 88 000; 1986, 120 000; and 1991, 156 000. The predictions for the Christie Downs area are as follows: 1976, 1 200; and 1991, 1 800.

On Tuesday and just a moment ago the Opposition has co-operated with the Minister by agreeing to suspend Standing Orders to facilitate the passage of this Bill, as the Minister has said that certain works are being held up because of the non-authorization of enabling legislation.

However, no information has been given to us about where the line will really end. Clause 3 (1) of the Bill provides:

The South Australian Railways Commissioner may—

(a) construct a double-track railway in accordance with the plan deposited in the office of the Surveyor-General at Adelaide, signed "L. H. A. McLean, Chief Engineer for Railways", dated "26.9.72" and numbered 342 from the point in the Hundred of Noarlunga described on the plan as "Terminus, Act 83 of 1971" to a point on the southern boundary of section 326 or section 327 in the Hundred of Willunga;

(b) construct a second railway track in respect of the railway between Brighton and the point in the Hundred of Noarlunga described in the plan as "Terminus, Act 83 of 1971";

I remind the Minister that, in the past, when legislation of this type (and legislation of less importance, such as that dealing with stock routes) has been before the House, a plan has been displayed on a blackboard in this Chamber.

Mrs. Byrne: It's been lost.

Mr. COUMBE: Be that as it may, we are being asked to support a Bill without knowing where the line will go, except from what is stated in the Bill. In his second reading explanation, the Minister said that it would go to the south side of Beach Road. Then, some other land in Jared Road will be obtained for future extension and disposal of soil. I had to look this up in the street directory. Although I know personally where the line will go, I think the Minister should have displayed a map in the House. Until such a map is displayed, I believe the matter should be adjourned, so I seek leave to continue my remarks.

The Hon. G. T. Virgo: No.

The SPEAKER: Leave is refused.

Mr. Dean Brown: Oh!

The Hon. G. T. Virgo: Be fair! Do you want to stop the project? Stand up and be counted if you do.

Mr. COUMBE: I regret that the Minister has taken this view.

The Hon. G. T. Virgo: You've seen that once.

Mr. COUMBE: I have not seen before the plan that the Minister has just handed me. I am not a member of the Public Works Committee, and the report of that committee that I have does not include a copy of this plan. I now ask the Minister to table this plan, for the benefit of other members of the House.

The Hon. G. T. Virgo: All right.

Mr. COUMBE: I support the Bill. However, as a matter of principle, members should not be asked to support a measure when the only members who have seen the plan are those who are members of the Public Works Committee. Having seen the plan, I now give my support to the Bill. I ask the Minister later to give a better idea of what the financial aspects of the measure will be.

Mr. GUNN (Eyre): I, too, support the Bill. However, the tantrum we have just seen from the Minister of Transport is characteristic of the administration of the railways in this State from the time the second Dunstan Government came to power. If there is one area of poor administration and failure properly to—

The Hon. G. T. VIRGO: On a point of order, Mr. Speaker. We are dealing with a Bill to provide for an extension of the Brighton railway line to Christie Downs. I fail to see that the administration of the railways is included in the Bill.

The SPEAKER: The point of order is upheld. We are dealing with the second reading of a Bill. That is the subject matter of the debate, and that will be the only matter to be considered.

Mr. GUNN: We are discussing a Bill to provide for the building of a new railway line to Christie Downs. Surely it is competent for members to deal with the administration of the present railway system in this State.

The SPEAKER: Order! I upheld a point of order that was raised. If the honourable member studies the Bill before the House, he will see that it deals with the power to construct a railway, as provided for in clause 3. That is the matter being considered by the House.

Mr. GUNN: As this is an extension of the existing railway service, surely a member is entitled to refer to the financial position of the South Australian Railways. If that is not permitted, I believe it will be a travesty of justice. If the South Australian Railways is not operating efficiently and economically, how can it operate an efficient service to this part of South Australia? On every occasion, the Minister has failed to take proper steps to put railway finances in order.

The Hon. G. T. Virgo: Rubbish!

The SPEAKER: Order! Once again I must inform the honourable member that the finances of the South Australian Railways are not a matter for discussion under this Bill. If the honourable member persists in flouting the rights that he has in debating this Bill, I will not permit him to continue. The honourable member for Eyre.

Mr. GUNN: I draw your attention, Sir, to clause 3 (c), which provides:

... carry out any works, and construct any buildings or structures connected with, or required for the purposes of, the foregoing undertakings;

The SPEAKER: I draw the honourable member's attention to "the foregoing undertakings", which is the railway, as defined in the Bill.

Mr. GUNN: Bearing in mind the words "connected with", I submit that this is indeed a broad clause, which gives members the opportunity to scrutinize the Minister's record in dealing with the South Australian Railways, the administration of which has been a complete failure. One has only to study the financial report—

The SPEAKER: Order! It is apparent that the honourable member is not conversant with the correct way in which to read the clauses of Bills. He drew my attention to clause 3 (c). Once again, I draw his attention to the last three words of clause 3 (c), "the foregoing undertakings". That is the matter under consideration, and the honourable member will continue on that basis only. Otherwise, he will be acting contrary to the instruction and authority of the Chair. The honourable member for Eyre.

Mr. GUNN: Mr. Speaker, as the member for Torrens correctly said, Opposition members have every intention of supporting the Bill and wish it to pass as soon as possible. However, I have grave doubts that under the present administration, particularly that of the Minister of Transport, the Railways Department is in a sufficiently viable state to carry out the undertaking.

The SPEAKER: Order! I warn the honourable member for Eyre that I will name him if he persists in disregarding the authority of the Chair. This is my last warning. The honourable member for Eyre.

Mr. GUNN: Mr. Speaker, as it is obvious that I cannot continue, I will resume my seat. I have been denied my rights.

The SPEAKER: Does the honourable member for Eyre desire to repeat what he just said?

Mr. GUNN: No, Mr. Speaker.

The SPEAKER: The honourable member for Eyre reflected on the Chair and, if he will not admit that he did so, I demand a withdrawal of his remark.

Mr. Goldsworthy: What did he say?

Mr. GUNN: I said that I believed I had been denied my rights.

The SPEAKER: The honourable member for Eyre has reflected on the Chair, stating that he had been denied his rights under Standing Orders. I ask him to withdraw that remark, as it is a reflection on the Chair.

Mr. GUNN: Well, Sir, if you take it as a reflection on the Chair, I will withdraw it.

The SPEAKER: Very well. I accept the withdrawal. The honourable member for Heysen.

Mr. McANANEY (Heysen): I support the Bill. The Public Works Committee thoroughly investigated this scheme and, although it is against my bookkeeping principles to support something that will not pay its way for a considerable time, in circumstances like this, with a railway going to a new area, I will support it. The service must be a fast one. I emphasize the word "fast", as the service will not be a success unless it provides a reasonably comfortable and fast service for its passengers. Unless that happens, it will not be used. I hope that it will not drag into the city as many of the present suburban lines do, with the result that they are not receiving the support that they should be receiving. As this scheme has been investigated thoroughly by the competent people on the Public Works Committee, I support it.

Bill read a second time.

In Committee.

Clauses 1 to 3 passed.

Clause 4—"Financial provision."

Mr. COUMBE: Because the figures given in the report are nine months old, and as much money has already been spent, can the Minister give the Committee a more up-to-date estimate of the cost involved?

The Hon. G. T. VIRGO (Minister of Transport): I cannot give the Committee the exact figures at this stage. The Director-General of Transport, who has only recently discussed with me the matter of escalating prices, is currently trying to get some more up-to-date figures. After all, this scheme must be submitted to the Bureau of Transport Economics for approval of the total cost. I will obtain those figures for the honourable member and let him have them as soon as possible. However, it may take a day or two to get completely accurate figures. I emphasize that this clause provides that the moneys required by the Commissioner for the purposes of the Bill shall be paid out of moneys provided by Parliament. Obviously, therefore, this matter must come before Parliament again, when members will again have a chance to say what they want to say.

Mr. COUMBE: Although the Minister has said that he does not have the exact figures but has been discussing cost escalations with the Director-General, can he at least say whether a 5 per cent, 10 per cent or 15 per cent increase is involved?

The Hon. G. T. VIRGO: As I should think the honourable member would want an accurate figure, I am not willing to guess at one.

Clause passed.

Title passed.

Bill read a third time and passed.

SEX DISCRIMINATION BILL

The Hon. D. H. McKEE (Minister of Labour and Industry) moved:

That the Select Committee appointed by this House on September 19, 1973, to which the Bill was referred, have power to continue its sittings during the present session.

Motion carried.

ADJOURNMENT

At 12.50 a.m. the House adjourned until Thursday, July 25, at 2 p.m.