

LEGISLATIVE COUNCIL.

Thursday, September 30, 1954.

The PRESIDENT (Hon. Sir Walter Duncan) took the Chair at 2 p.m. and read prayers.

MARKETING OF EGGS ACT AMENDMENT BILL.

His Excellency the Governor intimated by message his assent to the Act.

LOCAL GOVERNMENT ACT AMENDMENT BILL.

Read a third time and passed.

PUBLIC PURPOSES LOAN BILL.

Adjourned debate on second reading.

(Continued from September 29. Page 805.)

The Hon. R. R. WILSON (Northern)—Each session, when this type of Bill comes before the Council, members have the opportunity to discuss matters associated with the financial structure of the State and therefore it is most important. I wish to comment on the speeches of Mr. Condon and Mr. Bardolph. I thought they had a political bias.

The Hon. K. E. J. Bardolph—Why bring politics into it?

The Hon. R. R. WILSON—That is what the honourable member did yesterday. I noticed it was mentioned in the press that the Leader of the Opposition had stated that if the Government planned less and did more it would get on much better.

The Hon. K. E. J. Bardolph—Is that not true?

The Hon. R. R. WILSON—In every undertaking you must plan, you must do this even if you wish to walk across the street. Good planning results in success. I do not think planning has been overdone by the Government. Mr. Condon was rather critical of members on this side regarding their attitude towards labour. I can assure him he was wrong. We must have capital and labour, and there has been co-operation between them.

The Hon. K. E. J. Bardolph—I said we should give equal credit to members of the trade union movement as to the Government.

The Hon. R. R. WILSON—It was stated in the press only recently that the number of unemployed in South Australia was the lowest in Australia and that we had the greatest production per head of population. That is the answer to the statements made yesterday. Reference was made to Leigh Creek. One Parliamentary contestant at the last election had the slogan "Change the Government." The men

at Leigh Creek did not desire any change, as they told me when I was there, and that was reflected in the ballot. Whyalla is another industrial centre where the greatest harmony exists between employer and employee, and where good results are obtained.

The Hon. K. E. J. Bardolph—You cannot claim that that is brought about by the Government.

The Hon. R. R. WILSON—I think the honourable member has brought this on himself. Yesterday he gave much credit to the men at Leigh Creek and Radium Hill for the success of those centres. I also give the men credit. The seasonal outlook is causing panic to many people who evidently in the last few days have not been to the country to see conditions. Last week-end I went as far as Carrieton and from Adelaide to Jamestown one could not wish to see the country in better heart. Rain had fallen at Orroroo and Jamestown and the result is that barley grass has not yet dried off and the crops are dense. If it rains within the next few weeks the crops should be as good as those of last year. Farmers have had a splendid clip of wool and lambs are bringing record prices. Yesterday at Kadina they reached as high as £5 18s. 6d. So, even if the cereal crops fail, producers are getting the advantage of good results from their sheep. I shall not deal with every item in the Bill, but wish to say something about advances for homes, for which £1,350,000 is provided. Yesterday Mr. Bardolph said that the deposits being asked for homes were too high. I have had much to do with young people who are buying homes. The trend today appears to be to put as little money down as possible, and to take advantage of the highest price obtainable.

The Hon. K. E. J. Bardolph—They have not the money available.

The Hon. R. R. WILSON—I know, and they have my sympathy. War Service homes carry a very low rate of interest, and those who have secured one of these homes by a small deposit will have ropes around their necks for the rest of their lives in paying off their debts.

The Hon. K. E. J. Bardolph—It will be liquidated in 33 years.

The Hon. R. R. WILSON—I know of plenty of men who, after the first World War went into homes for which they are still paying. An amount of £432,000 is provided for advances to producers, and I wish to refer to one or two items, including the fishing industry that was singled out by Mr. Condon. This

industry is an important one; on Eyre Peninsula there are seven fisheries, all of which are prosperous. Mr. Condon queried the cost to the Government incurred by the Haldane Brothers, but their capital is fully secured to the Government and they are not being subsidized. I have been very closely associated with these men and know they have experienced many problems. When they set up in business they had ambitions but found that they had to meet not only the problem of catching the fish but also that of marketing. Mr. Condon said that fishermen receive 2s. 9d. per lb. for whiting and the consumer is charged 14s., but the true position is that fishermen receive 2s. 9d. and the consumer pays 12s. for fillets and 14s. on the plate. I agree that the difference is too great, although we must bear in mind that the head, tail and bones are a direct loss and that the processing also results in a loss. The Haldane Bros. catch canning fish for which the Fishermen's Co-operative does not cater. The Port Lincoln Fisheries have a contract with Haldane Bros., a clause of which provides that they cannot receive more than 20 tons a week. This limits the Haldane Bros.' market. A conference is being held in Adelaide between them and the Minister of Agriculture. I spoke to the Minister a few moments ago and he said that he felt that something might arise from the discussion that would be to the benefit of these men in the future. It has been mentioned that they are heavily indebted to the Government, but that is not so; they are meeting all their commitments.

The Woods and Forests Department has everyone's greatest support. On the Estimates £1,300,000 is provided for that undertaking and, although that is a large amount, the industry is proving to be one of our best paying concerns. On a visit to the South Island of New Zealand last April I was told that a Mr. Gilmore, when advised in 1932 by the doctors that he had not long to live, gave to the Roxborough sub-branch of the Returned Soldiers League 170 acres of land and 110,000 trees. Today the property is worth £250,000, or £1,428 an acre. This indicates that whatever is spent on the forestry industry provides for the coming generation.

I wish to comment on the railways on Eyre Peninsula, and I am glad the Minister is present to hear my remarks. The total of the Loan Estimates is £30,895,000. Of that amount Eyre Peninsula will get approximately £600,000, or 2 per cent. Many people in that area read *Hansard* and press reports and it is

hard to convince them why they should not receive more than this small amount because the area is a very important part of the State. Provision is made for £500,000 for the Metropolitan Tramways Trust. I do not say that this is not warranted under present conditions, but if such a large amount were spent in an agricultural district such as Eyre Peninsula it would return a large amount to the State. The population on the Peninsula is increasing very rapidly. During the last five years the population of Port Lincoln has increased by 3,000, and it will continue to increase because the lower Peninsula is highly productive. There are 500 miles of narrow gauge railway line on the Peninsula, and it is a sore point to many people that they are receiving engines and rollingstock discarded from the South-East system. After being renovated these are serving a good purpose but unless diesel electric engines are introduced railway transport there will not be improved.

The Hon. E. Anthoney—Could the tracks carry diesel engines?

The Hon. R. R. WILSON—They are in a bad way and demand immediate attention.

The Hon. N. L. Jude—Have you been having any derailments?

The Hon. R. R. WILSON—No, but if we had diesels the tracks would have to be improved. Railway transport on the Peninsula must be given immediate attention and I hope the Minister will see to this because the railways provide the only real method of heavy transport. It appears that Eyre Peninsula will ultimately be the only part of South Australia with a narrow gauge railway and I hope that a report will be called for at an early date as to the possibility of using diesel electric engines in that division.

Water supply is allotted the sum of £5,575,000, and water is the greatest asset in the country. I have heard it said, and I believe it to be authentic, that 93 per cent of the people in South Australia can turn on a tap from a Government supply, so I maintain that the Government has always given good service in this regard. The country is valueless without water and therefore this amount is fully justified. I saw an announcement that the Jamestown-Caltowie main is almost completed; it will prove to be a great boon in those parts. Last year, in company with the Leader of the Opposition in another place and other members, I attended a meeting at Peterborough which I believe was the largest I have ever attended in the country, between 500 and 600 people being present. At that meeting I said that I thought

it would be several years before it would be possible to carry the water to Peterborough and I was howled down. However, my forecast is proving to be true. A big scheme of this nature cannot be completed in a few months. Provision is made by the size of the pipeline for an extension to Peterborough and Terowie. I heartily support the Leader of the Opposition in the Assembly and other members in their efforts to bring this about. The diesel electric engines now in service will relieve the water supply situation a great deal, and since we were at Peterborough a very good bore has been found. Nevertheless these important towns and the valuable country surrounding them warrant a permanent supply.

I give Mr. Condon full marks for what he said yesterday concerning water rates. However, he was a little off the mark when he said that the richest districts in the State, namely Cummins and Yeelanna, were rated at only 4d. an acre. They carried a surcharge of 7d. for many years. It has been said that water through Government mains costs only 3d. a ton which, of course, makes it a very cheap commodity. With present-day high costs, however, the only alternative is to increase rates and I am sure the people will accept whatever takes place in that direction as something which may be a little overdue. I am pleased to know that provision is made for the Port Lincoln sewerage scheme. I lived there for a while and well remember the disadvantage of the night-cart system.

The Hon. C. D. Rowe—Are there no septic tanks?

The Hon. R. R. WILSON—Yes, there are some. Many difficulties have presented themselves in Port Lincoln because of the solid rock throughout the area, but I think that with modern earth-moving equipment it will not be such a problem as it would have been years ago. There has been much grumbling about district hospitals, in as much as they do not get sufficient subsidy and the local committees and women's organizations are involved in a lot of work in raising funds to keep them going.

The Hon. F. J. Condon—You have three public hospitals in your district.

The Hon. R. R. WILSON—Yes, but the other hospitals in the district are sometimes the biggest problem. Electricity supplies are now being conveyed to many country towns and it is pleasing to note that even people who have spent considerable sums on private schemes are, almost without exception, desirous of having the power laid on to their

farms. Even though it is more costly it is far more convenient and so much more can be done on the farm with electric power. Decentralization is often mentioned and seems to be particularly the slogan of the Opposition. I can assure members that this Government is doing all that is possible to bring it about, but no Government can dictate where an industry shall operate; it will go where there is electricity and water, and now that the Government is conveying electricity and water to country centres industries are being established there.

I had the honour of attending the opening of the new factory of C. A. Parsons Ltd. at Whyalla last Monday. In 1896 the first turbo-generator installed by the firm had an output of only 120 kilowatts. Today it is manufacturing machines with a capacity of 60,000 kilowatts. This firm has established this factory to manufacture condensing and feed-heating plant to work in conjunction with steam-turbo generators being manufactured by the parent company in England. It was amazing to see this new factory on its 50-acre site; the building is 400ft. long by 60ft. wide, with additional accommodation for officers and so forth, and the co-operation of this firm and the B.H.P. Company has much to commend it. The last item mentioned is the Enfield cemetery and I am pleased to see the amount allotted for this purpose. What spoils the entrance to the city from the south is the cemetery at West Terrace which, of course, its founders could never have envisaged. At Enfield cemetery there are no tombstones as all the plates are level with the lawn; there is no distinction whatever in the headstones, and this system has much to commend it.

The Hon. F. J. Condon—But the Government has from year to year made grants to the Enfield Cemetery Trust.

The Hon. R. R. WILSON—That is true, but I am simply pointing out the wisdom of assisting cemeteries of this kind. I have much pleasure in supporting the second reading.

The Hon. F. T. PERRY (Central No. 2)—This Bill, which provides for an expenditure of £27,295,000, prompts members to make some comment on the proposals it covers. It is difficult for the average member to criticize the reasons for the allotment of the amounts to the various departments, but it appears there has been little complaint in the speeches of members over this allotment. It is a larger amount than I should have liked, but I am afraid I can give the Government no advice on how to reduce it. Loan operations by companies and

private individuals are in some cases dangerous to the economy of our country. In this morning's press I saw that £129,000,000 has been advanced by a few companies for time payment. I said some time ago that this system absorbs in public and private company spending up to £200,000,000. It is true that because of the times much of the money has been repaid, and can be reloaned. Loans of such magnitude must create a certain concern among the thinking people. If the lender will lend, probably it is all right for the borrower to borrow.

The Hon. K. E. J. Bardolph—You do not believe in the high rates of interest being charged by the time payment people?

The Hon. F. T. PERRY—That is another question. I think the borrower should pay a reasonable amount.

The Hon. Sir Wallace Sandford—The greater the risk the higher the rate.

The Hon. F. T. PERRY—Exactly. The risk is ever present. The fact that higher rates are charged indicates that the lenders recognize the risk and feel that some time before the loan is repaid difficulties may arise.

The Hon. S. C. Bevan—Would it be the exploitation of the worker?

The Hon. F. T. PERRY—I am sorry that the honourable member should suggest that the worker is being exploited. That is uncalled for. In the main the worker has sufficient brains to look after himself. There is the danger of loans becoming recognized as a method of finance, whereas it would have been far better if the money were in hand before the expense was incurred. However, I know that is not possible. The only authority that has succeeded in this field over the years has been the Commonwealth Government. It has been able to pay for capital works out of revenue without taxing the loan market or building up for posterity high interest repayments. Unfortunately, that Government has now approached the loan market for assistance. I admit that that is necessary. If it is fortunate enough to have money and can lend it out on security, that is all right, provided it is spent on works that are productive, and if not productive, are useful to the community.

Although the amount of this Loan Bill gives me some concern, the system of borrowing by so many people gives me a great deal more concern. I hope that those responsible for the control of the finances of the State will give the present trend some consideration. I feel that the Government and its officers have closely analysed the proposals for expenditure and have every confidence that the money is

required. The whole system of our economy has been based on high costs, and it will be very difficult to get away from the high capital costs of works in future. In examining the Loan programme I notice that provision is made for four methods of transport—harbours, tramways, railways and roads and bridges. An amount of £2,176,000 has been allotted to the Railways Department, £500,000 to the Tramways, £800,000 to the Harbours Board and £100,000 for roads and bridges. As the bulk of our transport is by road, the scale of loan expenditure provided for those several departments is rather remarkable.

The Hon. J. L. S. Bice—What about motor taxation?

The Hon. F. T. PERRY—That is another point. That is revenue and payment is made for the service obtained. Whereas £4,500,000 is being spent on other provisions for transport, only £100,000 is made available for roads. That surprised me. True, we cannot do without our railways or the harbours, but if they were handled somewhat similarly to our road transport, it would be very much cheaper for posterity. I trust the money we are voting will be wisely spent, as I feel sure it will under the present Government, and I believe that alleviation will be given to those requiring homes, hospital services and other services. I support the second reading.

The Hon. S. C. BEVAN (Central No. 1)—Each year we have Loan Estimates before us and considerable debate takes place on the various items, but the field that they open up is only as great as it should be considering the importance of this measure to the State. This year is no exception. Members have spoken at length on practically every subject contained in the Estimates. Yesterday Mr. Condon made various references and comments, and some forms of mild criticism have been levelled against some of his remarks. Mr. Wilson referred to what he said about the fishing industry, but I interpret Mr. Condon's remarks to mean that the fishermen do not receive an adequate return for their catches. We all know the high prices we have to pay on the retail market and if we compare these with the amounts the fishermen receive we find a big discrepancy. Mr. Condon pointed this out and indicated that fishermen should receive a greater return for their labours. Mr. Wilson referred to the higher lamb prices and said that £5 18s. 6d. was received for lambs at the Kadina market.

The Hon. F. J. Condon—The top price is £6 10s. 6d.

The Hon. S. C. BEVAN—I do not complain about those prices, but I do complain that the price paid by consumers under the present set-up is prohibitive.

The Hon. N. L. Jude—Don't you think it is advantageous to export all we can in the interests of the State as a whole?

The Hon. S. C. BEVAN—I agree, but we have always been told that all that we need is provided for the local market, and only the surplus is exported. That is far from the position; we export all we can and use the surplus on the home market.

The Hon. F. J. Condon—And make up the deficiency by paying higher prices here.

The Hon. S. C. BEVAN—That is so. The Estimates provide for an expenditure of £27,295,000 and in addition £3,600,000 will be made available under the Commonwealth-State Housing Scheme—a total of £30,895,000 for capital works in 1954-55. It appears to me that we are somewhat optimistic because there is no guarantee that this amount will be available. It has already been indicated by the Commonwealth that probably it will not make up any deficiency in Loan moneys, and it is quite possible that the estimated amount will not be available to us. The increase in population in this State has created greater demands on the Government to supply public utilities and public works, and this demand is greater in the metropolitan area than in the country. We are faced with greater demands for transport, water and sewerage installations, schools, hospitals, housing, roads and every State utility. This calls for a greater effort by the Government. The demand is being accentuated because of the concentration of population in the city and some of the older established country districts where facilities are already established. If we look around the State we can readily see that there is no move to the country. The population is being increased by immigration and is being concentrated in a few places, thus straining the resources of the State. The Estimates contain a considerable number of lines; I do not propose to discuss them all, although I shall comment upon some of them. Mr. Perry mentioned the provision of £100,000 for roads and bridges. I visualize that this will not be for the construction of bridges, so I wonder what it is for.

The Hon. N. L. Jude—It is for reconstructing the part of the roads from which tramlines are removed.

The Hon. S. C. BEVAN—If that is so I severely criticize this expenditure. Recently I

asked the Minister a question about removal of tram tracks, contract prices paid for this work, and other things. I asked whose responsibility it was to put the roads back in proper repair after the removal of the tracks, and after making inquiries, on August 24 the Minister gave me a reply in which he said that it was the responsibility of the contractor to put the roads in good repair?

The Hon. N. L. Jude—That is only the width of the road that the tram tracks run on. What about the rest of the road? The buses do not run in the centre.

The Hon. S. C. BEVAN—I am criticizing, and will continue to do so, this expenditure if it is for the purpose indicated by the Minister, because if it is contained in a person's contract that he shall replace a road in good repair after removal of tram tracks we should not be faced with an expenditure from Loan Estimates for a job he is paid to do.

The Hon. N. L. Jude—The honourable member has the wrong impression entirely.

The Hon. S. C. BEVAN—I am acting on the information you gave me. I was under the impression that £100,000 was to be expended in loans to councils for them to purchase road-making equipment. If the Minister's explanation is correct, that makes the position worse because expenditure for road maintenance and construction should be provided from revenue raised from motor taxation and driving licences. Last year when legislation was introduced to increase motor registrations and drivers' licence fees the Treasurer said it would provide an additional £1,100,000 to the State which would be used solely for the purpose of maintaining and constructing roads. Now an additional £100,000 is to be made available from Loan funds for road-making.

The Hon. E. H. Edmonds—Don't you believe in spending Loan money for capital works?

The Hon. S. C. BEVAN—I do not believe in using it on capital works on the one hand and paying increased taxation on motor vehicles on the other. I do not think that after the £1,100,000 was provided for last year we should now be asked to provide Loan money for road construction. The Minister said if we wanted good roads we would need more money. Can he say that the money obtained from increased registration and drivers' licence fees was used for the purpose for which it was raised?

The Hon. N. L. Jude—Yes.

The Hon. S. C. BEVAN—We will see if that is so in the near future. I criticize the provision of Loan money for this purpose. The Chief Secretary made no reference to this amount in his speech so I could not find its source. The Minister has given me some enlightenment this afternoon but I do criticize the use of that amount in that way.

The next item calling for comment is the expenditure of £1,300,000 upon afforestation and timber mills. I have been interested in the growth of this industry ever since its establishment, having had the pleasure of visiting Mt. Burr forest in its very early days. This industry is growing enormously and I had expected that sufficient profits would now be accruing to make the industry self-supporting. However, I note that the credits, amounting to £1,130,000, leave a deficit of only £170,000. Undoubtedly the industry will continue to expand. It is already a great asset to the State and I think it will ultimately return a far greater income than at present. The time has arrived, however, when a different system of accountancy should be adopted in this department. I believe that the industry is self-supporting and should no longer be a charge on loan.

The Hon. E. H. Edmonds—It takes a long time before it is reproductive.

The Hon. S. C. BEVAN—I think our forests have reached the reproductive stage. The deficit is now only £170,000 and when the State gets the full benefit of the new mill at Mount Gambier I believe that the deficit will be wiped out. I do not appreciate the inclusion in the Loan Estimates of the salaries of all the officers of this department. I do not think their private affairs should be paraded before the world; it is no business of people outside to know the salaries of these officers. This practice is not adopted in respect of the Railways, the Engineering and Water Supply or any other department, so I fail to see why it is in this case. Why single out this department? I trust that this will be the last occasion when the salaries are shown in this way.

The total for water supply is £5,575,000. Each year we suffer water restrictions and now we are informed once more that unless we get a good rain within the next few weeks we will again be in grave difficulties. The Government has been aware of this situation for some years but its achievements in rectifying the position have been negligible. We are often told that a contributing factor is the

shortage of materials but when we are discussing the question of price control we are informed that materials are in plentiful supply. The South Para Reservoir scheme was brought to a standstill so that the work could be accelerated on the Mannum-Adelaide main. In the western suburbs, even today, pressures are very low notwithstanding that an attempt has been made to boost them up for some time by the use of bore water—even in the cooler months just past. I know that much has been done; I know that it was absolutely essential to complete the Mannum-Adelaide Main at the earliest possible moment and it will certainly relieve the situation to some extent. I understand that residents in the eastern suburbs will benefit most as the Murray water will be used almost exclusively there and this should relieve other districts somewhat. In years gone by we were told that when Mt. Bold Reservoir was completed Adelaide would have adequate water for many years, but it was not long after completion of that work before we suffered water shortages once more.

The Hon. R. R. Wilson—Has not the main serving the western district been enlarged?

The Hon. S. C. BEVAN—I am suggesting that we have not sufficient water to supply a bigger main even in the winter months.

The Hon. R. R. Wilson—But the supply will be improved by the bigger main.

The Hon. S. C. BEVAN—To some extent, but our difficulty, as I see it, is insufficiency of water, for immediately the summer months commence water restrictions have to be imposed. Our needs are becoming greater each day with our fast growing population and ever expanding industries. The provision of £1,250,000 for hospitals is commendable. There is an ever growing demand for hospital treatment and we should concentrate our efforts on building more hospitals. It is gratifying to know that the maternity wing of the Queen Elizabeth hospital is now functioning. When this hospital is completed it will go some way towards meeting the needs of the western suburbs, and I hope that this achievement will be repeated in other districts and in the country where more hospitals are urgently needed. I believe that we have reached the stage where our main hospitals should not be enlarged, but rather that other hospitals should be established. I know that this involves staffing difficulties, but I think those difficulties could be surmounted if we had the buildings.

Finally I wish to offer some comment on the proposed grant of £500,000 by way of loan to

the Municipal Tramways Trust. The term "loan" is used, but we may as well face facts and say that it is a grant without any expectation of repayment. It appears that each year large sums are to be made available to the trust without any control whatever by the Government. The report recently published disclosed a total revenue for the 12 months ended June 30, 1954, of £2,072,412; operating costs £2,511,018; depreciation £167,305; interest repayments £189,831; revenue per traffic mile 48.92d. and operating costs per traffic mile 59.28d. For the year 1952 the comparable figures were revenue £1,826,015; operating costs £2,116,528; depreciation £107,210 and interest repayments £121,525. It has been suggested recently that it may be necessary to again increase fares, but is this the solution? Is it not a fact that any further increase would tend to drive the people further away from the trams? In 1945, the peak year for tramway operations, the number of passengers carried was 95,034,796 and the average fare was 3.2d. The population in a 10-mile radius numbered 365,000. The passengers carried per mile totalled 9.27. For the year ended June 30, 1954, the number of passengers carried was 60,971,971 at an average fare of 7.190d. The population in a 10-mile radius had increased to 475,000. The passengers carried per mile had decreased to 6.59. I am suggesting that the reduction in the number of passengers carried was the result of increased fares, which drove people to other means of transport. To further increase fares would place the tramways in a worse position.

The Hon. E. H. Edmonds—To be logical, it would be better to reduce fares to enable the trams to get back to a profitable basis.

The Hon. S. C. BEVAN—If there were cheaper fares many more passengers would be carried. It has been proved that the increase in fares has resulted in the decrease of passengers with no increase in revenue.

The Hon. E. H. Edmonds—Have you any figures regarding rising costs?

The Hon. S. C. BEVAN—I admit that operating costs have increased, but an actual decrease is taking place in revenue.

The Hon. E. H. Edmonds—There are many more motor cars about.

The Hon. S. C. BEVAN—A person will not use his motor car to go to work if it is more profitable to travel in the trams. Many employees owning a motor car also take their workmates with them at a nominal sum. I agree that that is illegal, but it is being done because it is too expensive for them to use our

public transport. I still feel that the policy of scrapping our trams and replacing them with buses will add further to the troubles of our tramways. In the *Melbourne Sun* of July 5 the chairman of the Melbourne and Metropolitan Tramways Board was reported as saying as follows:—

It would be gross folly to scrap Melbourne's trams. On the firm founding we have, there is still a case for further expansion. For decades there will be a lot of tramways in Melbourne. We are continuing with them because they are more economical than buses. Buses cost £7,000 each and trams £11,000. Buses cost 3½d. a mile and trams 6d. Buses last eight years and trams 25 years. Trams carry 90 passengers at peak hours and buses 60. Trams make 1½d. a mile and buses lose 3½d. a mile.

We could profit from their experience. Instead of the Government making continuous grants to the Tramways Trust it should take control and bring them under a Ministry of Transport, who in turn would be responsible to Parliament. That is the only solution.

The Hon. E. H. Edmonds—That does not give us a profit in the railways.

The Hon. S. C. BEVAN—That remains to be seen, but the railways are a different proposition. They have to meet the needs of the whole State, whereas the tramways are supposedly for the convenience of the travelling public in and around the metropolitan area. Instead of money being made available from loans to the tramways, without any control over its expenditure, it would pay much better if my suggestion were adopted. Undoubtedly, the loan provision in this Bill is necessary to meet the works to be undertaken for the betterment of the State, and I therefore have much pleasure in supporting the second reading.

The Hon. A. J. MELROSE (Midland)—In voting the considerable sum provided in the Bill one should take the opportunity to express any constructive view. Undoubtedly £27,000,000 is a very substantial sum and its expenditure calls for serious consideration. Because of development and the establishment of new industries there is no doubt that borrowing can be a very sound policy. We can only hope that the projects on which the loan money is to be expended are either absolutely necessary for the general scheme of development for the benefit of the whole State or for the implementation of some new avenues of production. I do not think at present there is any foreseeable end to this borrowing phase, because for many years this State will go on expanding, and so long as it is expanding it will need loan money. Members should have sufficient assurance that the Government

explores every possible way to carry out its works and undertakings in the most economical manner. It has its hands very full with many undertakings, some of which are taking a long time to reach completion. There must be some way in which these works could be done by private contract. It seems to me that in these days with earth-moving machinery such things as the construction of reservoirs would surely interest contractors. It is quite likely that in such things as the laying of water mains, such as that from Mannum to Adelaide, or the laying of sewers and so on would probably interest private contractors. By calling for tenders, if the Government found that it could do the work at a lower price than a contractor, it would still have a second string to its bow. Even if a private contractor could not do the work as cheaply as a department, at least there might be a speeding up of some of these works.

By the provision of water supplies for the metropolis it would appear we are creating a vicious circle. The Government can only provide water for the foreseeable population, but the moment it provides water and other amenities in the city more people come here and immediately water, electricity and other supplies are outreached. Each year we have to contemplate the construction of new reservoirs and surely it would help matters if outside contractors were approached to help in the work. I think the same might be said about some of the big road and bridge works. We must face up to the necessity for one or more bridges over the River Murray and it seems to me to be evident that if we wait on the departments to do this work we will wait much longer than we would if we got outside contractors interested. The construction of electricity trunk lines could also be done better by private enterprise, because surely it would be simplicity itself to specify in exact detail the line to be constructed. From what I have seen of this type of job there is a hopeless overlapping of authority in inspections. Instead of one progressive job, we have almost the position of one separate department putting the holes down, another erecting the poles and another man placing the arms on the poles. This seems to be a straight-ahead job comparable with ordinary fencing work on a station, and it could be done by private contract.

I would like to take this opportunity of expressing my regard for the employees of the Engineering and Water Supply Department.

When I have seen them working on the road-sides on repair and construction jobs of various sorts I have never felt other than proud of them for the way they apply themselves. Although working in mud and slush is unpleasant nevertheless they get on with the job in spite of the distracting influence of passing trams and motor cars. I have mentioned this because it might be read into my remarks about private contracts that Government workers are not doing their job. I do not suggest that, but I do suggest that in order to expedite many of these public undertakings it would be better to interest private contractors rather than attempt to do them all with Government staffs.

The Hon. F. J. Condon—The honourable member spoke about people coming to the city. All these water schemes have enhanced the value of land on Eyre Peninsula, but people have left there to come to the city to live.

The Hon. A. J. MELROSE—I think there is a great deal less of that today than there was 50 years or a generation ago when there were no amenities in the country and everyone, particularly the womenfolk, looked forward to the time when they could get away from the country. There were then bad roads, no facilities and no communication with other neighbours other than driving along the bad roads; they were often isolated from medical attention and I think it was the steadfast ambition of all women and many men to eventually retire and come to the city. That has changed now; there are now telephones and good roads, I believe it would be wise policy if telephones were installed in all homes in the country, instead of making charges so high that they almost become luxuries, because whenever people have telephones, good roads, and access to hospitals and doctors they have all the amenities of the city, and more. I think the honourable member will find that the trend today is to retire into some country towns rather than come to Adelaide, and I hope when the time comes for me to retire I will retire from the city. I support the second reading.

The Hon. A. R. HOARE (Central No. 1)—This Bill, which deals with a large sum of money, carries a lot of weight. Whether interest is paid to private banks or the Commonwealth bank is an important matter, because if it is paid to the latter it is simply money taken from the people and given back to them, because that institution is governed by the people. Much has been done in the past to harm this bank, which was inaugurated by the

Fisher Government in 1912. After it commenced operations it did an immense amount of good. When the Bruce-Page Government came into power it placed every obstacle in the way of its progress, and went to the extent of appointing a board to govern it. This meant that it was governed by men who represented private banks. The next Government placed every obstacle it could in the way of the Commonwealth Bank. It appointed a board of a severe kind that went further than the previous body by bringing about the destruction of the Rural Bank in New South Wales. This was done by destroying the New South Wales Savings Bank, which was governed by the Labor Government; this institution governed the Rural Bank. The idea was to get rid of the Rural Bank so that the way would be clear to increase interest rates on people who would want to borrow money when the Savings Bank went out of existence, because there would then be no opposition. The Rural Bank did an immense amount of good in lending money to people in rural industries at a cheaper rate of interest than other banks. It was made public through the newspapers that the State Savings Bank was governed by Jack Lang, for arguments sake, and that it would fail. This stampeded the people who had money deposited in it. However, this course was taken too far because it created a rush on private banks, which the Government did not want. Had this gone on much further there would have been a stampede of trading bank depositors. To save the situation the Premier made a broadcast stating that the State Savings Bank was sound, and that the Government would stand behind it. It was too late to save it, but his statement saved the private banks. This shows how an attempt was made to crush the Savings Bank which controlled the Rural Bank.

The Hon. R. R. Wilson—What happened to the Rural Bank in Western Australia?

The Hon. A. A. HOARE—It was restored some years later by a Labor Government and it is still operating and doing good work. The Scullin Government had very rough usage while in office and to discredit it a band of spielers was brought from England to dictate to it. These men told the Government it would have to reduce wages, old age pensions and other things by 12½ per cent. The Labor Government did that—

The Hon. S. C. Bevan—And the wage earners have never got it back.

The Hon. A. A. HOARE—No. This shows how one class of people will do everything

they can to bring about ruination of the toiling masses. Those men began in England by telling the Government that it had to reduce pensions by 12½ per cent and it made no difference to them when it was pointed out that this left insufficient for pensioners to live on decently. Then they visited Australia and told the Government the same thing and their advice was followed. This created an army of unemployed. Warehouses became choked with goods because the people lacked purchasing power and general disaster followed. From Australia these dictators visited New Zealand and South Africa and gave the same advice. The Scullin Government needed more money and heard of the sales tax which had been originated in Canada. It sent officials there to ascertain how this scheme worked and afterwards it was adopted here and I think it has been more of a curse than a blessing to the people. No-one has had the courage to wipe it out so I suppose it will remain, for the simple reason that it is a good way of raising money. Despite all this I suppose Australia is progressing as well as any other nation in the world. At present there is scarcely any unemployment and it is to be hoped that that situation will remain because there can be nothing worse than an army of unemployed.

I was interested in Mr. Condon's references to the margarine industry and I am still wondering why more margarine cannot be manufactured in South Australia. It is alleged that it injures the dairying industry, but Victoria has far more dairymen than South Australia and we hear no complaints from them. We should be given an explanation. If the Victorian industry is at liberty to make margarine the South Australian industry should be put in the same position. We have heard a great deal about losses on tramways. At present all motor revenue is earmarked for expenditure on roads, but I think that part of it should go towards meeting losses on the tramways, for it is beyond doubt that the vast increase in the number of motor cars is the cause of great loss of revenue by the tramways; the same applies to railways. It is a peculiar thing, but whatever is done by the trust it seems to remain in the same mess. All sorts of remedies have been tried, including a change in the administration, without success.

The Hon. E. Anthoney—Give private enterprise a try.

The Hon. A. A. HOARE—Private enterprise would not fare any better. It would

simply raise fares and then would be in difficulties again. Mr. Bevan referred to water restrictions and I notice by this evening's *News* that Croydon is without water. We were told that Mount Bold reservoir would meet our requirements for 50 years, but it was scarcely completed before we were in trouble again. Of course the difficulty is brought about by our fast-growing population and expansion of industries and the Government will be called upon to spend huge sums in the years to come to keep pace with this growth. With these comments I support the second reading.

Bill read a second time.

In Committee.

Clauses 1 to 11 passed.

Clause 12 "Validation of certain expenditure."

The Hon. F. J. CONDON (Leader of the Opposition)—This clause validates an expenditure of £3,397 4s. 1d. on land and premises at Osborne known as the Meyer Recreation Oval. I want to know why this amount has been

included in the Bill and the expenditure was not from general revenue.

The Hon. Sir LYELL McEWIN (Chief Secretary)—I have no doubt this was a capital expenditure from loan funds. It would not have passed the Auditor-General had there been anything wrong. The Crown Solicitor has evidently drawn attention to the fact that the money has to be appropriated.

The Hon. F. J. CONDON—I hope that in future closer attention will be given to these matters. On this occasion I am prepared to vote for the clause.

Clause passed.

Remaining clause, schedule and title passed. Committee's report adopted.

PRICES ACT AMENDMENT BILL.

Received from the House of Assembly and read a first time.

ADJOURNMENT.

At 4.8 p.m. the Council adjourned until Tuesday, October 5, at 2 p.m.