

LEGISLATIVE COUNCIL.

Tuesday, September 25, 1956.

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

QUESTIONS.

GRANTS FOR FORESHORE IMPROVEMENTS.

The Hon. F. J. CONDON—Has the attention of the Minister of Local Government been drawn to the statement made by the Mayor of Henley and Grange in reference to the allocation of between £6,000 and £7,000 for foreshore improvements to his district as against £25,000 allotted to the Glenelg Corporation? If so, has he any statement to make on it?

The Hon. N. L. JUDE—My attention has not been drawn to it, although I read it in the press. However, I will discuss the matter with the honourable member later.

RAILWAY ACCIDENTS.

The Hon. E. ANTHONY—In view of the disturbed state of the public mind in regard to the frequency of railway accidents, has the Minister of Railways any explanation to offer to the House?

The Hon. N. L. JUDE—A full report in relation to the accident that occurred about 10 days ago appeared in the press both last night and this morning. With regard to the accident that occurred last week-end, an inquiry was held yesterday afternoon. I expect a report on it very shortly and this will be made available to the honourable member.

The Hon. F. J. CONDON—Has the Minister any statement to make about the two previous accidents on the Port line which occurred in the last few weeks, and caused a great deal of anxiety to the public?

The Hon. N. L. JUDE—I do not know if I made myself quite clear. I said that a report on the previous accident appeared in the paper last night and again this morning. I will make a statement on the recent accident to the honourable member and probably to the press as soon as I have the report available.

The Hon. E. ANTHONY—I am not at all satisfied with the Minister's reply.

The PRESIDENT—Order! The honourable member cannot argue his question before he commences.

The Hon. E. ANTHONY—My question was not a specific one.

The PRESIDENT—The honourable member cannot argue a question; he can only ask a question.

The Hon. E. ANTHONY—Will the Minister of Railways give the House an explanation of the reason for such frequent accidents on our railway transport system and state if there is any basic reason why there have been so many?

The Hon. N. L. JUDE—In view of the question, I take this opportunity to point out that the number of serious accidents on the railways in South Australia is far less than in any other State of Australia, and comparable with the mileage done, in any part of the world. I have already informed members—and I take it that they read the daily papers—that a full report of last week's accident was given in the press last night and this morning. I also said that a report on the most recent accident will also be available.

The Hon. K. E. J. BARDOLPH—Isn't it your duty to report to Parliament and not the press?

The Hon. N. L. JUDE—No.

The Hon. K. E. J. BARDOLPH—In view of the Minister's statement that it is not his responsibility to report to Parliament, I desire to ask him whether, at the next sitting of Parliament . . .

The Hon. N. L. JUDE—I object.

The PRESIDENT—The honourable member objects to what?

The Hon. N. L. JUDE—I object to the statement that it is my responsibility to report to Parliament on every specific accident.

The Hon. K. E. J. BARDOLPH—The Minister said it was not his responsibility to report to Parliament. If he takes umbrage at my remark I will withdraw it, but I ask him whether, at the next sitting of this House, he will make a full report, as the responsible Minister for Railways, as to the cause of the recent accidents on our railways.

The Hon. N. L. JUDE—If the honourable member will state exactly which accidents, I will do so.

The Hon. K. E. J. BARDOLPH—All of them.

The Hon. F. J. CONDON—Is the Minister going to report to me in writing or personally?

The Hon. N. L. JUDE—Whichever suits the honourable member.

PRICES ACT AMENDMENT BILL.

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

STAMP DUTIES ACT AMENDMENT BILL.

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

PUBLIC PURPOSES LOAN BILL.

Adjourned debate on second reading.

(Continued from September 19. Page 628.)

The Hon. S. C. BEVAN (Central No. 1)—This measure covers the expenditure of Loan money made available to the State amounting to £28,135,000. Most of it will be used for public works and there will be very little return to the State by way of repayments, which are estimated at £2,260,000. The recent action of the Commonwealth Government in deliberately increasing interest rates has adversely affected the State. Under Labor administration the interest rate was stabilized at about $3\frac{1}{2}$ per cent, but since the advent of the Liberal and Country League Government the interest rate has been increased by approximately $1\frac{1}{2}$ per cent, which means an increase of about £18,750 a year in interest on every million pounds borrowed. One does not have to be a mathematical genius to see that on £28,000,000 the difference is about £525,000 a year. The Commonwealth Government should have had more regard for the savings of those people who derive their incomes from interest on their investments. We know that a great many people throughout Australia invested their savings in Government loans, bonds and war savings certificates yielding an interest return of about $3\frac{1}{2}$ per cent. What will happen to them now that the interest rate on recent Government loans has risen to 5 per cent? The Government was quite wrong in taking this step for it must have known what the effect would be on these people. Its action has added considerably to the inflationary trend and placed another burden on the general public.

Recently the Federal Treasurer called a Federal conference on the pretext of evolving some unified actions to stem inflation and arrive at a common policy. Various suggestions were placed before the Premiers by the Federal Treasurer and Acting Prime Minister, one being that all the States should agree to the discontinuance of quarterly adjustments to the basic wage. It was suggested that in consideration of the States adopting that common policy the Commonwealth should introduce legislation for the unified control of prices and the reintroduction of capital control. However, this was rejected by the Commonwealth Government.

Some of the State Premiers have been blamed for the failure of the conference. The South Australian Premier is reported to have said, according to the *Advertiser* of August 22, "Employees would obviously be under a sense of frustration if their wages were fixed while

prices were rising." The Premier should know because South Australia is the only State where this has been happening. Consider the effect in South Australia where we have at least some measure of price control and yet continual price increases despite the fact that we have rigidly adhered to the policy of the Commonwealth Government by adopting the Commonwealth basic wage and the Government has refused to introduce legislation for the continuance of quarterly adjustments. The Victorian Premier (Mr. Bolte) is reported to have told the conference that his Government would not legislate to control prices and discontinue quarterly wage adjustments, but since then he has discontinued wage adjustments to State employees.

In view of all these things it was inevitable that the conference convened for the purpose of stemming inflation should break down. The States should demand a fairer allocation of the money, especially when one analyses the recent Federal Budget in which the Commonwealth Government graciously granted some very small increases to widow pensioners and the like amounting to about £1,000,000. At the same time it increased postal rates, wireless licence fees and telephone installation fees and will net an additional £8,750,000 from that source alone. I wonder that the Federal Treasurer did not levy an impost on babies' prams and on bicycles which appear to be about the only things left to be taxed. It would have the effect of further lowering the workers' standard of living.

I would like to mention the case of an insurance company in Adelaide which, after entering into a contract with a client for car insurance, showed how such a contract can be broken. The insurance company wrote to the client in the following terms:—

We regret to advise that owing to the claims lodged with this office we are only able to continue the insurance if you are agreeable to a condition requiring you to bear the first £10 of each and every claim. We enclose herewith the necessary endorsement to be attached to your policy which will operate as from June 30, 1956, if we do not hear from you to the contrary.

The Hon. A. J. Melrose—They are all doing that in order to try and keep the premiums down.

The Hon. S. C. BEVAN—They are not all doing it. Many companies insist that the insured person bears the first £10 of an accident, but it does not state that that will apply to every accident.

The Hon. Sir Frank Perry—Some people are accident prone.

The Hon. S. C. BEVAN—If a person enters into a contract he is expected to abide by it. A person may meet with an accident through no fault of his own, and if this sort of thing is allowed to continue it is not fair to him. I have not received such a notification from the company with which I am insured.

The Hon. A. J. Melrose—You will.

The Hon. S. C. BEVAN—I may do so after my policy expires, but not until then.

The Hon. A. J. Melrose—The instance you quoted only referred to the future and not the current contract.

The Hon. S. C. BEVAN—No. it comes into operation unless objected to, and if the person objects the insurance company cancels his policy.

The Hon. Sir Frank Perry—Oh no!

The Hon. S. C. BEVAN—If the honourable members wants further proof I can get it. In the instance I referred to there is a clause in the contract which allows the insurance company to cancel the insurance at any time it desires, but if it cancels the unexpired period a refund will be made on a pro rata basis. However, if the insured person cancels his policy he does not get any rebate. It is fruitless to say that insurance companies are not doing what I claim, because in this particular instance the clause is embodied in the policy.

The Hon. Sir Frank Perry—The insurance is at a cheaper rate when that condition applies.

The Hon. S. C. BEVAN—No, it is not. If a person does not desire to carry the responsibility of the first £10 he pays a higher premium to the company. It is another one of those three card tricks following on the increase of insurance in the other States.

The Hon. Sir Frank Perry—If you knew anything about insurance you would not say that.

The Hon. S. C. BEVAN—I say that there should be more stringent control, and that companies should not be able to impose this sort of thing on the public. Their attitude is clearly "You either accept our terms or we cancel the contract." If the insured person cancelled the policy it is problematical whether any other company would carry his insurance.

I would like to deal with the item of £1,900,000 to be allocated from loan moneys to the Housing Trust to finance the erection of houses for sale purposes. This line is rather interesting, because according to the Premier's electioneering statements the trust

receives no Government subsidies, has not cost the taxpayers any money and has never run at a loss. If the allocation of £1,900,000 from loan moneys is not in the same category as a subsidy, I want to know what it is.

The Hon. Sir Frank Perry—A subsidy is a gift.

The Hon. S. C. BEVAN—What do you think this is?

The Hon. Sir Frank Perry—It is a loan.

The Hon. S. C. BEVAN—It is a loan which is never repaid, and it is laughable. I will quote some more from the Premier's electioneering statements which appear in the *Advertiser* of February 25. The advertisement refers to the fact that South Australia has one house for every 3.7 persons and states:—

The Playford Government, through the South Australian Housing Trust, has built 26,000 homes for far lower cost than other States.

The Hon. E. Anthoney—I think that would be true.

The Hon. S. C. BEVAN—The report continues:—

The Trust also build flats for families without homes on suitable private blocks.

It is a fact that if a person has a block the Housing Trust will build a home on it. But no mention is made here of the deposit needed before the Housing Trust will build him a home.

The Hon. N. L. Jude—All of those statements are perfectly correct.

The Hon. S. C. BEVAN—The advertisement continues:—

The Trust also builds flats for families without small children and, what is one of the Trust's finest efforts, small cottage flats for elderly people such as pensioners.

According to reports, the flats are certainly being built but they are being built for couples at a rental of £3 5s. a week. I cannot reconcile that with the statement that the South Australian Government keeps costs at the absolute minimum. The advertisement concludes:—

The Playford Government has solved the housing problem for more than 100,000 people in this State.

The Hon. Sir Frank Perry—Where does all this appear?

The Hon. S. C. BEVAN—It is in the *Advertiser* of Saturday, February 25, 1956, and these are statements emanating from the Premier on his election campaign. That advertisement is authorized by R. Y. Wilson, 175 North Terrace, Adelaide. I understand that he is secretary of the Liberal and Country

League. The Premier also stated that the Trust had made it possible for the ordinary man to buy or rent a home. That also appears to be this year's joke. I have had referred to me instances of people who have paid a deposit and applied for a purchase home, but still cannot secure one. If I suggested to the Trust that I could produce the full purchase price of a home tomorrow, I would soon be allotted a house. I know of one applicant who has a deposit of £2,000 and lodged application for a home in June, 1955, and has made continuous inquiries, including one a fortnight ago. He has been told to come back again next November, when he may be allocated a home, or it may be some time next year.

The Hon. C. D. Rowe—I suppose he wants a home in a particular area.

The Hon. S. C. BEVAN—That may be so. I understand that three different areas have been suggested. By October 1, 1952, the Trust had completed for all purposes, including emergency dwellings, 14,186 houses. The rent for a four-roomed house was £2 a week and for a five-roomed home £2 5s., and yet in country towns the respective rents were £1 2s. 6d. and £1 4s. I suggest it would cost just as much, if not more, to construct similar houses in the country.

The Hon. Sir Frank Perry—The land would be cheaper.

The Hon. S. C. BEVAN—That may be so to an extent, but even in the country land is not cheap. For the nine months to January 1, 1952, the total number of houses built by the Trust was, 2,834, and during the year ended June 30, 1953, it completed 4,127 in all categories, and the total number of houses built since 1937 was 17,192. The rents of homes to that stage was still the same as in 1952—£2 for a four-roomed house and £2 5s. for a five-roomed house. A five-roomed single unit home was let for £3 10s. a week in 1953. The number of houses built in the year ended June 30, 1955, had dropped to 3,264, and at that stage the total houses built by the Trust was 24,000. The total rents received for 1955 amounted to £1,454,725. The weekly rent for a five-roomed house had increased to £2 12s. 6d. and for a four-roomed house £2 8s. 6d. For the year ended June 30, 1956, the total number of houses built by the Trust under all categories dropped to 3,238, and the total number built since 1937 had increased to 27,510. The total rents received for that financial year were £1,704,934, an increase of nearly £300,000 over the previous

year. The rent charged for a five-roomed house had then increased to £3 2s. a week and for a four-roomed house to £2 18s. 6d. Notices have been sent out to tenants notifying that a further increase of approximately 12 per cent is to be imposed. The notification sent to tenants included the following:—

This letter is to inform you that after September 30, 1956, your rent will be £2 15s. per week. The Trust regrets that it is necessary to increase your rent, but whilst the Trust attempts to keep its rents as low as possible, it must meet from the rents the expenses associated with the capital charges of its houses, the cost of maintenance and the payment of rates and taxes. All these costs have increased since rents were last reviewed in 1953, and in addition, there has been a substantial increase in the rate of interest which the Trust must now pay on the money borrowed to build houses.

These factors have brought about the position that the Trust must now charge £3 5s. per week for the five-room double-unit houses now being built in Adelaide and Elizabeth. You will, therefore realize that your rent as increased is much lower than the rents which are being charged for new houses. One of the reasons for increasing rent is that the Trust wishes to equalize to some degree the rents charged for all its houses and to avoid the necessity of charging still higher rents for new houses. The new rent will be first payable on Monday, 1st October, 1956.

The increased charges were due to the action of the Commonwealth Government in increasing interest rates. I am at a loss to reconcile the Premier's statement of keeping housing costs to an absolute minimum with the facts I have quoted. The increased rents will apply to houses which have been built for a considerable period. I feel that the capital cost of the homes built earlier have been practically repaid in rent. Rents have been paid on some of these homes since 1937, a period of 19 years. I fail to see why these tenants should now be called upon to subsidize the rents of people in the more modern homes now being built.

The Hon. Sir Frank Perry—Don't you believe in averaging rents?

The Hon. S. C. BEVAN—I do not know that I do. Why should a person who has had his rent fixed on the capital cost of building in 1937 subsidize the occupiers of recently built homes?

The Hon. W. W. Robinson—Are repair and renovation costs static?

The Hon. S. C. BEVAN—Isn't the maintenance taken into account when the rents are fixed?

The Hon. C. R. Story—Not if the costs go up in the meantime.

The Hon. S. C. BEVAN—The letter that I read stated that apart from increases in maintenance costs there has also been a substantial increase in interest charges payable to the Commonwealth Government. We all know that, but that is the fault of the Commonwealth, not of the State Government. However, that did not apply in 1937 when the homes were built and the rents were fixed.

The Hon. Sir Frank Perry—Would you rather see the occupiers of new homes pay £4 a week?

The Hon. S. C. BEVAN—There is no necessity for an increase despite the fact that interest rates have been increased, and there certainly should not be any increase in rents of homes built years ago. Rents play a big part in our cost of living and living standards. The present State living wage takes into consideration a rental of 22s. 6d. a week for a 5-roomed home, yet the biggest landlord in the State, the Housing Trust, charges £3 5s. for that type of home. Because of this private landlords are seeking increases in rents, which they are quite justified in doing. If these costs are allowed to go up and up indiscriminately, our standard of living will suffer.

The Hon. Sir Frank Perry—How long ago did the 22s. 6d. apply?

The Hon. S. C. BEVAN—Not long ago. If the right thing is done the amount allowed in the present inquiry to fix the living wage will be £3 5s., but I do not think that will be allowed. Last year the Trust collected £1,704,934 in rents, yet since it commenced operations in 1937 it has written off only £105 15s. as irrecoverable rents.

The Hon. E. Anthoney—The tenants must be satisfied.

The Hon. S. C. BEVAN—They have to pay or get out.

The Hon. E. Anthoney—It is a good record, don't you think?

The Hon. S. C. BEVAN—It is, and I am not criticizing the Trust's policy, although I do criticize the necessity for allocating £1,900,000 of loan moneys to the Trust to build homes for sale. The money for building homes for rental must be coming from some other source.

The Hon. Sir Frank Perry—When homes are built for sale they are not necessarily paid for. Many have big mortgages.

The Hon. S. C. BEVAN—Yes, but many are paid for in cash. This afternoon I mentioned the case of a man who intended to pay £2,000 deposit, which is a substantial part of the purchase price. Although I am not reflecting

on the management of the Trust, I criticize the bureaucratic attitude of some officers, about which many complaints have been made. I have advocated before, and I still advocate, the appointment of a Minister of Housing who would be responsible to Parliament. At present Parliament has no control over this huge concern which is, after all, a Government undertaking. I support the second reading.

The Hon. E. ANTHONY (Central No. 2)—It is becoming evident as this debate proceeds that members are becoming considerably perturbed at the growth in our annual loan commitments, and I think they have a perfect right to be concerned. We are borrowing very large amounts. Naturally, this State has been affected by the rapid growth common to other cities since the war because of the large intake of migrants, all requiring public utilities. This is placing a heavy burden on State finances, as all the money cannot be made available out of revenue. There was a time when many public works were financed out of revenue, but that day has long passed. Parliament is now faced with a debate on Estimates amounting to many millions of pounds. Spending the money seems to be fairly easy, but there is a cumulative effect of the dead weight of this money.

The Hon. K. E. J. Bardolph—Should not posterity bear some the burden?

The Hon. E. ANTHONY—Yes, I think it should. Our predecessors built up a great part of this country many years ago and it is our duty to carry on the progress, but there should be a limit to the burden placed on the shoulders of posterity. In the last Auditor-General's report one page is devoted to increases in public debt charges and to the dead weight debt burden placed on taxpayers. The burden last year increased by 34 per cent, and the total is now £7,000,000. This year we are adding very extensively to it with the funded deficit we will have to make. It must be remembered that interest payments continue until the debt is liquidated.

The Hon. F. J. Condon—At increased rates.

The Hon. E. ANTHONY—Yes, unfortunately. It is unfortunate that the Federal Government had to increase interest rates, but it was essential. While private undertakings are competing with the Government for money it is difficult for the Commonwealth to fill loans. When others offer 7 per cent it is natural that people will invest money in private industry, when the Government is offering only 5 per cent. The Federal Government had to offer greater interest rates to attract finance.

The Hon. F. J. Condon—You cannot get your money because of the Federal Government.

The Hon. E. ANTHONY—I think it is as sympathetic as any other Government has been. I feel that the Premiers do not go to these conferences to work out problems of State on a proper basis, but to see how much they respectively can get. So this unseemly strife goes on between the Premiers and the Prime Minister.

The Hon. F. J. Condon—Some of them go there to reduce wages.

The Hon. E. ANTHONY—I have heard people say the Loan Council is a bogey. Honourable members will see that the Loan Council has no authority whatever; it allocates loans under the Financial Agreement which is what it was intended to do, but it carries no weight. It comes to a decision, but the Prime Minister finally decides how much money the States will get. We cannot claim that we are a responsible Government any more when the whole of our State's activities are dictated by the Federal Government. The system is all wrong and we are getting into difficulties because of it.

The Hon. K. E. J. Bardolph—Your Government was in office when the 1926 Financial Agreement was signed.

The Hon. E. ANTHONY—That may be so, but I say we have given away responsible government, and the man who pays the piper calls the tune. I know that my friends in the Opposition do not want State Governments, but unification; they have said it many times and it was a plank of their policy and I believe still is. All these things are disturbing because we have to do the best we can for our own State and see that the economy of the country is kept on as stable a basis as possible.

The Chief Secretary in explaining the Estimates gave a very clear and detailed description. I want to say something about our railways, and my remarks will be related to a question I asked the Minister this afternoon. I am certain that the public are becoming disturbed at the frequent accidents which have occurred during the past 12 months. There have been quite a number of derailments, particularly in the hills section, and quite a number of accidents which could have been more serious than they were. I think there is need for a close scrutiny and an inquiry on a Ministerial level as to whether everything is basically right with the running of our railways. We owe that to the public who patronize them and who at the moment are disturbed at the existing state of affairs.

I now refer to the duplication of the line from Adelaide to Willunga which has taken five years and is still incomplete. The patrons on that line, who are concentrated for a distance of 10 miles, have put up with a good deal of inconvenience. The schedule of running has not been too bad, but the time taken on the journey is too long and there are many other inconveniences which I feel should have been rectified by now. The Minister has stated that by 1957 the line will be fully open to traffic, and I hope that that schedule is achieved.

Loan money is allocated for expenditure on the Jervois Street bridge. Since hearing Mr. Condon speak on this subject I have read the Public Works Standing Committee's report on that work. While it is true that only £10,000 is to be expended at the moment, the Loan Estimates provide for a total expenditure of £300,000. This is only an estimate, and we all know that it is a most difficult thing these days to get anywhere near the estimate. I should be surprised if that work does not cost double the estimate before it is finished. I am rather surprised at the very heavy sum that is to be spent on the demolition of the old bridge. It seems fantastic that with our modern equipment that work should cost between £50,000 and £60,000. This bridge is badly needed at Port Adelaide where the accumulation of traffic is causing congestion around the wharves. I hope the decision made by the Public Works Standing Committee is the right one. There was a good deal of controversy about it, and from my reading of the report I do not think the members of the committee accepted the recommendations of the engineers. A good deal of local feeling came into it, and vested interests had to be considered. The decision was given on the score of expense, the committee being guided by the interests of the State in choosing the scheme which would cost the lesser amount.

The Hon. F. J. Condon—It was not only the question of expense; there were other considerations.

The Hon. E. ANTHONY—If the scheme that was first reported upon had been carried out it would have cost the Government a considerable amount for compensation. That would have happened with the Birkenhead bridge, as Mr. Condon knows. The Government was faced with having to pay very heavy compensation to companies who had vested interests in the portion of Port Adelaide where the bridge should have been put. As a member of the Public Works Committee at that time, I was firmly of the opinion that the bridge

was ultimately put in the wrong place, and I think everybody was of the same opinion, but because of those vested interests it would have cost the Government a considerable amount of money to put the bridge where the committee thought it should have been put. A compromise had to be made, as it has to be made in the present scheme. I trust that this expenditure will be properly made, and that the bridge will be placed in a position which will be of an economic advantage to Port Adelaide.

We have built up a very valuable industry in our forests controlled by the Woods and Forests Department, and as one who has taken a very keen interest in afforestation over a number of years, I am particularly gratified to see what the Department has achieved. From a close study of the report I should think that the value of the planted forests would probably amount to £200,000,000. It is gratifying to find that that State-controlled industry is being so efficiently run that it can carry out all its activities, pay all its expenses, and have a credit balance to the tune of £1,250,000.

The Hon. F. J. Condon—Does the honourable member recall what his Party said about our forests a few years ago?

The Hon. E. ANTHONY—I remember what the honourable member's Party said about them, and I took one of his Ministers to task for wanting to sell the whole lot, lock, stock and barrel.

The Hon. F. J. Condon—The honourable member's Government wanted to hand them over to private enterprise.

The Hon. E. ANTHONY—I give credit where credit is due. It is a great industry and we should be very proud of it. An industry that has accumulated a profit of £1,250,000 should be completely free of any Loan monies and should be financing itself; it should not be a burden upon the Government any longer. In addition to making a handsome profit it paid £80,000 into consolidated revenue, which is a fine effort. Rotation is now about 3,000 acres a year, which represents great expansion, and the milling costs are cheaper than private enterprise.

The Hon. F. J. Condon—It is a good socialistic undertaking.

The Hon. E. ANTHONY—The department can cut logs 1s. 9d. cheaper than if they sold them to private enterprise. I pay a compliment to the department on the excellent job it is doing, and if all our industries were as efficient and profitable we would be in a very

happy position. The Railways Department are finding great difficulty in getting sufficient sleepers, which are very highly priced, and therefore I am pleased experiments are being made for the more extensive use of softwoods from the South-East after they have been treated. I hope they will prove a success.

We are all gratified to know that the Minister of Education has been able to secure a number of teachers from Great Britain. It has been a heavy task to get our schools fully staffed and to build enough accommodation for the children. I regard education as being the most important part of the Government's responsibilities, as it entails the teaching of our young people and putting them on the right track to enable them to make a success of their lives. A big percentage of the teaching staff has been almost entirely unqualified, but they have done a great job in assisting the department to carry on in very difficult times. The school life of a person is only very short, and if he has to rely on unqualified teachers it amounts to a tremendous handicap throughout his life. Some of the teachers have had only six months' training. I contend that it takes many years to train a teacher properly. I notice that the numbers attending the Teachers Training College have also increased, which would indicate that our schools will be better staffed than for some time.

There is some difficulty in following the various lines in the Loan Estimates as they are wrapped up in two or three different departments. In order to get a true picture of the State's economy, one would want to have the Auditor-General alongside. I regret the size of the Loan Estimates, as we are building up a huge commitment for future taxpayers. What is needed more than anything else is a complete revision of the relations between the Commonwealth and the States, particularly the financial relations. It is true that the Federal Government has appointed a committee to consider its Constitution, but it is a Federal committee. To be valuable, it should include State representatives. Because of a decision by the High Court, many of our powers have been whittled away. Our Treasurer started action against the Commonwealth to have restored to the State its income taxing powers, but the court held that the present position was valid, and I am afraid therefore that we will never get back our income taxing powers. It would appear that they are embodied in the Federal Constitution for all time. I support the Estimates.

The Hon. K. E. J. BARDOLPH (Central No. 1)—Some of the speeches on the Loan Estimates call for criticism of the Government's financial proposals. I join with the Leader of the Opposition in supporting the projected visit overseas of the Chief Secretary. With other members of the Opposition I appreciate the work he has done, and also that of the Director-General of Medical Services (Dr. Rollison), who will also be going overseas. I agree in part with what Mr. Anthony said, because it seems strange that whilst we are considering the Estimates we have not before us the Auditor-General's report. I am not suggesting there is something wrong in Government departments, but it would be a great help to members if the report was available.

Sir Frank Perry seemed to lament the fact that we were spending too much money on loan works. I know that he is associated with financial affairs and has played a prominent part in the economy of South Australia, but in a growing State like South Australia, whose primary and secondary industries are expanding, it is essential for us to depend on loan moneys. When they are used for productive purposes, it becomes an ordinary business transaction. Loan moneys help the State to progress, to pay interest and meet redemption fund charges.

Both Sir Frank Perry and Mr. Anthony mentioned that this State had been hamstrung as to its sovereign powers because, with the other States, it put its signature to the financial agreement. This agreement, which was brought in by the Bruce-Page Government, in 1926, took away from the States their borrowing powers and placed them in the hands of the Loan Council, which determines what amount of loan money shall be borrowed. It has taken away from the States the right to borrow not only within but also beyond the Commonwealth. Although the State Governments are tied to the Loan Agreement, there is in that agreement a loophole whereby semi-governmental instrumentalities, such as the Water and Sewerage Board of Victoria, the South Australian Electricity Trust and similar boards in the other States, can go on the open loan market and offer even higher rates of interest than are paid on Commonwealth loans.

All States have become hamstrung in controlling their own purse strings. Superimposed on that and co-related to the agreement was the establishment of the Grants Commission. I have been twitted in this House by members and some Ministers when I have said that the

Government's financial policy was dictated by that Commission. My statements have been borne out by other authorities, including no other than the Premier in his financial statement made on September 18, in the House of Assembly. This is what he said about the Commission:—

In one particular the Commonwealth Grants Commission has so far refused to recommend for inclusion in its special grant funds to cover expenditure authorized by this Parliament as a charge against revenues. This concerns the appropriation made in the Supplementary Estimates in June, 1953, of £620,000 in aid of developmental roads and roads of access in country areas. In its 1955 report the Commission, in effect, disallowed this expenditure for consideration in the assessment of special grants because it regarded it as of the nature of a disposal of a surplus and not as a normal and necessary revenue charge.

I say without hesitation that a certain bureaucratic control has been set up in Australia, and as a result all State Governments will then have to stand before the bar of public opinion to answer for their actions. The statement I have read was made not by a Labor Premier, but the present Premier of this State. The Grants Commission is not responsible to Parliament; it is not even responsible to any section of the electors. Despite this, it can determine, as it has already done, the financial policy of the States in order that those States may get some grants to which they are entitled under Federation. In some of the major States where the population is greater and there are greater avenues for levying revenue the Grants Commission has bumped up the charges made for various services, and has told the smaller States that unless they increase rail freights and fares, hospital charges and other fees for social services proportionately, it will refuse to recommend any disability grant. We have reached the stage when some protest should be made by the State Parliament and also by our State representatives in the Senate and the House of Representatives. We talk about sovereign rights and responsible Government, yet in recent years these sovereign rights have been handled by some irresponsible body outside Parliament.

Members of the Opposition support our Leader's statement that quite a number of South Australian people desirous of settling on the land are migrating to Western Australia where they can buy land more cheaply and on better terms. From time to time the International Labor Organization in Geneva issues a report. This body has no political affiliation;

it was set up by the League of Nations originally, and carried on by the United Nations Council, and under its charter employees' and employers' representatives can meet to discuss certain matters. Mr. Shard and Mr. Bevan have both had the honour to represent the workers of Australia at its conventions. It has a research organization that makes a survey of all countries. The Leader of the Opposition said that agriculture has been neglected in this State. With such statement I agree. One of the reports issued by the International Labour Organization contained the following statements:—

Agriculture, the age-old industry of man-kind, continues to hold the first place as a source of employment for the world's workers, a study published by the International Labour Organization reveals. It is estimated that in 1950 there were well over 600 million workers engaged in agriculture out of a total world labour force of over 1,000 million. The service sector held the second place, accounting for somewhat over 200 million workers, while industry came last with a share of a little under 200 million workers. This is a somewhat surprising picture at first sight. The industrial revolution which began two centuries ago in a few countries of Western Europe gradually spread to other parts of the world, and the last hundred years before 1950 were a period of vigorous economic growth. On the global scale these developments, however, have failed to dislodge agriculture as the chief source of livelihood for the greater part of mankind.

In support of that contention, there have been reports in the daily and week-end press of this State to the effect that within the next 25 years there will be a period of starvation throughout the world because we are not producing enough foodstuffs to satisfy the increasing population. Like the Leader of the Opposition, I believe a vigorous land policy should be pursued. If people are prepared to go on the land it should be made available to them at a price commensurate with its productive capacity, and not at a greatly enhanced price. The more people we have on the land the greater will be the production. I do not need to tell country members that for a number of years small holdings have been concentrated into large areas run by one or two large pastoral companies. It is the responsibility of the Government to see that these things are rectified so that more people who desire to do so can go on the land to increase production.

I hope I will not be charged with being opposed to the Electricity Trust. Had it not been for the four Labor representatives in this Chamber and some Liberal representatives who supported the Government the activities

of the Trust could not have been brought about. However, although the Labor Party voted for nationalization, it does not necessarily follow that it supports the policy of management being pursued by the Trust. I do not want to malign the management, but only to point out that the legislation for acquisition contained provisions for the Government to buy out the bondholders of the Trust. When acquisition took place the Government pegged the price as at 1945, and issued bonus shares. It certainly reduced the dividend rate, but it turned ordinary and preference shares into debentures which are gilt edged securities. I do not criticize that, but I ask why no effort has been made to give full force to the provisions of the Legislation whereby, after 10 years, a certain percentage of the bonds could be redeemed by the Government. This would relieve not only the people of South Australia but also the users of electricity of the interest rates payable on those securities.

We have been told that the Trust made a profit of £400,000 last year, and that it has extended its mains through large areas of country. This is very laudable, but it must be remembered that when the Trust took over the undertaking it had about £100,000 that had been set aside for income tax. The Trust, of course, does not pay any income tax, and because of that it has saved about £500,000 since it commenced operations, so the profit we were told about is money that would have been paid in taxation if the undertaking had remained a private concern.

This year we are asked to vote a further £5,500,000 to the Electricity Trust. I do not know whether we should do so unless we have some Parliamentary control over the undertaking. In the Trust we have created one of the greatest bureaucratic organizations in this State. It is not responsible to Parliament, and its activities for 1956 cannot be reviewed because we have not before us the Auditor-General's report. The Chief Secretary may say in his reply that the Government has appointees on the board, but these appointees are not responsible to Parliament and cannot take their places in either House to answer questions on expenditure. A watchful eye should be kept on the Trust's programme of reconstruction and construction of new mains. Every organization makes mistakes, yet we have not the opportunity to challenge the Trust in this House. I support the second reading.

The Hon. Sir LYELL McEWIN (Chief Secretary)—I thank members for their attention to, and consideration of, this very important Bill. I can appreciate their views regarding the amount that has to be provided today compared with, say, 20 years ago. I well remember when our Loan Bill was £10,000,000, whereas today it is £30,000,000, but I also remember the purchasing power of money than as against today. I also remember the vast amount of development that has taken place. Having balanced all those items, I would say that £30,000,000 is a very conservative approach to Loan spending in this State. When I was a teenager there was an expression "Never speculate, never accumulate." That is applicable even today to a young developing country. After all we are only a little more than a century old, and still have a long way to go.

Consideration of loan expenditure must, surely, depend in the main on how it is spent. If we were spending money on luxuries and non-productive works, of course, it would be uneconomical. If on the other hand, we spend the money on the decentralization of industries to which some members give lip service at least, I would say it was sound expenditure. My mind runs over the events of the last few years in order to fortify myself as to where we are going, and I find that all the money has gone in a direction that has contributed to the prosperity that everybody in this State enjoys today. I am not so simple as to agree that we no longer count as responsible administrators; whatever may be said by the Commonwealth Grants Commission, or any other authority, the fact remains that those authorities are created by Parliament and are responsible to Parliament, whether it be Federal or State. If, because of improvident administration in other States, we find ourselves somewhat curtailed, I shall still not deery my own State. I prefer to confine myself to things for which we are still responsible and in this we have a very good story to tell.

Last week I referred to the Electricity Trust. We have provided a great deal of money from loan funds in order to develop the supply of electrical energy throughout the State. The hundreds of miles of transmission lines and the power stations in country areas have been a tremendous advance and have contributed, not only to the productive capacity of the country, but towards making living conditions in rural communities better, at the same time providing a continuity of employment that has not been equalled in any other

State. We have not known restrictions or limitations in the consumption of electricity since the Trust got under way, and, replying to the last speaker, it seems immaterial whether we pay back the money we borrow and reborrow it from someone else. The Stock Exchange is available to anyone who wants to get rid of his interests, and I have not heard anyone complain of his investment in the Electricity Trust. It is still one of the sound investments in the State and I think that is the criterion as to whether or not Parliament need interfere with the administration of this worthy institution. Parliament has control of funds and could say tomorrow that there shall be no more development. I cannot imagine any more tangible control than that.

We can turn from the Electricity Trust to the Leigh Creek coalfield, the mining of uranium at Radium Hill, the uranium treatment works at Port Pirie, the establishment of the barytes industry at Quorn and the promotion of Nairne pyrites industry for the production of sulphuric acid, which in turn guarantees our supplies of superphosphate and enables primary production to continue and expand.

We have experienced considerable shortages of timber and great increases in its price and had it not been for the development of our forests and the milling industry we would not have been able to carry out successfully our housing programme. The development of our gypsum deposits on Eyre Peninsula and Yorke Peninsula surely has been worth-while. The extension of water reticulation has assisted on making further primary production possible, and one could go on to mention the modernization of our railway system and the speeding up of transport. All these things have kept the State abreast of developments elsewhere without which it would be impossible to continue to maintain any sort of economy whatsoever. Surely all this is a very sound way of using the influence of Government to its maximum.

I think therefore that we can reassure ourselves that although the figures are climbing and what was £10,000,000 say 15 years ago is now £30,000,000, it is reflected in the general inflationary trend of finance, and does not suggest an extravagant expenditure of loan funds in a young developing and progressive State. The information placed before the Council regarding the use of these funds is sufficient to guarantee that we can, with every confidence and justification, accept this expenditure with full optimism as to the

future. I thank members for their attention to this debate.

Bill read a second time.

In Committee.

Clauses 1 to 13 passed.

Schedules.

The Hon. F. J. CONDON (Leader of the Opposition)—I am disappointed that more members did not take the opportunity to discuss a Loan Bill amounting to £30,000,000. That fewer than half a dozen members spoke on a Bill of such importance displays very little interest. Mr. Anthoney accused the Labor Party of wanting to get rid of State Parliaments. Lack of interest on the part of members and refusal to discuss the various items in the schedules is the best way to bring that about.

I propose to take up a little more time in explaining some of these important things. Again I say that it is not to the credit of the Government to include items in the loan programme when there is not the slightest chance of putting them into operation, or at least starting them during the year 1956-1957; it is impossible to do what has been recommended in the next 10 years, let alone one. I propose to mention some of the new subjects that have been referred to the Public Works Committee, some of which the Government has asked to be treated as urgent.

The Hon. E. Anthoney—Are they in the Loan Estimates?

The Hon. F. J. CONDON—Some of them are. When people come along to the Government with a request it is useless to throw dust in their eyes by referring the matter to the Public Works Committee when it is known that there is no possible chance of the work being done for years. For the year ended August 17, 1955, 14 new subjects were referred to the committee, a few of which I will mention. There was the construction of additional classrooms at Norwood Boys technical school. This was recommended on June 6, 1956, at a cost of £129,360; Elizabeth Area No. 2, new primary school with infant department. It was recommended that a primary school for 770 pupils and an infants' department for 400 pupils be built at a cost of £149,930. On November 17, 1955, the Salisbury high school project was referred to the committee, and on June 6, 1956, it was recommended that a high school be constructed in accordance with the plans prepared by the Architect-in-Chief's Department at an estimated cost of £179,613.

The Hon. Sir Frank Perry—Salisbury will have to have a high school.

The Hon. F. J. CONDON—Yes, but my point is that we have a programme which is going to cost millions of pounds, and it is no use placing these things on the Estimates when there is no possible chance of the work being done for many years. A number of recommendations were made by the committee three or four years ago, and the cost now would be very much greater than the original estimates.

The Hon. E. Anthoney—We will probably be saying the same thing about these projects in four or five years' time.

The Hon. F. J. CONDON—That is so. I mention these things because I think that the wrong procedure is being adopted. On November 24 a scheme for a water supply to the Hundreds of Burdett, Seymour, and Ettrick was referred to the committee. On January 12, 1956, the Netley works depot scheme was referred, and this consisted of the following:—

Construction for the Architect-in-Chief's Department of a works depot consisting of (1) a woodworking shop and other buildings for the manufacture of furniture and joinery for Government buildings, an office block, and a workshop for the maintenance of and repairs to Government furniture and joinery and (2) four large and two small store buildings and two engineering workshops and shelter ports for motor vehicles and a further amenities building.

The work was recommended at an estimated cost of £233,510. Members will recall that some time ago the factory used by the Architect-in-Chief's Department was destroyed by fire.

The Hon. E. Anthoney—On a point of order, Mr. President, is the honourable member in order in debating this Bill? We have already had the second reading debate.

The PRESIDENT—My ruling is that the honourable member is in order.

The Hon. F. J. CONDON—On June 7, 1956, the Blackwood, Belair and Eden Hills water supply scheme was referred to the committee. On June 28 the committee was asked to inquire into the Barossa reservoir to Sandy Creek water main scheme. This scheme was for the substitution of a 48 inch water main in lieu of the 34 inch main already approved in the pipeline link from Barossa reservoir to Sandy Creek. On July 26 the committee was asked to inquire into the erection of a woodwork centre at the Enfield high School, also the construction of a domestic arts centre. On the same day it was asked to inquire into a scheme for the construction of a woodwork centre at the new Findon high school.

The Hon. E. H. Edmonds—You have given the dates of the committee's reports.

The Hon. F. J. CONDON—Some of these schemes were referred to the committee in 1955. Several matters were referred to the committee before the submission of the 28th General Report and have not been finally reported upon. One was the drainage of River Murray irrigation areas, involving a pumping scheme for the area known as Puddletown Lake. Two reports were submitted on this project. Another was the drainage of Cobdogla, for which two separate references were made. Reports were presented in August 1949 and in November 1954. Members will see that a report was first submitted on the latter project several years ago. A progress report on the Leigh Creek coal steam drying plant was presented on March 2, 1945. Nothing was done there, and that scheme cannot be withdrawn from the committee until the committee is asked to withdraw it.

A scheme for the augmentation of metropolitan water supplies was referred to the committee and consisted of the following:—

1. The construction of a reservoir on South Para River;

2. The construction of a reservoir or reservoirs and outlet works on the Onkaparinga River; and

3. The construction of a reservoir or reservoirs on Torrens River; and

4. The laying of a pipeline from the River Murray to Adelaide, together with the necessary pumping stations and storages.

The terms of reference required the committee to have due regard to the needs for supplies of water to areas situated between the sources of supply and Adelaide and the country areas and towns which could best be served therefrom. The first three items have been before the committee a considerable time. Item No. 4 is a scheme which was estimated to cost about £4,000,000, but it has cost almost £10,000,000 and is now only 75 per cent completed. Two reports were submitted on that project.

With regard to the scheme for the bulk handling of wheat, a report on the Wallaroo bulk wheat bin was presented on May 22 and one on the Port Lincoln harbor improvements and bulk handling system was presented on June 15 of this year. It is proposed to spend a large amount on the bulk handling of wheat. Two places have already been mentioned; the third will be Cape Thevenard, the fourth Port Pirie and the fifth Port Adelaide. Even though some of this work is being done, certain associations lodged objections to the

recommendations. As a result of this, the project was referred back to the Public Works Standing Committee, which revoked its previous report and made another one which was satisfactory to the people concerned. We now find that there is widespread agitation and objection to the final recommendation, which indicates that people are never satisfied. I think this State will have to face up to the expenditure of a large sum of money before this work is completed.

An interim report on the scheme for the electrification of metropolitan train services was presented on February 5, 1952, and it is obvious that the cost of such a scheme today would be out of all proportion to the original estimate. Another scheme referred to the committee was the duplication of the existing railway line between the western end of the Woodville station yard and the 7½ mile post (between Golf Links and Grange stations), the removal of the existing single line of railway between the 7½ mile post and Henley Beach station, and the construction of a new double track from the 7½ mile post to the Henley Beach Road. There is a proposal to abandon this line, but today I presented a petition to the Minister of Railways from 700 people using the line objecting to its removal. No decision can be made in this matter until it is dealt with by the Public Works Standing Committee. That is a matter the Government will be asked to consider.

I now wish to deal with a very important and serious matter affecting the health of the people. Several years ago a number of schemes for country sewerage systems were referred to committee and the committee recommended them, but nothing has been done to implement these schemes although, as honourable members are aware, at some of the towns they are very necessary. The committee reported on schemes for sewerage systems at Bordertown, Gawler, Mount Gambier, Murray Bridge, Naracoorte, Port Augusta, Port Lincoln, Port Pirie and Victor Harbor. Interim reports were presented on February 5, 1952, but nothing has been done.

The Hon. J. L. S. Bice—Can the honourable member tell the Council how the people of these towns will be able to provide their portion of the costs of these projects?

The Hon. F. J. CONDON—It is impossible for them to meet those costs. The estimated cost for the sewerage scheme at Port Pirie was approximately £500,000 but it would now be more like £750,000. It is absolutely impossible for the local people to meet that cost, and

that would apply at all the other towns mentioned. The Murray Bridge Council compelled people there to put in septic tank systems. When told the cost of a sewerage system, ratepayers were asked if they still wanted that system and they answered in the affirmative. However, if a link is made with the sewerage system later, they will not be able to meet the expense.

The first progress report on the Glenelg and Brighton foreshore improvements was submitted in 1952 and the second in 1953, but no attempt has been made to do anything. A comprehensive scheme for the development of Port Adelaide, embracing 20 projects, comes under nine references. An interim report for the acquisition of land was presented on November 14, 1950. A fair amount of land has been taken up, but nothing has yet been done with it. The Government will probably hold it for another 10 or 15 years.

A report on the Osborne coal handling plant was presented on March 27, 1951, one on Glanville dock improvements on August 8, 1951, and another on the reconstruction of berths Nos. 13 and 14 at Port Adelaide on October 6, 1955. A sewerage system for Balaklava has been referred to the committee, but no evidence submitted. The people know there is no chance of anything being done, so why not tell them. An interim report on the proposed Gumeracha sewerage scheme was submitted on August 18, 1955. From a health point of view, special consideration should be given to the sewerage of hills towns as much of the water coming to the metropolitan area is likely to be polluted. I hope the Government will undertake these works as soon as possible.

For the laying of new mains from the Mannum-Adelaide pipeline to serve the Onkaparinga Valley, progress reports were presented on January 8, 1952, November 18, 1954, May 12, 1955, and August 16, 1955. Many towns between Mannum and Adelaide have been crying out for water during the last four or five years, but they are getting nowhere. A progress report on the Port Adelaide Girls technical school was presented on July 31, 1952, and for the Enfield high school on October 28, 1952, and a later report on August 16, 1955. The committee also considered a new water supply for the township of Millicent. It was down there a couple of years ago, but district people could not agree among themselves. Some of those who already have a water supply do not care about the plight of anyone else. If a considerable sum is to be spent, there

should be unanimity so that the costs can be spread and the charge as low as possible.

The committee has had before it a proposal for Dry Creek sewerage treatment works, including a pumping station and a rising main for the pre-treatment of waste from the Abattoirs and an extension of the main sewers to the treatment works at an estimated cost of £5,207,850. The committee also has a reference for a water main in the Hundred of Hutchinson to be laid from the Uley-Wanilla supply, a proposal for a sewerage system for Whyalla, and another for a reservoir at Myponga, which would include a trunk main to the metropolitan area together with a pumping station near the reservoir to supply Yankalilla and Normanville, and booster pumps to supply Willunga and McLaren Vale. The first progress report was presented on November 25, 1954, and the second on August 16, 1955. The first progress report for an extension of the Glenelg sewerage treatment works was presented on August 14, 1956, and the committee has a reference for a trunk main from the Tod River reservoir to serve the township of Cummins. I do not think it is any use the Government referring matters to the committee if there is no possibility of their being proceeded with. It is not fair to mislead the people by letting them think they are going to get a project when there is no possible chance of its being undertaken.

The Hon. E. ANTHONY—It is unusual for a member to give a second reading speech on the schedules to a Bill. I draw the Minister of Railway's attention to the cost of refreshments under railway administration. There are many railway refreshment rooms throughout the State, but I cannot see where any of them are making a profit. I suggest that private enterprise should be allowed to take them over. This might also apply to the laundry run by the Railways Department, thus taking away from the Government the financial burden of running them.

The Hon. Sir LYELL McEWIN (Chief Secretary)—We are all grateful to Mr. Condon for his report, because if anyone was not aware there was a Public Works Committee carrying out its duty, he will know now. I know that he applies himself very assiduously to the work of the committee. The Government, which appreciates having these reports, would find it impossible to plan anything if they were not available in advance. It would be impossible for the Government to submit a programme unless public works were first inquired into. There is much work in the preparation of

plans and specifications even for comparatively small schools or hospital buildings which may not cost many thousands of pounds. Extensive work had been done on the Queen Elizabeth Hospital over a period of years before anything much was showing for the expenditure involved. Mr. Condon's remarks amplify the necessity for reports from the Public Works Committee being available in advance so that a proper planning of public works can be undertaken; otherwise there would be a lag which would not be in the best interests of the State.

The Hon. J. L. S. BICE—Mr. Condon mentioned the comprehensive report given by the Chief Secretary in presenting the Loan Estimates. Since I have been a member of the Council I have never heard a more comprehensive survey of loan work projects than that given by him on this occasion. As he said, the Government submits references to the Public Works Committee so that they can be analysed, and then the Government is in the position to make the necessary financial arrangements to carry out the work. I draw Mr. Condon's attention to the fact that there is a line on the Estimates to provide for work on the Cummins water supply being put in hand. The members of the committee will proceed to the West Coast on the night of October 1 to take evidence on this matter. Provision is made in these Estimates for this very important work in the event of its being recommended.

The Gumeracha sewerage scheme was inquired into some time ago, but circumstances did not permit the Government to go on with it, and the condition of the Millbrook Reservoir did not require work to be carried out there immediately. However, in a drought it would be of extreme urgency. Owing to the comprehensive statement made by the Minister, many of us felt there was no necessity to analyse the matters individually.

Schedules passed.

Title passed.

Bill reported without amendment and taken through its remaining stages.

HIDE AND LEATHER INDUSTRIES LEGISLATION REPEAL BILL.

Returned from the House of Assembly without amendment.

WATERWORKS ACT AMENDMENT BILL.

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

HOUSING AGREEMENT BILL.

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

ADJOURNMENT.

At 4.30 p.m. the Council adjourned until Tuesday, October 2, at 2 p.m.