

LEGISLATIVE COUNCIL.

Wednesday, October 10, 1956.

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

QUESTION.**REMARK-PARINGA SHUTTLE SERVICE.**

The Hon. C. R. STORY—In view of the numerous complaints about the Remark-Paringa shuttle service, which has occasioned great delays at times, particularly in the last two weeks, would the Minister of Railways consider sending a senior railways official to those towns to investigate the position?

The Hon. L. JUDE—I have been aware for the last week or so that there have been one or two bottlenecks on this shuttle service, and in view of that I am conferring with the Railways Commissioner this afternoon, when the honourable member's representations will be dealt with.

PUBLIC ACCOUNTS COMMITTEE.

The Hon. K. E. J. BARDOLPH (Central No. 1)—I move—

That, in the opinion of this Council, it is desirable that a Joint Parliamentary Public Accounts Committee should be appointed.

I want to indicate clearly that I am only asking this House to adopt something that has become the practice of almost every Parliament in the British Commonwealth of Nations. Committees of this type were first introduced in the British House of Commons. Then followed representative Government in Australia, and in 1902 similar committees were appointed in New South Wales, in 1905 in Victoria, and in 1913 in the Federal sphere. Tasmania and Western Australia also have similar committees.

The Hon. Sir Frank Perry—Do they still function?

The Hon. K. E. J. BARDOLPH—Yes. I might be told by representatives of the Government that there is no need for this committee, as I was told some years ago when I introduced a similar proposal, but I hope that they may be blessed with more wisdom now.

The PRESIDENT—The honourable member must not reflect on other members.

The Hon. K. E. J. BARDOLPH—I did not mean to reflect on them, Sir, but only to comment on their wisdom. Perhaps the new members in this Chamber will see the wisdom of the motion. It is not a proposal directed

against departmental officials, but is more to assist them. It was stated yesterday in the House of Assembly that this Government is working high officials too hard, and the Premier said that he would consider requests made by the Leader of the Opposition with a view to relieving these men of the burden they have to carry through performing extra duties. Some of our head officials, who have done excellent work during the years, are asked to carry heavier burdens in such matters as the Electricity Trust and the Leigh Creek coal-field while still carrying on their normal work.

In 1924 a resolution was submitted in the House of Assembly asking for a similar committee to be set up. The proposal was submitted by Mr. Butler, who afterwards became Sir Richard Butler, and he went to a great deal of trouble to support his contention. In that year the expenditure of the Government was nowhere near as much as it is now, so perhaps something could be said in favour of the opponents of the motion, but Government expenditure has increased considerably.

The Hon. E. H. Edmonds—But values have changed.

The Hon. K. E. J. BARDOLPH—I do not deny that, but more public works are now being carried out, and this balances the scales.

The Hon. Sir Lyell McEwin—When have members complained about too much money being spent? I have never heard it.

The Hon. K. E. J. BARDOLPH—The Chief Secretary is very adept in attempting in his usual courteous manner to lead the argument to another plane. I do not deny what he says. Every member desires work to be carried out in his electorate, but no member wants any wasteful expenditure. I am not casting any reflection on departmental officials, but those engaged in industry know it is essential to keep a very watchful eye on the expenditure of their respective industries and trading concerns. Mr. Butler quoted what Mr. Watt, the then Treasurer of Victoria, said. Mr. Watt, who afterwards became Federal Treasurer, applied himself to his duties with great wisdom. Mr. Butler quoted him as saying as follows:—

This House is every year getting more closely in touch with our revenue and loan operations. More information is continually being given. The Public Accounts Committee has given admirable assistance in that direction, and the House is more in touch, as it should be, with the true condition of our receipts and expenditure from all sources.

Some honourable members may say that such matters are covered by the Auditor-General's

annual report, and that it could not be expected that his department should submit a full and comprehensive report of all activities associated with public works, as would be the case if a committee were set up as I propose. In support of my contention I shall quote from the Schedule of Public Works published in 1955, showing works which were recommended by the Public Works Committee since August, 1950. The committee mentioned that the Marion Road trunk main, replacement section, was estimated to cost £40,300, and the almost completed cost was £72,850. There may be a reasonable answer for that increase. There are other items, including the duplication of the case line at the Nangwarry Mill. The estimated cost was £58,955 and the completed cost £65,874. I could give quite a number of other governmental projects where the completed costs exceeded the estimated costs. One other item relates to schools where the increased cost was out of all proportion to the original estimate.

The Hon. Sir Lyell McEwin—Did the Auditor-General say it was out of proportion?

The Hon. K. E. J. BARDOLPH—I did not say that he said that.

The Hon. Sir Frank Perry—You are able to question the expenditure of such moneys under present conditions.

The Hon. K. E. J. BARDOLPH—For instance, the Minlaton high school was estimated to cost £51,472 and the completed cost was £63,457. The honourable member knows that his company, which is engaged in large constructional works, would not for one moment stand for such disparity in costs if it were doing a job for the Government. He would want to know where the difference came in. These facts are very unpalatable to some honourable members when they do not want to see the light of what is going on with these Government projects.

The Hon. Sir Lyell McEwin—What about the rise and fall clause?

The Hon. K. E. J. BARDOLPH—That clause has been eliminated from contracts for some time. In further support of my motion I mention what Sir Malcolm McIntosh, now a Minister of the Government, said when speaking on the proposal submitted by Mr. Butler in 1924:—

In rising to support the motion I am free from any suspicion that I am merely out to harass the Government, because I was not in the House when this matter was previously before it. I hope the Assembly will agree to the appointment of the committee. In theory this House is supposed to control the finances, but actually it does not do it, nor is it possible for Parliament to scrutinize closely the expenditure of public money.

The Estimates are presented to us, and we deal with them in a casual manner. It is impossible for the House to scrutinize the accounts of the State individually or collectively. If a Public Accounts Committee be appointed it should be both of a judicial and inquisitorial nature. It should have the power to inquire into proposed expenditure as well as to deal with money already spent. This committee always would be guided by the Standing Orders framed to regulate it.

I submit that if the Minister held those views then, his Government should readily support my proposal. I have before me the report of the Commonwealth Parliamentary Association proceedings held at Westminster Hall from April 23 to May 17, 1956. Lectures and courses were held and information was gleaned from the various branches of the association. Sir Edward Fellowes, Clerk of the House of Commons, and Mr. C. A. S. S. Gordon, Clerk of the Public Accounts Committee, House of Commons, gave papers. In England they have an Estimates Committee which submits estimates and makes a report to the Government. It is a non-party Committee.

In consequence we find that practically every member of the Parliament is an active unit within the Parliament. A member may not necessarily be a great orator, but his services are used by Governments of either political complexion on some committee on the lines I have indicated. Sir Edward Fellowes, in giving this talk, said this about the Public Accounts Committee:—

Departmental accounts of a financial year were published between November and April of the following financial year, the revenue departments first, next the first five classes of the civil departments, followed by those of the services and, finally, the last five classes of civil departments. Well before the accounts were published, the Comptroller and Auditor-General would have become acquainted with anything which called for examination or criticism, and would have advised the chairman of the Public Accounts Committee accordingly: this advice was of assistance to them in the preparation of their sessional programme.

This committee was set up under Standing Orders, and consisted of 15 members nominated by the House. By custom the chairman was always a member of the Opposition, and usually, though not always, one who had been a junior financial Minister. The Financial Secretary to the Treasury was always a member, but rarely attended. The committee sat at Westminster, and unlike the Estimates Committee, could sit nowhere else. Its duties were to examine all the Appropriation Accounts, which consisted of about 208 separate votes; it could also examine the "White Paper Accounts," such as those of the National Insurance Fund. Although not laid before Parliament, the Exchange Equalization Fund Accounts could be examined if required. Of the Appropriation Accounts, only some would

be examined in any detail (usually those which had been subject to comment by the Comptroller and Auditor-General); the rest underwent only formal examination.

That is the set-up in the House of Commons today. It indicates that whilst we attempt to emulate the mother of Parliaments they already are in advance of us by having those committees. As I have mentioned, they carry out the function which I desire in my motion. The Public Accounts Committee appointed by the Commonwealth Parliament in 1913 did not operate in the depression years because the amount which it could spend during any session of the Parliament was £5,000, which was for the payment of fees and other incidentals. The duties of this Public Accounts Committee are:—

To examine the accounts of the receipts and expenditure of the Commonwealth and each statement and report transmitted to the Houses of the Parliament by the Auditor-General in pursuance of subsection (1) of section 53 of the Audit Act; to report to both Houses of the Parliament, with such comments as it thinks fit, any items or matters in those accounts, statements and reports, or any circumstances connected with them, to which the committee is of the opinion that the attention of the Parliament should be directed; to report to both Houses of the Parliament any alteration which the committee thinks desirable in the form of the public accounts or in the method of keeping them, or in the mode of receipt, control, issue or payment of public monies; and to inquire into any question in connection with the public accounts which is referred to it by either House of the Parliament, and to report to that House upon that question.

I am reminded, and I think honourable members are too, that had it not been for the Commonwealth Public Accounts Committee the alleged carelessness at the aluminium treatment works in Tasmania would not have been brought to light. That does not apply generally where there are big projects involving the expenditure of large amounts of public funds. Although I do not suggest that such carelessness happens in this State it could happen, not through any design but through lack of supervision; large sums of public moneys could be wasted, and this Parliament would have no sources of information other than the information which is contained in the Auditor-General's report.

I submit this very constructive proposal, knowing full well that it will be considered in the same forthright manner as has been the case with other proposals submitted by the Opposition.

The Hon. Sir LYELL McEWIN secured the adjournment of the debate.

LOCAL COURTS ACT AMENDMENT BILL.

Introduced by the Hon. C. D. ROWE (Attorney-General) and read a first time.

The Hon. C. D. ROWE—I move—

That this Bill be now read a second time.

The Bill contains a number of amendments of the Local Courts Act. They are of two kinds. Firstly, there are amendments increasing the monetary limit of the jurisdiction of local courts of full jurisdiction, and prescribing additional classes of action which may be dealt with by the Adelaide Local Court in its equitable jurisdiction. The other amendments relate to procedure of local courts. In recent years requests have reached the Government from several sources that the jurisdiction of local courts should be increased. The ordinary common law jurisdiction is at present limited to cases where not more than £750 is claimed. This amount was fixed in 1935, when the jurisdiction was increased from the previous figure of £500. The increase of 1935 was based on previous alterations in the purchasing power of money and the substantial alterations which have occurred since that year fully justify a further increase in the jurisdiction.

In addition to requests for an increase of jurisdiction, the Government received a request from the Law Society for a general review and improvement of local court procedure. It was clear that there was some substance in the suggestions made, and the Government appointed a committee to review the Local Courts Act as regards the jurisdiction, procedure, court fees and costs. The committee consisted of Sir Kingsley Paine, His Honour Judge Sanderson, the Assistant Crown Solicitor (Mr. K. J. Healy) and Mr. R. F. Newman, who was nominated by the Law Society. Mr. Newman after a long experience in private practice has now become a magistrate. While the committee was sitting Judge Sanderson was obliged to take some sick leave, and his place was taken by Mr. Gillespie, S.M. The committee reviewed the whole Act and consulted with a number of interested parties, including Judges of the Supreme Court. They also considered the jurisdiction of comparable courts in other States, in particular the Victorian County Courts and the New South Wales districts courts.

The committee arrived at a considerable degree of unanimity in their recommendations, the only dissident being Mr. Gillespie, who advocated higher limits of jurisdiction than the other members of the committee. It is

clear from their recommendations that the committee has considered each of the monetary limits of the jurisdiction of local courts separately and on its merits, and has not applied any rigid formula in recommending increases. No doubt they considered what was a fair distribution of work as between the Supreme Court and the Local Courts under present conditions, and were also influenced by interstate comparisons.

The increases of jurisdiction recommended by the committee range from 50 per cent in the case of actions by landlords for the recovery of leased premises, to 150 per cent in the case of ordinary equitable jurisdiction of the Adelaide Local Court. The actual recommendations as to jurisdiction were as follows:—

(a) That the ordinary jurisdiction of local courts of full jurisdiction in personal actions be raised from £750 to £1,250.

(b) That the jurisdiction in actions for the recovery of leased property (which depends on the annual rate of the rent) be increased from £208 to £312.

(c) That jurisdiction in actions for the recovery of land (technically called actions of ejectment) which depends on the capital value, be increased from £2,000 to £4,000.

(d) That the equitable jurisdiction of the Adelaide Local Court be increased from £500 to £1,250.

(e) That in actions brought in the Adelaide Local Court in its equitable jurisdiction for the specific performance or cancellation of agreements relating to the sale of property (which jurisdiction depends on the value of the property) the jurisdiction be increased from £2,000 to £4,000.

The committee also proposed to give the Adelaide Local Court equitable jurisdiction in four additional classes of actions:—

(a) In proceedings for the determination of questions of construction arising under a deed, will or other document and for the determination of the rights of the persons interested where the property affected does not exceed £1,250.

(b) For the determination of questions arising under contracts for the sale of freehold land where the value of the land does not exceed £4,000 or under the contracts for the sale of leasehold estate where the rent does not exceed £312 a year.

(c) For relief against forfeiture of a lease for non-payment of rent in any case where the rent is at a rate not greater than £312 a year.

(d) For the rectification of written contracts where the subject matter of the contract does not exceed £1,250.

The clauses dealing with procedure are all related to technical matters not affecting the general policy of the Local Courts Act. However, I will shortly mention the topics which are dealt with. Clause 4 provides that a

magistrate may order that documents which a party is entitled to inspect in an action shall be forwarded for inspection to the clerk of a convenient local court. Under present law a party who is obliged to give inspection of documents to his opponent, sometimes refuses to do so except at his own address which may be highly inconvenient.

Clause 4 also provides that a magistrate shall have power to fix a special day for the trial of any action. At present the normal sittings of some country local courts only take place at long intervals and it is desirable that there should be some power to bring on cases for hearing before the ordinary day of sitting. This clause also enables a local court to dispose of an action at any time after service of summons in a summary way, that is to say, without further pleading. It sometimes happens that a defendant has no real defence to a claim and in such cases it is useful for a plaintiff to be able to apply for summary judgment without delay.

Clause 5 provides that the clerk of a court is to give notice to all parties concerned when a day is fixed for the hearing of the assessment of damages. At present there is no provision requiring such a notice to be given. Clause 10 enables the clerk of a local court to make alterations in claims and summonses relating to the name, address and description of any person. In many cases parties make mistakes in setting out these particulars and at present the only means of amending a summons is by a magistrate on an interlocutory summons. It will be convenient to enable the clerk of the court to make these alterations on a written request. It is also proposed to enable the clerk on request to add or delete the endorsement required in cases where a summons is to be served in another State. Clauses 11 and 12 provide that a plaintiff who wants to dispute a counterclaim must enter an appearance or a defence to that counterclaim. At present there is no provision for a plaintiff to file any formal pleading in respect of a counterclaim, which is sometimes embarrassing. Clause 13 enables a defendant who has admitted liability to withdraw or amend such admission by a notice at any time before judgment is entered against him. There is no such power at present. Clause 14 enables a defendant who desires to pay money into court in an attempt to satisfy the plaintiff's claim to do so at any time after entry of appearance in the action. At present such payment can only be made at the time of entering appearance.

There are two or three other amendments in the Bill which I have not specially explained. These are consequential and drafting amendments only. It will be seen from what I have said that the main issue in this Bill for Parliament to decide is whether to grant increased jurisdiction to local courts as recommended by the committee. The Government believes that in view of the great usefulness of these courts to the general public and the efficient way in which they do their work, an extension of their jurisdiction which will, to some extent, compensate for the devaluation of money, is amply justified.

The Hon. F. J. CONDON secured the adjournment of the debate.

HOUSING AGREEMENT BILL.

Read a third time and passed.

NURSES REGISTRATION ACT AMENDMENT BILL.

Read a third time and passed.

PRICES ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from October 9. Page 906.)

The Hon. Sir ARTHUR RYMILL (Central No. 2)—As an ardent supporter of the Playford Government and as one who fully recognizes the wonderful things it has done for South Australia it gives me no pleasure as a new member to have so soon to oppose one of its measures. However, if the Government departs so far from Liberal principles as to continue a war-time measure year by year, long after the state of emergency it was brought in to control has ceased, it can surely be said to be inviting criticism from its own ranks.

In dealing with this Bill I would like to go back to the position as it obtained before the last war. There was, of course, at that stage no price control in South Australia, and I believe that if a measure for price control such as exists now had been brought down there would not have been one Liberal member of either House who would have supported it. Then came the war; price control was introduced as a war-time measure by the Federal Government, and was cheerfully accepted by the whole community. Goods were in short supply and all the circumstances existed that justified such emergency legislation. However, nobody wants such legislation in peace-time.

After the war there was an aftermath to be cleared up, and the Federal Government con-

tinued price control for that purpose—again, in my opinion, quite justifiably—until 1948, when a referendum was held by which the Commonwealth sought fuller powers over price control in peace-time. This referendum was defeated. It was then for the States to decide whether they would adopt control or not. Having made an analysis of what was said in introducing the original Price Control Bill in 1948 and its year by year prolongations I will now refer to extracts from speeches made by the Minister who introduced the Bill in the House of Assembly. In 1948 the Minister said:—

The question immediately arises whether we are in a position to abandon price and rent controls or whether it is necessary to carry on controls and, if so, what form they should take. I say unhesitatingly that it is necessary for controls to be maintained over rents and prices under existing conditions. I dissociate myself from any suggestion that I am subscribing to the point of view that you can cure economic ills by price or rent controls. Price control will not cure an economic evil and if there is some wrong adjustment in the economy of any country price control in itself will never correct that.

He then went on to refer to the limited quantity of goods and services available, and later said:—

Control will be a direct control of prices. Although we shall have to take over the price structure in its present form to a large extent, I hope it will be possible by administration to get away from the question of profit control and to confine ourselves more particularly to price control. I know that there has been considerable difficulty and confusion due to the fact that the system in operation in some instances took the form of profit control. In that case it immediately becomes a subsidy upon inefficiency, because the firm making goods at the cheapest rate is compelled to sell them at the lowest rate, and the firm which does not regard its costs to the greatest extent is given a higher price for its commodities. Under that system there is no incentive to keep costs down to the lowest figure.

Later he said:—

I do not think that anybody believes that wool prices will remain permanently at their present level.

This was also given as a reason for the continuance of price control. When introducing the Bill to extend the legislation in 1949, the Premier said:—

I emphasize that the economic position of Australia requires that prices legislation should be maintained. Devaluation of sterling has already had a marked effect upon prices and will have a still further effect. Under those circumstances I think it is Parliament's duty to see that no exploitation takes place.

From that it can be seen that a new reason—devaluation of sterling—was given for a continuation of the legislation. In 1950 the Premier gave the following reasons for introducing the Bill:—

During the recent election campaign the Government stated as a matter of policy that legislation would be introduced this session to introduce price control, but that the Government hoped that the number of items to be controlled could be gradually eliminated, because price control as a permanent measure has no attraction for the Government or other members on this side.

He concluded his remarks by saying:—

I believe that the present legislation, with all its imperfections, should be maintained. The Bill merely extends the operation of the Act for one year.

In 1951 the Premier said:—

The justification for the extension of price control is so well known that little needs to be said on the subject. The strong inflationary tendency now prevailing renders the continuance of the Act more necessary than ever and it has been recently found essential to reintroduce control over many commodities and services which had previously been decontrolled or had not been brought under the Act. The extension of the Act is therefore unavoidable. Experience has shown that price control cannot be considered to be anything like a complete cure for the present inflationary trend, which is sweeping not only through Australia but the whole world. Nevertheless, price control is a useful method in assisting to retard the rapid development of inflation. It has been the experience not only in this State but in every State in Australia that where price control has been relaxed invariably there has been a fairly stiff increase in prices for most commodities. That demonstrates that whereas price control cannot perhaps cure a basic defect in the economy of Australia, it does have the effect of steadying increases to a justified figure.

There again another reason was given for continuing the legislation. In 1952 the Premier said:—

The Government believes that freedom from control is in the public interest and leads to lower prices than control, provided that adequate supplies of goods are on the market and there is no trade arrangement designed to defeat competition. Unfortunately, these conditions do not yet exist over a very wide field. That was another new reason. In 1953 the Minister said:—

As the Government previously announced, it believes that freedom from control is in the public interest and leads to lower prices than control, provided that adequate supplies of goods are on the market and there is reasonable competition between sellers. Where these conditions exist control is not necessary, and in fact, quite a number of commodities have been freed from control. However, there are still shortages and it is not yet desirable in

the public interest to allow the prices legislation to go out of operation.

In 1954 the Premier said:—

The reasons which have influenced the Government in proposing this extension are the same as in former years. The Government would be very glad if price controls could all be taken off without detrimental effects. The fact is, however, that supplies of some essential goods and materials are still substantially below requirements; and if there were no price control it would be possible for unscrupulous persons to take an unfair advantage of the position and charge excessive prices. Among the goods which are in short supply are certain building materials, the price of which is an important factor in the cost of a house. Although, on the whole, there has been in recent months an improvement in the supply of goods generally, we have not yet reached the stage when it would be wise to repeal the Act.

In 1955, when introducing the Bill, the Premier said:—

The most important reason for bringing down this Bill is the necessity for South Australia to keep its costs of production as low as possible. Many South Australian manufacturers have to sell a substantial proportion of their output either in other States or in countries outside Australia. In either case they have to compete with the manufacturers of other States.

Here again another reason was given for continuing the legislation. The Minister gave certain examples, and then said:—

This is very convincing evidence of the serious effects of decontrolling prices at the present juncture and of the advantage which South Australia gains by retaining control. Another reason which actuates the Government in proposing an extension of the Prices Act is the existence of trade associations and trade arrangements by which prices can be maintained at a higher level than would otherwise prevail. The effects of these arrangements on prices and on supplies of commodities are from time to time reported to the Government; and as long as the Prices Act remains in force the Government is in a position to ensure that no harsh or unfair arrangements are allowed to operate.

Later he said:—

I think members will agree that the suspension of quarterly adjustments is an added reason for the continuance of an oversight over prices rather than for its discontinuance. It can be seen that although the Act was brought into being to control prices when goods were in short supply, by various economic elements entering into the picture it has been said that it has been essential to maintain this legislation from year to year, until this year an entirely new set of reasons was given for the extension of the legislation. One might be pardoned in those circumstances for asking, as I did in the

Address in Reply debate, whether it does not seem that the Government has in mind that price control shall be a permanent feature of our economy. When introducing this year's Bill, the Premier said . . .

The PRESIDENT—Order! Is the honourable member reading from this year's *Hansard*?

The Hon. Sir ARTHUR RYMILL—Yes, the remarks made in another place.

The PRESIDENT—The honourable member cannot use this session's *Hansard* from another place.

The Hon. Sir ARTHUR RYMILL—On a point of order, Sir, am I justified in reading from *Hansard* in this place for this session?

The PRESIDENT—Yes.

The Hon. Sir ARTHUR RYMILL—I think the same reasons were given in this House. When introducing the measure the Chief Secretary said:—

The justification for this Bill is much the same as that which has existed for previous similar Bills. The Government adheres to the policy of not imposing unnecessary controls, but information in the possession of the Government clearly indicates that there is still a strong case in South Australia for the continuance of price control in the interests of the public.

In the commerce of this State there is not at present sufficient free competition to protect consumers against excessive prices. Price fixing arrangements of various kinds are common and effective. A trader who endeavours to charge less than the price determined by his trade association may often find himself in difficulties, *e.g.*, he may find his supplies cut off. Generally speaking, the trade associations are able to prevent price reductions.

Later, he said:—

There is no doubt that if price control were abandoned many trade associations would quickly increase their prices.

We have always had trade associations, but most of them have found it necessary to strengthen themselves so that they can endeavour to deal with injustices thrust upon them by price control, and now the very fact that they had to strengthen themselves is being used as an argument in favour of continuing price control. That is an insidious argument. If legislation to combat the evils of trade associations is justified, it should not be under a measure that purports to be a Prices Act, but a separate Bill. If that is the Government's intention with trade associations and monopolies and so on, then it should say so straight-out and bring down a Bill to control them, and then Parliament can judge it on its merits.

Another item referred to in the introduction of the Bill was that while the living wage remains pegged it would be unjustified to abandon price control. That is linked up with the statement that control is especially valuable and necessary on food and clothing items which enter into the C series index. As to the first aspect, that seems to be an example of putting the cart before the horse. I know that the attachment of wage levels to the C series index has become somewhat of a religion with the Labor Party, but it is not according to the natural laws. Wages are inevitably a component of prices. The level of wages must dictate the level of prices, but by the natural laws, however desirable such a thing might be, prices do not control wages. That is artificiality. Fundamentally, in a free economy, that statement does not necessarily bear analysis. As a matter of fact, wages are always at the bottom of price increases, and anyone who does not agree with that is merely deluding himself.

The Hon. S. C. Bevan—How can you substantiate that statement?

The Hon. Sir ARTHUR RYMILL—It is so apparent and so fundamental that I do not think it needs any substantiation. As my colleague Sir Frank Perry said, price control can bear harshly on the wage-earner because if control is applied as it is being done now specifically to items in the C series index, which, whatever, members of the Labor Party say, still has a bearing on wages in this State, in effect those items control the wage levels; and as other items are allowed to go on, then we are not necessarily getting a correct wage level. It might be depressing it. Members of the Labor Party should have a close look at that matter.

As to the control of food and clothing items which enter into the C series index, the effect of that is that the remainder of prices are left uncontrolled and as a result a minority section of the public has to bear the brunt of trying to keep prices down. Is there any justification for that? If there is, I cannot see it. I cannot see why one section of the community should be stifled in its approach to these matters while the rest of the community is allowed to go uncontrolled. I can see no justice in that. It should be pointed out that controlled manufacturers have to compete in the same labour market as those who are uncontrolled. Their profit margins are fixed, they are unable to offer such attractive wages and salaries or accumulate reserves as the other people and are unable to equip themselves with modern plant and techniques. They are

prevented from reducing costs by efficiency to the ultimate benefit of the consumer.

I am not one of those who believe that price control has been effective. In fact, since the other States have given up controls and we have retained them, I think that argument is pretty well substantiated. The Premier proudly quoted on the eve of the Premiers' Conference that the increases in certain commodities under price control were lower in this State than in other States. According to my reading, the amounts by which they were claimed to be lower were so infinitesimal that they could hardly justify the cost of administering the control, and could make only a small fractional difference in the C series index. At the Premiers' Conference the Premier of Victoria (Mr. Bolte) is reported to have said on August 16:—

In South Australia where there is no quarterly adjustment, and where price control operated, last quarter's increase was the greatest of any State.

Then, it was claimed in the Ministerial speech in both Houses of our Parliament that price control had not worked any real hardship on anyone. I am afraid I do not know exactly what that statement means—whether the Government is sheltering behind the word "real", or whether it means it has not caused any appreciable hardship to anyone. The statement as it stands is undefinable. Is the matter of waiting for weeks for a decision which is ultimately granted in one's favour, and the losing of £100 or £200 a week while one is awaiting for that decision which might be justified on the facts existing when the application was made, not a real hardship? I would have thought it was.

The Minister's statement goes on to say that the department has always been reasonable and willing to grant increases which are proved to be justified. One has to prove first that they are justified, according to that statement. We all know how long it takes to prove anything. One might get a decision a month or even three months later, and ultimately the Prices Department says what should be the legitimate profit. If that is not an injustice or hardship I do not know what is.

Firms have to employ extra staff to watch every detail and to see that minor goods are not marketed a penny over the price fixed, which would not hurt anyone, but for which they would be liable to prosecution. They have to employ valuable staff to prepare elaborate and detailed cases to try to prove to the Prices Department that an increase is

justified. Is not that a hardship? What about when there are announcements that reductions in prices are pending. Trade stops until the reduction is made. That is surely a hardship. One may not be able to trade for a day, a week or three weeks while the reduction is being made; and conversely when there is a rumour that prices are to be raised, as sometimes seems to happen, there is a rush to buy out stocks at the old price.

Prices are fixed by one group of men without there being any possibility of appeal, and they are often unilateral. Is that a hardship or not? Take the very good example relating to the Act, which previously controlled the price of land, and consider the position of the widow who had to sell a property left by her husband at a pegged price, which was about one-third of the market value. These people were forced to sell. Was that not a real hardship? Sometimes the houses were bought by speculators, who got money which the widow should have got. If that is not a real hardship under any definition of the term, I should like to know what is. I have not heard of anyone being pushed into the bankruptcy court by price control. Perhaps that is what the Government means by "real" hardship.

The Hon. Sir Frank Perry—There have been cases.

The Hon. Sir ARTHUR RYMILL—I should now like to trace the Federal Liberal Government's attitude on this matter as reported in the press, compared with that of the State Government. The following appeared in the *Advertiser* of September 14:—

Re-introduction of price control in Australia would bring lawlessness, blackmarketing and corruption, the Minister for Supply (Mr. Beale) said tonight. Speaking in the House of Representatives during the Budget debate, he said that "regimentation and restriction as proposed by the Socialist Labor Party" was no remedy for inflation. He said 17,000 prosecutions had been launched and 14,000 convictions obtained under war-time price controls.

A total of nearly £200,000 had been collected in fines and about £40,000 in costs. "Far too many honest men were prosecuted and convicted under these regulations," he said.

He went on to refer to certain bad elements among the staff and concluded by saying:—

No-one will deny that there were plenty of rogues and dishonest persons among those prosecuted, but most of them were ordinary Australians wanting to carry on their business in an honest fashion, but caught up in an unfair and pernicious system.

That is the Federal Liberal Party's attitude.

Are Governments free from blame on this question of rising prices? They say that

individuals cannot raise their prices. Let us look at some of the things which the State and Federal Governments did. For instance, what about the pay-roll tax and the increased company tax? All these indirect taxes have increased the price of goods. They become a component of prices and thereby the Governments are effectually increasing the prices of goods. We have before us this year a Bill to increase the stamp duty. The inevitable effect will be to raise business costs. Although it is only a minor increase, it becomes a matter of principle.

Then we have coming before us a Bill which will result in increasing the rents of Housing Trust homes. This will have a direct impact on the C series index, which the Government is purporting to preserve and protect. In his speech the Minister also raised the question of protecting South Australian manufacturers. He said they needed protection because raw materials had to be imported from other places, and this is unfortunately true to a large extent.

However, I am not quite certain that that is how it works. It is suggested that comparison between manufacturers of controlled lines in this State and those of other States producing the same goods uncontrolled shows that the locals are at a distinct disadvantage. In the case of exportable products such as flour, it is said that eastern States millers can undercut local millers in the competitive overseas markets by using some of their margins on local trade to subsidize export prices. I am merely making a comparison between industry here and in the other States, because it has been said that this control will help South Australian manufacturers. I propose to show how in many cases it only hinders them. These matters I have referred to give the other States longer running time, increased output and reduced overheads, and they are able to offer better conditions and wages and modernize their plant, and as a result they can undercut South Australian millers. The effect could be that South Australian mills could be reduced to one shift running for local trade only, and consequently prices in this State would inevitably be increased.

It is trite to say that price control is profit control. It is profit control, and I do not think anyone can gainsay it. When price control was first introduced we had the criterion of a free and uncontrolled market on which to base prices, and one could say that the price for a pair of socks was 4s. 6d. and that should be the price. It is years since we have had

that free market on which to get any criterion, and the only measure that can possibly be placed on prices now is a measure of the profit the manufacturer is making. There is no other measure, and thus there can only be profit control. However, we still hear people who are dead against profit control saying that price control is justified.

My observation of the ordinary man in the street is that he is very happy that the goods he buys are pegged in price, but Heaven help the person who suggests that the commodity that man sells should be brought under price control. I suppose that is only human. A good example of how price control can work against the small man is the case of the baker in one of the southern suburbs who refused to deliver bread in a certain district because he claimed he could not make it at a profit. He was very tardily awarded one penny a loaf more.

The Hon. Sir Frank Perry—His successors were; he was forced out of business.

The Hon. Sir ARTHUR RYMILL—As I understand the position, he was forced out of business because his price was based on the costs of the huge automatic manufacturers. He had to do most of his work by hand, and although his bread was no doubt of an entirely different quality he was forced to sell at the same price as the automatic people, and could not do it. The small man is getting it in the neck. Price control is not having the effect of knocking out monopolies; it is knocking out the small man and making the monopolies bigger monopolies. I do not think anyone can justify that, because the small business is the life blood of any British community.

We have heard a lot about the number of industries attracted here by the Playford Government, and I believe that to be true. I think the Playford Government and its predecessor really set South Australian industry on its feet in the sense of making South Australia an industrial centre. What sort of bearing has price control on that? I can only conclude, as many people in a better position to judge than I am have concluded, that price control has had the effect of deterring people from coming to this State to set up industries; they not only know that price control is operating on certain lines, but that the prices legislation is still in existence and that it is possible that their lines will subsequently be controlled. Although I have no evidence to support this, I cannot help feeling that it must have tended to prevent some industries from coming to South Australia.

The Hon. S. C. Bevan—Despite that, a considerable number of industries came here.

The Hon. Sir ARTHUR RYMILL—That is so.

The Hon. K. E. J. Bardolph—They came because of the co-operation of the trade unions.

The Hon. Sir ARTHUR RYMILL—Industrial matters are on a much more even keel in this State and on a much more co-operative basis, and that is a very important factor in industries coming to South Australia. One of the things that worries me about the possibility of this Bill being in existence for a further period is that a new reason is given every year in changing circumstances for its continuance, and one might be pardoned the thought that a new reason will be found each year for its continuance *ad infinitum*. The reason given this year was that the commerce of this State did not have sufficient free competition to protect consumers against excessive prices. The war has been over for 10 years or more, and it seems to me that we have as much free competition now as we have ever had, and perhaps more. Industry has developed very much in this State, and if we have not enough free competition now to protect consumers against excessive prices when are we going to have it? Australia has gone through the most prosperous time of her history, and yet we still have price control because, so it is said, there is not sufficient free competition. There seems to me to be a nasty lilt of permanency there.

There is also this question of trade associations. The Minister said that there is no doubt that if price control were abandoned many trade associations would quickly increase their prices. That again seems to me to have a rather nasty look of permanence. We are prepared to accept these controls in war-time and its aftermath, but I believe that no-one, not even the members of the Labor Party, desires that regimented living existence that we had during the war. In relation to this question of free competition, we have recently had recontrol in the clothing industry. I would have imagined that in that industry, with the scores of retail competitors in this State, there would be plenty of free competition. I know of no price fixing organizations in that realm, and in fact one sees continually varying prices which is healthy in a free community and makes for competition. Clothing was decontrolled in those circumstances, as I am informed, and a similar statement to the one I am about to read was published in

the *Advertiser* of August 3, 1955, in a special article and was never denied, so we can conclude that the figures are correct. The article read as follows:—

In the 15 months prior to decontrol the C series index rating for clothing rose from 2,456 to 3,015, or 22.7 per cent.

That is in the 15 months prior to decontrol. Then, having risen by 22.7 per cent under control, for the next 3½ years without control it rose by only 7.9 per cent to 3,254. In more than double the period it rose by only about one-third of the former increase, and for the last two years, from July, 1953, to 1955, it did not alter at all. The trade, having stabilized itself when price control had failed, was again subjected to control. I cannot see that this action was justified.

That does not only apply to clothing. The Minister in introducing the Bill in this House referred to tea. He said:—

Investigation of the Prices Department in February of this year resulted in a reduction of 4d. a lb. with a saving of £50,000 per annum to South Australian consumers. Other States immediately reduced tea prices by amounts varying from 2d. to 4d. a lb.

I asked for a comment on that because there are very few tea dealers in Adelaide, and I believe they are very reputable traders who have been established in business in this State in a very honourable way for decades. The information given to me was that the trade was not given the opportunity of implementing a reduction because it was forced before it was due, and that no sane trader would reduce prices on stocks held in anticipation of stocks yet to arrive. I have been assured that, although the price of tea had fallen on the world market, we were forced to use stocks held at higher prices. The Minister went on to say:—

This meant a saving to consumers in other States of £450,000 per annum, which would not have eventuated without the original action being taken by South Australia.

That, of course, must be guesswork. Then the Minister said:—

A later investigation by the Prices Department in July resulted in a further reduction of 2d. a lb.

The reduction in July was made only after free traders in New South Wales and Victoria had reduced their price by twopence, which still left their prices higher than ours, and to justify the decrease here the Commissioner included second grade teas to average out the quality of our first grade tea. A weakness of control is that quality is not taken into account enough, and quality is reduced to

justify reductions. I have been told that one large interstate tea packer is spending on advertising in this State 1½d. a pound out of profits earned there to gain a further footing in South Australia, but South Australian merchants under price control cannot afford to compete.

In the House of Assembly a few days ago a question was asked about appeals against decisions of the Prices Commissioner. The effect of that question was that the Commissioner's decisions were arbitrary, and the Act contained no provision for appeals. To this question the Premier said that he had never refused to receive any deputation regarding price fixation, that the department was controlled by a Minister responsible to Parliament, so that any member had a right to query a determination if he believed an injustice had been done. He said that the Prices Commissioner made recommendations and the Minister decided whether or not to accept them. Caesar unto Caesar is the theme, of course. There is some suggestion in that statement that there is an appeal *in toto*, but there is no appeal under the Act, which is a complete negation of any principle of British justice. One of the fundamental principles of British justice, as members all know, is that anyone is entitled to a hearing before he is convicted or something is done to him, and where someone has been dealt with without being given a hearing a court will upset the decision and re-open the case as a matter of ordinary British justice.

As I understand it, many prices determinations are quite arbitrary, as they are done as a result of an investigation by the Prices Commissioner without giving any hearings whatever or, indeed, without any warning that a determination is actually being made. That is unjust enough in itself, but when the determination is made, there is no appeal to anyone. A deputation can be taken to the Premier, but he is the Minister administering the Act, and the Commissioner is his servant, so what would be the use of a deputation? I do not know how this can be justified as a semi-permanent measure—because that is at the least what it is—without any right of appeal or any recourse when an injustice is done. I have no doubt that officers of the Prices Department are conscientious and capable, but no one is infallible. I think it would be found on investigation that the Prices Commissioner's office has made as many mistakes as any of us; in fact, it must have made more, because it has not been dealing with matters it has handled before, particularly in the early days of control.

These people unilaterally fix the price, and there is no redress except to go to the Premier or a local member of Parliament on hands and knees to ask that the injustice be rectified. Then, if the case can be proved—and I put “proved” in quotation marks—the determination will be altered, but the difference in price has been lost in the meantime.

If the second reading of this Bill is carried, I contemplate introducing an amendment to give some reasonable right of appeal, because the lack of right of appeal cannot be justified except on the ground of pure expediency. We all know that speedy determinations of prices are most desirable from all points of view, but we do not always get them, and I shall endeavour to frame my amendment with a view to seeing that no more time than necessary is spent, and that an appeal against a determination cannot hold up the determination for an unreasonable period.

To summarize, the Government's reasons for control on my analysis are fourfold. The first reason is that goods are still in short supply. The second reason, which I regard as synonymous, although the Government does not say so, is that there is not enough free competition. I think that is implied in the statement that goods are in short supply. The third reason is the existence of trade associations, and the fourth is the pegging of the basic wage. Briefly, my answer to the first contention is that I do not imagine that goods will ever be in greater supply, except luxury goods, which I hope will be more plentiful when we get rid of import controls, which are unavoidable in the present economic conditions.

If the assertion that there is not free competition is correct—and it is such a sweeping statement that it is hard to say whether it is or not—I believe the reason for it is price control itself. It is like the dog chasing its tail. If trade associations are to be dealt with, that should be done specifically under a Bill for that purpose, not under the guise of price control. Although I have every sympathy with those whose wages have been pegged, I believe it is inevitable in the continuance of the economic status of Australia that some such measure should have been taken, and the fact that the living wage is pegged does not mean that price control is necessary, for the reasons that I have already given. Wages determine prices, and prices can only determine wages artificially.

I should like to give reasons why I feel there should be no control and why this legislation should not be extended. My first reason

is that it frustrates free competition. Competition is the whole basis of our capitalistic system and of the economic laws of supply and demand, and I believe in that law. If one person charges too much someone else will step into the profitable field, and in no time it will become unprofitable. That happens every year with primary products. For instance, there is a potato shortage this year, but no doubt next year more people will grow potatoes and they will probably be cheaper than ever. Hundreds of similar examples could be given, but there is not much chance of that sort of thing under price control.

In many businesses prices are controlled on the pre-war capitalization of plant and buildings, and whilst there is price control it is literally impossible for anyone to come in and compete because, even if they can produce a better article, they are not allowed to charge any more than the man working on a pre-war capitalization. Building costs between three and seven times more than it did pre-war, plant is tremendously dearer, and so are all the other things that go to make up industry, so how anyone can bring up new industries under price control as against those functioning under pre-war capitalization is beyond my comprehension. While price control remains there will be stagnation, because it does not permit proper reserves to be made to bring weary plant up-to-date. This ultimately must make for decadent machinery. It upsets the consumer pattern of free enterprise, transfers labour and resources to the production of luxury goods and transfers in effect in many instances the decisions of skilled management to clerks of the Prices Department.

I believe that price control has not been effective. Since it has been operating we have seen prices continually rising, which does not suggest it has been of any very great effect, although it might have had some fractional effect. It undermines the morale of the public. This encouraging of members of the public to pimp on their fellow men—no-one can tell me that that is desirable. Then, there is the fear, justified or otherwise, of the Prices Commissioner himself. I have been to some pains to try to find examples to put before the House, although I have confined myself mainly to those the Minister mentioned. I have been told that I could use certain examples, but others have told me that I could not use them, to which I replied, "If I cannot do so, how on earth do you expect me to carry out my intention of proffering reasons why price control should not

be continued?" The answer was "We have been to great pains to get on a friendly working basis with the Prices Commissioner, and if you put those things forward he will know where they came from, and then we might not get on as well in future." I do not know whether that is justified or not, and I shall not comment on it. But that is not a desirable state of feeling in the minds of members of the community, and is not good for the morale of the people of South Australia.

It might be said that there are savings by price control, but if there are, they could well be illusory, because control prevents expansion and research. It also prevents the use of more efficient methods and the obtaining of more efficient machinery, which ultimately means that prices cannot be lowered. It is only efficiency in management and labour that will bring down prices while wages remain high. The only way that we can get prices down is by having a good labour force and good management. Then, of course there is the time-honoured cry that the maximum price fixed becomes the minimum price. I believe that to be true. Where there is a fixed price in industry, everyone charges the same price, and it will remain the same until the Prices Commissioner does something about it, which is extremely unhealthy.

Many instances have been cited to me of people trying to absorb costs, which Labor members are always advocating, but to which there is a definite limitation. People who have tried to absorb costs and made belated approaches for an increase claim they have been penalized and did not get the price they would have got had they applied regularly as others have done. The minority are penalized—those people who produce the C series index items. Control puts South Australian traders at a disadvantage in many instances, and assumes that many of our reputable traders who are brought into the dragnet of price control in a particular industry are dishonest, which I will not concede for one moment.

Finally, the workings of price control are inevitably too slow. That is not a criticism of the Prices Department. I think they work as fast as possible, and indeed it might be said they might work too fast at times and therefore are unable of necessity to get all the information offering. Another point is that price control puts far too much power in the hands of one man, or in the hands of one group of people. For the reasons I have stated, I will oppose the second reading. I

believe that price control is artificial, arbitrary, unfair, frustrating and ineffectual.

The Hon. F. J. CONDON secured the adjournment of the debate.

HEALTH ACT AMENDMENT BILL.

In Committee.

(Continued from October 9. Page 909.)

Clause 3 passed.

Clause 4—"Increase of penalties prescribed by principal Act."

The Hon. F. J. CONDON (Leader of the Opposition)—Has the Chief Secretary any information in reply to the question I raised during the second reading debate concerning penalties on chiropractors?

The Hon. Sir LYELL McEWIN (Minister of Health)—I have obtained a report from the Director-General of Public Health on the question raised by the honourable member. It is proposed that the following will be the main points considered before a licence is issued under the Act:—

(a) Is the user capable of operating the machine with safety?

(b) Is he aware of the dangers to health associated with the use of the machine?

(c) Is the machine so constructed that the dangers associated with its use are reduced to a minimum?

(e) Is sufficient protection provided for any person who may come within the effective range of the radiations produced?

(f) Is the purpose for which the machine used of sufficient value to the community to justify the risks to health involved?

If the above conditions are met it is reasonable to assume that a licence will be issued to a chiropractor. With modern instruments, it is possible to make a more accurate assessment of the effects of radiation than was the case a few years ago.

Clause passed.

Title passed. Bill reported without amendment and Committee's report adopted.

APPROPRIATION BILL (No. 2).

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

The Hon. Sir LYELL McEWIN (Chief Secretary)—I move—

That this Bill be now read a second time.

For the year 1956-57 the Government is budgeting for a deficit of £853,000 on Consolidated Revenue Account. Whereas proposed payments amount to £65,982,000, receipts from all revenue sources are expected to amount to

£65,129,000. The total proposed payments figure of £65,982,000 is made up as follows:—

	£
Moneys which are required annually and the appropriation of which is already contained in existing legislation	16,490,847
The amount to be appropriated by this Bill	49,191,153
The amount provided for in the Appropriation (Flood Relief) Act, 1956	300,000
	<hr/>
	65,982,000

At the beginning of last financial year Consolidated Revenue Account was in deficit to the extent of £80,000. The deficit for 1955-56 of £1,430,000 increased the accumulated deficit to £1,510,000 at June 30 last, and an anticipated deficit of £853,000 for this year means that at June 30 next Consolidated Revenue Account is expected to be in deficit to the extent of £2,363,000. It is possible that when the Commonwealth Grants Commission reviews the State's accounts for the years 1955-56 and 1956-57 it will recommend further grants to take care of some part of these deficits, but in the meantime the State is faced with the problem of conducting its affairs with limited cash resources. The "cash" problem this year has been aggravated of course by the Commonwealth's refusal to support a loan programme any greater in money terms than the 1955-56 programme despite the rising cost of carrying out works.

In July the Treasurer presented to the Commonwealth Grants Commission preliminary estimates which indicated that South Australia would require a Special Grant of £6,582,000 to enable it to balance its Budget this year. Despite the fact that this State is incurring a cost for social services within the Commission's standard, and is levying taxes and charges up to standard, the Commission recommended a grant of only £5,800,000, leaving the State with a prospective deficit of £782,000. However, it then became evident that the cost to the Government of fighting the River Murray floods, and of relieving hardship, would be far greater than the £250,000 which had been included in the Preliminary Estimates. In addition to the £300,000 authorized by the Appropriation (Flood Relief) Act, £500,000 is now provided for in this Bill under "Minister of Irrigation—Miscellaneous," making a total provision of £800,000.

As the Government was already faced with a prospective cash shortage these additional

flood commitments meant that many proposals had to be recast, expenditures had to be further pruned, and further sources of revenue explored. In addition to the increased charges which have already been made, the following are proposed:—

(1) An increase in the stamp duty on cheques from 2d. to 3d. This should return an additional £105,000 in a full year and £80,000 for the remainder of this year.

(2) An increase in liquor licences and fees ranging from no increase on the small country hotels to three times the present rate at the maximum, to return an additional £100,000 in a full year and £50,000 from the remainder of this year.

(3) An increase of 25 per cent on average on inward wharfage and 20 per cent on average on outward wharfage, except that no increase is proposed on the inward wharfage on coal or in the charges applying to livestock or farm produce which passes over two wharves in the course of local shipping. An increase in pilotage charges of about one-third is also proposed. For a full year the increase in revenue will be about £240,000, and for the remainder of this year about £180,000.

(4) An increase in fees charged by the Lands Titles Office—designed to return an additional £30,000 in a full year and £20,000 during the remainder of this year.

(5) An increase in a number of miscellaneous fees which have not been reviewed for many years. The additional revenue will probably be of the order of £20,000 this year.

The Government, in considering further sources of revenue, has endeavoured to avoid increases which would raise costs and prices of those commodities in common use, and particularly in items such as fares, which would affect the living costs of persons of modest means. As in previous years I propose to give honourable members some information about the major items of anticipated receipts and payments before I pass on to the provisions of the Bill itself. I have already stated that the receipts for the year are expected to total £65,129,000. This is £5,727,000 more than the actual receipts for 1955-56, and the expected increase is made up as follows:—

	£
Taxation	1,311,000
Public works and services and other receipts	2,219,000
Commonwealth payments	2,234,000
	<hr/>
	5,764,000
Less an anticipated decrease in Territorial receipts	37,000
	<hr/>
	£5,727,000

The largest increase is in Commonwealth payments. The anticipated receipts from taxation reimbursement, £15,710,000, are £1,834,000 greater than actual receipts for 1955-56, and the special grant of £5,800,000

recommended by the Commonwealth Grants Commission is £400,000 greater. I might remind honourable members at this stage that as Commonwealth Grants in 1955-56 fell £1,430,000 short of our requirement for a balanced budget, and as the recent basic wage increase of 10s. per week will cost the budget some £850,000 this year, the increase of £2,234,000 in Commonwealth payments would not be sufficient to give South Australia a balanced budget in 1956-57 even if there were no other increased costs to be met. In fact we must expand a variety of services for an increasing population, meet a growing interest bill and, as I have mentioned, meet the extra costs of the River Murray floods.

The principal items which go to make up the anticipated increase of £1,311,000 in taxation are—

	Anticipated Increase. £
Land Tax—Due to the effect of the new land valuation which is required by law to be made every five years	823,000
Stamp Duties—Due to the increase in duty on cheques and to more transactions	93,000
Succession Duties—For which an accurate forecast is extremely difficult	103,000
Publicans' Licences, etc.—Due to increased fees	52,000
Public Hospital Rating—Higher levy on local government authorities	39,000

The increase of £2,219,000 in anticipated receipts from Public Works and Services over last year's actual arises from a large number of variations in departmental revenue, the major items being—

	Anticipated Increase. £
Waterworks and Sewers—Due to the increased sewer rate for the metropolitan area, and to a number of new water and sewer connections	518,000
Railways traffic receipts—Due to increases in rates on contract haulages, increases in book rates, greater tonnages of Broken Hill ores, barley and general merchandise, and increased coaching revenues	356,000
Hospitals—Due largely to charges which are now effective for beds in public hospitals, and partly to greater reimbursements from the Commonwealth Government	249,000
Interest and Sinking Fund Recoveries—Due to increased loan moneys made available to semi-governmental undertakings and for departmental purchase of stores, etc.	605,000

Dealing now with expenditure, £16,491,000 is estimated to be spent this year under the authority of special legislation and is therefore not included in the Appropriation Bill. This amount is required for the following purposes:—

	£
The payment of interest and sinking fund in respect of the State Public Debt	12,474,000
The transfer to the Highways Fund of the net proceeds of motor taxation	2,908,000
The Government contribution to the South Australian Superannuation Fund	808,000
Statutory salaries and allowances	187,000
Grants, subsidies, and Fruit Fly compensation	114,000

As I mentioned earlier £300,000 has been set aside by the Appropriation (Flood Relief) Act, 1956, and the balance of £49,191,153 is dealt with by this Bill, the departmental provisions being set out in clause 3. I will now give explanations of some of the main lines of expenditure included in the Bill.

Police Department, £1,666,671.—This provision is approximately £98,000 greater than actual payments last year and will provide the funds necessary to enable the force to be increased to the standard required for public safety.

Sheriff and Gaols and Prisons Department, £309,142.—The increase of £58,000 proposed over last year is due partly to the fact that the purchase of materials for prison trade shops is being met from revenue this year whereas previously the cost was borne by a working account. The proceeds from the output of these trade shops are being credited direct to revenue instead of to a working account. The cost of a new award for gaol employees, and provision for increased staff, have also contributed to the increase.

Hospitals Department, £4,047,679.—This provision is almost £542,000 greater than last year's actual payments. £114,000 of the increase arises from the growing activity at the Queen Elizabeth Hospital, where the maternity section will open later this year. Members will remember that when introducing the Public Purposes Loan Bill I gave details of progress on the various buildings and projects at the Queen Elizabeth Hospital. Salaries and wages at all other hospitals are expected to cost some £226,000 more than in 1955-56, the increase being due to salary increases granted to nurses, the basic wage variation, the anticipated filling of a number of vacancies, and provision for increases in

staffing. Including the Northfield and Magill wards, Royal Adelaide Hospital is responsible for £120,000 of this increased provision for salaries and wages, tuberculosis services for £11,000, and mental institutions for £57,000, the remainder being spread over the various country hospitals. Apart from the Queen Elizabeth Hospital the total requirement for running expenses is £200,000 more than the actual for 1955-56. Approximately £35,000 is accounted for by the purchase of X-ray plant and other equipment, but the remainder is due in the main to the increased use of commodities and to their higher cost.

Children's Welfare and Public Relief Department, £577,707.—An increase of £55,000 over last year. The principal increases are salaries and wages £28,000, due largely to provision for increased staff at institutions; relief for deserted wives and children, etc., £15,000; and running expenses £12,000.

Department of Public Health, £200,676.—This provision exceeds last year's payments by £67,000, of which £17,000 is attributable to poliomyelitis services; £28,000 to school medical services; £15,000 to the State X-ray health survey; and £6,500 to the purchase of two caravans and prime movers for the dental service.

Chief Secretary (Miscellaneous) £1,658,287.—an increase of £240,000 over last year. Of this year's provision £1,459,150 will be required for grants and subsidies to various medical and health services, the increase over the 1955-56 actual payments being about £223,000. The Adelaide Children's Hospital will receive grants totalling £440,450, which is an increase of some £193,000. The customary annual maintenance grant has been increased by £50,000 to £275,000, and further grants are proposed for such special purposes as a tuberculosis children's block, a services block, and the purchase of property. The annual grant to the Home for Incurables is proposed to be increased by £10,000 to £55,000, and the grant to the Institute of Medical and Veterinary Science by £3,000 to £120,000.

The Mothers' and Babies' Health Association is to receive grants totalling £57,600 this year, an increase of £2,500. Both the maintenance grant and the grant for the Nurses' Training School are greater, but they have been offset by a fall in the requirements for buildings and vehicles. The sum of £21,886 is proposed to be granted to the Northern Community Hospital towards extensions. There were no payments to this

hospital last year. The Queen Victoria Maternity Hospital is to receive grants of £211,350, an increase of £37,000. The greater annual maintenance grant accounts for £12,000 of this increase, and further grants towards alterations and additions for £25,000.

The Government has promised its support for a proposal to build a new hospital to serve the Salisbury and Elizabeth area. The hospital is to be maintained and administered by the District Council of Salisbury and the first stage, which will provide 45 beds, will cost approximately £250,000, of which the Council will find £50,000 and the Government £200,000. £100,000 is expected to be required to meet the Government's commitment this year. Subsidies to institutions will require only £98,000 this year as against £162,000 in 1955-56. The net decrease is due to the non-recurrence of last year's subsidy to Minda Home towards buildings £35,000, to a similar decrease for Kalyra Sanatorium £24,000, and to a lesser amount proposed for subsidies to private non-profit hospitals £12,000, offset by some small increases.

The principal proposed payments this year are the annual maintenance subsidy to Kalyra Sanatorium £52,000, subsidy to the District and Bush Nursing Society £16,000, and subsidy to St. Andrews Presbyterian Hospital £10,000. For conditional subsidies to hospitals £134,350 is proposed, an increase of £7,000 over 1955-56. There are no major items in this group, the largest subsidy to any one hospital being little more than £5,000. Under special subsidies to hospitals moneys are provided this year to assist 36 country hospitals to purchase equipment, such as operating tables, autoclaves, refrigerators, etc., and to make various alterations and additions. The total proposed payments amount to £64,000, which is £12,000 more than last year. Among other payments for health services is the amount of £30,000 for the provision of ambulance services.

Publicity and Tourist Bureau and Immigration, £275,039.—An increase of £50,000 over last year. The main items contributing to this increase are a grant to the Glenelg Corporation towards the construction of a boat haven on the Patawalonga Creek—£25,000, and subsidies to local government authorities towards the provision of recreation areas and swimming pools—£21,000.

Treasurer—Miscellaneous, £5,679,360.—This appropriation exceeds last year's actual pay-

ments by some £256,000, and the two major items responsible are:—

Transfers to Railways, towards working expenses and debt charges £4,200,000, an increase of £150,000. These transfers are designed to reduce the prospective deficit in the Railways accounts to a figure which could possibly be eliminated by further achievements such as cutting operating expenses or attracting more revenue. The possibility of balancing the departmental budget serves as a real target and incentive for the Railway administration.

Contribution to the Commonwealth for principal and interest due on moneys borrowed under the Commonwealth-State Housing Agreement and advanced to the South Australian Housing Trust £488,000, an increase of £128,000. These payments, which will grow with increasing borrowings under the Agreement, are recoverable from the Housing Trust.

I am pleased to be able to inform members that the above increases have been offset by a decrease of £60,000 in the amount of the grant proposed to be made to the Municipal Tramways Trust. The following figures illustrate the way in which operating economies have decreased the dependence of the Trust on Government assistance.

	£
Government grant, 1953-54	700,000
Government grant, 1954-55	600,000
Government grant, 1955-56	570,000
Government grant, 1956-57 (estimated)	510,000

Lands Department, £734,739.—An increase of £159,000 over last year. Large increases are proposed in only two items this year. They are—

Contribution to the Commonwealth for the State's share of amounts to be written off on valuation of War Service Land Settlement blocks—a provision of £112,000, which is £69,000 more than last year.

Photogrammetric Section—aircraft charter and operating expenses of Section—a provision of £77,700, which is £54,000 more than last year.

Engineering and Water Supply Department, £2,474,545.—This provision is £234,000 in excess of last year's payments, the increase being made up of salaries and wages £120,000, other running expenses £114,000. The higher operating costs of the Department arise partly from its continued growth to meet the needs of an increasing population, and partly from higher costs of both labour and materials. The major part of the department's payments are in respect of water and sewerage services in the metropolitan area. It is anticipated that the Adelaide Water District will have a cash deficit of some £272,000 this year compared with £239,000 last year, and that Adelaide

sewers will achieve a cash surplus of £340,000 compared with £39,000 last year.

Aborigines, £208,817.—An increase of £30,000 over last year's actual payments. The principal increases are purchase of houses for aborigines £6,700, development of reserves £6,600, and renovations, additions, etc., at Campbell House, near Meningie, £4,600.

Public Works, £1,036,850.—This appropriation covers the cost of repairs, renovations, alteration and additions to the various Government buildings and also the provision of some furniture. Education buildings will require £300,000 in 1956-57, Hospital buildings £356,000, Police and Courthouse buildings £76,000, and other Government buildings £271,000.

Education Department, £6,838,380.—Of the increase of £676,000 over last year's payments, £525,000 is due to salaries and wages. Continually increasing school enrolments have meant that provision must be made for staff increases, and in addition a higher award for teachers will operate for the whole of this year as against only nine months of last year. The principal increase among the department's other expenses is the cost of conveying pupils to school by bus. This year's provision of £331,500 is £37,000 more than was spent in 1955-56.

Minister of Education (Miscellaneous), £1,070,549.—The major items included in this appropriation are grants to:—

	£
University of Adelaide for general purposes additional to the £44,000 proposed under Special Acts ..	660,000
S.A. School of Mines and Industries —for payment of salaries and expenses of management	220,000
Kindergarten Union of South Australia	120,000
Institutes Association of South Australia	20,720
Townsend House School for Deaf and Blind Children	13,500

Department of Agriculture, £590,775.—an increase of £39,000 over last year. Whereas £64,000 was spent in 1955-56 on fruit fly destruction the provision this year is £41,000, a saving of £23,000. This means that the net increase proposed for the other activities of the Department is £62,000. This increased provision will not only cover the higher cost of providing services, but will allow some expansion of advisory, research, inspection, and other services.

Minister of Agriculture (Miscellaneous), £157,921.—The main variations responsible for

a net decrease of nearly £150,000 on last year's payments are—

The cost of fighting a grasshopper plague last year, which does not have to be met this year 172,000

Offset by an increase in the annual grant to the Waite Agricultural Research Institute from £115,000 to £135,000 20,000

Department of Lands (Irrigation and Drainage Branches), £452,112.—This provision is approximately £37,000 more than actual payments last year, but at this stage the floods make it rather difficult to estimate accurately the year's requirements. The amount of pumping will no doubt be less than usual, but special maintenance of pumping stations will probably push up the cost.

Minister of Irrigation (Miscellaneous), £500,300.—This provision includes £500,000 for flood protection and relief of hardship, etc., and when added to the £300,000 already appropriated this year gives a total appropriation of £800,000 as I stated earlier in this address. However, it is not possible at the moment to form any reliable estimate of what the floods will eventually cost either the community or the Government.

On September 20, the Premier wrote to the Prime Minister, giving information on the extent of the flood and seeking Commonwealth financial assistance. The Premier asked for immediate consideration of a special grant of £1,250,000, being £50,000 to match this Government's donation to the hardship relief fund and £1,200,000 towards protective and rehabilitation works. The Commonwealth has forwarded a cheque for £50,000 for hardship relief which has been handed over to the Lord Mayor for the Relief Fund. I have been advised that the State's application for further assistance is being considered by the Commonwealth Government.

Mines Department, £781,219.—This is an increase of £76,000 approximately, of which £34,000 is due to increased salaries and wages and £42,000 to increases in the various contingency lines. Of the latter the largest increase is £22,000 for aerial magnetometer surveys. £44,000 is provided this year compared with £22,000 actually spent last year. This provision will cover the completion of a contract for aerial magnetometer surveys with a private company, and also the commencement of a joint charter with the Lands Department of a D.C. 3 aircraft, the Government supplying all the equipment. These surveys yield geological and geophysical data

which assists in finding likely mineral bearing areas and enables far more efficient operation of ground parties.

Harbors Board, £1,425,889.—This provision is £84,000 more than was spent in 1955-56, the increase being due partly to greater provision for deferred maintenance. The board's accounts showed a cash surplus of £72,000 last year, but because of import restrictions a cash deficit of £6,000 is anticipated for 1956-57.

Railways Department, £15,249,142.—This is an increase of £285,000 over payments for 1955-56, but as I indicated when discussing estimated receipts the Railways Department expects to receive £356,000 more from traffic receipts in 1956-57, so that the cash deficit, before taking account of debt services and pensions, is expected to be less than last year. Faced with rising costs of both wages and materials and with increasing road competition the South Australian Railways have done far more than their counterparts in other States to avoid increasing losses in recent years. Economies of operation have been achieved by the introduction of diesel electric locomotives for freight traffic and diesel rail cars for passenger traffic, and by improved efficiency in rostering of staff, loading of trains, and use of rolling stock.

Turning now to the Bill, clause 2 provides for the further issue of £35,191,153, being the difference between the total of the two Supply Bills passed (£14,000,000) and the total of

the appropriation required in this Bill. Clause 3 sets out the amount to be appropriated and the details of the appropriations to the various departments and functions. This clause also provides that increases of salaries or wages which become payable pursuant to any return made by a properly constituted authority may be paid, and that the amount available in the Governor's Appropriation Fund shall be increased by the amount necessary to pay the increases.

Clause 4 authorizes the Treasurer to pay moneys from time to time authorized by warrants issued by the Governor and provide that the receipts obtained from the payees shall be the discharge to the Treasurer for the moneys paid. Clause 5 authorizes the use of loan funds or other public funds if the moneys received from the Commonwealth and the general revenue of the State are insufficient to make the payments authorized by the Bill.

Clause 6 gives authority to make payments in respect of a period prior to July 1, 1956, or at a rate in excess of the rate in force under any return made by the Public Service Board or any regulation of the Railways Commissioner. I commend the Bill to members.

The Hon. K. E. J. BARDOLPH secured the adjournment of the debate.

ADJOURNMENT.

At 4.13 p.m. the Council adjourned until Tuesday, October 16, at 2 p.m.