

LEGISLATIVE COUNCIL.

Wednesday, July 26, 1961.

The PRESIDENT (Hon. Sir Walter Duncan) took the Chair at 2.15 p.m. and read prayers.

QUESTION.**BREAD PRICE.**

The Hon. K. E. J. BARDOLPH: The recent announcement of an increase in the price of bread will cause extra hardship to wage-earners. Will the Chief Secretary state whether the Government intends to institute an immediate review of the price fixation system to protect consumers from the arbitrary invasion on this and other consumer goods since the basic wage decision?

The Hon. Sir LYELL McEWIN: The honourable member is surely aware that there is an industry committee appointed under the Prices Act that is representative of baker and consumer interests, and the price rise would not have taken place without that committee's recognizing the necessity for such a rise in fairness to everybody. I think an answer to the question is already provided for under the Prices Act and the necessary committee approved to deal with the matter.

The Hon. K. E. J. Bardolph: The Prices Commissioner has only certain powers. I am asking for a review of the present system.

The Hon. Sir LYELL McEWIN: I do not think the system will be altered as the honourable member has asked. Under the present system proper representation is given to the consumer public, and I think the honourable member's Party has a nominee on the committee.

The Hon. A. J. Shard: Not now.

The Hon. Sir LYELL McEWIN: Perhaps the Leader, who knows all about the bakers' union and the charges incurred in breadmaking, will be able to express some opinion. Already there is an industry committee associated with the respective branches of foodstuffs, and it has approved and recommended the increase. It is not a Government increase or a rake-off by somebody, but a proper check has been made by both consumer and manufacturing sides.

ADDRESS IN REPLY.

Adjourned debate on motion for adoption.

(Continued from July 25. Page 65.)

The Hon. K. E. J. BARDOLPH (Central No. 1): I rise to support the motion and in doing so compliment the mover and the seconder for their valuable contributions. Although

I do not wholly agree with their views, they nevertheless expressed them in accordance with the political beliefs they embrace. As a Parliament, we afford every opportunity to members to express their views in accordance with the principles of their particular Parties.

The mover of the motion, the honourable Mr. Edmonds, has signified his intention to retire from politics at the end of the present session. During his 17 years sojourn in this honourable House, my colleagues and I have always found him to be forthright in expressing his opinions, at the same time affording other members the same privilege. We wish him well in the years of his retirement, and may he be blessed with good health. My colleagues and I also join with the mover and the seconder in expressing our loyalty to Her Majesty Queen Elizabeth II, and we welcome in our midst Her Majesty's representative, Sir Edric Bastyan, who, I am convinced, will be a worthy successor to his illustrious predecessor.

This session is the last of this Parliament. It can be said to be a window-dressing session, because next year we shall have an appeal to the electors and, although I may be wrong in my conviction, I am convinced there will be a change of Government.

The Hon. Sir Lyell McEwin: Wishful thinking!

The Hon. K. E. J. BARDOLPH: It may be only wishful thinking, but I am convinced that there will be a change. Accordingly, the legislation mentioned in His Excellency's Speech is of a non-contentious nature. With great respect, it appears to me to be formulated for the purpose of lulling the community into a false sense of political security. The Government has been famed for projecting fantastic proposals and schemes, many of which never materialize. I believe that the day of reckoning is at hand because the electors now realize to the full the famous statement by Abraham Lincoln that you can fool some of the people some of the time but you cannot fool all the people all the time. I am sure that at the next appeal to the electors there will be a change of Government in South Australia.

Since the Council last met the economic position in South Australia has worsened. Unemployment has become rife and the number of unemployed people now is about 10,000. It may be claimed by our Government that the present disastrous situation has resulted from Commonwealth Government action, and that the responsibility belongs solely to that Government. It cannot be denied that the Menzies Government carries the same political

banner as the Playford Government. Consequently, as a member of the same political Party, it must share equally the responsibility for the chaotic economic conditions in this State. Our motor body building industry has been the cornerstone on which our major industrial progress has been built, yet now it has more than 3,000 artisans unemployed. I may be told that it is not the responsibility of the State Government, but I have pointed out that that Government is of the same political colour as the Menzies Government, which was responsible for the economic squeeze and for the chaotic conditions that now exist in Australia. The Playford Government must take some share . . .

The Hon. Sir Frank Perry: The Victorian people did not think that way.

The Hon. K. E. J. BARDOLPH: I am looking at the matter from the South Australian angle, but Mr. Bolte in Victoria has his hands full in meeting the exigencies of the situation, just as the Playford Government will in South Australia. Every worker in industry today works in an atmosphere of fear. One famous statesman said that when a community feared fear the whole economic fabric would collapse. It cannot be denied that each worker is working in an atmosphere of fear and dread lest he should become the next to be unemployed.

In the Governor's Speech is the statement that in 1960 there were fewer industrial disputes and fewer working days lost in South Australia than in any of the other mainland States, which was an indication of the good industrial relations which exist and a tribute to the attitude generally adopted by all sections of industry. I endorse that statement, but such a statement is a poor recompense for the workers and unemployed people when they have all helped to build up the good industrial relations that exist here. This sort of thing will not bring home the pay envelope to the wives and families. It was a kind and thoughtful statement by His Excellency, but the Government should make available Loan funds to councils to carry out urgent works. Many new areas have been only partially developed. The Housing Trust has built houses in areas where good roads, footpaths, drainage and other amenities are needed. If the Government desires to help in this matter, there is an avenue whereby it can assist.

Yesterday I asked the Chief Secretary a question about the unemployment position. I do not refute the figures he gave in reply, and there may be 3,000 extra people employed

by the Government now compared with the same time last year, but is the Government prepared to speed up the Loan programme in order to provide work for unemployed people? It may be said that the programme covers a period of 12 months, and it has often been said that the credit squeeze resulting from our overseas indebtedness is only of a temporary nature. The Commonwealth Treasurer (Mr. Holt) said that by about September next everything would be rosy again and that there would be ample work for everybody. I can see no reason why our Government should not spend as much as it can as soon as possible to tide us over until September. Politics is a peculiar profession. I have read from time to time conflicting statements by the Commonwealth Government about the period during which we shall have unemployment and economic chaos in Australia.

The Hon. Sir Frank Perry: The honourable member would not say that it exists now.

The Hon. K. E. J. BARDOLPH: I made that statement for this reason. The original intention of the Commonwealth Government was to prevent the manufacture and purchase of consumer goods, such as refrigerators, television sets, washing machines, radiators and motor cars, but all of them have become part of our everyday existence. Of all industries these industries have been the hardest hit, and many of them have large numbers of workers. Consequently, when the financial restrictions operated they were the first to suffer, yet the Commonwealth Government permitted importation of such goods from overseas countries. It prevented the Australian manufacturer from producing to sell to the public. The position is difficult, but we had a similar position in 1931, but I do not wish to recapitulate the dark days that followed. We had the emergency of war in 1939, which struck at the very heart of our Australian civilization. Sir Frank Perry took a prominent part in organizing munition production. I was chairman of the Manpower Committee in this State which directed men into employment and the armed forces, which was done to maintain the Australian way of life. It was not a question of money, nor a question of credit, but of manpower and materials. They were the two main ingredients required to organize this nation for war. An amount of £1,000,000 a day was spent during that period and not one penny was borrowed overseas. The Broken Hill Proprietary Company, with which our President has had a long association, placed its key men, including Sir Essington Lewis

and others, to assist in organizing this nation for war. We were successful because everybody put his shoulder to the wheel and the men and women at the workbench and in the armed forces served for one purpose—to keep Australia free.

If those circumstances were warranted during the exigencies of war, then a similar circumstance has arisen in Australia today, because there is a large army of unemployed persons which is being added to every day. Coupled with that, there has been a large influx of migrants, many of them from Communist-ruled countries, and they have come to Australia to enjoy the free air we breathe. What is their reaction when they find there is no opportunity to obtain employment and they have to live on social services after a qualifying period? The position is more serious than some people realize. They are inclined to view the situation in a smug, parochial way because it does not affect them, and they are prepared to see things drift along. Members of my Party, which represents a vast army of citizens in the community, desire that something should be done, because they do not wish to see what has been built up over the years by the policy of the Labor movement knocked down into shambles.

I come now to two important questions affecting our overseas payments. Although our overseas indebtedness is a matter for the Commonwealth Government, primary industry in all States provides the earning capacity through exports to meet that indebtedness. In his Speech His Excellency said:

My Government continues its policy of fostering and encouraging the orderly development of the pastoral industry and during the last session introduced legislation to enable pastoral lessees to apply for new long-term leases to enable uninterrupted development of existing holdings.

We cannot ignore the fact that it is likely the British Government will enter the European Common Market. Honourable members from country areas and those engaged in the pastoral industry will agree that such action will have a disastrous effect upon this industry. Unless immediate action is taken by producers and the Commonwealth Government it will languish and decay.

The Hon. G. O'H. Giles: That is not necessarily so.

The Hon. K. E. J. BARDOLPH: That is my opinion and presumably the honourable member does not hold the same opinion.

The Hon. Sir Lyell McEwin: That is a lazy opinion.

The Hon. K. E. J. BARDOLPH: I base my opinion upon some high authori-

ties, and when I have finished my review of the situation I think that the Minister, as a primary producer, will whole-heartedly agree with me. Apart from the production of wheat and other cereals, meat is an increasingly important Australian export and would become more so if abattoirs organization and production were stabilized and markets more closely studied. There seems to be some confusion regarding wool sales and how they should be conducted. The export markets for beef and mutton are relatively undeveloped. The output of mutton in 1959-60 was about 198,000 tons (bone in meat *ex* offal) and lamb was 359,000 tons, but only 30,000 tons of each were exported to the United Kingdom in competition with New Zealand, with British local choice supplies rising. My rural friends will know that Great Britain is subsidizing its rural industries. A member of another political Party who has just returned from Great Britain adversely criticized this state of affairs. He was entitled to express his opinion as he saw things as an Australian. It is amazing that the United Kingdom, with a rising population, with intensifying industrialization, and with fewer than 28,000,000 sheep, should produce more than 240,000 tons of mutton and lamb last year compared with Australia's 550,000 tons. An equally amazing comparative fact is that the United States of America, with a population three or three and a quarter times as great as that of the United Kingdom, and which still has wide open spaces and vast grain surpluses, has only 34,000,000 sheep, 6,000,000 more than in the United Kingdom. Whereas the United Kingdom has one sheep to every two persons, America has one to every six.

In Australia there was a build-up of beef exports in 1959-60, largely because of the heavy rise in American demand for manufacturing qualities of beef which, fortunately, came at a time when it was most needed. Honourable members know, particularly the Hon. Mr. Densley, that an American came to South Australia to set up an abattoirs for the export of beef and mutton to America. He has now gone into the Frome district, which is held by a Labor member. Of course, time will tell. The United Kingdom agreement left all the first and second grade meats to other markets. Canning beef therefore found a splendid scale of high prices. Exports for this year will fall considerably short of those for last year because of a greater shortage of supplies, which even last year were down 15 per cent compared with 1958-59. This is the result of the drought and the lack of either

local or overseas demand. Local demand is greatly affected by high prices. There seems to be no doubt that, with the quicker turnover and the subsidiary return from wool, plus the ability to associate lamb and mutton production with general farm and grain production on small areas, lamb and mutton have a distinct advantage over beef production. Sheep also have an advantage pound for pound compared with the local cost of raising poultry, even in districts where five or six sheep to the acre are carried on highly developed land.

The Hon. G. O'H. Giles: Do you think they are alternative one to the other?

The Hon. K. E. J. BARDOLPH: No, but you will find that the demand for poultry, which is the main table meat industry in America, will probably supersede the demand for lamb and even mutton in Australia. My friend shakes his head. I have an ornament home which, when the wind blows, also shakes its head. The contrast in basic costs is remarkable. Until recently there was no large-scale bulk production of young chicken meat expressly for the table on the industrialized basis that is universal in the United States. There are great chances in the export trade if the world's markets are properly explored and the opportunities in them vigorously nurtured.

I do not say this nastily. Australian producers, so long as things go along quietly, feel there is no need to be disturbed, but now we have fierce competition from other countries that must stir them into action. Although I may be charged with not being a man from the land, nevertheless I say that the metropolitan interests are interwoven and form a pattern with country interests for maintaining stability. A failure in rural industries has an effect upon industrial and other interests in the metropolitan area. That disposes of the argument that has often been mentioned, even as late as last week at Murray Bridge when I, with Mr. Densley and other members of a committee, attended a meeting at which one witness had the temerity to claim that there was only one country member on the committee, indicating that we were city slickers. I expressed the opinions that I have expressed here and disabused his mind on that score.

It might be said that all the statistics I have given and the observations I have made do not show where the markets are. Some of the highest potentials are in North and South America. The people of Spanish, Portuguese and mid-Asian countries are all mutton eaters and should soon be able to buy from us as their living standards rise. They cer-

tainly do not have the pastures to produce their own at our level of quality.

Another important section of our rural production is the dairying industry. I have chosen these subjects because I want to provoke thought and have something done for these people. It is no use saying that the overseas markets and world parity are the beginning and end of the problems. I want something done, and I want representatives of the people on the land to rectify, with added energy, the things I have mentioned. The Australian dairying industry, like the dairying industries of several other countries, is currently in economic difficulties. My friend Mr. Giles will agree with that. This year butter prices on the London market have fallen as low as 247s. a hundredweight, thus repeating the experience of the 1958 season. European countries, following a protectionist policy, have dumped their seasonal surpluses on the United Kingdom market to the detriment of regular suppliers, and signs that the British Government is preparing to join the European Common Market are ominous for dairy producers in Australia. With the common market it will be found that prices for primary products cannot be stabilized in Australia because they will be sold on the market at less than world parity prices when there is competition.

Today, a greater proportion of Australian dairy products is going to the home market than before the war. Some observers have even forecast on the basis of population trends that Australia might have no export trade in dairy products by 1970 or soon after. We hope to have about 11,000,000 people in Australia in the next five to 10 years. Unless there is greater production by rural industries—I am not suggesting that they are lacking in production now—it seems inevitable that our balance of payment difficulties will continue for a long time. It is authoritatively stated that we would need between £400,000,000 and £600,000,000 more exports in 10 years' time. With no change in the relationship of import and export prices, this means an increase of between 45 per cent and 65 per cent on the current level of exports. If there is any hope that the dairy industry can contribute towards the needed expansion of exports, it should try to do so now. On the local market, for the fifth successive year, the Commonwealth Government has subsidized domestic sales to the value of £5,500,000, bringing the total over the past 10 years to £160,000,000. Despite this, the domestic price of butter was pushed still higher to compensate for rising costs. We are now told that, despite all the Government assistance to

the industry, many dairy farmers are earning less than the basic wage, and I quite agree that this is so. Moreover, much of the subsidy is passing to those who least need it. An estimated 30 per cent of the total subsidy is going to 13 per cent of farmers who have the largest incomes and only 10 per cent to the 30 per cent who have the smallest incomes. However, the industry, though protected in some measure by an indefensible costing procedure, is suffering like all Australian industries from rising costs and unstable overseas prices.

In the field of market development, most organized Australian primary industries seem to overlook what is potentially the most powerful way to expand demand and perhaps raise the gross receipts by a more flexible pricing policy. By lowering prices an industry might achieve higher gross receipts more economically than by promotion. It is an interesting fact that, when the New South Wales Milk Board lowered the price of cream by 1s. 3d. a lb. last November in response to the challenge of cream mixers, the consumption of pure cream rose by about 50 per cent and would doubtless have risen more if cream mixers had not cornered a share of the market. I mention these matters because they are two of our important primary industries and to indicate that the Australian Labor Party has ever been watchful in protecting the interests of the man on the land so that all concerned in rural production should have a full reward for their labours. With the aggregation of large land holdings, in many instances production ceases to reach the volume of capacity of the land and consequently the needs for home consumption are not catered for and the producer is caught up in the vortex of world parity prices. After having made that short review, which I could have extended, on instructions from my Party I will submit an amendment to the Address in Reply.

The Hon. C. R. Story: Is that the manifesto?

The Hon. K. E. J. BARDOLPH: I know the honourable member is piqued about it. I wrote it without consulting him. Some members seem to think that Labor representatives are not conversant with conditions outside the metropolitan area. I assure the honourable member that the Australian Labor Party caters for all sections of the community, including those in which he may be interested. He pays me a compliment when he asks whether what I said is in the manifesto. Now that the honourable member has put it in my mind, I will suggest to the executive of my Party that that be the

manifesto for the next State elections in his district.

The Hon. Sir Frank Perry: It is rather long isn't it?

The Hon. K. E. J. BARDOLPH: It is quite accurate and there is no politics in it; the figures can be checked. I have been instructed to move to insert in the Address in Reply the following new paragraph:

1a. This Council condemns the unjustified action of the Government—

(a) in making available officers of the Crown to prepare evidence and to appear before the Federal Arbitration Commission in support of a differential Federal basic wage for Adelaide so that eventually it would be reduced to 90 per cent of the Sydney basic wage.

(b) in joining forces with the Employers Federation of South Australia and the South Australian Chamber of Manufactures in their application to reduce the living standards of the people of this State.

The Hon. K. E. J. BARDOLPH: When the basic wage claim was before the court it appeared in the transcript of proceedings and was published in financial reviews that the South Australian Government had sent some of its officers to assist employers in opposing the claim. Members of my Party consider that the Government exceeded its powers and carried out a function inimical to the people it claims to represent. The basic wage case cost the unions many thousands of pounds and they had no help from Government economists and other officials. The money came from the pay envelopes of workers. The action of our Government deserves condemnation, especially as it used taxation collected from South Australians to fight an increase in the basic wage. Members know that it is upon the basic wage that margins for skill are fixed. The basic wage merely represents the amount needed for the frugal existence of a worker and his family. On the ethical side, it was wrong for our Government to do what it did. First, it denied the action and then in another place said that certain evidence had been prepared and supplied to those opposing the claim.

The Hon. F. J. Potter: Didn't the unions claim some advantage to themselves from the evidence given?

The Hon. K. E. J. BARDOLPH—We claim that it was an effective advantage in the Frome by-election in this State. The electors knew that employers wanted to reduce the wage for country workers. They were shown what the Government was doing and were well aware of what would happen if the Liberal and

Country League candidate was returned. Fortunately for themselves, they returned the Australian Labor Party candidate. I trust that some of the suggestions in my observations will be adopted. I formally move the amendment.

The Hon. S. C. BEVAN (Central No. 1): I second the amendment *pro forma*.

The Hon. F. J. POTTER (Central No. 2): As all members know, I recently returned from an overseas visit that took me almost around the world. My home-coming was tinged with sadness when I learned of the death of the Hon. Frank Condon. He was forthright, but at the same time friendly, and always prepared to stand up for and stoutly defend or propagate, his political philosophy. At the same time he had a word of praise for members on this side of the House when they tried to be helpful in debate. He was one of the first to greet me when I entered this Chamber two years ago and he left me in no doubt as to his sincerity and warmth of personality. Today there is a vacant place in our Chamber, but there is no vacant place in our affection and esteem for the late honourable member, and I add my personal expression of sympathy to his widow and family in their loss.

My recent trip overseas took me to about nine countries. It was a stimulating and invaluable experience. I had the opportunity to see places first-hand and to talk to people in all walks of life. In some countries it was obvious that the Government was engaged in the tricky task of trying to win votes and influence the people. In others, the task of maintaining security and freedom was the main disturbing factor. Almost everywhere I went there were economic problems, some of them grave indeed. When I left Australia about three months ago the credit squeeze was with us and I remember that the prophets of gloom were surveying the economic horizon and reporting gathering clouds. I was amazed to hear Mr. Bardolph say that we were in a chaotic position. To me, such talk is utterly ridiculous. Figures show that in the last three months there has been some increase in unemployment. In June 9,130 people were registered with the Commonwealth employment service as unemployed. On average, that works out at 2.7 per cent of the work force. It is a small percentage compared with some I heard mentioned in America. I spent some time in Detroit where they think nothing of having an unemployment percentage that has never been less than 8 per cent and often as high as 25, and it applies all the year round. In that city are people who are

permanently unemployed. In order to meet the position, the weekly hours of work and the retiring age have been reduced. Some people on social security benefits have ceased work at 58 years of age. Of course, the social security benefits in America are higher than those in Australia. There, if a man has almost paid for his house and has no great amount of hire-purchase debts, he can get along reasonably well on the social security benefits.

The Hon. S. C. Bevan: What is the population there?

The Hon. F. J. POTTER: Much larger than ours but a percentage of 25 is the same irrespective of population. The real problem in places like that in America is to know what to do for the workers in their leisure time. It seems to me that the problem cannot be solved. It is not only brought about by economic conditions, but by the increase in automation. For instance, in motor works 20 men can do what 200 men used to do.

The Hon. S. C. Bevan: In the motor industry do not the employers guarantee a wage for 12 months?

The Hon. F. J. POTTER: They have a social security benefit that is a national insurance scheme and there are contributions by the Government, employers and employees. We have no such plan in Australia.

I returned to South Australia to hear talk by friends like Mr. Bardolph that we are in great difficulties. I have read the gloomy articles in newspapers and financial journals, and there is talk of a continuing recession in business activities. I believe there is a dangerous lack of confidence on the part of some people. I have had to do much reading to catch up with things. Strange as it may seem, three months is a long time in the progress of economic events in this country. I turned from the newspapers and the financial journals with a sense of relief when I read the Governor's Speech. Unfortunately, I was not in this Chamber to hear it. I felt that in this Speech there was something different. The Hon. Mr. Edmonds said that he heard it described as commonplace, but I think it is a significant contribution to the revival of sensible attitudes. The Government has said in effect that it is not pessimistic, and that it will continue the State's development with a sensible order of priority, and despite any doubts or uncertainty it will forge ahead as fast as it possibly can. The strength of our present Government is in the fact that it is prepared and willing to forge ahead. There are some of us who occasionally feel that we have to be critical, that sometimes the Government is somewhat rock-like in its attitude,

and that that attitude is not always a good thing. The Government is to be strongly commended for its record of conservation and development of the State's resources and of its policy of continuing to expand the public works in this State. Such expansion is a stimulus to the whole economy.

Some increase is desirable in the housing programme, for which purpose the Government has used part of the Budget surplus. We can justifiably ask honourable members opposite what more can they expect the Government to do. The employment record shows that South Australia, despite the fact that the whole backbone of our industrial economy is centred around the motor vehicle building industry, has the lowest percentage of unemployment of any State with a figure of 2.3 per cent compared with the average of 2.7. It is important to note that at a time when we should be the worst off of any State we are equal to the best. The Government can be proud of what it has done in stabilizing the State's economy.

One cannot but realize how excellently our way of life compares with conditions overseas. It is useless to compare the actual cost of things in Australia with the cost of similar goods overseas. There is no point in saying that a milkshake in America costs 5s. in the equivalent of our money without knowing something about the comparative level of incomes in the two countries. If one sees what people are wearing, what they are eating, what systems of transport they are enjoying and their standard of housing, then one has the impression that there is nothing to be ashamed of in this country. We should be proud that such high standards have been reached in our short history.

The Hon. S. C. Bevan: You are not going to give the Government the credit for all of that?

The Hon. F. J. POTTER: No. I am making a comparison, but the Government in this State and the Commonwealth Government have done much to build up those standards. It has been suggested that economically the nation has been given an electric shock treatment by the Commonwealth Government. Some say that this treatment was not needed at all, that it was badly needed but an overdose was given, or that the treatment was just right and the patient is now ready for convalescence and complete recovery. I suggest that all economic problems, particularly those which we are facing here and which are being faced by the whole free world, are enormously complex, and that the best Government advisers can be wrong at times. Much has been learned of economics

since the days of the last depression, and, to reassure my friends of the Opposition, we have certainly learned how to prevent a depression occurring again. What we sometimes forget is that we are always dealing with people, the most complex beings that exist. Economists and advisers to Governments suggest that if certain steps are taken a certain result will follow, but that is not always true, because individual and mass psychology can sometimes change the whole picture. What seems logically right does not in practice turn out exactly as planned. In spite of that, there is a basic rule in any system of economics that cannot be transgressed. It has a universal application and is that more cannot be spent than is earned.

Great Britain has just applied stringent measures to deal with such a crisis. Our troubles in Australia are undoubtedly rooted in the same thing. We all want to see a recovery in our internal economy, full employment, population growth, and rising standards of living with monetary stability. We want the best of every world, but any Government will have a complex task in achieving a balancing of all these items. If an increase in our internal activity occurs, as we hope it will in the near future, the Commonwealth Government must ensure that, as a result, the stimulation of internal demand does not create a demand for more imports. This could occur when there is virtually complete freedom to import. It is desirable to strive for such complete freedom of trade, but Australia, being a young country, can we at this stage afford such a luxury plank in our platform?

Another problem is whether the United Kingdom will join the European Common Market. This subject was creating intense interest in Great Britain and on the Continent when I was there. I read newspaper articles and talked to many people about it, and my impressions were that there was strong support from both parties in the British Parliament to enter the common market. The opposition seemed to come from the right wing Conservatives and the left wing of the Labor Party. Mr. Mac-Millan made a careful announcement that the Government had no intention to enter the common market without making satisfactory arrangements for Commonwealth countries. It was requested that this question should be decided by Parliament and not left to a Cabinet decision. The intriguing point is whether the United Kingdom will be accepted as a member of the common market. France, Germany and Belgium are firm that there will be

no revision of the treaty to allow for Commonwealth preferences to be maintained. The opinion in Britain was that the United Kingdom should seek to negotiate a new common market treaty, but this may be purely wishful thinking. The treaty is working well, but it is not designed so much for economic gain as to maintain in Europe a third world force as a bulwark against Communism. One cannot but be impressed by this aspect of the matter, or by the nearness of the Communist countries to Great Britain and the other countries of free Europe and by how much thinking is dominated by this particular fact. It is certainly true, of course, if we look at it as being a powerful political force, that with Britain in such a treaty it would be a better and bigger treaty in all ways, but it will not be easy for Britain to come into that arrangement. Already agricultural problems are proving most difficult. While I was there, there were riots of French peasantry over questions involving agriculture. Of course, Britain has both local problems concerning agriculture and those concerning her relationship with the Commonwealth. France is far from happy about her agricultural problems, and promises made to her when she joined the European Common Market have not, it seems to me, been kept.

Quite apart from problems concerning agriculture, it is also apparent that France enjoys her position of dominance in Europe. All in all, economic considerations come second to political considerations when we are talking about this particular treaty, and I for one think that it might well be that France's price for Britain's joining will be much too high. We shall all watch future developments with great interest. Of course, nobody pretends for one moment that we in Australia are not vitally concerned with what happens there.

The Hon. G. O'H. Giles: What is the reason for the French peasantry rising in arms?

The Hon. F. J. POTTER: There have been progressive reductions of tariff barriers on industrial goods, but there has not been the same co-ordination with agricultural products.

The Hon. G. O'H. Giles: It is a problem of over-supply, is it?

The Hon. F. J. POTTER: Yes. When France joined the common market she had such a large volume of agricultural production, mainly from small peasant farmers, that she was vitally concerned with what was to happen to her agricultural products. It seems to me that certain promises were made to France regarding agricultural products that have not been honoured.

I turn now to the reference in His Excellency's Speech to the Government's excellent record in providing finance for schools and teaching facilities for our children. Between £5,000,000 and £6,000,000 is being made available for more schools to be built. There have been improvements in teachers' salaries and conditions, and there is a building programme for the Teachers' Training College. I think it is fair to say that the school building programme has kept pace with the expansion in student population. An excellent programme for the recruitment of student teachers has been put into effect by the Government over the years, and it is interesting to see in His Excellency's Speech that some changes in school curricula are envisaged. That is a contrast to the sort of thing I saw in Scotland, where teachers for the first time in history were talking about going on strike over whether or not unqualified teachers were to be employed over the heads of or alongside people with University degrees. In fact, they had named the day. They were also complaining about their salaries. The big bone of contention seemed to be that salaries paid to policemen were higher than those paid to teachers.

Of course, the control of public schools and, to a large extent, the finance involved are matters for local government in Scotland. Here, with our system of State Government control, I think we have a much better arrangement than that in England or Scotland. I was interested in a remark made by the honourable Mr. Story yesterday when he was talking about the educational system. He said that the influence of teachers should not be substituted for that of parents. I hope members will realize that the teacher adopts a closer relationship with the child than anyone else except parents. In other words, apart from parents, the one person with whom they adopt a closer relationship than anyone else in their early careers is the teacher. How often have we heard children come home from school and say, "Mr. So and So said such and such"? We notice in their comments how loyal to or intensely critical of their teachers they are.

As is fairly well-known, I represented Australia at two conferences concerning the work that is being done by the National Marriage Guidance Council of Australia and by a similar council in Britain. Our council is interested in supporting and providing a programme of family life education. It is not just a programme of giving children some facts

on sex in a sensible and straightforward manner as so many people seem to think; it is a programme designed to promote discussion and give guidance on the role of the family in our society, with proper respect for its purpose and function, and to help young people with many problems that concern them today—problems that concern them in setting up a home, the management of finance and the mutual solution of problems in their adjustments. The divorce courts in every Western country which I visited were dealing with married couples who had been married for only a few years, and the position is becoming more acute because throughout the world, including Australia, there is a falling marriage age. If there are to be changes in our school curricula, I should like some consideration given by the Government to including in some part of the course reference to stabilizing influences of happy family life in the community. It may be thought that this is one of the problems that do not exist here because we have such excellent living conditions and our prosperity is high, but it is not right to think that just because we have good living conditions all is necessarily right with our young people. Our sister country of New Zealand is a perfect picture of an affluent society that has no real economic problems yet.

The Hon. K. E. J. Bardolph: Don't say that!

The Hon. F. J. POTTER: They have not the problems we have here today.

The Hon. G. O'H. Giles: The position is twice as bad. What about the balance of payments?

The Hon. F. J. POTTER: They have only 2,000,000 people compared with our 10,000,000, and their economy is fairly well based on agriculture.

The Hon. K. E. J. Bardolph: They have also had the blessing of successive Labor Governments.

The Hon. F. J. POTTER: But they haven't now, and I think they are pleased about that. In New Zealand there is a fairly affluent society. It may be that they are in for a rough time in the future. I do not want to go into that problem, but at the moment they seem to have no insoluble economic problems. They have a good system of social security, and I should think they would be prepared to claim it is better than ours and compare it with what is almost the welfare state existing in England. They also have no great housing problems, but, despite all those things, they have one of the highest divorce and juvenile delinquency rates in the

world. In a school survey 10 per cent of the children were certified as so emotionally disturbed as to warrant further investigation. It cannot be said that because people have social security, reasonable prosperity and high incomes they do not have these problems. Members might ask why this sort of thing goes on. That is not easy to answer, but it is obvious that some of the blame lies in personality defects, in marriages entered into at too young an age, and some of the pressures of prosperous society. Many young people marry today with the idea of getting in the first five years everything they need in the way of goods, and at the same time hoping to maintain marital happiness. It might be one of the better sides of the effects of our economic difficulties today if young people felt a little of the chilliness in the wind. In the Education Department the training of carefully selected and interested teachers in this field would be a progressive move by the Government, but not all teachers are sufficiently balanced and free of prejudices to do the work. The National Marriage Guidance Council in Great Britain is running, with the support of the Government, a series of summer schools, at which selected teachers are trained to make some mention of this work and its importance in the school curriculum. In Australia we have been trying to do this valuable work in private schools and colleges, but much more could and should be done in our public schools. I hope the Government will seriously consider the matter.

An amendment to the motion has been moved by Mr. Bardolph and in doing so he has brought up an old matter. Apparently, he is trying desperately to make some sort of political capital at a time when his Party is completely devoid of any constructive suggestions towards solving our present economic difficulties. On the other hand, we can look with pride on what our State Government is doing. We cannot expect it to budget for a huge deficit; it must take a lead from the Commonwealth Government. I am sure it will do its best when spending the surplus from the last financial year. We must realize that the Government has its finger on the pulse and will not be slow in attempting to solve difficulties. It must be given credit for what it is doing. I have pleasure in supporting the motion, but will oppose the amendment.

The Hon. Sir ARTHUR RYMILL secured the adjournment of the debate.

ADJOURNMENT.

At 3.50 p.m. the Council adjourned until Thursday, July 27, at 2.15 p.m.