

HOUSE OF ASSEMBLY.

Tuesday, September 25, 1951.

The SPEAKER (Hon. Sir Robert Nicholls) took the Chair at 2 p.m. and read prayers.

ILLNESS OF HIS MAJESTY THE KING.

The Hon. T. PLAYFORD (Premier and Treasurer)—I move—

That a joint address be presented to His Excellency the Governor praying His Excellency to transmit to His Most Gracious Majesty the King, the following address:—

To the King's Most Excellent Majesty—
May it please Your Majesty:

We, Your Majesty's faithful subjects, the members of the Legislative Council and House of Assembly of South Australia, on our own behalf and on behalf of the citizens of this State, express to Your Majesty our most profound and affectionate sympathy with Your Majesty in Your Majesty's illness. It is our earnest hope and desire that Your Majesty may be blessed with a speedy recovery to a full measure of health and strength. To Her Majesty the Queen and the other members of Your Majesty's family we convey also our loyal sympathy in this time of grave anxiety.

That a message be sent to the Legislative Council transmitting the foregoing resolution and requesting its concurrence therein.

In moving this motion I am sure that I speak not only on behalf of every member of this Parliament, but on behalf of all our citizens. We have been greatly grieved and shocked by the news of His Majesty's grave illness; and the thoughts and sympathy not only of every member of this Parliament but also of his subjects in every part of the British Commonwealth will be with him during these anxious times. We know that His Majesty will have the benefit of the most highly skilled surgery and medical attention; but none the less, in such an illness His Majesty's sufferings must necessarily be severe. It is fitting, therefore, and it may be of some comfort to His Majesty to learn, that the thoughts and sympathy of his subjects everywhere are turned towards him in his hour of trouble. During his reign His Majesty has earned and won both the affection and the deep respect of his subjects everywhere. He has been our king during the period when the British people were called on to endure trials and dangers greater than any in their long history. In all the perils and anxieties of the war, the King maintained his steadfast courage, continually did his duty, and inspired and encouraged his people in their stern struggle for survival and victory. His contribution to the successful

issue of the war was of immense importance. And not only in his public life, but in his private life also he has set an example of sane and virtuous living, and devotion to his home and family. His influence upon his subjects has invariably been for good. Our debt to him for his example of courage, decency, moderation and devotion to duty is inestimable. I submit the motion to the House in the earnest hope that our prayers that His Majesty may be blessed with a speedy and complete recovery will be granted.

Mr. O'HALLORAN (Leader of the Opposition)—I second the motion and support to the utmost the sentiments expressed by the mover. We all feel profound sympathy with His Majesty in his illness and also with Her Majesty the Queen, the Princesses, the King's mother, and the other members of the Royal Family in this anxious time. Unlike his loyal subjects in London, we cannot stand without the palace and wait for bulletins to be published showing His Majesty's progress towards recovery; but we do wait with anxious and fervent hope for news that he has passed the crisis and is on his way to a full restoration of his health and strength which will enable him to play again the splendid part he has played as the constitutional monarch of the British Commonwealth of Nations.

Motion carried.

Later the Legislative Council intimated its concurrence in the resolution.

ASSENT TO ACTS.

His Excellency the Governor, by message, intimated his assent to the following Acts:—Constitution Act Amendment, Payment of Members of Parliament Act Amendment, Supreme Court Act Amendment, Audit Act Amendment, Public Works Standing Committee Act Amendment, and Land Settlement Act Amendment.

CIVILIAN LAND SETTLEMENT.

Mr. O'HALLORAN—Has the Government considered any schemes for civilian land settlement in South Australia? I am aware that the resources of the State have been taxed to provide land settlement for ex-servicemen from World War II, but I think we should now be considering schemes for civilian settlement, perhaps not for the immediate future, but to get them in train so that they may be under way as early as possible.

The Hon. T. PLAYFORD—As members know, this State and the Commonwealth Government are partners in a joint scheme

for the settlement of ex-servicemen. We submitted, under that scheme, a proposal for settlement in the upper South-East, a scheme much along the lines of that being carried out at present by the A.M.P. Society, but that proposal was not accepted by the Commonwealth Government. It has been reported upon by our Land Settlement Committee and the Government believes it is capable of successful implementation, so it has already decided that the proposal will be carried out under State legislation, and not under the Commonwealth-State joint scheme. The Government believes that every effort should be made to settle available returned men before starting on a scheme of land settlement for civilians. A considerable number of ex-servicemen are still waiting for their blocks and the Government believes that before accepting nominations for settlement from civilians it has a duty to see that, to the greatest possible extent, returned men have been accommodated. To this end we are now again combing all available land in the South-East which could be brought under soldier settlement, and a survey is being made wherever possible to secure land at prices that would give settlers a reasonable chance of success. Those activities are entirely with the object of promoting soldier settlement. I assure the Leader of the Opposition that the Government realizes if this country is to play its part in feeding not only its own people but people overseas we shall in future have to place the greatest possible stress upon developing agriculture, quite apart from our obligations under the Soldier Settlement Act. The policy of the Government, and I am sure of this Parliament, will be to obtain the greatest possible development of our rural areas.

SOLDIER SETTLEMENT.

Mr. RICHES—Can the Minister of Lands say whether any ex-serviceman has yet been settled on any pastoral lands in this State? Further, is there any reason why the Government has apparently paid no attention to settling ex-servicemen as pastoralists instead of confining them to agricultural areas?

The Hon. C. S. HINCKS—The Government has considered settling ex-servicemen on pastoral lands and several areas have been offered to the Government. However, on their being submitted to the Commonwealth, they were not approved. Unfortunately, most of our pastoral areas are periodically subject to very severe drought, and that reason alone would be sufficient for the Commonwealth to turn down the applications made to them.

GEPPS CROSS AND POORAKA BUS SERVICES.

Mr. WHITTLE—According to notices issued to bus patrons in my district, from Monday, October 1, the bus service to Gepps Cross and Pooraka will be conducted by a Mr. Morphett instead of the present licensee. A good service may be provided to residents between Gepps Cross and the Enfield tramway terminus, but those in the Pooraka district are greatly perturbed because the schedule issued provides for a service only as far as Gepps Cross, and those living at Pooraka will be deprived of the service they have had for some years. Will the Minister of Works ascertain from the general manager of the Tramways Trust why the service to Pooraka is to be discontinued?

The Hon. M. McINTOSH—Yes, but neither the Government nor Parliament has any power of overriding the decision of the Municipal Tramways Trust, which primarily is the responsibility of the metropolitan councils. I can only inquire, as the honourable member has requested, without having any power of veto or direction over the trust.

TOBACCO DISTRIBUTION.

Mr. FRANK WALSH—I understand that tradespeople in the city of Adelaide are complaining that they are not receiving large enough quotas from the South Australian Tobacco Distribution Committee to accommodate all their customers while they still have long postage lists to fulfil under their obligations to ex-servicemen. In the distribution of tobacco it appears that the customer is always wrong; no matter who he is this committee considers the shopkeeper to be right. Suburban population is increasing rapidly, and many people are coming to this State, and many requests to shopkeepers in suburban districts meet with a complete refusal. Will the Premier take up with the committee the matter of reorganizing distribution for the purpose of giving a more equitable distribution, particularly as regards new shopkeepers. Some people to whom quotas were originally provided have gone out of business and others have sold fictitious quotas.

The Hon. T. PLAYFORD—The Government has no control over the committee, which was established by the industry itself in an endeavour to get equitable distribution of supplies of Australian-made tobacco and cigarettes. The industry is endeavouring to get a fair and proper distribution of something that is in short supply and in the circumstances it is

obvious that the committee's decision will never be accepted by everybody. The honourable member mentioned the sale of certain shops that had had quotas for a long time. The committee has always held the view that where a quota has been established for a long period it concerns the business itself and when it changes hands the quota should also change hands. On the other hand, new shopkeepers who are endeavouring to go into business for the first time may find difficulty in obtaining a quota. Where individual cases have been brought under my notice I find that the committee has always been able to supply me with good reasons for its decisions, which I have learnt to respect, even the decisions that are not at all times favourable to the persons on whose behalf I have consulted the committee. Frequently I have been told that a person is not qualified for a quota for reasons which, in my opinion, are very sound. I believe that the committee is doing its best with a difficult job and believe that any interference with its work will not clear up the position, but make it more difficult.

BUSHFIRE MENACE.

Mr. CHRISTIAN—I think everybody appreciates how grave will be the danger of bushfires next summer because of the tremendous growth of feed and crops. I feel that further action might be taken, voluntarily or otherwise, to safeguard the situation. Last year, even after the serious fire in the hills districts, no precautions were taken to safeguard pastures in that area through firebreaks or any other method. If the Government is to bring down a Bill amending the Bushfires Act, will it consider making compulsory the burning of firebreaks, or taking such other steps as will minimize the danger?

The Hon. Sir GEORGE JENKINS—There is no question that there will be a greater fire risk this summer than is usually the case, because of the enormous growth of grass and herbage practically throughout the agricultural districts. I point out that there is an obligation on landowners themselves to provide firebreaks to combat the menace. The question whether such action should be made compulsory has been discussed at different times at meetings of the Bushfires Association held in various parts of the State, but as far as I am aware no association has carried motions favouring compulsion. Much can be said in favour of it, but there are difficulties in the way of providing firebreaks in some territories. It can be

done comparatively easily in agricultural country, but it is difficult to provide effective firebreaks around properties in the rough, hilly districts. I will discuss the matter further and, if necessary, ask the Bushfire Advisory Committee to consider it. It is getting rather late in the season to make effective firebreaks. They should be made when the growth is at its top.

MUTILATION OF BODY AT MORGUE.

Mr. LAWN—A few nights ago the body of a woman was removed from the West Terrace morgue and badly mutilated. I believe that this is not the first time such a thing has happened. In view of the horrifying nature of the offence can the Premier say what action the Government is taking to make sure there will be no repetition?

The Hon. T. PLAYFORD—The Chief Secretary has the matter under review. I will obtain a report and make it available for the honourable member tomorrow.

SALES TAX.

Mr. CLARKE—In the event of an increase in the sales tax being announced in the Federal Budget tomorrow, will it be permissible for sellers of goods which come under price control to pass on the increase automatically without the Prices Commissioner's permission?

The Hon. T. PLAYFORD—No. There is an order pegging prices on declared items and, whether the sales tax is increased or not, it will be necessary for permission to be obtained before an additional amount can be charged. The basis on which approvals will be given to increase amounts to cover the sales tax is another question that arises. In the past it has been the practice to allow a trader a margin over the sales tax as he has on his principal costs, but after having gone into the matter most carefully it has been decided—and I believe similar action will be taken in other States—that the amount ultimately approved will be only the amount of the additional sales tax.

FIRE BRIGADE SERVICES.

Mr. HUTCHENS—An article appeared in the *Mail* on Saturday, September 22, stating that the Fire Brigade Board proposed to install two-way radiophones on 14 of its vehicles and the fire float *Fire Queen*. The article further stated that it would be on a frequency modulation system, with a 70ft. mast above the transmitters on the South Australian Savings Bank building. It was claimed that money would

be saved and that with the installation the South Australian Fire Brigade would be the most modern in the Commonwealth. Can the Premier say whether, in view of the crippling cost of their fire brigade contributions, councils were consulted before being committed to the extra cost, which must naturally be incurred by the installation of such a system? Will he inquire from the chief officer of the South Australian Fire Brigade Board when we can expect that the fire brigade will be as efficient a firefighting unit as the Hindmarsh Volunteer Fire Brigade was 10 years ago, at only one-sixth of the cost to the Hindmarsh council of the fire brigade now operating in Hindmarsh?

The Hon. T. PLAYFORD—Regarding the first question, I presume that the local governing authorities would have knowledge of the proposed changes, because they have direct representation on the board which made the decision. One representative of the board is appointed by the Government, and the others are appointed by insurance companies and local governing bodies. I presume that if the councils have no information on the matter it is due to their representatives failing to inform or consult them. Regarding the second matter, the honourable member said that “crippling charges” were made to support the fire brigades. The cost to the local governing authorities has been examined by the Government. Various States have different ways of financing the cost of fire brigade activities, but mainly the finance is provided partly by the Government, partly by the local governing authorities concerned, and partly by insurance companies on the grounds that their risks are lessened by the operation of an efficient fire brigade. Our investigations so far do not support the honourable member’s assertion that the local governing bodies here are adversely treated compared with similar bodies in other States. In one State the amount of contribution by those bodies is lower than the contributions in South Australia, but councils here are making contributions rather below the weighted Australian average. In South Australia and New South Wales insurance companies have been called on to make larger contributions than similar companies in other States. In regard to the third matter, the brigade at Hindmarsh was disbanded after a serious lack of efficiency had been manifested, not through lack of good intentions on the part of the persons concerned, but because they had other work to attend to, and were engaged on fire brigade duties only part-time. The fires did not always occur when they were on fire

brigade work. They had to do other work in order to earn their livelihood, and they were at a great disadvantage when a fire occurred whilst they were on that work.

Mr. Hutchens—Is there evidence of that?

The Hon. T. PLAYFORD—Yes. It happened some time ago, but my memory is fairly good on the matter. If the honourable member wants it I can get full reports to show that the position at Hindmarsh was indeed disturbing when a fire occurred at an inconvenient time and the brigade was not available. A part-time brigade is certainly less costly than the maintenance of a full-time brigade, but it is not nearly so effective. If the honourable member would like to see the docket on the matter I think I can find it for him.

POTATO PRICE.

Mr. SHANNON—Following the Prices Ministers’ conference held in Perth a statement appeared in the press about the potato price, but it was not sufficiently informative to permit growers in South Australia to know exactly what the position will be in the coming season. I think £25 a ton in capital cities was mentioned, but the report did not say whether that was the maximum or minimum price. The question is perturbing the growers who plant potatoes in some of the areas with which I am concerned. Some of them have already said that unless they are assured of a payable price they will not plant so many potatoes and will turn to other profitable ways of using their land. They would like to know whether a minimum price has been fixed by the Prices Ministers to apply to the potatoes harvested next year, and whether a decision was made to allow an amount per week or month extra to be charged by producers who store potatoes and deliver them during periods of short supplies. Can the Premier make a statement on the matter?

The Hon. T. PLAYFORD—The decision in Perth is actually a continuation of a policy which has been in operation in South Australia for a part of each year with considerable success. For some time now the Prices Commissioner here, with my approval, has indicated to growers that for a certain period of the year he would not fix the potato price at lower than a certain figure. Last year we gave an assurance to the growers that the price for potatoes for a certain period would not be fixed at less than £28 a ton. That gave the growers the assurance that the Prices Ministers would not fix an artificial price below what was

a fair and reasonable price. In South Australia that was successful in connection with early plantings last year. Now the policy has been extended and the States as a whole have agreed that next year the Prices Ministers will at no time fix the price for potatoes at less than £25 a ton. That does not mean that £25 a ton is the guaranteed price. If, for instance, the market would not absorb all potatoes at £25 a ton there would be no power for the Prices Commissioner to make consumers pay that price, but it is not the intention of the Prices Ministers to fix at any time next year a price lower than £25 a ton. Whether the price will be higher depends on the marketing conditions which obtain from time to time.

HYBRID TREES.

Mr. FLETCHER—Has the Minister of Forests a reply to my recent question regarding the growing of hybrid pinus in this State?

The Hon. Sir GEORGE JENKINS—I have discussed this matter with the Conservator of Forests whose report reads:—

Forest tree breeding and genetics form portion of the research programme undertaken at Mount Burr Research Station, which is conducted in collaboration with the Forestry and Timber Bureau, the Commonwealth forestry organization. No spectacular results, such as those recorded by the New South Wales journal *The Farmer and Settler* have been secured, but the subject generally, a long term one, is being tackled as a major research problem. Hybrid trees, notably poplars, have been experimented with for two or three years in various parts of the State, but growth to date has not been unusually rapid. Experiments in artificial pollination and in vegetative reproduction of pinus radiata (by cuttings) have been regularly carried out in South Australia since 1940, and there are good grounds for believing that such genetical studies may lead to the production of better stock than is now being used. The United States, Germany and Scandinavia are perhaps the leading nations in this field, and their work is watched with interest. Possibly the outstanding result secured to date is the development of a hybrid poplar which may prove to be of outstanding importance to the match industry in Sweden. This industry is, I understand, paying out considerable sums of money to foster this work.

SEED POTATOES.

Mr. QUIRKE—Has the Minister of Agriculture a reply to my recent question regarding the certification of seed potatoes?

The Hon. Sir GEORGE JENKINS—The Chief Horticulturist has reported as follows:—

At the present time certified seed potatoes

are drawn from Victorian sources. During the war years the Department of Agriculture launched in the Adelaide hills a scheme for approval of potato crops for seed purposes. It was intended to develop this project into a certification scheme if results were satisfactory. The approval scheme showed that the virus disease "leaf roll" spread very quickly in the Adelaide hills, and that potato seed certification was impracticable in the district. However, tests carried out in the South-East indicate a remarkably slow rate of spread of virus diseases, and potato seed certification should be possible in this area. Foundation seed plots have been established in the South-East, and it is hoped to develop a certification scheme there in the next few years. Requirements as to size grading and freedom from tuber evident diseases are laid down for seed potatoes by regulations under the Fruit and Vegetables (Grading) Act. Freedom from virus diseases can only be determined by inspection of growing crops, and guarantee of seed potatoes in this respect depends upon a certification scheme.

RIGHT OF WAY OF FIRE BRIGADE.

Mr. MOIR—Following the decision of the High Court sitting in Adelaide against the Tramways appeal in the case of the Fire Brigades Board v. the Municipal Tramways Trust concerning an accident on Kensington Road, Toorak, some time ago and the court's statement that the Fire Brigade had the right of way in such cases, can the Premier say whether the Government intends to amend the traffic laws of South Australia so as to include this right?

The Hon. T. PLAYFORD—Although I am not familiar with the full facts of the case mentioned, it would appear, from the reason given by the honourable member for the judgment, that such action is unnecessary. From what he said, the Fire Brigade must have the right of way already, because the judgment was given in its favour.

ACCOMMODATION FOR THE AGED.

Mr. MICHAEL—Recently I received a letter from the secretary of the board of a subsidized hospital in my electorate, pointing out a problem which concerns not only his hospital but others in the middle north and probably in other parts of the State. A number of aged persons who do not really require medical attention come into his hospital, with the result that there is no room for medical cases desiring to enter. The letter suggests that Government assistance is needed to provide homes or hostels in country towns where aged people not needing medical attention may be accommodated. Can the Premier say whether this problem has been brought to the notice of the

Government and, if so, has it any plans to assist in providing accommodation for those people?

The Hon. T. PLAYFORD—The Government has taken no action to establish homes in country areas for aged persons. It has taken some action in the metropolitan area and in the near future additional accommodation should be available there. However, quite apart from Government activities, I believe that recently a home was established in a country area and that up to the present the result has been most disappointing because only one patient has been available for it. I will call for a report concerning that activity, so that I may be able to give the honourable member reliable information concerning it. As to country hospitals being embarrassed by having to accommodate a large number of aged persons, the Chief Secretary is making a survey of the number of persons in country hospitals who would come within the category mentioned by the honourable member. When that information is to hand it will be closely examined by the Government.

MURRAY DISTRICT ROADS AND BRIDGES.

Mr. MACGILLIVRAY—As the Minister of Local Government knows, recently the Highways Department constructed two new roads in the Upper Murray areas, one leading from Cobdogla to the Kingston ferry, which has been entirely out of action for some time, and the other from Berri to Loxton, which will cease to operate shortly. There has been some speculation in the district why the Highways Department did not raise those roads by two feet, which would probably have kept them above flood level. Some feel that the roads were not raised because the River Murray Commission controls the heights of roads in these areas. Is this correct? Further, what is the hold-up in the North Lake bridge? Transport now has to go on the north side of the river where there is an old wooden bridge which the department has started to replace, but no work has been done on it for some time.

The Hon. M. McINTOSH—The honourable member has raised three or four matters in his question. I will take them up with the Highways Commissioner and with the Engineer-in-Chief, the South Australian representative on the River Murray Commission, but I do not think there is any relation between the River Murray Commission and the Highways Department in connection with the matters he has raised. I will have the whole matter properly

sorted out and answer the questions tomorrow after receiving the reports of my officers. I point out that in order to start one work we may have to stop others. We cannot do more than we are with the materials and manpower available.

CONTROL OF COMMUNISM.

Mr. STOTT—Prior to the referendum held last Saturday the Premier said his Government was prepared to transfer powers to the Commonwealth to deal with Communism. In view of the verdict in South Australia, is the Premier still of the opinion that Communism should be controlled and is he now prepared to control it within the borders of South Australia? Has he had any reports to indicate that action of that character is warranted in the Public Service of South Australia?

The Hon. T. PLAYFORD—I have now had a long association with the South Australian Public Service and believe that there is no more loyal section of the community. I know of no reason to take any action in the Public Service. Public servants fulfil their functions efficiently and loyally. They try conscientiously to carry out the wishes and Acts of Parliament and even take notice of the observations made by members.

BUS SERVICE TO NORTHFIELD HOSPITAL.

Mr. WHITTLE—Owing to the replacement of the licensee, to operate from Monday next, the Northfield bus service will be conducted from Hampstead by the Municipal Tramways Trust, which has issued a schedule for 12 trips over 17½ hours. I consider this is an inadequate service and in the opinion of many people it will not serve the interests of friends of patients in the hospital or the hospital staff. The Government has the interests of people working in hospitals at heart because it subsidizes the existing service. Will the Premier consult the Chief Secretary on this matter and take up with the Tramways Trust the question of a more adequate general service to hospitals at Northfield and to make better provision for conveying the staff of the hospital, including nurses, from Folland Avenue, which is to be the new terminus for buses serving the mental hospital, which is nearly two miles distant?

The Hon. T. PLAYFORD—The Chief Secretary discussed this matter with me last week and as a result had a conference yesterday with the general manager of the Municipal Tramways Trust. He placed certain views before him and I believe the trust is now considering them.

SOUTH AUSTRALIAN ELECTORAL BOUNDARIES.

Mr. LAWN—As the Premier's views on certain legislation are obviously out of step with those of the people, as evidenced by the vote on last Saturday's referendum, will he ask Cabinet to review the electoral boundaries of this State in order to give the people the opportunity of electing a Government whose views are more in line with their own?

The Hon. T. PLAYFORD—I do not think so.

KIMBA WATER SUPPLY.

Mr. CHRISTIAN—The town of Kimba has been suffering water restriction for a long time; in fact, restrictions are lifted only periodically. They have been imposed this year since April, notwithstanding the copious winter rains. There are now only about 2,000,000gall. in the reservoirs, so it can be expected, unless relief is provided, that restrictions will be more severe in the summer months. This situation has arisen mainly because the graded run-off area has become overgrown with grass and weeds and it is not yet possible to correct that matter, largely because there is no suitable plant available on the spot, although I do not think this is due to any laxity on the part of the department. Can the Minister of Works make plant available, possibly from some other field, in order that this urgent work can be undertaken before the winter rains are entirely over?

The Hon. M. McINTOSH—I shall be glad to do that. I know that restrictions at Kimba are more or less permanent, not through the desire of the department but because it does not know of any feasible means of supplementing the supply. Restrictions on the water supplies are to safeguard supplies for essential purposes and it behoves us to see that every possible means of securing supplementary supplies are explored. I will ask the Engineer-in-Chief to make arrangements accordingly.

EGG PRODUCTION.

Mr. MACGILLIVRAY—Last week the Minister of Agriculture brought down a reply from the chairman of the Egg Board showing the number of eggs received by the board, the number sold in shell on the local market, the number pulped and the number exported, but unfortunately the figures, which were from July 1 to September 8, were in totals. Will the Minister ask the chairman of the Egg Board to dissect the figures into weekly periods?

The Hon. Sir GEORGE JENKINS—It would involve a fairly lengthy reply. I think monthly figures would give all the information required and will ask the chairman of the board to supply information along those lines.

SLOGANS ON FENCES.

Mr. PATTINSON—Has the Premier received a report about my question last week as regards the prosecution of persons who are alleged to have painted "No conscription" signs and other slogans on fences of private householders in my electorate?

The Hon. T. PLAYFORD—Yes. The Commissioner of Police reports:—

Section 122 of the Police Act, 1936-1946, provides:—

Any person shall be liable to a fine not exceeding £2 who, in any street, road, thoroughfare, or public place—

(f) without the consent of the owner or occupier, affixes any posting bill or other paper against or upon any building, wall, or fence, or writes upon, soils, defaces, or marks any building, wall, or fence with chalk or paint, or in any other manner whatsoever.

This provision would cover cases such as those referred to in the question where the painting was done on a fence abutting a public street, road, thoroughfare or public place. There is no provision in this section for the award of compensation to the owner, but he could recover compensation for any damage done to his property by action in the local court. Action could also be taken under section 97 of the Police Act for malicious damage to property. Under this section a fine of £5 or imprisonment up to two months can be imposed and compensation up to £10 ordered. No action has so far been taken against the persons mentioned by the honourable member as one of the parties has been out of the country, but I understand that a complaint will be laid in the near future.

ADELAIDE FUNERAL DIRECTORS.

Mr. LAWN (on notice)—

1. Is it the intention of the Treasurer to obtain a report on the number of contributors to the firm known as the Adelaide Funeral Directors?

2. Was the recent increase in weekly subscriptions from 6d. to 1s. per week approved by any Government authority?

3. Has the Government any control over the amount of weekly contributions?

4. Has the general public any legal claim to the benefits as outlined on the contribution card?

The Hon. T. PLAYFORD—The Prices Commissioner reports:—

1. Number of weekly contributors—approximately 3,500.

2. Increase of weekly contribution from 6d. to 1s. was decided upon by the sole proprietor, Mr. Harold Grigg, without reference to any Government authority.

3. Subscriptions to this form of burial insurance do not come within the scope of the Prices Act.

4. It has been established that there is no trust fund or other special safeguard to protect subscribers' interests. The question of legal claim under the contract appears to be one for the consideration of an appropriate legal authority.

In view of this report the matter is being placed before the Crown legal authorities to advise if legislation is necessary.

POLICE UNIFORMS.

Mr. FLETCHER (on notice)—

1. Is the material used for the new summer uniforms of members of the South Australian Police Force of Australian manufacture?

2. Is the material of first grade quality?

3. What was the cost per yard of the material to the department?

4. What price per yard is being charged to members of the police force for this material?

5. Is the Treasurer aware that many tailors have refused to make up this material because they considered it of inferior quality?

The Hon. T. PLAYFORD—The replies are:—

1. Yes.

2. The material is a light weight wool-dechene and, in its class, is considered to be of first grade quality.

3. The cost is subject to price variations at time of delivery.

4. Cost price.

5. No information is available to suggest that any tailor has refused to make up the material on the grounds of inferior quality. At least three large manufacturing tailors have placed repeat orders to cope with the demand.

SOUTH-EASTERN RAILWAYS.

Mr. FLETCHER (on notice)—

1. Has any consideration been given to the broadening of the rail gauge to the Glencoe district in the South-East of this State to facilitate the timber industry?

2. Is consideration being given to rail connections between Kalangadoo, Glencoe, Mount Burr, and Millicent?

The Hon. M. McINTOSH—The Railways Commissioner reports:—

1. The Glencoe line is included in the lines to be widened under the agreement which exists between the Commonwealth and South Australian Governments and the work cannot be given priority in the South-East over more important lines under existing conditions of material and labour shortage.

2. Under the conditions referred to above it is impossible to give consideration to any extension of the railway system in the South-East.

LOUNGE DRINKING.

Mr. CHRISTIAN (on notice)—

1. Under what provision of the Licensing Act is "lounge drinking" authorized?

2. When was such provision enacted?

3. Are any standards as regards hygiene, ventilation, furnishings, lighting, etc., laid down for such lounges?

4. Are children and other minors permitted in such lounges while liquor is consumed therein?

The Hon. T. PLAYFORD—The replies are:—

1. Section 15 of the Licensing Act authorizes the holder of a publican's licence to sell and dispose of any liquor in any quantity in the house or on the premises therein specified. The Act does not require the licensee to provide a lounge, therefore he may permit or restrict "lounge drinking," subject to the general provisions of the Act.

2. No provision exists.

3. No standards are laid down for lounges or specified for hotels generally, but section 215 of the Act provides that the superintendent of licensed premises may issue an order for the premises to be kept in good repair and sufficiently well furnished for accommodation of travellers and other persons using same. It also provides for the premises to be kept clean and disinfected. The superintendent and his inspectors police these provisions.

4. There is nothing in the Act to prevent minors from being in lounges while liquor is consumed therein. At times the licensee, on his own behalf, prohibits children from being in lounges where liquor is being consumed.

HOUSING TRUST ADVANCES TO HOME PURCHASERS.

The Hon. S. W. JEFFRIES (on notice)—

1. Was the Government consulted before the Housing Trust embarked on the practice of financing purchasers of houses erected by the trust?

2. Does the Government approve of the policy?

3. What is the aggregate amount so advanced by the Housing Trust?

4. What is (a) the average purchase price of the timber-frame houses sold by the Housing Trust on agreements for sale and purchase; (b) the average amount of the initial deposit paid by the purchasers on such houses?

5. Had the Housing Trust a sufficient number of approved applicants for the purchase of timber-frame houses who could have financed the purchase of the houses sold under agreement of sale and purchase without the financial aid of the Housing Trust?

The Hon. T. PLAYFORD—The replies are:—

1. Yes.
2. Yes.
3. £306,880.

4. (a) The average purchase price a house over the full period during which sales have been made under agreement is £1,724; current purchase prices of similar houses now average approximately £2,050.

(b) £217.

5. It may be that the South Australian Housing Trust could have found buyers for the relatively small number of houses so far sold under agreement, but the trust could not have done this without ignoring its practice of selecting applicants according to date of application, need and war service. Many applicants had enough money to buy a house with finance from a lending institution at the time of application, but subsequent rises in costs, which were not matched by increases in the loans available from financial institutions would have prevented these applicants from buying houses when their turn for selection came. Thus, the trust had either to pass them over or to sell under agreement. A sale under agreement has not been made unless the trust has been satisfied that no other financial arrangement was open to the applicant to buy the house.

WATERFRONT INQUIRY.

Mr. TAPPING (on notice)—What progress has been made in connection with the waterfront inquiry being conducted by Mr. W. P. Bishop (Auditor-General)?

The Hon. T. PLAYFORD—The Auditor-General reports:—

Substantial progress in the investigation has been made. However, further information is required in regard to some of the major aspects of the problem, and this will be pursued in the immediate future. The preparation of Auditor-General's annual report to Parliament has necessitated some interruption of my activities in pursuing the Port Adelaide inquiry.

POLICE STATION, ALBERT PARK.

Mr. TAPPING (on notice)—

1. Is the Treasurer aware of the rapid population increase within the Albert Park

subdivision, particularly in regard to large groups of New Australians?

2. If so, is he prepared to consider the erection of a police station in the area so as to provide adequate protection to citizens?

The Hon. T. PLAYFORD—The Commissioner of Police reports:—

1. Yes.
2. The provision of essential police requirements in all areas is constantly under review. It is not considered at present that an additional police station is required in the area mentioned.

SHEEP TRUCKING YARDS, OODLA-WIRRA.

Mr. O'HALLORAN (on notice)—Can the Minister of Railways indicate when the sheep trucking yards at Oodlawirra railway station will be erected?

The Hon. M. McINTOSH—The Railways Commissioner reports:—

Owing to the shortage of labour and the necessity for carrying out works of a higher priority, which are outstanding, the construction of the Oodlawirra sheep yards cannot be commenced at present. The work will be put in hand when the situation improves.

QUORN-TEROWIE PASSENGER TRAIN.

Mr. O'HALLORAN (on notice)—

1. Is the Minister of Railways aware that the time taken by the passenger train in traversing the section between Quorn and Terowie—a distance of approximately 94½ miles—has recently been increased by approximately one hour?

2. What is the reason for this increase in the time taken for a comparatively short journey?

The Hon. M. McINTOSH—The Railways Commissioner reports:—

The passenger train journey between Quorn and Terowie has had to be increased by one hour due to the lack of maintenance men. The Quorn track has had very heavy traffic over it during the extraordinarily wet season, and the position cannot be rectified until we are able to build up our track forces.

IMPRINT BILL.

Received from the Legislative Council and read a first time.

INDUSTRIAL CODE AMENDMENT BILL

(No. 1).

Returned from the Legislative Council without amendment.

PORT PIRIE PARK LANDS ACT REPEAL BILL.

Returned from the Legislative Council without amendment.

CONSTITUTION ACT AMENDMENT
BILL (No. 2).

The Hon. T. PLAYFORD moved—

That the Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole for the purpose of considering the following resolution:—That it is desirable to introduce a Bill for an Act to further amend the Constitution Act, 1934-1951.

Motion carried. Resolution agreed to in Committee and adopted by the House.

BUILDING MATERIALS ACT
AMENDMENT BILL.

The Hon. T. PLAYFORD, having obtained leave, introduced a Bill for an Act to amend the Building Materials Act, 1949-1950. Read a first time.

Second reading.

The Hon. T. PLAYFORD (Gumeracha—Premier and Treasurer)—This Bill is introduced for the purpose of extending the operation of the Building Materials Act, 1949, for a further 12 months, to enlarge the circumstances under which dwellinghouses may be erected without permit, and to make some other administrative amendments to the Act which experience has shown to be necessary. The purpose of the Building Materials Act is to regulate the use of certain essential building materials the supply of which is unequal to the demand, and to secure that their use will, in general, be limited to essential purposes of which, at present, the most urgent is the provision of housing. A tremendous amount of house building has been and is now being carried on in South Australia. During the last financial year approximately 6,800 houses were completed in South Australia and it may be expected that this completion rate will be substantially exceeded during the current financial year. Despite these efforts the housing shortage still persists and the Government is of opinion that it is still necessary to continue the general control over essential building materials provided by the Building Materials Act. It is accordingly proposed by clause 9 to extend the operation of the Act for another year, that is, until December 31, 1952.

Section 4 of the Act, among other things, provides that, where a person desires to build a house for his own occupation or to build a house upon an agricultural property for occupation by an employee, he may use essential building materials for that purpose without a permit in order to build a house of up to 12½ squares, provided that the cost, if the house does not exceed 10½ squares, is not more than

£1,700, from 10½ to 11½ squares, £1,800, and from 11½ to 12½ squares, £1,900. It is proposed by clause 2 to increase these various amounts so as to provide that essential building materials may be used for non-permit house building on the following scale:—Up to 10½ squares to a cost of £2,000, from 10½ to 11½ squares to a cost of £2,100, and from 11½ to 12½ squares to a cost of £2,200. Thus the clause increases the ceiling price by £300. If a person desires to build a house of a greater area than 12½ squares or at a cost greater than the amounts set out in clause 2, he will, of course, be required under the existing provisions of the Act, to obtain a permit. The policy as regards the issue of permits is such that any person with a reasonable case for the issue of a permit has no difficulty in obtaining one. The present provision of the Act relating to non-permit house building provides that a house may be built up to the prescribed limits without a permit if constructed on land in which he has a beneficial interest by a person for his own occupation. The words "beneficial interest" have caused some difficulty. In instances, a person has agreed to buy land but has not paid any deposit, but this, the Crown Solicitor has advised, amounts to a beneficial interest. It is proposed by clause 2 that in lieu of this the person for whom the house is built must have a registered interest in the land on which it is built. At present, section 4 of the Act provides that repairs, alterations or additions to any building may be carried out, without permit, to the extent of £150 a year exclusive of the cost of any painting. Where previously the total amount which could be spent on a house of 12½ squares was £1,900, now, in addition to the £2,200, authority can be obtained to spend £150 at the same time on an outbuilding.

Mr. Macgillivray—If a man builds a new house and does his own painting, will the cost of the painting be included in the cost of the house?

The Hon. T. PLAYFORD—Yes, although the cost of painting is not included in the cost of repairs. That may sound anomalous, but it is not, because a new house must be painted. If painting costs were included in the £150 the money could all go in that direction.

Mr. Macgillivray—Why not let a man paint his own house if he wants to?

The Hon. T. PLAYFORD—There is nothing to stop him, because paint is not a controlled commodity.

Mr. Frank Walsh—There is no proposal to increase the £150?

The Hon. T. PLAYFORD—No, but previously a new house could not have any money spent on it in repairs in the first year. Now up to £150 can be spent in that first year, which will be a big advantage to builders of new houses. It is proposed by clause 2 to provide that this exemption is not to apply to a building in the course of erection or during the period of 12 months after the completion except that one outbuilding, up to the prescribed cost, may be erected without permit during that period. It is considered that if a person builds a house, either with or without a permit, he should not be entitled immediately to undertake the erection of additions and thus make further demands upon the supplies of materials and manpower. As before stated, however, it is not considered that this limitation should apply to the erection of one outbuilding such as a garage or workshop. Clause 2 also makes two other amendments to section 4 which are of a drafting nature. A definition of outbuilding is included and a further definition of “*appurtenant*” is provided. The Crown Solicitor has advised that these terms, as used in section 4, require definition.

Section 5 of the Act, among other things, provides that cement is not to be used, without a permit, for the paving of any uncovered area of land *appurtenant* to any building. It is proposed by clause 3 to delete the words “*appurtenant* to any building.” As the section stands it is lawful for a person to lay down cement paths in a block before a house is built, but after the house is built those paths could not be constructed without a permit. That was not intended by Parliament, and it is proposed to delete “*appurtenant* to any building,” which will make the position clear.

Subsection (3) of section 5 provides that cement is not to be used for non-permit building except in accordance with the prescribed limits for non-permit buildings. Clause 3 extends this provision to cement products which obviously should be regarded for this purpose in the same category as cement. Section 8 of the Act deals with the control of the sale of essential building materials. Subsection (5), among other things, provides that a person who fails to supply a return required by a direction of the Minister is to be guilty of an offence. It is proposed by clause 4 to provide that it shall be an offence if any return so supplied is false in a material particular. Subsection (6) of section 8 provides that if, by virtue of a priority certificate, a person obtains essential building materials and uses or disposes of the

materials for some purpose other than that for which the priority certificate was issued, he is guilty of an offence. The purpose of this provision is, of course, to secure that if, say, a priority certificate is issued for, say, water piping for a particular house and is obtained by the builder on the strength of the priority certificate, he is to use the piping for the purposes of that house. Cases have occurred where materials, of this kind have been diverted by the builder, but great difficulty arises in obtaining formal evidence of the diversion. It is therefore proposed by clause 4 that if evidence is given that the material was supplied but that after the lapse of such time as the court deems reasonable in the circumstances, the materials have not been used in the carrying out of the work authorized, then, unless evidence is given to the contrary, the court may deem the material to have been used or disposed of contrary to the subsection.

Mr. Frank Walsh—Will a builder having, say, 100ft. of water piping over from a job be prevented from using it?

The Hon. T. PLAYFORD—No, not for a lawful purpose. Section 8 of the Act authorizes the Minister to give general directions as to the disposal of essential building materials by persons engaged in the business of selling those materials. For example, a direction may be given that bricks are only to be supplied to builders for specified general purposes. At present, whilst there is control over the actions of the seller of the bricks, there is no control over the builder who may receive the bricks for one purpose but uses them for another. It is proposed by clause 4 to make it an offence where materials are so used contrary to the directions of the Minister. Section 12 of the Act provides that a permit continues in force for 12 months or, where the building for which it is issued is commenced, until the completion of the building. Section 9 enables a stop notice to be given in respect of any building carried out contrary to the Act. Sometimes, however, after a stop notice has been given, a permit is subsequently issued to enable the building to be completed but, in such cases, the permit is frequently issued upon conditions such as that the building is to be used for a specific kind of purpose for a period after completion. However, unless extended, the permit expires on the completion of the building and the conditions of the permit cannot be enforced. It is provided by clause 5 that in those circumstances, namely, where after a stop notice is given under section 9 and a permit is subsequently issued subject to conditions to be

observed over a period, the permit shall be deemed to continue in force during the period fixed for the observance of those conditions.

Section 14 of the Act provides, in general, that where a deposit is paid to the builder by the building owner under a house building contract, the deposit is, within 14 days, to be paid by the builder into a special purpose account in a bank. The purpose of this section was to prevent a practice among a class of builders of obtaining deposits from building owners and using those deposits for other purposes. It is proposed by clause 6 to strengthen the provisions of section 14. In the first place, it is provided that any deposit received is to be paid into the bank within three days after receipt instead of 14 days. The present section provides that the penalty for an infringement of the section is a fine not exceeding £100. It is considered that this penalty is not a sufficient deterrent and clause 6 therefore provides that the penalty for a first offence shall be a fine of £100 or imprisonment for a term not exceeding six months and for a second offence imprisonment for a term not exceeding 12 months. The section at present provides that, after a deposit has been paid into the special purpose account, it is to be held for payment to the builder for work done under the contract. Clause 6 provides that all such money which is not withdrawn for this purpose is to remain the property of the building owner.

Mr. Macgillivray—Who may operate such an account?

The Hon. T. PLAYFORD—It is a joint account which may be operated only by the consent of both parties. Section 20 of the Act provides that the Minister may require any person in possession of any essential building materials to disclose the source of his supply and other particulars relating to the materials. The Crown Solicitor has advised that where the materials have been incorporated in the fabric of a building, they cease to be essential building materials as such and are thus not within the purview of the section. It is obvious that the Minister's power to obtain the information in question should apply to materials which have been incorporated in a building and clause 7 extends section 20 to cover such a case. Section 26 of the Act empowers the Treasurer to provide temporary housing accommodation. Under these powers the Treasurer has converted the army camp at Springbank into temporary dwellings and has undertaken the construction of approximately 2,400 timber-frame dwellings under what is called the

Government Emergency Dwellings Scheme. In instances, the groups of these dwellings are of substantial extent and it is necessary in order to provide for the basic needs of the tenants and their families to make provision for shops and, in instances, for such things as kindergartens and health centres. In order to make it clear that the Treasurer has power to provide these necessary ancillaries, clause 8 authorizes the Treasurer to construct buildings for these purposes and to let them. As emergency housing does not come under the general powers of the Housing Trust, the question has arisen whether it has authority to erect these necessary amenities in emergency housing localities.

The Bill has two points. The first makes it much easier for a person to build his own home without a permit. It raises the upper limit of the amount he may spend to an amount which is realistic in view of present day costs. Secondly, a number of miscellaneous amendments designed to prevent evasion of the law have been shown to be necessary during the operation of the Act over the past year. I move the second reading.

Mr. FRANK WALSH secured the adjournment of the debate.

CATTLE COMPENSATION ACT AMENDMENT BILL.

Read a third time and passed.

TRESPASSING ON LAND BILL.

In Committee.

(Continued from September 20. Page 625.)

Clause 4 "Interpretation"—which Mr. Shannon had moved to amend by adding "or" at the end of paragraph (b) and inserting new paragraph (c) as follows:—" (c) has a cultivated crop or fruit trees or vines thereon."

Mr. SHANNON—I ask leave to withdraw my amendment for the purpose of moving another.

Leave granted; amendment withdrawn.

Mr. SHANNON—I move—

To insert at the end of paragraph (b) the word "or" and to add new paragraphs (c) and (d) as follows:—

(c) has a cultivated crop thereon, or
(d) has an orchard or vineyard.

Members will recollect the explanation of my previous amendment given by the member for Glenelg. The words of my new proposed amendment are virtually those I wished to use originally. However, I was advised otherwise. I do not want to go further than necessary with regard to this legislation; but we

should go as far as is necessary. Certainly in my district orchards should be protected. There are not many vineyards there, but there are some in other districts and they too should be protected. Thoughtless people should be prevented from causing not only damage but inconvenience to property owners. If a person wishes to pass through a property to get to a certain place because he cannot reach it in any other way, the gentlemanly thing to do is to advise the owner. In some parts of the State unfenced roads running through properties must be used. Although that does not apply in the settled areas, in these districts a very circuitous route may have to be used if it is impossible to cross paddocks.

Mr. O'HALLORAN—I oppose the amendment, which is just as objectionable as the honourable member's original proposal. I have already stated that we have already, in this Bill, extended the scope of this legislation too far, and I am opposed to any further extension. People's property rights should be adequately protected, but there is ample provision for this under common law and the Police Act. We should not insert new provisions which are unnecessary. I presume that the amendment extends to any form of cultivation, including wheat, barley, oats, lucerne, or even a sown pasture.

Mr. Shannon—A sown pasture would not be cultivated.

Mr. O'HALLORAN—Wimmera ryegrass has to be cultivated. I doubt whether a person will be able to go on any proclaimed land without committing an offence.

Mr. Shannon—Grasslands will be free.

Mr. O'HALLORAN—Yes, provided sheep or cattle are not grazing thereon. What will be the definition of an orchard or vineyard? There are many derelict vineyards in South Australia and it may be an offence to go on to them. Originally it was intended that the trespassing law should apply only in certain specified proclaimed areas. If the amendment is carried there will be demands from all parts of the State to have them proclaimed.

Mr. Shannon—Those areas have the right to object to trespassers now if offences are taking place.

Mr. O'HALLORAN—But they have adequate protection now.

Mr. Shannon—And so have the sheep farmers.

Mr. O'HALLORAN—Yes, but the amendment seeks to protect orchards and vineyards as well. We should not pass finicky laws

which, as the member for Glenelg very properly pointed out, have a tendency to bring the law into contempt and weaken the people's confidence in the police force.

Mr. SHANNON—The Leader of the Opposition is apparently prepared to let the common law protect the interests of all land owners except the sheep barons. He should give my amendment more thought. I do not desire to deprive any man of the right to gather mushrooms, provided he does nobody any injury in doing so. I stress that my amendment only excludes mushroomers from entering property which is cultivated and therefore would not have mushrooms growing on it. It does not exclude people from land where mushrooms may be growing. The Leader of the Opposition was not consistent in his argument. He is concerned about the privileges of mushroomers yet he is prepared to give special protection to graziers, whose sheep farming encourages mushroomers.

Mr. HAWKER—I support the amendment. His theme of "some human rights transcend ordinary property rights" has been running through all the arguments of the Leader of the Opposition. Common law, the Police Act, and the present Trespassing on Land Act have proved inadequate in protecting the landowner. I do not know whether Mr. O'Halloran considers that a primary producer is property or a chattels—one who is only here to feed people. It is common for unauthorized people wandering over land to leave gates open, drive motor cars into gates and smash them, break fences and shoot holes into tanks, allowing water to run to waste. In Western Australia it is an offence for a gold miner to camp within a quarter of a mile of a watering place. If he does and is asked to move it is frequently found on the following day that the pump has been broken. Landowners are human beings and have human rights and should be protected against such happenings. It is high time this kind of trespassing were wiped out and a much wider and more realistic view taken of these offences.

Mr. STEPHENS—There is little difference between Mr. Shannon's present amendment and his previous one. Landowners should have every possible protection and, if they can prove damage to their property, should receive heavy compensation. How much land does a person have to cultivate for a property to come under the amendment? If he has a 40-acre paddock, with a few potatoes in one corner, does it become a cultivated paddock? Do two trees make an orchard or two vines a vineyard?

What is the definition of "orchard" or "cultivated crop" in the Bill? The Government should introduce a new Bill to protect landowners, one free from technicalities which could catch unwary persons and cause them to be fined.

Mr. TAPPING—I oppose the amendment; it would be better to keep to the Bill as drafted. We were told that it was introduced at the behest of certain landowners, but now there seems to be competition between some members to see how ridiculous they can make it. Rarely does anybody show a desire to destroy another person's property.

Mr. PATTINSON—I support the amendment as redrafted. It is clear and unambiguous and is a reasonable extension of the original Bill. As it was expressed last Thursday the definition of land on which fruit trees and vines were growing was too loose and, unintentionally, would have brought within the law a large number of persons whom it was unnecessary to protect; in any event, they are protected under the Police Act. It seems to me that a cultivated crop, an orchard, and a vineyard are three clearly understood and definite terms which have definite legal meanings and have been quoted with the same precision in numerous other cases, and received judicial interpretation. The fears of the member for Port Adelaide were rightly raised last week, but I do not think he need have any fears that two trees or two vines would constitute an orchard or a vineyard. Courts and judges are not so foolish as Mr. Stephens might think, they place reasonable interpretations on definitions in Acts of Parliament. An orchard or a vineyard has commercial significance and no Judge would suggest that Parliament intended that two trees would constitute an orchard or two vines a vineyard. The Leader of the Opposition said that all persons affected by the amendment were already covered under the Police Act. Section 86 (n) of that Act states that any person:—

who is in or upon any dwelling, lands, warehouse, shop, office, coachhouse, stable, dressing-room, training shed, club house, tent, or outhouse, or any other building, structure, or erection, or in any enclosed yard, garden, or area, or on any wharf, quay, jetty, ship, or boat, for any unlawful purpose or without lawful excuse, shall be liable to imprisonment.

Mr. O'Halloran—"Enclosed yard" is a wide term. Why is it included?

Mr. PATTINSON—I do not know. The amendment moved by Mr. Shannon last week would have impinged on some types of property included under the Police Act. There should be

a differentiation on onus of proof. Under the Police Act, if a person trespasses on or enters any dwelling, before he can be convicted of an offence it must be proved that he was there either for an unlawful purpose or without lawful excuse. The onus is upon the owner or occupier of the dwellinghouse to at least make out a *prima facie* case that the person entered the premises for an unlawful purpose or without lawful excuse, but here we throw the onus on the trespasser, and that is reasonable in respect of agricultural, horticultural, or victicultural lands, which are necessarily of large areas and are often left unattended.

The Committee divided on the amendment—

Ayes (19).—Messrs. Brookman, Christian, Clarke, Dunnage, Goldney, Hawker, and Heaslip, Hons. C. S. Hincks, S. W. Jeffries, and Sir George Jenkins, Mr. Macgillivray, Hon. M. McIntosh, Messrs. McLachlan, Michael, and Pattinson, Hon. T. Playford, Messrs. Quirke, Shannon (teller), and Teusner.

Noes (10).—Messrs. Davis, Duncan, Hutchens, Lawn, McAlees, O'Halloran (teller), Riches, Stephens, Tapping, and Frank Walsh.

Pairs.—Ayes—Messrs. Pearson and Moir. Noes—Messrs. McKenzie and Fred Walsh.

Majority of 9 for the Ayes.

Amendment thus carried; clause as amended passed.

Remaining clauses (5 to 11) and title passed.

Bill reported with an amendment.

ADVANCES FOR HOMES ACT AMENDMENT BILL.

In Committee.

(Continued from September 20. Page 627.)

Clause 7 "Consent to alienation."

The Hon. T. PLAYFORD (Premier and Treasurer)—When the Committee last sat the Leader of the Opposition raised the matter of hardship and I promised to get additional information. The following is the report I have obtained from the Chairman of the State Bank Board:—

With reference to the speech of the Leader of the Opposition on the 20th inst regarding the Advances for Homes Act, I desire to report as follows:—

If the amendment included in the Bill is accepted, it will still mean that any applicant desiring to sell his house will have to obtain the consent of the State Bank Board, but the board will have the same discretion to give or refuse consent as it now has for the balance of the term. The only difference will be that

instead of an applicant having to satisfy the board that withholding consent would inflict "great hardship" it will be left to the discretion of the board, weighing all the circumstances, to decide whether or not consent should be given. It must be borne in mind that the bank operates three different classes of finance:—(1) Group houses built by the bank and sold to applicants, (2) Houses built by individuals but financed by the bank (3) Provision of finance for the purchase of houses or in discharge of a mortgage.

Until the removal of land sale controls, sales in categories (2) and (3) were agreed to practically automatically, because usually there was no incentive to sell other than for some special reason. With regard to group houses in category (1), it has been the policy of the bank not to agree to a sale, but where satisfactory reasons are forthcoming it will take back the property at valuation, which would include the valuation of any improvements added by the applicant, and then re-allot to another needy ex-serviceman. With the removal of controls, a large number of applications for consent were received, and are still being received, and the board had to give consideration to each individual case. The board immediately came up against the difficulty of deciding what was a "great hardship" to the applicant, and to obtain advice the chairman conferred with the Crown Solicitor on the matter and cited certain specific cases. The Crown Solicitor expressed an opinion that pursuant to section 42 (5) of the Advances for Homes Act the board had no power to consent to a transfer unless it was proved that refusal would inflict great hardship. He stressed that it must be great hardship and that the board could not consent merely for convenience, or to take the opportunity to improve the borrower's financial or economic position. The Crown Solicitor pointed out that people who had money to repay their loans could do so but under section 42 (4) the board would not consent to the transfer unless it was a case of great hardship. It was a matter for the board's decision as to what constituted great hardship.

When I spoke on this matter in Committee before I was under the impression that the board had consulted the Crown Solicitor on individual cases, whereas actually they had consulted him only in a general way and he had laid down certain rules.

Mr. Quirke—If a purchaser were prepared to pay off the whole of the loan before the expiration of 10 years, the board would have power to refuse a transfer?

The Hon. T. PLAYFORD—Yes. Under subsection (5) of section 42 the board had no discretion. It has been mandatory that they cannot give a transfer unless great hardship is involved. As determined by the Crown Solicitor, that condition is almost impossible of compliance. It had to be great hardship to the applicant, and the fact that other people

were involved in great hardship because of the board's decision did not suffice. The report continues:—

In some cases, although there was no great hardship to the applicant, there were certainly very strong reasons for consent to be granted but, in view of the Crown Solicitor's ruling, the board had no option but to withhold consent.

The following are some typical cases where the circumstances were such that, had the board had an unfettered discretion, consent *may* have been given, but, in view of its limited power, consent was refused:—

(a) An applicant employed on the wharves repaid his advance and requested a discharge of the mortgage so that he could sell the house to provide funds to purchase a small garden in the hills. As this would only improve his position the request was refused. Subsequently another application to discharge the mortgage was received but this time the reason was to provide funds to purchase a store and post office in the country and on medical grounds so far as his child was concerned. As the same improvement in the applicant's position appeared the main reason this second application was also refused.

(b) An applicant was financed to purchase a home in 1950. At that time he was employed by his father in a food processing business and later entered into an arrangement to take over the business from his father who had become involved in the purchase of new machinery from overseas. To finance the transaction the applicant desired to sell the house but as the transaction was to improve his position and any question of hardship related to the father the board refused consent.

(c) An applicant granted a loan in 1944 desired to sell his house to enable him to purchase a suburban grocery business with house attached. The reason given was that he desired to improve his position which was that of a driver of a baker's cart. The board had to decline his request.

(d) This applicant was granted a loan of £700 in 1941 and applied 10 months before the expiration of the 10-year period for permission to repay the loan from money in hand with the Savings Bank and asked that his mortgage be discharged. He was told he could repay the loan but the mortgage would be held undischarged until the loan had been in force 10 years.

(e) Granted a loan of £855 in 1946 this applicant requested a waiver of the 10-year clause so that he could borrow further money against the security of the house for the purposes of his business which is that of a public accountant. Here again the board refused consent on the grounds that the applicant desired to improve his financial position.

(f) In this case the applicant resided in a hills town and was employed in the city on shift work. He obtained a loan of £765 in 1950 and at that time owned a motor car which became unusable. He desired to sell because of the difficulty and expense in reaching his place of employment when normal transport

facilities were not available. This appeared to be a case of convenience only and consent was refused.

Although borrowers under the Advances for Homes Act were required to prove "great hardship" for 10 years, the position with respect to other housing authorities is as follows:—Pursuant to the Homes Act of 1941, the relative mortgage required by the Super-annuation Fund Board gives the right of repayment in full at any time after the expiration of one year from the date of loan without any reservation. The Savings Bank of South Australia's mortgage contains a similar restrictive clause. In the case of the Housing Trust, where a contract of sale has been entered into the contract provides that if the purchaser desires to dispose of his interest in the property within the first five years, the trust has the right, for one month, to purchase the property back at the original price, plus the value of the improvements added. The Co-operative Building Society of S.A.'s mortgage contains no clause restricting the sale of the property concerned. The War Service Homes Commission places no restriction on the sale or transfer of properties. The Commonwealth Bank permits the sale or transfer at any time, but may charge penalty interest if the mortgage is discharged within five years. The fact that the State Bank Board refused consent in many cases has had an adverse effect on other activities of the bank, because the public, generally, is unable to differentiate between activities conducted on behalf of the Government and the bank's general banking policy. It was for the foregoing reasons that the board asked for an amendment to the law which in effect allows the board to decide each individual case on its merits.

The board considers that cases of the nature I have mentioned should be considered from some other aspect than that of "great hardship." The chairman of the board concludes:—

Even if the amendment is approved it will still be necessary for an applicant to obtain the consent of the bank board before selling his property.

Members will see that the provision sought to be struck out from the Act does not exist in any other State or Federal legislation. It is much harsher in its application than any of the provisions relating to the War Service Homes Division or under the Homes Act. From my explanation I think the Leader of the Opposition will realize that there is no intention in this clause to promote trafficking in houses. The intention is merely to give the State Bank Board a proper discretion in allowing transfers of houses under certain conditions. It will obviate the necessity for the board to act on the Crown Solicitor's opinion of "great hardship."

The Hon. S. W. Jeffries—Was this amendment sought by the State Bank Board itself?

The Hon. T. PLAYFORD—The Government did not seek to thrust it on the board. On the contrary, it is an amendment that the board desires, not only to facilitate house transfers, but because of the effect of the "great hardship" provision on the bank's business generally. People have the impression that all the board's activities come under one control and that if there are restrictions in one direction there are restrictions in another. This has had an adverse effect upon the bank's business generally.

Mr. O'HALLORAN—To a large extent I am satisfied with the Treasurer's explanation, but I am not completely happy about the Crown Solicitor's interpretation. Let us consider the case of the man whose daughter was seriously ill and whose medical adviser recommended should be removed from the area. This was prevented because the board, acting on the advice of the Crown Solicitor, could not consent to a transfer of the house. Surely the balance of hardship should have been in favour of the applicant. I suppose that if the girl had died it would not have been considered any hardship at all by the Crown Solicitor. Section 42 has been in the Act since 1910, yet this is the first we have heard of any difficulty in its administration.

The Hon. S. W. Jeffries—But there have been big increases in the values of houses recently.

Mr. O'HALLORAN—Yes, but there were big increases in 1920 and in 1927 or 1928. This impelled the Government of the day to extend the period from five years to 10 years. The Treasurer assures the Committee that each case will be dealt with on its merits and this leads me to accept the clause. If the board does not administer the amendment properly Parliament will have the remedy in its own hand.

Mr. FRANK WALSH—The State Bank Board should have used its discretionary powers rather than seek the opinion of the Crown Solicitor. The Treasurer mentioned a person, who desired to leave Port Adelaide to go to the hills to work a property. This man wished to take up fruit production and the board should not have referred his case for legal opinion. It was not a question of trafficking in houses. The purpose of the Act was to enable people to own their own homes. The War Service Homes Division makes advances to home builders and if they desire to sell their homes immediately the division does not prevent them from doing so. It considers it has carried out its obligations in providing a home, but no-one can apply to it a second time. The board

should have been more humane in its policy. I have no complaint about a preference system in allocating houses, and believe that in any re-allocations preference should be given to ex-servicemen. If advances can be made to the Savings Bank, Superannuation Fund, War Service Homes Division, and the Housing Trust to house the people I will not hamstring the State Bank if it has lost business as a result of the "great hardship" provision. Can the Treasurer say whether the State Bank Board has considered the advisability of offering purchasers a 42-year repayment period instead of the present maximum of 30 years?

The Hon. T. PLAYFORD—I have not discussed this matter with the board, nor have I yet been able to consider its implications. I will discuss with my economist, Mr. Seaman, what is involved in the proposal and later will consult the State Bank Board. I will not necessarily instruct it to do what he proposes, because I want to see what implications are involved.

Mr. MACGILLIVRAY—I am astonished at the Crown Solicitor's interpretation of "great hardship." What constitutes great hardship for one person might not for another. It is not the legislation that is at fault so much as its administration.

Mr. Pattinson—It is only during recent years that the restrictions were put on, in practice.

Mr. MACGILLIVRAY—That fortifies me in my argument. We should take a reasonable and commonsense view of what is intended by Bills.

Mr. PATTINSON—I support the amendment, with some reluctance. It is a pity that both words should be struck out. I would have been happier had "great" been deleted and "hardship" left in. For years it was not difficult to obtain consent of the State Bank Board to repayment of mortgage moneys or to the transfer of house property subject to the State Bank mortgage loan, and it is only during recent years that the provisions of this section have been administered with any rigidity. I personally know of instances—and they have been referred to me indirectly—where the decision of the State Bank Board either to refuse to accept repayment of a mortgage loan or consent to the transfer of property subject to a loan has caused great hardship, even very grave hardship. It is because of my knowledge of the matter that I shall support the deletion of the two words so that the State Bank Board will not, in future, continue to cause hardship.

The Hon. T. PLAYFORD—Apparently members are under some misapprehension, as the State Bank board has never had any desire to inflict hardship on anybody. Parliament has given it a code to administer, setting out precisely what it may and may not do. Subsection (5) of section 42 of the Advances for Homes Act states:—

Consent as aforesaid shall not be granted within 10 years after the entry into the contract of sale or the making of an advance, as the case may be, unless it is proved to the satisfaction of the bank that the refusal thereof would inflict great hardship

We could have watered that provision down either by deleting "great" or saying "may not" instead of "shall not," thus giving the board discretionary power. It is not a question of the board being a free agent; it wants Parliament to give it discretionary power. Members will agree that there should be a discretion in this matter, and that there should be no hard and fast rule. The present rule is too rigid. I give the Leader of the Opposition the assurance that the spirit of the Act is to provide homes for the people, and not to provide a means for speculation; that will be the position in future. Over a long period of years the State Bank has done a magnificent job. In view of the problems it has had to face the bank deserves great credit.

Mr. RICHES—I pay a tribute to the State Bank Board for the work it has done. My experience is that in the financing of home building the State Bank has been above any other form of house financing. I have not heard of any persons being refused permission to dispose of homes; they had undertaken to purchase in cases where change of employment or removal were involved, although the agreements to purchase had not been in operation for 10 years. Apparently the bank thought the disposals were in order and agreed to them. The practice worked well and it was only when the legal opinion was obtained that it was found that the practice adopted previously was no longer possible. That has caused hardship. The Premier's undertaking will indicate to the State Bank Board that the granting of a discretion is not to be regarded as the approval of speculation, but to continue a practice the bank adopted until the opinion was obtained from the Crown Solicitor. I am pleased to support the clause.

Mr. QUIRKE—The action of the bank in this matter of hardship has been reflected in the number of applications made to it for finance. Nobody is willing to accept the restriction of 10 years, because we do not know

what will happen in the next 10 years. The board is wise in seeking the amendment to the Act. People generally can rest assured that the discretion will be used wisely. I have an extremely high regard for the administration of the bank, with which I have had a close contact in business matters for over 20 years, and I know of no more helpful financial institution. It would appear that "hardship" was defined as financial hardship, and a transfer was refused if there was any suspicion of monetary gain, notwithstanding that personal hardship was caused to the person concerned. That was not a correct interpretation of "hardship." I support the clause feeling confident that the position will be handled wisely and well by the bank, as it has handled so many major projects in the past.

Clause passed.

Title passed; Committee's report adopted.

PUBLIC PURPOSES LOAN BILL.

Returned from the Legislative Council without amendment.

SUCCESSION DUTIES ACT AMENDMENT BILL.

Second reading.

The Hon. T. PLAYFORD (Gumeracha—Premier and Treasurer)—The primary object of this Bill is to grant certain remissions of succession duty on property derived from servicemen and others who die in or as the result of the Korean war. Remissions similar to those proposed in this Bill were granted by Parliament in connection with the war of 1914-1918 and the last war. The Returned Soldiers' League and other organizations representing ex-servicemen have asked the Commonwealth Government and the Government of each of the States to extend the remissions so that they will apply in respect of the Korean war. The Government is of opinion that there is merit in this request. The concessions in question are granted on property accruing to widows, children, and other descendants, parents and other ancestors, and brothers and sisters of deceased ex-servicemen, and there is as much justification for granting them in connection with the Korean war as there was in the previous war. The amount of the remission proposed to be granted is as follows:—(a) Where the net present value of the property derived from the deceased serviceman by any of the persons mentioned does not exceed £5,000, the whole of the duty is remitted. (b) Where the value of any such property does exceed £5,000,

all duty in excess of the amount which would be payable if the value had been reduced by £5,000 is remitted, and in addition an amount which would have provided the deceased with an annuity equal to 4 per cent of the duty payable after taking into account the remission abovementioned.

It is proposed by the Bill to extend these remissions to the estates of the following classes of persons:—(a) Members of fighting forces dying on active service in the Korean war as the result of wounds inflicted, accident occurring or disease contracted while on such service. (b) Persons who were engaged in Korea in providing ambulance services, medical attention, entertainment, and other similar amenities for members of the fighting forces, and who die as a result of wounds inflicted, accident occurring or disease contracted whilst so engaged. (c) Masters and members of the crews of British ships dying from wounds inflicted, accident occurring or disease contracted as the result of action against the ship during the Korean war by enemies of the United Nations.

The other matter dealt with in the Bill is the question of charging succession duty on certain costs received by solicitors for professional work done in cases where they are appointed executors or trustees under wills. It was a general principle of the common law that an executor or trustee under a will must act in that office gratuitously; and although this general rule has been modified by statute it is still the law that, if under a will a solicitor is appointed as executor with power to charge costs, any costs received by him from the estate for professional work amounts to a legacy. Succession duty is therefore chargeable upon such costs. The Government has received a request that payments of this kind should be exempted from succession duty and should be treated as being what they really are, namely, remuneration for work done. This request appears to the Government to be just and reasonable. In England, although the costs of a solicitor-trustee are regarded as a benefit received by him under the will and as a matter of strict law chargeable with death duties, the Commissioners of Inland Revenue do not, in practice, in England collect such duty. It is proposed in this Bill to declare that charges properly made by a solicitor who is appointed by a will as executor or trustee with power to charge for his services shall not be chargeable with succession duty as if they were a legacy; and so far as they are charges for work done

in connection with proving the will and transferring the property into the name of the executor they will be regarded as testamentary expenses and therefore deductible in working out the net value of any property passing under the Bill. I move the second reading.

Mr. HUTCHENS secured the adjournment of the debate.

INDUSTRIAL AND PROVIDENT SOCIETIES ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from September 20. Page 630.)

Mr. O'HALLORAN (Frome—Leader of the Opposition)—This Bill amends an Act which is used to control the various forms of co-operative societies in this State. As such it is of great importance to the State as a whole and merits the particular consideration of Parliament in order that improvements may be made to the legislation when opportunity presents itself. Instead of the making of a few minor amendments I would have preferred a comprehensive Bill setting out the principles governing the activities of co-operative societies and laying down model rules for their formation and continuance similar to those contained in the New South Wales Co-operation Act. The subject of co-operation is one of the most important to which Parliament can devote its attention, because, in these days of monopoly capitalism detrimentally affecting the community as a whole, properly organized and established co-operative societies offer the only protection against the exploitation which follows the existence of those huge monopolies. I am a little concerned as to whether the Bill will strengthen or weaken the co-operative movement in this State. In its definition of "co-operation" the *Encyclopaedia Britannica* states:—

A co-operative society thus becomes a voluntary union of persons, on a democratic basis, to supply its members with goods and services, or to employ its members in producing for sale, or to sell its members' produce, or to finance its members, or to combine all these aims in one, and at the same time to distribute surpluses in a manner agreed upon by the members as fair to each and all.

Co-operative societies carrying out all those functions in South Australia are registered under this Act. What impact will this Bill have on the principles which I have enunciated and which should guide sound co-operative enterprise? Unfortunately, in his second reading speech the Treasurer did not give much information as to why this Bill had been

introduced. In fact, towards the end of his speech, in a little aside, he almost washed his hands of the Bill, saying it was not Government policy, but that he thought it a good Bill which he hoped would be accepted. In recent years members on this side of the House have been fairly easy to live with in regard to legislation introduced, because it has represented either Government or Opposition policy. However, this appears to be the policy of neither, and therefore we must seek in the Bill sufficient merit to warrant our support of at least the second reading. The Treasurer said it was introduced at the request of one rural co-operative producer society on the River Murray. I would have thought this matter would be discussed with other co-operative societies before such a Bill was introduced. It is not good policy to introduce such a sweeping amendment, which raises the permitted amount of shares which may be held by any one individual or organization from £500 to £2,000, merely because one society has asked for it. If we permit the rules of a society to be loosely drafted, as is the case in this State today it is evident that an amendment of this nature could destroy co-operative enterprise. Members must have more information as to whether there is any substantial demand for this amendment before agreeing to it. Clause 4 seeks to amend section 12 of the principal Act by adding the following subsection:—

(8) The rules of a society may provide for the issue of different classes of shares of the society and may prescribe the rights, privileges, and conditions attaching to each class of share.

I am somewhat in the dark as to the meaning of this amendment, as no explanation of its intention was given by the Treasurer. On the face of it it is very far-reaching and seeks to establish certain rights and privileges with regard to the types of shares issued. There may be good reasons for this. In the case of a rural co-operative society desiring to establish, say, an extensive packing shed it may be necessary to offer some inducement in the form of preference shares in order to secure the initial capital required for that project.

Mr. Quirke—It has never been necessary.

Mr. O'HALLORAN—I merely quote that as a hypothetical case; but if it has not been necessary in the past, why are we asked to agree to this amendment now? Assuming it is necessary, the rules of the society would have to provide that those preference shares could not be sold or exchanged. In the event of a

shareholder leaving the district he would be unable to withdraw his capital. Consequently, the capital which had been attracted to the concern for establishment purposes would remain with it. My idea in quoting the broad principles of co-operation is to indicate that people should co-operate not for the purpose of providing a safe and sound investment for their capital, but rather to protect themselves from exploitation, whether by those processing or by those marketing primary products. In the New South Wales Co-operation Act the objections which I have raised to this Bill are taken care of. In the *Notes on Co-operation*, published in 1945 following the last substantial amendment to the New South Wales Act, the conditions necessary to secure registration under that Act are set out as follows:—

Having decided that registration is necessary or desirable, the next matter to be considered is where and how may registration be effected. No precise and exhaustive definition of what is a co-operative organization and what may be registered under the Co-operation Act is necessary at this stage. Briefly, if the concern is to be conducted primarily in the interests of the persons who use it and who wholly or substantially constitute its membership, it will be found, as a rule, to be registrable as a society under the Co-operation Act. In particular, if the voting is on the basis of "one man one vote," dividends are not to exceed 6 per cent on the paid-up capital, and it is desired to have the word "co-operative" in the name, and no one member is to hold more than one-fifth of the shares, it will probably be found that other matters will be capable of being adjusted to the requirements of the Co-operation Act, if not already in conformity.

In New South Wales certain broad principles are established. There is the principle of one vote one value in the control of a co-operative society, a limitation of the dividend on share capital, and provision that no member can hold more than one-fifth of the shares. Then there are rules which apply to rural co-operative societies in New South Wales under which the restrictions are much greater than those to which I have already referred. I take it that these rural societies would be on all fours with the type of society covered by this Bill. The following is taken from the *Model Rules for a Rural Society* in New South Wales:—

Shares, which shall be of one class, all ranking equally, shall be of the nominal value of £1 each. Every member shall hold at least five shares, but no member shall hold shares exceeding the nominal value of £1,000, nor shall any member hold more than one-fifth of the shares in the society.

So there the number of shares a member may hold is limited to the nominal value of

£1,000 with the provision that in small societies, and undoubtedly there are many in New South Wales, no member may hold more than one-fifth of the shares. If the principle of "one person one vote" could be accepted in the Bill, then my objection to increasing the share capital from £500 to £2,000 would be largely overcome. Otherwise, I am afraid that if we allow share holdings in these societies to be increased from £500 to £2,000 and permit the privileges associated with the issue of shares in the societies we may find that the man with 2,000 shares will have 2,000 votes. If the democratic principle of one vote for each shareholder, irrespective of the number of shares held, is firmly incorporated in the law, then my objection would be considerably lessened. As I understand the co-operative movement, the idea is not to present a safe means for investing capital, but to provide funds for an organization to process things. It is for the good of the little community that constitutes the organization and for the equitable distribution of profits, either on the basis of purchase in the case of a consumer society, or on the basis of volume of production processed in the case of a society established to process primary production. There should be no privileges to give preference shareholders the right to draw out of the profit pool at the expense of the co-operators. I shall not oppose the second reading, but I want much more information on the impact of the points I have raised regarding shareholders' capital and the granting of certain rights and privileges in association with the issue of the shares before I am prepared to vote for the third reading.

Mr. QUIRKE (Stanley)—In its present form I oppose the Bill without equivocation. The proposal to lift the statutory amount from £500 to £2,000 is extremely dangerous and totally unnecessary. As many members are not conversant with the methods of co-operative companies, it is necessary at this stage that they should have an outline of how they operate. My authority for speaking as I do is 30 years association with the co-operative movement as a director of one company and general manager of another. I speak with some authority when I say that this proposal is dangerous and unnecessary. Particularly in a time of recession this legislation, if carried to the extreme that the Bill permits, could be the means of completely collapsing the co-operative movement in South Australia. The Leader of the Opposition mentioned one feature to which I must refer, namely, with the exception of one organization, which is probably responsible

for the introduction of the Bill, the co-operative movement in South Australia knew nothing about it. As the co-operative movement is such a vast concern in this State I endorse what Mr. O'Halloran said—that we must adjourn this matter until those concerned can state their opinion. People who are able to give authoritative statements on the matter should be consulted, and the House should not attempt to pass something which has such tremendous implications without a full agreement of the industries which will be most vitally affected. I hope the Premier will consider that and see that the debate is adjourned and an opportunity given to the co-operative companies concerned to present their case.

The SPEAKER—You mean the companies registered under the Industrial and Provident Societies Act?

Mr. QUIRKE—Yes. I think that you, Mr. Speaker, could speak with some authority on this subject because when you, with Mr. J. A. Lyons, represented the district I now represent, you did much to sponsor the establishment of the co-operative company of which I am now the manager.

Mr. Whittle—That company is not asking for the Bill?

Mr. QUIRKE—No. The company of which I am manager borrowed £8,000 and its liquid and fixed assets are just under £100,000. It has never borrowed more than £8,000 and the share capital has never exceeded £10,000. As soon as a co-operative company starts getting money from people who do not contribute by putting fruit or other produce into it, and those people exact tribute from those running the company, that is the beginning of trouble.

Sitting suspended from 6 p.m. to 7.30 p.m.

Mr. QUIRKE—I have with me the balance-sheets of two co-operative companies and will quote from them to illustrate my point that little capital is required to start mammoth organizations. According to the balance-sheet of the South Australian Grapegrowers' Co-operative Ltd., of Nuriootpa, the total subscribed capital is £8,332. Advances under the Loans to Producers Act, general reserve, growers' redemption fund, and depreciation and maintenance fund bring the total to £34,172. The assets total £126,000, yet this is not a big concern, being only an ordinary co-operative company. The share holding of the Denmark Fruitgrowers' Co-operative Ltd. is £33,000, but the total assets amount to £248,000.

Mr. Christian—How many shareholders in that concern?

Mr. QUIRKE—The balance-sheet does not give the number, but it would be large. Some shareholders would only have 10 shares. With good management it is easy to successfully operate big co-operative companies having small share holdings. Under the Act a shareholder can hold only a nominal number of shares. In my company the number is five, but formerly there was a condition that a member must hold one share for each ton of fruit delivered. Later we had sufficient capital to carry on without this restriction so that anybody coming into the company today as a registered shareholder can obtain the full benefits of the organization for £5. Each member has one vote and nobody can become a member unless he is a grower and the board will not transfer the share holding of a member to a non-shareholder. This is in accordance with the rules of the society. The rules of most fruit and wine co-operative societies are based upon model rules common to all the co-operative societies I have mentioned. They were drawn up by the co-operatives as a result of the experience of 30 years. None of the model rules compels a member to deliver all his fruit to the society. The co-operatives must stand up to competition; in fact, they appreciate it. Many of the members deliver portion of their crop to proprietary companies. Sometimes they deliver more to these firms than to the co-operative. If we cannot stand up to that we do not deserve to exist.

Mr. Pattinson—How many co-operatives work under those conditions?

Mr. QUIRKE—All that handle dried fruits and wine in this State. Finance has been arranged in practically every case through the State Bank under the Loans to Producers Act. In order to guarantee the repayment of those loans we have a redemption reserve fund. Each year we pay into it an amount that will, by the time the loan has to be paid off, equal the amount of the loan. The reserve is built up from the surpluses of the organization. The amount to be appropriated each year has to be recommended by the shareholders at the annual meeting. The redemption reserve always remains the property of the grower, even if he leaves the industry and we purchase his shares or if they are transferred to an incoming member. If the redemption reserve took 20 years to retire and a grower contributed to it for a number of years he or his beneficiaries would be entitled to repayment. If he or his descendants cannot be

traced the amount due must be paid into the Treasury. An internal method of finance, known as a reversionary reserve or a rotating reserve, is used by some co-operatives. A reversionary reserve is repayable only after a fixed period and is re-established by annual levies as the earlier ones are paid off. When the share capital and general reserves have been built up so that no more share capital is required, share capital becomes an incubus on a society operating under these conditions. It then adopts the reversionary reserve system. The term of the reserve may be five years and the necessary amounts are appropriated each year from the organization's surpluses and paid into the reserve. The contributors are repaid at the end of the period. Repayments are made year after year and the reserve continues as an investment to the grower until his contribution has been paid off.

Mr. Christian—Is any interest paid to the holder?

Mr. QUIRKE—No. The only interest paid is on the share capital.

Mr. Dunks—That is no different from the practice of an ordinary limited liability company.

Mr. QUIRKE—Every member contributes for the mutual benefit of all members.

Mr. Dunks—The reserves could be used for the purchase of machinery.

Mr. QUIRKE—We have a general reserve as well. Money can be appropriated for it only with the consent of the shareholders at the annual meeting. These reserves are repayable and could even be called upon for repayment by a meeting of shareholders or a portion of them, although in practice this has never happened. Under the Bill the financial stability of co-operatives could be prejudiced. In the early days of co-operation large amounts, up to a maximum of £500, were contributed by certain people. Upon the death of such a member considerable difficulty was found in repaying the sums due to the estate. Because of this, co-operative companies have reduced the share holdings of their members. Co-operatives, as I know them, are an extension of partnership under limited liability and the whole of the profits of each year are available for distribution amongst members receiving services from the company. The organization I manage pays its members a price perhaps a little lower than the ruling price outside for each ton of fruit delivered. Simultaneously, with the payment for each

year's vintage, we pay the final surplus payment on fruit delivered three years ago. In our organization there are no more than three years outstanding. The last year that was paid out was 1948. That vintage was finalized and the surpluses distributed amongst the growers. This business has been built up with merely £10,000 capital, plus a loan of £8,000 under the Loans to Producers Act. The present limit of £500 is more than ample for true co-operatives. They have, with few exceptions, not been operating at a higher figure than about £200; many of them much less. Today we take members in at £5, but £500 is ample for a co-operative run on the lines that we run ours, and we are busily engaged reducing those which have a maximum of £500 because of the danger of those big individual amounts inherent in a type of business where the capital can be withdrawn. That is the point. In true co-operation, as we have it under the Industrial and Provident Societies Act, capital is withdrawable and we seek to reduce it to the minimum for our requirements; once the society is established and the various reserves are operating there is no need for high capital.

Mr. Teusner—What notice must be given before capital is withdrawn?

Mr. QUIRKE—No notice is required. For example, in a deceased estate the trustees send notice of the deceased's share holding and as soon as the scrip is produced we pay out.

Mr. Pattinson—You are the most co-operative co-operative I have heard of.

Mr. QUIRKE—It is something on which I am glad to be able to enlighten members, but the Renmark Growers' Co-operative and the Berri, Barmera, and Waikerie co-operatives, the South Australian Grape Growers' Co-operative, and Clare Vale Co-operative all operate the same way, and if there are any which do not it is time they came into line.

Mr. Shannon—Is there any agreement binding members to supply the whole of their produce to the co-operative?

Mr. QUIRKE—No. The suppliers may deliver indiscriminately to private companies or the co-operative without penalty.

Mr. Shannon—In other words, the co-operative depends upon its ability to give service.

Mr. QUIRKE—That is it, and if we cannot stand against that competition we deserve to fall. The outstanding success of these organizations is a tribute to the effectiveness of their business operations. I have paid one tribute

today and I now pay another; apart from the business ability of the men who have been conducting them for years and who have by trial and error—and a great deal of tribulation in the depression period—brought them to success, I pay a tribute to the State Bank.

Mr. Pattinson—Has there ever been a suggestion by the State Bank that you should bind your members?

Mr. QUIRKE—Not the slightest. In the first place there was a quota of shares based upon the activity of members; the small man who delivers two or three tons of fruit is not expected to have a large share holding and the man who delivered a lot of fruit, particularly in the early days, did have a large holding.

Mr. Shannon—He would share in proportion to the business he contributed.

Mr. QUIRKE—Yes. It is a remarkable organization which is not as well known as it should be and that is one reason why there is every reason for laying this Bill aside temporarily until such time as Parliament can get the opinion of these organizations and the men who control them, as they would be so vitally affected by a proposition such as this. In the early days we found that large shareholders became sleeping partners when they left the industry and it was very difficult to pay them out. The one thing that is not required in a co-operative is a large number of shareholders who are sleeping partners; it cannot afford to have them contributing nothing and taking their dividends out. A co-operative lives and has its being on the amount of support it obtains and the quantity of fruit it processes. That is what pays its overhead, dividends and surpluses, and it cannot afford to have sleeping partners. It is now generally recognized by the growers that when they cease to be active suppliers they cease to be shareholders. However, they still maintain their interest in the reserves, such as the reversionary reserve—or the rotating reserve, as we often call it—until such time as the number of years they have contributed to it have been paid out. It remains a continual investment until the number of years they have contributed to it have been paid out, and if that is not the essence of co-operation I want to know what is. As funds permit share holdings have been reduced well below the present maximum of £500 and replaced by levies of this reversionary type. When financial stability has been attained through the fixed reserve, the annual interest rate has been lowered in order to reduce individual shareholdings. That does not operate today so much as in years gone

by. Everyone who comes in now knows what happens when he goes out of the industry, but years ago, although the rules provide that shareholders have to be paid out on demand, there was nothing to compel them to part with their shares. In order to overcome that the interest rate was deliberately reduced by the people interested in the movement in order to force them to give up their share holding.

Mr. Shannon—What is the normal rate on share capital?

Mr. QUIRKE—Five per cent.

Mr. Shannon—You have cut that down?

Mr. QUIRKE—That does not happen now. I am simply showing that high capital is not necessary. The growers were prepared to accept that low rate of interest in order to force the outside shares back into the industry. When the Premier was delivering his second reading speech he said, "In saying that I do not mean that they should have privileges which would enable them to oust private enterprise from its proper function" and Mr. Whittle said "They have certain privileges. For instance they do not pay company tax." Co-operatives pay company tax only under certain conditions: one of them is that 90 per cent of the produce they process must come from shareholders, so the more outside people there are the greater danger there is from the taxation point of view. We do not keep profits. Every penny of surplus, less those reserves, must be paid out to the shareholders. Each year's operations are finalized. Three or four years' operations cannot be tangled up together. In the wine industry we refer to the 1948 or the 1950 or 1951 vintage and each vintage operation must be finalized. Wine made this year is not necessarily sold this year; if it is sold next year it must be credited to the vintage in which it was made so as to keep strict account. If it is blended with younger vintages it still must be credited to the old vintage and at the value received for that year: each year's operations are separate and distinct and each year's surpluses are distributed according to that year. The book-keeping methods adopted under the Industrial and Provident Societies Act for the wine industry and the dried fruit and fresh fruit processing organizations are masterpieces of the art of book-keeping. Every grower knows to the penny what he put into the various reserves and what he received for every pound of fruit that went into the winery or packing house. Clause 4 proposes to add the following subsection:—

(8) The rules of a society may provide for the issue of different classes of shares of the society and may prescribe the rights, privileges and conditions attaching to each class of share.

That clause has no place in co-operatives. We have a co-operative company built along the lines I have explained. We have a processed article and alongside the company could be a private one to which the co-operative could sell its products if it wanted to enter into the retail trade for the resale of its produce. We have Murray River Wholesale as our big buying organization, also Commonwealth Fruit Sales. It is worked on a co-operative basis, but as a separate company, and it handles the dried fruits products of all the big co-operatives along the River Murray. It is a company set up to sell the produce. We could have a private company to handle the products of the co-operative company, but I cannot imagine anybody who understands the full ramifications of a co-operative industry wanting sleeping partners.

I have been unable to consult my two companies. We have built up many millions of pounds in value and are handling many millions of pounds' worth of produce year after year in co-operative companies. It is not fair to these people that we should continue to discuss this business without their having an opportunity to consider the matter, and in order that I can consult them, I ask leave to continue my remarks.

Leave granted and debate adjourned.

PRICES ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from September 20. Page 630.)

Mr. FRANK WALSH (Goodwood)—I presume that clause 3 dealing with evidence of rates for services is necessary because many orders must be signed by the Prices Commissioner. It will save him much travelling and once a decision is reached and published in the *Gazette*, plus the necessary notice being given, it should be sufficient. The amendment will be a great improvement. Clause 4 deals with the service of notices on persons and companies and will simplify procedure. It is an administrative provision and will greatly assist the commissioner. The Minister in introducing the Bill, said that justification for an extension of price control was well-known, and little need be said on the matter. If members peruse the *Government Gazette* of September 6, 1951 (pages 498-9) they will find strong evidence of the need for price control, as nearly every item mentioned therein was decontrolled, but has been brought back under control. If there is any real necessity for price and profit

control it will be found here. A statement appeared in the *News* that the Treasurer had made an announcement about the proposed Federal policy of increasing sales tax. It would appear from the statement that he is greatly concerned about any further increase in sales tax, or any other tax. Take the imports of goods, particularly motor cars. How can we expect a company that imports motor cars to add the landed costs, plus any other duties and transport costs, on to the cars and make a profit? It should be definitely stated that the increase is to be on landed costs. Anything over and above that shows unnecessary profits are being made. I believe that the Treasurer had that in mind, with a view to keeping prices under proper control.

The number of items mentioned in the *Government Gazette* of September 6 raises the question of the need to bring under prices control many other items which have been de-controlled. There is a great need to prevent people from being exploited. I do not accept the contention that if people have the money to purchase used motor cars and houses they should be permitted to go ahead. The Government should immediately review the position that confronts us. A lot of criticism has been levelled at the need for further and more rigid price control. It would not be amiss at this juncture to refer to a statement which appeared in this morning's *Advertiser* headed "Condemned house sold to migrant." The article states:—

The Woodville Board of Health committee decided last night to allow a 23 year old New Australian six months in which to make habitable a condemned house in West Street, Beverley, which he had bought for £800 in April. Councillor L. H. Lewin said the New Australian had bought the house in good faith from the owner on whom the council had served a notice to demolish it. The New Australian had appealed against the demolition notice served by the council and the matter was heard in court on Wednesday. The magistrate had adjourned the case until the board had reviewed its decision, said Councillor Lewin. It would cost about £2,000 to make this rambling place habitable, but the New Australian says he has many tradesmen friends who can do the job for much less.

That is an indication of the necessity for the Government's protecting people and seriously considering bringing the sale of houses back under price control. The article is a typical illustration of what is happening today. There must be many cases of which we hear nothing. The owner of the house referred to in the article knew that it had been condemned.

Mr. O'Halloran—Didn't he get a notice from the council?

Mr. FRANK WALSH—The man who sold it to the New Australian knew it was condemned.

Mr. O'Halloran—He should have been gaoled.

Mr. FRANK WALSH—I agree, but even that would hardly have met the case. What happened to the New Australian could have happened to any other person. If the Government is desirous of putting value back into the pound this shows the grave need for it to give further consideration to the matter. Legislation could have been introduced overnight to re-control this kind of thing. The amendment to the Building Materials Act introduced this afternoon indicates that there is still a great shortage of materials. When people are being fleeced in the way I have described it is most desirable to re-control the sale of homes. The same can be said of motor car sales. An extraordinary number of used cars are being sold. During the week-end I heard of a person who tried to dispose of a used Holden car. The speedometer indicated that the car had travelled only 7,000 miles. The car had been re-duced, but an investigation revealed that a taxi company had used the car because its paint was discovered underneath the duco, and that a new dashboard had been inserted to camouflage the real distance travelled. He was attempting to sell it for £1,400. The position has become absurd and something should be done to protect the public from spending money foolishly and being taken down. Fish is another commodity which should be brought under price control.

Mr. Shannon—What about butter?

Mr. FRANK WALSH—This Government took the easy way out regardless of the consequences, which will be reflected in the next basic wage increase. The retail prices of fresh fish are prohibitive. River Murray fishermen who receive small returns for the fish they send to Adelaide cannot believe their eyes when they see the prices being charged for the same fish in retail shops in Adelaide. This matter needs review by the Prices Department and the Government should give consideration to the fishermen. The question of re-controlling the price of fresh fruit and vegetables should be considered. It is no use saying they are seasonal commodities and the prices cannot be governed. A potato board was established but members broke agreements and have forgotten to act decently in regard to

orderly marketing and consumers have to be regular customers before they can be assured of a supply. That is very similar to the butter position a few weeks ago when butter was in short supply.

Clause 5 continues the operation of the Act for another year. Normally there is a general Parliamentary election in this State every three years, and I consider the Prices Bill should be introduced only at the commencement of each Parliament, and operate until the next Parliament is elected. That would convey two benefits. Firstly, it would be of assistance to members of the Prices Department who have done such an admirable job in price and profit control. Now they work from year to year, but if they knew the term would be longer it would have a good effect. Secondly, when goods are controlled there is co-operation from the business world, but we cannot expect to retain that if price control is to operate from year to year. Price control legislation in this State has been beneficial in many ways, but it could be improved by controlling the necessary items I have mentioned. I support the second reading.

Mr. SHANNON (Onkaparinga)—Some people have a childlike faith that you can cure the ills of man and alter human traits and character by Act of Parliament. This legislation is an obvious example of such faith. I am not totally opposed in these days to all price control, but let us consider the days when we encouraged dishonest people to cash in on the position that arose because of price control. I will give one or two illustrations of what happens when the bureaucratic control of our economic life is allowed to get out of hand—

Mr. O'Halloran—Which particular type of bureaucrat do you have in mind—the Government or private enterprise?

Mr. SHANNON—The type I have in mind is well-known. He is the gent in office who says when I can and when I can't and when I will and when I won't. I am not pleased with that type at any time. He never did make for the betterment or the weal of the people. He is always careful to be assured that his job will continue. The Deputy Leader of the Opposition would apparently like it to continue indefinitely. He would like each Parliament that comes into office to pass a Prices Bill to continue during the life of that Parliament and until the new one is elected. An annual period is long enough for me. This legislation should be reviewed again next session in

the light of the circumstances then operating. I remind members who want reconrol of houses, land and motor cars of what took place when they were under control. A report was presented to the Western Australian Parliament as a result of an inquiry made there by an independent authority. It said in effect that for all practical purposes every sale of property was on the black market. If members think that black marketing is a good thing for the community at large, I want to disabuse their minds on the point.

Mr. Davis—Do you believe that everybody who sells land is a rogue?

Mr. SHANNON—No. At present they are honest because the land is sold on the open market, which is the soundest way to make land sales. When there was control and properties were sold by trustee companies sales were made at fixed prices. In many instances beneficiaries, sometimes the widow and children, enjoyed the doubtful privilege of receiving thousands of pounds less for the estate the deceased father had built up for them than they would have received if the real price obtainable from a willing buyer had been secured.

Mr. Davis—They probably got more than the deceased father paid for the estate.

Mr. SHANNON—The deceased father may have paid the black market price for it and the trustee sold it at the fixed price, thereby incurring a loss to the estate, which would not be unusual. It is obvious that the arbitrary fixing of prices does not of necessity mean that the prices are bargains. If the price fixed is below the real value obviously the vendor will do what he can to get the true value. That is happening in Australia in regard to butter, which is being transported by road from Victoria, which is the only State with a surplus worth mentioning, to New South Wales and all sorts of fantastic prices are being paid for it. According to reports, the price has been as high as 10s. 6d. a pound. If it is sound to subsidize prices of goods so that the cost of living can be kept down, and according to some people to put value back into the pound, we must have Commonwealth subsidies, but where is the money to come from? Has any member considered whether it is economical for the producer of goods to pay some of the subsidies by way of taxation? Is the producer to be saddled with the double burden of producing goods and helping to keep the prices to consumers low by paying

some of the subsidies? If members approach the matter in this way we will have difficulty in buying goods required for our subsistence. Butter and milk production in South Australia has dropped, and our cow population has been reduced. It is not all due to the high prices of wool, although some of it is. I have had evidence from people in my district, who have been engaged for years in dairying as a livelihood, that because they could not get the cost of production price decided on as the result of a Commonwealth investigation, they became disgruntled and sold their herds. Not all the animals went to the butchers. The best of them went to other dairymen, who sold a few of their poorer cows to make room for them. We lost a few cows in the business, but they were of the poorer type. As a result we have had a better butter-fat production per cow than we have had for some time. It is obvious that if we want the basic commodities which are part and parcel of our daily subsistence to be produced in ever-increasing quantities we must look into the matter.

Mr. O'Halloran—We have not produced enough butter to feed ourselves.

Mr. SHANNON—That has been the position for some time, but years ago we produced all we wanted. It is many years since we have produced all the table butter we needed. Production for our own needs in years gone by was sufficient, but today we are short of butter, largely because of the falling off in production and the increase in consumption. Since rationing ended there has been an increase in the consumption, which is all to the good.

Mr. Dunks—We have not enough butter to go round.

Mr. SHANNON—We are always importers of butter during the autumn and winter. Victoria and Queensland are our main sources of supply. It looks as though we will have to continue to import butter unless there is a decline in the wool price or an increase in the price of butterfat. We must be prepared to relieve the dairy farmer from the ever-pressing problem of whether or not he is to be paid at least the cost of production price. He has been waiting for 18 months for this cost of production price, and it has been a sorry lesson to him. If we continue with controls some of the dairy farmers who have gone out of business will be reluctant to return to the industry. It will not be until we can drop this method of artificially fixing prices that we will get a real resurgence into our basic industries. We need not worry about wool production.

There is plenty of country in South Australia which cannot produce anything but wool. Although we are now carrying more sheep in our inside country, due to high wool prices, much of the land inside Goyder's line will be used for more profitable production if wool prices fall. Then the sheep will go back to the pastoral areas. For our own security we must be able to feed not only ourselves but our Asian neighbours.

Mr. Dunks—Should the wool price be controlled?

Mr. SHANNON—No. I do not believe that price fixing will cure our troubles. It can only act as a palliative and be a temporary medium of relief to one section at a cost to another section. We cannot fix the price of any item of production or manufacture without affecting somebody. In these days of artificial economies we must investigate our profits and losses. Generally speaking, the economy of the State would be on a much sounder basis and the abnormal period through which we are now passing might be a much more swiftly moving phase if the law of supply and demand were permitted to operate. The Deputy Leader of the Opposition referred to the unfortunate New Australian who paid £800 for a condemned house in Thebarton. If the vendor did not tell him that it was a condemned house, he was guilty of a shifty act; but after all it is possible that this was the only chance for the New Australian to get a roof over his head. The New Australian said that he will be able to put the house in order by his own efforts and those of his tradesmen friends. In that case he will not incur the high labour costs which form such a large proportion of building costs today. Those efforts may result in his getting a home which he would not otherwise have obtained, because he may not have been eligible for a permit or he may have been unable to secure materials. That case cannot be used as a satisfactory reason for the re-control of the sale of house properties. I

would like to see all price control gradually lifted, although I realize the prices of certain goods in short supply must be controlled to prevent racketeering. I do not oppose all controls; but certain fundamental aspects should receive the regular attention of members. Although I do not oppose the Bill, I trust the Government will gradually get out of the field of price control and permit a realistic approach to our economic ills so that they may be cured. This is not the first time that human beings have been through this trouble. Similar periods of "boom and bust" have been experienced in ancient as well as in recent times. Whether artificial methods were used in an effort to cure the economic ills of the pre-Christian period I do not know.

The Hon. T. Playford—How long has price control been the subject of legislation in Britain?

Mr. SHANNON—I do not know; but for too long in our own history have prices been controlled. I am not worried about the purchase of land at £40 or £50 an acre by certain individuals. They will learn their lesson, and the sooner they learn it the better for them. The rank and file of the people of this State will not be affected by such purchases of dear land. Even with all the so-called benefits of price control men are going bankrupt today, and certain classes of men will continue to go through the bankruptcy court in future. I give this Bill a mean blessing, agreeing to trust my Government, the policy of which is to progressively rid the State of price controls. I believe that, if this Government is permitted to implement that policy, our State's economy will return to normal much sooner than is expected.

Mr. TAPPING secured the adjournment of the debate.

ADJOURNMENT.

At 8.55 p.m. the House adjourned until Wednesday, September 26, at 2 p.m.