

HOUSE OF ASSEMBLY.

Tuesday, October 27, 1953.

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

ASSENT TO ACTS.

His Excellency the Governor intimated by message his assent to the following Acts:—Agent-General Act Amendment, Food and Drugs Act Amendment, Public Service Superannuation Fund Act Amendment, and Weights and Measures Act Amendment Acts.

OPENING OF PARLIAMENT BY THE QUEEN.

His Excellency the Governor intimated by message that new Standing Order No. 35A adopted by the House on September 30, 1953, had been approved by him in Executive Council on October 8, 1953.

DISTINGUISHED VISITOR.

The SPEAKER—I see in the gallery a very distinguished visitor, the Ambassador of the United States of America in Australia, His Excellency Mr. Amos J. Peaslee. I am sure it is the wish of members that he should be honoured by being given a seat on the floor of the House.

Mr. Peaslee was escorted by the Minister of Lands (the Hon. C. S. Hincks) and Mr. O'Halloran (Leader of the Opposition) to a seat near the Speaker's Chair.

QUESTIONS.**OBSCENE PUBLICATIONS.**

Mr. FRANK WALSH—From time to time there has been much comment in all States on the need to control obscene publications. It has been stated that action by one State Government would be ineffective without similar action by other Governments. In this morning's *Advertiser*, under big headlines, there is an article on the introduction of legislation in the New South Wales Parliament for the control of these publications. Did the Minister of Lands, who is in charge of the House this afternoon, see the article and will he request the Government to get a copy of the proposed New South Wales legislation with a view to introducing similar legislation here?

The Hon. C. S. HINCKS—I did not see the report in the *Advertiser*, but I am prepared to discuss the matter with my colleagues with a view to some action being taken.

RAILWAY IN MAIN STREET, PORT PIRIE.

Mr. DAVIS—Owing to the heavy railway traffic in the main street of Port Pirie and the increase that will take place when the uranium plant is in operation, I ask the Minister of Railways whether the Government, or the Railways Commissioner, has considered the advisability of removing the railway line from that street?

The Hon. M. McINTOSH—I have had no official representations on the matter, so obviously I could not have given any consideration to it. If the request comes forward it will be considered.

KAPUNDA HIGH SCHOOL RESIDENCE.

Mr. MICHAEL—Will the Minister representing the Minister of Education ascertain the reason for the delay in building the headmaster's residence at the Kapunda High School?

The Hon. M. McINTOSH—I will give immediate attention to it, but I point out—and I think the House desires it—that the Government's policy is for the highest possible priority to be given, not to the building of residences, or improving residences, but to providing accommodation for the children. The total amount available to the department, and the Government in general, is limited; therefore first things have to come first. If there has been any delay it has been unavoidable.

Mr. Michael—The contract was let three years ago.

The Hon. M. McINTOSH—Then it is the fault of the contractor concerned. I hope to be able to bring down a reply tomorrow.

WESTERN DISTRICTS WATER PRESSURE.

Mr. HUTCHENS—Since last evening I have been inundated with complaints from constituents in the Hindmarsh district regarding the poor water pressure, some claiming that they were unable to get any water, but all complaining that there was not sufficient to flush conveniences. One butcher had rung the Electricity Trust asking that it take up with the Engineering and Water Supply Department the question of insufficient pressure to enable the use of electric water heating appliances. I fully appreciate the difficulties of the Minister of Works and his department, and that one cause of the lack of sufficient water is that many private services are in need of renewal. Yesterday, with a reading of 83deg., was the first warm day since the winter, and there appears little chance of improvement in water pressures until the connection with

the Mannum pipeline is completed, but I should like the Minister to take steps to have all departmental bores in the district put into operation and any other action taken that might help to ensure residents in the western districts sufficient water for essential purposes.

The Hon. M. McINTOSH—I appreciate the kindly and friendly way in which the question was put and I will reply likewise. I anticipated the request and instructed that all the bores of good quality be immediately put into operation. Following on the good winter rains I imagine that the quality of the water will be very good and, by using the bores, pressures will be better. With the permission of the House, I point out that although the temperature yesterday was only in the eighties, within a limited period—between 5 and 8.30 p.m.—we had probably the greatest demand ever made on our water supply system. It was like everyone rushing to catch the first tramcar after a big football match, for it was the first day for a long time on which people had to use much water on their gardens. Although only 60,000,000 gallons of water was used yesterday we had more difficulties in some areas than we have had in supplying 81,000,000 gallons in the same period in other years. Therefore, unless we can get some voluntary co-operation I am afraid we shall have to not only use bores, but call upon the public to submit to some regulation in the use of water—and I use the term “regulation” advisedly rather than “restriction.”

Mr. Lawn—What is the difference?

The Hon. M. McINTOSH—People can use as much water as they want to, but not all at the one time. Last year 9,000 new services were connected with water supplies in the metropolitan area and nearly 6,000 of these, or two-thirds, were made in the western area which in the past has been the worst affected. Moreover, 20,000 new connections were made in the last two years, and almost half were in the western suburbs. Recently the Engineer-in-Chief said that the extent to which regulation would be necessary this summer depended not on the quantity of water available in the reservoirs, which are full, but on the progress made with the new pipeline from Hope Valley, and would depend finally on the public's co-operation in the use of water for gardening during peak periods, when there is a heavy demand for ordinary household use. This peak period is between 5 and 7.30 p.m., and reports indicate that this was the real period in which any real disabilities occurred. As there is no suggestion of the

restriction of the use of water I appeal to the public to regulate their use of it so as not to put an undue demand upon the supply during this peak period. If this were done no official regulation would be necessary. If, unfortunately, this co-operation is not forthcoming, then, in order to protect the interests of the minority who could actually suffer hardship, the majority will have to submit to some inconvenience. The engineers of the department are constantly inquiring into individual cases to see whether local relief can be given, but the only real remedy is, of course, the completion of the Mannum-Adelaide pipeline and, coincidentally, of the big main from Hope Valley to Adelaide and connection with the western system in particular. No system can function satisfactorily if, without any regard to what the mains are capable of discharging, thousands of new homes and hundreds of new industries are established *en route*. We have to carry out our schemes in order of priority. We must first get the water to Adelaide in bulk and then deal with our distribution system. That is being done, but when any individual cases are put before me, such as those at Hindmarsh, we will see whether the individual's service is at fault or whether the fault is the department's. In many cases we are able to give relief.

KANGAROO ISLAND STOCK.

Mr. BROOKMAN—Owing to the abnormally dry conditions prevailing on Kangaroo Island many sheep will have to be brought to the mainland. Does the Minister of Lands know how many will have to be moved, and will there be any need for special facilities to bring them to the mainland?

The Hon. C. S. HINCKS—I read a report on the position that has arisen at Kangaroo Island owing to shortage of rain, but I have had no official news from the island about the seriousness of the position. I certainly have not had any reports from the Soldier Settlers' Association, who I think would immediately get in touch with me if they were in difficulty. It has been a particularly dry season on Kangaroo Island. I have issued instructions for a report direct from the association, and when it is received I will be happy to show it to the honourable member.

FRUIT FLY CAMPAIGN.

Mr. DUNSTAN—Can the Minister of Agriculture say whether it is a fact that it has been the practice of the Department of Agriculture to allow commercial growers who live

within any proclaimed fruit fly area but about three-quarters of a mile or more from the outbreak, to market their fruit at the East End Market until the strippers arrive at their properties, and that that marketing is subject to inspection by two officers at the market who inspect the fruit for disease, and also inspection by orchard inspectors, nine of whom, I understand, are appointed for the whole State?

The Hon. Sir GEORGE JENKINS—It has been the practice of the department ever since the fruit fly became apparent here to allow commercial growers, under certain conditions, to market their fruit in the market. Such fruit is very stringently inspected, as suggested by the honourable member, to satisfy the department that there was no danger of the fruit fly being distributed from that source. This practice has proved successful.

Mr. MACGILLIVRAY—As the Minister of Agriculture is aware, my district depends entirely on the successful growing of various fruits, and growers there have been somewhat perturbed concerning some of the criticism appearing in the metropolitan press suggesting that controls be loosened. Has the Minister received any views of river growers on this matter, and if so, will he make them available to the House?

The Hon. Sir GEORGE JENKINS—Only this morning I received a petition from the honourable member's district signed by almost every organization there, and among other things it stated:—

Our growers are unanimous that total eradication is essential and that no half measures will be sufficient. Control measures have not been necessary in the past therefore the expense entailed annually and the capital outlay for equipment have not been part of the growers' economy. Any sudden addition of this nature would be severely felt. Many export markets would be lost, consequently extra fruit would be thrown on home markets which are now almost at saturation point. This particularly applies in the case of citrus this season.

The public would not be able to buy fruit with confidence; therefore values would fall, and servicemen's land settlement schemes at Loxton, Cooltong and other places would be placed in jeopardy.

While naturally this address presents the case from the point of view of commercial growers who, incidentally, include many ex-service settlers, we realize that we are only one section and that every section of the community is concerned, because this problem is so fundamentally related to our State's economy, and, apart from making commercial fruit growing more difficult and costly, would make back garden fruit growing impossible. It is felt that those who have criticized most

have no knowledge of the serious nature of the threat to the State, and that they certainly have no sympathy or understanding for the interests of anyone but their own. We have no doubt that the Government will continue to act in the best interests of the State, and we would like you to know that you have the wholehearted support of our hundreds of members in your efforts for total eradication. Also, that we will strenuously oppose any move to vary this action.

That petition was signed by the president of the Murray Citrus Growers Association Limited (Renmark Branch); the chairman of the Berri A.D.F.A.; the chairman of the Loxton Irrigation Branch, Agricultural Bureau; the chairman of the Waikerie branch, Agricultural Bureau, the chairman of the Renmark branch, S.A. Fruitgrowers and Market Gardeners; the president of the R.S.L., Renmark Sub-branch; the vice-chairman of the Renmark A.D.F.A.; the chairman of the Cooltong Soldier Settlers' Association; the chairman of Renmark branch, Murray Citrus Growers Co-operative Association; the president of the Loxton R.S.L. Sub-branch; the president of the Land Settlement, Loxton Association; the chairman of the Renmark North and Chaffey Agricultural Bureau; the chairman of the Upper Murray Grape Growers Association; and the chairman of the Renmark Irrigation Trust. I am sure the House will realize that a petition signed by such a representative body of people interested in the industry must have considerable weight with the Government, and I assure the honourable member that it has no intention of letting up on its policy of total eradication.

Mr. SHANNON—People in my district interested in the growing of fruit for a livelihood will be pleased at the Minister's statement that the Government proposes to pursue a policy of eradication rather than a policy of defeatism in trying to control fruit fly. Will he secure for the benefit of members the actual value of the produce exported from South Australia to markets which we enjoy because of our freedom from fruit fly and no other State enjoys, particularly in regard to apples, pears and citrus fruits? From this information members would realize the Government is not spending an exorbitant sum in this field, but only a tithe of the amount the State reaps by way of profit from the sale of fruit free from fruit fly.

The Hon. Sir GEORGE JENKINS—I could not give the honourable member the information offhand, but I will get it for him. In addition to the fruit exported, a considerable quantity is consumed locally, and the consumers here are equally interested in the eradication of the fruit fly pest.

Mr. JOHN CLARK—Recently we have heard much inside and outside the House concerning the fruit fly and the arguments for and against the present methods of eradicating it. We all know the measures taken in the metropolitan area, but can the Minister of Agriculture say what precautions are taken in country areas?

The Hon. Sir GEORGE JENKINS—In country fruit-growing areas inspectors of the Department of Agriculture, Horticultural Branch, are constantly in touch with the growers. Bearing in mind the number of reports we get in the metropolitan area from people suspicious of the presence of codlin moth, fruit fly, etc., I am sure that people interested in fruit-growing in the country would not miss the opportunity to bring any suspicious circumstances under the notice of our horticultural experts in their districts.

MOVEMENT OF WHEAT, EYRE PENINSULA.

Mr. PEARSON—I was informed during the week-end that the movement of wheat from sidings to the depots at Cummins and Port Lincoln was being somewhat restricted because these depots are nearly full, and in the absence of some shipping in the near future it will be necessary for the railways to curtail their movement of wheat. In view of the approaching harvest it is desirable that wheat should be moved freely. The railways have done an excellent job so far in moving the old crop. Will the Minister of Agriculture bring this matter under the notice of the Wheat Board and see if action can be taken to get a ship to Port Lincoln at an early date?

The Hon. Sir GEORGE JENKINS—I shall be glad to bring the matter under the notice of the board, seek information of the position from it and bring it down to the House.

RAILWAY CROSSINGS.

Mr. LAWN—Can the Minister of Railways state what type of automatic crossing barriers the Railways Department is installing in the metropolitan area or in the country, and whether provision will be made for such barriers at all crossings?

The Hon. M. McINTOSH—The answer to the second part of the question is "No." It is physically impossible to provide for automatic barriers at all crossings. In the first place it depends on the availability of electricity, and, secondly, the State could not afford the cost. Where the risk is the greatest the State already has installed warning devices,

and this to a greater extent than in any other State. I have said before that we have not had a resultant benefit in the accident rate, because on certain occasions the warnings have been ignored and accidents have resulted. At many crossings in Victoria they have gates, but on inquiries from the Minister there I was told that motorists had crashed through them, and we have had similar accidents here. It is remarkable that in Adelaide, in passing from, say, North Terrace to Flinders Street, there is a stop at every crossing, and yet people do not think it worthwhile to stop for a second on a journey of 150 miles in the country. If we had compulsory stop signals at every crossing I think there would be fewer accidents, but I doubt whether anything else would safeguard people against accidents. I will ascertain the number of automatic gates which have been installed, but I believe they are relatively few and very costly. Their importation from America required licences. About 20 have been installed, where the greatest concentration of traffic occurs. Two things must be borne in mind: firstly, the recognition that rail crossings are always dangerous, and secondly, the most effective warning is a compulsory stop.

Mr. STEPHENS—A few days ago the Minister of Railways referred to the suggestion to have stop signs placed at all railway crossings. Have only councils the right to erect them, and, if so, will the Government request councils to erect signs at all railway crossings? If they are not prepared to co-operate, will legislation be introduced giving the Government power to compel them to do so?

The Hon. M. McINTOSH—Stop signs are put up after collaboration between the police and local government bodies. It is outside the function of the Railways Department.

Mr. O'Halloran—A provision was put in the Act about 1939 or 1940. Has it been taken out?

The Hon. M. McINTOSH—I will check on the matter, and see what the Railways Commissioner has to say about it. I do not think that stop signs should be at every railway crossing. I have in mind a crossing where a train crosses only once a week. As Minister of Railways I have never been consulted when an application has been made for a stop sign, but if I were asked for my approval I would say "Yes."

Mr. LAWN—The Minister said it would be impossible to install automatic barriers or electric bells at all crossings because of lack

of electric energy. Is he aware that a former South Australian railway apprentice, after completing his time, left the State and worked for some years in English railways and patented many inventions concerned with railway matters? He has returned to this State and has a business in Gouger Street. He has patented an electric warning bell system, which is, fundamentally, the installation of a piece of wire from the crossing as far back as railway authorities determine necessary, and the locomotive's electric current provides the power necessary to ring the bell. A few months ago representatives of the Tramways Trust and the railways inspected this invention. The trust advised him it was very interested and intended giving the invention a trial, but I believe the railways' representative was rather curt. Is the Minister aware of the invention and, if so, can he say why the Government has not adopted it? If he is not aware of it will he call for a report?

The Hon. M. McINTOSH—I know that representations have been made along the lines the honourable member indicated, but I am also aware, after 30 years in this House, of all sorts of inventions to overcome all sorts of difficulties, but the human element always comes into it. I am not sure whether I have in mind the same case as the honourable member, but I have been advised that in actual practice some of these inventions fall down on what might be regarded as minor disabilities but in practice are actual disabilities. I will call for a report and bring down a reply as soon as possible, but representations along the lines the honourable member has indicated have not been regarded as conclusive, either as to the effects on the one hand or the curtailment of danger on the other.

SEPTIC TANKS SYSTEM, BLACKWOOD.

Mr. DUNKS—Last night at Blackwood at a meeting of the ratepayers in the area I learned that they have been trying to install septic tanks but have found that because of the ground structure, with a clay subsoil in many instances, it is almost impossible to make them operate, the effluent from the tanks and the water from the property running into the streets. These residents have been served by the local board of health with notices requiring them to stop the water running into the street. The main question discussed at the meeting was the dual control of septic tanks. It seems that a resident must apply to the Central Board of Health before installing a septic tank. That board inspects them, but, when they commence to operate, the local board may

serve a notice, stating that they are not operating correctly. At the meeting it was resolved that I should approach the responsible Minister to see whether the legislation could be altered to take away the dual control and authorize the Local Board of Health to have the rights both of registration and examination. Can the Minister of Works, who is also the Minister of Local Government say whether that could be done?

The Hon. M. McINTOSH—The honourable member asked me to arrange that an officer of the Engineering and Water Supply Department should attend last night's meeting at Blackwood and that officer has reported to me that he did so and that two useful suggestions were made, but the suggestion of the honourable member had not come to my notice so I have not had an opportunity to consider it. As it is obviously a matter of dual control under two Ministers I cannot say "yea" or "nay" until I have discussed the matter with my colleague. I will do so and bring down a reply as to the policy of the Government as soon as possible.

OIL IN SOUTH-EAST.

Mr. FLETCHER—Has the Acting Leader of the Government a reply to my question of August 25 regarding the results of geological surveys for oil in the South-East?

The Hon. C. S. HINCKS—I have a report from the Director of Mines which is as follows:—

The Department of Mines recently completed a detailed geological survey of the South-East and the western district of Victoria in co-operation with the Victorian Department of Mines. This investigation was concerned primarily with a study of the oil possibilities in this area and was arranged by the Governments of the respective States. The report is now available for general circulation and a copy is attached herewith. It will be published in the *Mining Review* in due course. The prospects are not promising and drilling is not recommended but further geophysical work is justified. It should comprise seismic surveys of selected areas to obtain more precise data on the subsurface structure of rocks. It involves a specialized geophysical technique which only the Commonwealth Bureau of Mineral Resources have so far practised to any marked extent in Australia. It is recommended that the Commonwealth be asked to assist in this further investigational work and the question of practical tests can then be considered in the light of the results so obtained. If the Commonwealth cannot assist consideration could be given to the procurement of seismic equipment for the department as there are other areas in the State which warrant investigation by the technique, in particular the Nullarbor Basin.

COUNTRY WATER SUPPLIES.

Mr. TEUSNER—Can the Minister of Works make a statement with regard to the adequacy of water supplies in country areas and say whether the present quantity of water stored by the Warren and Barossa reservoirs is sufficient to meet the reasonable requirements during a normal South Australian summer of persons living in the Barossa and adjoining districts serviced by those reservoirs?

The Hon. M. McINTOSH—The position is such that, when I hear reports, they are usually to the effect that the position is unsound, and it has become almost axiomatic that no news is good news. Working on that principle I take it that the Warren and Barossa reservoirs are in good shape. However, it must be borne in mind that many scores of thousands of pounds have been expended in connecting reservoirs with reticulation schemes, in particular the Warren reservoir with the original Morgan-Whyalla scheme and the Barossa with bores of good quality water, so that adequate supplies are ensured for the summer. As in Adelaide some inadequacies of pressure are suffered in peak periods, but that is inherent in every water supply and transport system in Australia. I am satisfied the supplies are there and every effort within the amount voted by Parliament will be directed to improving pressures.

LARGS BAY JETTY.

Mr. TAPPING—Has the Minister of Marine a report on repairs to the Largs Bay jetty which was damaged by storm earlier this year?

The Hon. M. McINTOSH—I have a lengthy report which I will let the honourable member have for his information and publication in his district. The amounts involved range from about £11,500 to £71,000. I will not go into details now, but immediately the Harbors Board returns from a visit to other States I will ask it to consider the feasibility of reconstructing a portion of the jetty, utilizing the discarded materials from the major portion. It is neither feasible nor likely that anything approaching the present length of the jetty can be made useful again, but I think that with reasonable expenditure about 450ft. could be made available for public use, and I will ask the Board whether that could be done.

EXPLOSIONS IN GLENELG DISTRICT.

Mr. FRED WALSH—Last Wednesday and Thursday nights a series of explosions was heard distinctly by residents along the waterfront from Glenelg to Henley Beach, particu-

larly in the Henley South area, where I understand they were particularly violent and mystified the residents. I understand the police made some investigations into the cause. Does the Minister of Works know the result of the investigations, and can he assure the House that they did not emanate from the Glenelg Treatment Works?

The Hon. M. McINTOSH—If they did emanate therefrom I would expect to be advised, but I have heard nothing about it. I would be amazed if explosions came from the Glenelg Treatment Works. As the question has been raised I will follow it up.

FIRLE FEEDER BUS SERVICE.

Mr. DUNSTAN—Has the Minister of Lands any further information to give following on questions I have asked about the Firle feeder bus service?

The Hon. C. S. HINCKS—The following report has been received from the general manager of the Tramways Trust:—

The trust has under review the whole of the services of the metropolitan area and recently engaged experts who examined the scheme formulated by the trust. It is important that the various steps taken will be in conformity with an integrated scheme. In order to improve the position, the service was increased some few weeks ago, and it is under observation for such further adjustment as the situation demands.

WHEAT MARKETING PLAN.

Mr. SHANNON—As a result of legislation now before the House dealing with wheat marketing arrangements for the coming harvest, can the Minister of Agriculture say whether legislation will be required for a poll to be taken of growers in this State before we can enter into a stabilization plan to ensure wheatgrowers, for wheat for home consumption, at least a cost of production price, which I believe the Minister says is desired by the parties concerned in the present agreement?

The Hon. Sir GEORGE JENKINS—The Commonwealth Government insists, in respect of any wheat stabilization scheme, that a poll of growers be taken because stabilization envisages a tax upon them. Legislation for a poll to be taken will be brought down if the other States indicate their intention of agreeing with the principle. I have received a communication from the Federal Minister for Commerce and Agriculture on this matter and I have informed him that if the other States are agreeable to the taking of a poll South Australia will agree to the scheme and bring down the necessary legislation for a poll here.

TUBERCULOSIS X-RAYS.

Mr. HUTCHENS—At present the Department of Health is conducting X-rays in the Hindmarsh Town Hall of people from the subdivisions of that district. I am delighted to note the effective way in which the staff is working, but I am concerned that during two hours in the evening they have to work at a great rate in X-raying twice the number of people they usually examine in any four hours during the day. It would be of great advantage if more people would attend during the day. Will the Minister of Lands ask the Minister of Health to make an appeal to housewives and shift workers to attend during the daytime in their own interests as well as the interests of a busy staff?

The Hon. C. S. HINCKS—I am sure the Minister of Health will be pleased to know that the honourable member is keen for the health survey to be a success. I will take up the matter with the Minister to see whether publicity can be given to the suggestion. Perhaps the press would be willing to help. It seems that there is no unemployment in Hindmarsh, otherwise more people could attend during the daytime, but perhaps housewives could be X-rayed then, thereby saving congestion at night when persons in employment are present.

POST-POLIOMYELITIS TREATMENT.

Mr. FLETCHER—I have a letter stating:—

For the past five months—from May 11 to September 29—I was a poliomyelitis patient at Northfield. I now have physiotherapy treatment twice a week in Mount Gambier. As you probably know, post-poliomyelitis patients in the city and suburbs have their treatment free of cost. Do you know of any possible way that treatment in Mount Gambier could also be given free of cost? My youngest daughter is also a poliomyelitis patient, now at Somerton, but we hope to have her home in February. Can the Minister of Lands indicate the position in the country? Will he obtain a report from the Minister of Health?

The Hon. C. S. HINCKS—If the honourable member will let me have the correspondence I shall be happy to take up the matter with the Minister of Health and get a report.

PRICE CONTROL STAFF.

Mr. STEPHENS—Is it a fact that the Prices Branch has reduced its staff recently by 12? Is that an indication that the department intends to relax control in this State?

Mr. Shannon—It would be a good thing if it did.

The Hon. C. S. HINCKS—I do not know the reduction figures but I agree with some of

my colleagues that it would be a good thing if there were some reduction. However, I will get the figures for the honourable member.

MELBOURNE EXPRESS.

Mr. TAPPING—Under the heading "Overland in Daylight" a letter in today's *Advertiser* states:—

A daylight train service between Adelaide and Melbourne should prove popular in the summer months of each year. Parts of the route are quite scenic and many people might travel for the trip alone. The railways should be in a position to provide this extra service between the capitals. The train could consist of the new air-conditioned sitting-up cars together with a couple of the older "AE" and "BE" cars now used on some country services in each State. A fast schedule could be provided by diesel-electric locomotives, the train leaving Adelaide at 7 a.m. and arriving in Melbourne at 9 p.m.

Is it proposed to inaugurate such a service?

The Hon. M. McINTOSH—With the late Commissioner of Railways I frequently went into that suggestion. I agree with the writer that it would be a worth while service, but unfortunately the Victorian Government has not been agreeable, either because of lack of rollingstock or because it thinks it would not pay. I will ask the present Commissioner to go further into the question because I think it would be both desirable and remunerative.

Mr. SHANNON—As one who, with others known to yourself, Sir, suffered great inconvenience as the result of the very late departure of the Overland express on Thursday evening, I ask the Minister of Railways whether it would be practicable, when the West-East express is running very late, to divide the Overland express into two divisions, taking on the first those Adelaide passengers who have made business appointments in Melbourne, and on the second the passengers from Western Australia who are late in any case? Unless something is done in this direction I believe that some traffic—perhaps a great deal—will be lost to the aerial services in respect of people who have to be in Melbourne at a specific time to meet business engagements. On the occasion not only were certain male passengers much inconvenienced, but some woman complained that they had made arrangements to attend an important conference in Melbourne and by reason of the long delay could not possibly keep their appointments.

The Hon. M. McINTOSH—I will gladly take up the matter with the Railways Commissioner, but it should be pointed out that frequently the air services, because of adverse

weather conditions, neither land at the place expected nor arrive on time. The late Mr. Chifley was supposed to have said, "I travel by air when I have time to spare." However, the point raised is worthy of investigation and I will be glad to take it up to see whether we can improve an already good service.

SOLDIER SETTLERS' STOCK.

Mr. FLETCHER (on notice)—

1. To what account does the Lands Department credit the proceeds of sales of soldiers settlers' stock over which the department holds stock mortgages?

2. Are settlers advised immediately when returns from sales are received from stock agents and statements given of the balance owing by the settlers on their accounts?

The Hon. C. S. HINCKS—The replies are:—

1. To interest and principal of the settlers—stock account.

2. Not by the department. The stock firm would normally issue an account sales direct to the settler.

COLLECTIONS FOR CHARITABLE PURPOSES ACT.

The Legislative Council intimated that it had passed the following resolution in which it requested the concurrence of the House of Assembly:—

That this Council approves of the making of a proclamation under section 16 of the Collections for Charitable Purposes Act, 1939-1947, in the following form:—

South Australia, to wit: Proclamation by His Excellency the Governor of the State of South Australia.

By virtue of the provisions of the Collections for Charitable Purposes Act, 1939-1947, and all other enabling powers, I, the said Governor, with the advice and consent of the Executive Council, being satisfied that moneys or securities for moneys to the amount of one thousand pounds (£1,000) held by Toc H (South Australia) Incorporated, a body corporate incorporated under the provisions of the Associations Incorporation Act, 1929-1935, and a body to which a licence has been issued under the said Collections for Charitable Purposes Act, 1939-1947, for a certain charitable purpose within the meaning of the said Collections for Charitable Purposes Act, 1939-1947, namely, for the purpose of providing huts for returned servicemen on holiday at Winston Dugan Camp at Victor Harbour, are not and will not be required for the said purpose, do hereby by proclamation declare that the said moneys or securities for moneys, together with any interest accrued thereon, shall be vested in and transferred to the Honourable Alexander Lyell McEwin, Chief Secretary and

the Minister of the Crown to whom the administration of the said Collections for Charitable Purposes Act, 1939-1947, has been committed by the Governor, to be by him applied to the following charitable purpose, namely, to the payment or transfer thereof to The Soldiers Home League of South Australia Incorporated for the purposes of Myrtle Bank Home. The making of this proclamation has been approved by resolution of both Houses of Parliament.

Given under my hand and the public seal of South Australia, at Adelaide, the..... day of....., 1953.

By command,
Chief Secretary.

OFFENDERS PROBATION ACT AMENDMENT BILL.

Returned from the Legislative Council without amendment.

FRUIT FLY ACT AMENDMENT BILL.

Returned from the Legislative Council with a suggested amendment.

WHEAT INDUSTRY STABILIZATION ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from October 21. Page 1136.)

Mr. O'HALLORAN (Leader of the Opposition)—This Bill represents a bad structure on a perfectly good foundation. It is firmly based on the policy of the Australian Labor Party to arrange for the orderly marketing of primary products and for the stabilization of prices, and for that reason I must support it. However, when I see the source from which it emanates, namely, the Federal Liberal-Country Party, and when I see the sheer hypocrisy expressed by people very high in those circles it makes me wonder how long we of the Labor Party have to continue to support legislation of this kind because of the principles in which we believe, when it is brought down by those who, while claiming not to believe in those principles, persistently and continually abuse us because we do. We all remember the discussions between the Federal Minister for Commerce and Agriculture, Mr. McEwen, and the State Ministers of Agriculture, and the fact that the Governments of Victoria and Queensland held out for a period against the price of 15s. a bushel for home consumption originally suggested by the Federal Minister, and that as a consequence of the attitude of those Governments the price has been reduced by 1s. a bushel, which is much more realistic than the 15s. originally proposed. However, I read in this morning's *Advertiser* that no less a person than the Federal President of the Liberal Party, Mr.

W. H. Anderson told the Federal Council of that Party that, "The Australian people have turned their backs on Socialism" and made other remarks of a similar nature. If there is one thing that we should be in this country it is consistent in our political principles. If the Liberal Party is opposed to Socialism, as the Federal president proclaims, why is this Bill on the file, and why is it being debated here today? I am getting tired of this political hypocrisy, this canvassing for support on any but truthful premises, and it is about time our friends opposite, who have, I will say, shown a more realistic approach than their Federal conferees on these matters, took such a stand as I am taking this afternoon. We on this side believe in orderly marketing and the stabilization of prices of primary products, and we are prepared to make sacrifices in order that our primary industries may be placed on a reasonably prosperous plane.

This Bill is a means of overcoming an objectionable restriction on orderly marketing imposed on the Federal Government by the Constitution. Down the years the Labor Party has consistently sought to remove this restriction, and just as consistently has been opposed by members of both the Federal and State Liberal and Country Parties. The Bill represents an attack on what these gentlemen normally call the "sacred" principles of Federation. It is not to be considered merely as legislation of this Parliament—for unless uniform legislation is passed by all the States concerned, it might just as well not be passed at all. Each State will refrain from actually amending it for fear of upsetting the whole scheme. This legislation is the result of an agreement between the States, and if we amend it in any substantial respect we shall upset the whole scheme and jeopardize the future of our wheatgrowers in the process. Under the Bill the States are ceding similar powers to the Commonwealth for the purpose of preserving the orderly marketing system, which has been found to be not only unavoidable but necessary. The measure is not only unificationist in nature, but also socialistic, and on both these counts it is legislation which a so-called Liberal (and anti-socialist) Government ought not to introduce.

Although we on this side do not oppose the principle expressed in this type of legislation, and although we shall not be permitted to amend the Bill in any detail, it is still within our province to point out objectionable features, and even suggest amendments.

In effect it proposes to guarantee producers of wheat something above the officially determined cost of production for all wheat consumed locally. In return for this producers will be obliged to deliver their wheat to the Australian Wheat Board. In Australia we have never considered it necessary or desirable to guarantee any price exceeding the cost of production. Thus producers should not be guaranteed 14s. a bushel unless that is the actual (or accepted) cost of production. The Opposition's policy is perfectly clear. In and out of season we are prepared to guarantee the cost of production to the Australian farmer for the wheat he produces, and we think we are entitled in return to be able to purchase wheat at the guaranteed price—in other words, at the accepted cost of production. As to determining the cost of production, we are prepared not to have it based on a bare living wage standard, as for the workers, whose standard can be destroyed at the whim of a tribunal outside of Parliament which can set itself up as an economic oligarchy. We are prepared to admit not only that the wheat farmer is entitled to the cost of production, but that that cost should be based upon a fair profit to enable him to carry on his industry. That is where I question the price proposed in the Bill, one which is to continue for three years. As I understand it, the legislation provides that the price for local consumption for all purposes shall be 14s. a bushel, or the International Wheat Agreement price, whichever is the lesser. Under that agreement the minimum price at present is 13s. 10d. a bushel, and if it is ratified by Australia it will, to all intents and purposes, continue in operation for the period of the agreement. Sub-clause 3 of clause 9 requires further explanation from the Minister, because he did not refer to it in his second reading speech. It provides:—

If the price applicable under the last preceding subsection is less than the cost of production, the price, in the case of sales to which that subsection applies, shall, subject to the next succeeding subsection, be an amount per bushel equal to the cost of production.

That seems to indicate that if the cost of production rises above 14s. a bushel in the intervening period the 14s. will not operate for local sales, but the cost of production, whatever amount over and above the 14s. it may represent. For that reason I suggest that the cost of production is a very important subject at the present time. I am not happy about the method of ascertaining the cost of wheat production in Australia. I can remember the

time—and my memory goes back for a long period, because I have always been very interested in trying to do something to stabilize the wheatgrowing industry—when at least between 1929 and 1939 every farmers' organization in this country was clamouring for a guarantee of 10s. a bag—3s. 4d. a bushel. There is a vast difference between 3s. 4d. a bushel and the 14s. mentioned in the Bill.

The Hon. Sir George Jenkins—And there is a vast difference between the basic wage of today and that ruling at that time.

Mr. O'HALLORAN—Not the same percentage of difference. The basic wage of 1953 is not over four times as great as the basic wage of 1939.

Mr. Fred Walsh—It is not even three times as great.

Mr. O'HALLORAN—That is so. This figure of 14s. a bushel is 2s. more than the found cost of production on last year's figures. On the estimates made from time to time there should not be a very substantial increase in these costs for the current year. Costs last year amounted to 11s. 11d. a bushel, and it is estimated that the found cost this year will be somewhere between 12s. 6d. and 12s. 8d. a bushel. Let us look at some of the figures which went into making up the cost of production in 1952-53. The farmer's labour, which is intended to cover a reward for responsibility of management, amounted to 48.37d., or 8d. a bushel more than farmers were quite happy to accept for growing wheat in 1939. Harvest labour represents 10.35d. Those two items represent almost 5s. out of the found cost of 11s. 11d. last year. Other labour represents 9.82d., maintenance of machinery 9.70d., structures, 8.32d., depreciation 10.12d., and fuel 21.88d., a very substantial item. I can remember the time, not many years ago, when farmers did not buy fuel, but grew it. I am wondering whether it is not the modernization of cultural practices that has loaded the cost of the agricultural industry to the extent that it is now looking for more and more from the Australian people to enable it to carry on at a profitable ratio. I have spoken on this matter before, and I know it is not popular to suggest that we might consider getting back, to some extent, to the use of horse power. There is a very significant lesson to be learned from what happened in London last weekend. The supplies of fuel oil were cut off, not by an enemy, but because there was a strike of drivers of petrol tankers. We are told by the press that the strike was in defiance of the union leaders, but whether it was authorized or unauthorized

it almost immobilized the transport of London and the greater part of England. As I have suggested before, we should have some regard to what could happen in this country if we should become engaged in a major war and our fuel oil supplies were stopped altogether as a result of enemy action. It would be a poor look-out not only for transport, but for the food producing industries in this country. Reverting to cost of production items, interest on borrowed capital is represented by 1.85d. and interest on the farmer's equity by 19.18—nearly 1s. 8d. a bushel. I do not object to the farmer being credited with interest on his equity in the farm provided that equity is fairly estimated, but during the last few years the price of wheatgrowing land in this State has risen from between £8 and £10 to about £40 an acre. If we are to defend an increase in the interest return based on that type of equity, obviously there is no limit to the ceiling to which the price of wheat might go.

Mr. Heaslip—But the price is not fixed on those high values.

Mr. O'HALLORAN—No, but it has been suggested that it should be fixed on the increased values of those equities, and the Federal Department is being asked to take into account what are termed the real values of properties today, so next year the price may be fixed on those higher values.

Mr. Heaslip—Would it not be a truer reflection of cost?

Mr. O'HALLORAN—I do not think the price of wheat should be based on the prices paid for land by land-hungry monopolistic individuals at public auction. Better use should be made of our land and the kind of socialism in which Labor members believe is not the kind that protects monopolies, but that which seeks to protect the people from monopolistic institutions. The list of costs continues:—Cornsacks, 3.74d.; seed, 8.54d.; rates and taxes, 4.30d.; insurance, 2.46d.; rent, 2.47d.; miscellaneous, 3.94d.; total, 180.28d. An adjustment is then made for the value of sidelines produced on farms, and the net cost is fixed at 118.39d. a bushel. That gives the figure on which last year's prices were based, but the Wheatgrowers' Federation is asking the Federal Bureau of Agriculture for a revision of prices. I wonder whether that revision will be upwards so that that part of the clause which I mentioned will come into effect and whether even more than 14s. a bushel will have to be paid for wheat used for local consumption.

The decision to guarantee producers 14s. a bushel for wheat consumed in Australia has apparently been determined by an anticipated fall in the price of barley and oats relative to that of wheat. The distinction between wheat used for human consumption and wheat used as stock feed—a distinction which was forced upon us by producers some time ago—is to be abandoned. The effect of the Bill in this respect will be to lower the price of feed wheat (for purposes of competition with barley and oats) and compensate for the difference by an increase in the price of wheat used for human consumption. Stock feed wheat has been 2s. a bushel higher than wheat for human consumption but will in future be the same. In this connection it should be noted that the Commonwealth subsidy on stock feed wheat will not be payable in respect of 1953-54 wheat. During the last two years the subsidy has had the effect of raising the price of stock feed wheat to producers to export partly (agreement price).

The cost of making good to the wheatgrower the loss of the Federal 2s. a bushel subsidy on stock feed wheat will be placed on the people who use wheat for human consumption in this country. That would not be so bad if the Federal Arbitration Court had not abolished the quarterly automatic wage adjustments, but the Minister suggested that the impact on the cost of living of the loss of the subsidy would probably be about 1d. for a 2lb. loaf—probably an intelligent guess. It takes 47 bushels of wheat to make a ton of flour. I understand that offal is rather difficult to dispose of at present, so the price of flour would have to be loaded slightly to recover the £4 14s. a ton represented by the increase of 2s. a bushel for wheat for human consumption; therefore the Minister's figure will probably prove correct. We have been told that we will benefit from a reduction in the price of pig meats and poultry products, particularly eggs, but I think not, for their producers will continue this year to pay the same price as they paid last year for wheat for stock feed. In general, this legislation is objectionable in that it imposes upon the people of Australia the obligation to pay more for wheat (in the form of flour, etc.) than is warranted according to the cost of production. The Bill is incomplete in that it does not include provision for stabilization. This afternoon the Minister said that stabilization legislation might have to be introduced at a later stage.

Mr. Shannon—Why is this called a Stabilization Act?

Mr. O'HALLORAN—Precisely. We have been told by the Minister that this Bill has nothing to do with stabilization and that further legislation may be necessary to enable a ballot to be taken to permit a stabilization scheme, yet the title of this Bill is "An Act to amend the Wheat Industry Stabilization Act." Had the Federal Liberal Government, and in particular the Minister for Commerce and Agriculture, been as enthusiastic in the interests of wheatgrowers as they profess to be, they could have introduced legislation months ago which would have enabled the whole thing to be determined on a proper basis and done two things: firstly, it would have permitted Australia to join the International Wheat Agreement for three years, and secondly, it would have enabled the industry in Australia to be stabilized for that period.

Mr. Shannon—The farmer might have voted against that.

Mr. O'HALLORAN—Possibly, and Labor members would not force a policy of stabilization of prices on any section of primary producers.

Mr. Shannon—And rightly so.

Mr. O'HALLORAN—If a majority approved of the scheme, the Government should give effect to it, but if they do not, that should be the end of the scheme. I think that is the proper attitude, for after all the growers should be able to manage their own affairs and determine what is best for them—an open market, a form of orderly marketing or some form of co-operation which in any case will probably be the ultimate solution of the problem. If growers put as much effort into establishing real co-operation within their industry as they do into bringing pressure to bear on Parliament in an effort to get legislation passed, probably in the long run the agricultural industry in this State would be better off than it is today or is likely to be in the future. This is a bad Bill on a good foundation. It implements a principle in which Labor members believe, and in spite of all its faults I support the second reading.

Mr. HEASLIP (Rocky River)—Although the Bill amends the Wheat Industry Stabilization Act, it is really a Wheat Marketing Act, and the Federal legislation is entitled "The Wheat Marketing Act." This Bill has nothing to do with stabilization or a guaranteed price. Over the last five years the wheatgrower has contributed substantially towards the Australian economy and has done much towards keeping down the cost of foodstuffs. Mr.

O'Halloran said that the wheatgrower's costs had risen to such an extent that soon he would be unable to export wheat at a profit, but he did not point out that over the last five years the price of wheat sold in Australia had been about half the export price.

Mr. Lawn—What has been the home consumption price?

Mr. HEASLIP—It has varied. I can give the prices since the stabilization legislation was introduced. In the first year of operation, 1949, the home consumption price was 6s. 8d. This figure, determined by the Bureau of Agriculture Economics was all that farmers received for wheat consumed in Australia, but for every bushel exported they received 16s. In 1950 the home consumption price was 6s. 8d. and the overseas price 17s. In 1951 home consumption price rose to 7s. and the export price to 18s., and in 1952 home consumption price rose to 10s. and the export price 21s. For the current year the price for home consumption is 11s. 11d. for human consumption and 16s. 1d. for stock feed. This year we received more for stock feed, because we now receive the International Wheat Agreement price of 16s. 1d., but this did not affect the cost of living except for those who produce poultry, bacon and eggs. The price of bread still remains the same although the export price for wheat this year is 19s. Over the last five years the wheatgrowers of this country have supplied their produce for the home market for less than half the price they would have received had it been exported, and it has been estimated, although it can only be a guess, that they have contributed over £200,000,000 because of this. Far too few people appreciate what wheatgrowers have done towards keeping down the cost of living in the last five years.

Mr. Lawn—What is the price for stock feed now?

Mr. HEASLIP—It is 16s. 1d., but under this Bill it will be reduced to 14s. The cost of production price will probably be 12s. 6d. or 12s. 8d. for this season, and we will be receiving 14s. or the international wheat agreement price, whichever is the lower. If the international wheat agreement breaks down and the export price comes down to 10s., we would then only receive the cost of production price—12s. 6d. or 12s. 8d. Although bread probably will rise by $\frac{1}{2}$ d. or 1d. a loaf the cost of bacon, eggs, poultry and dairy produce, or the products of any industries where wheat is used, should be lower.

Mr. Stott—Not by very much, because the consumer only pays 14s. 1d. and the amount is subsidized to 16s. 1d.

Mr. HEASLIP—I agree with the honourable member that it will not make much difference, because they have been receiving a 2s. subsidy from the Commonwealth Government which they will not receive under this scheme. The Leader of the Opposition mentioned the freezing of wages, or the abolition of cost of living increases. I have already mentioned the way in which the contributions of wheatgrowers have kept down the cost of living; the man on the basic wage, by foregoing the 2s. increase in his wage which would normally be added at the end of the quarter, will also be contributing towards keeping down costs. In the past wages have kept increasing, and costs have increased accordingly.

Mr. Lawn—The increased wage would be more than 2s. a week.

Mr. HEASLIP—That would be the increase from the end of this quarter.

Mr. Lawn—It applies only to the end of September.

Mr. HEASLIP—But it would come into force for the next quarter.

Mr. Lawn—We already know of the 2s.; if this Bill is passed you claim it will increase the price of bread by 1d. a loaf, thereby raising the cost of living.

Mr. HEASLIP—It will not come into operation until next year's harvest, and by that time we hope that a peak will have been reached and there will be a chance of prices falling. The Leader of the Opposition said that wheatgrowers should go back to horses. I was very surprised to hear this suggestion, because he knows the conditions that existed when farmers used horses, and the long hours they had to work. They had to produce enough wheat to feed their horses and at the end of the year found that they had worked for their horses rather than for themselves. If wheatgrowers went back to the practice of using horses they would not produce sufficient wheat to feed the people of Australia. To suggest that the modernization of farming methods by the use of tractors has brought about the increased cost of wheat is far wide of the mark; the biggest factor has been the increased cost of farm machinery caused by big rises in labour costs. Whereas once a binder could be purchased for £50, it now costs £200; a header which once cost £300 is now more than £1,000 and this applies to every implement used in farming today. The farming community has no control over these matters.

Mr. Quirke—But there is a great difference in the values of these machines today.

Mr. HEASLIP—I do not agree with the honourable member. A header purchased now will only last as long as a similar implement purchased 10 years ago.

Mr. Quirke—But the quality of the work in the machines is different today.

Mr. HEASLIP—Of course, we have progressed. Unfortunately this increased cost has to be spread over practically the same number of years as the smaller amount in the past, and this must contribute towards the higher price of wheat. As the Leader of the Opposition knows from personal experience, in the days when horses were used for farming we had to get up in the dark to feed them, after breakfast they had to be harnessed in the dark and in the frosts, they had to be fed at lunchtime, before dinner and again at 10 o'clock before we could go to bed, so I cannot understand his making such a suggestion. He also dealt with the cost of production, and quoted figures which he said caused the increased cost. I do not think he is right in saying that big landowners who rushed in to buy land at inflated prices are to blame, because unfortunately there is not enough good land to go around. If people are not prepared to pay the prices asked today for developed land, they must develop areas in which the rainfall may be uncertain and may be subject to droughts that periodically appear in this type of country, and when the land is developed, fences erected and a home built, the cost will be practically the same as that asked for the land already developed, so the price asked for settled land must be somewhere near the real value.

Mr. Quirke—Does the honourable member say that it costs £35 an acre to develop that land?

Mr. HEASLIP—That depends on what type of land it is. If you went to the A.M.P.'s blocks, probably you could find out. The Minister of Lands would be able to provide information, and private landowners also have a fair idea. If a settler goes into heavy country, subdivides it, builds a decent house and provides water, he will find it will cost close to £30 an acre, and that is near the value of land in settled areas.

Mr. Quirke—If the A.M.P. Society does not develop that country for half that price, there is something wrong.

Mr. HEASLIP—Under the old legislation the wheatgrowers had a guaranteed price, but this has been deleted from the Bill. There

is now no guaranteed price apart from the cost of production price for home consumption wheat. Wheatgrowers have contributed £20,000 000 to a reserve fund. The Federal Government guaranteed the cost of production for 100,000,000 bushels of export wheat in addition to that consumed locally, but under the Bill this has all gone. I trust that the further Bill mentioned by the Minister will be introduced this session because it has to be approved by every State before the Federal Government can make a levy on wheatgrowers to build up the fund without which it will not guarantee the price of wheat for export. It must be done this session or it will be too late. If it is done, a period of five years will be covered, and the growers will have to leave the £9,000,000 in the fund and contribute 1s. a bushel towards the guarantee. The farmers would be wise to accept the position. It is essential to build up the fund and make the position secure. Unfortunately the wheat industry has been in bad circumstances previously and it may be said that the contributions by the wheatgrowers in the last five years only offset the amount taxpayers contributed towards assisting wheatgrowers in the past, but it is not so.

Under paragraph (b) of subsection (2) of new section 9 the board will deduct from the total proceeds of wheat sold over the year 3d. a bushel for all the wheat grown by Western Australia, which means that the Western Australian growers will get 3d. a bushel more on export sales than growers in the eastern States. Despite what the Leader of the Opposition said about the present scheme being Socialistic it is desired by the wheatgrowers, and our Minister of Agriculture was largely instrumental in the decision being reached. It was only by agreeing to reduce the home consumption price to 14s. a bushel, which induced Victoria to come in, and to the 3d. a bushel deduction for Western Australian growers, that we have the legislation. Subsection (2) of new section 14 sets out that the home consumption price shall be 14s. a bushel or the international wheat agreement price, whichever is the lower. The agreement price could come down to 13s. 10d., and if the agreement broke down altogether the price could fall to 10s. If it did there is a provision guaranteeing the cost of production price for home consumption wheat, which would be about 12s. 6d. or 12s. 8d. a bushel. Subsection (4) of new section 14 deals with the transport of wheat to Tasmania. During the last

five years there has been much trouble regarding the transport of this wheat and on several occasions the wheatgrowers had to bear the transport costs. In one season they paid the freight on all wheat going to Tasmania. I do not know why they should be asked to pay this cost, but in order to meet it 1½d. a bushel can be charged the consumers. Under this Bill the charge can be adjusted if necessary.

In subsection (8) of new section 14 "the cost of production" is defined, and it says that the cost of production shall be ascertained by the Commonwealth Minister after consultation with the appropriate Minister of each State by taking as a basis the sum of 11s. 11d. as the cost per bushel of the production in Australia of the season that ended on September 30, 1953, and making such variation as he considers necessary by reason of variations in the cost of the production of wheat of the season which is current at the beginning of the year. I am not clear as to what this means and later I shall try to get an assurance that the 11s. 11d. a bushel will be arrived at by using the index figure agreed upon by the committee and the Bureau of Economics. As a wheatgrower I commend the Minister of Agriculture for having introduced the Bill, which will have the wholehearted approval of all wheatgrowers in Australia.

Mr. STOTT (Ridley)—This is one of the most controversial Bills to have been introduced in this Parliament for many years. It is well for members to know the history of the negotiations. Some members will recall the economic difficulties which faced Australia in the depression years. Many people said that the low prices of wheat were the forerunner of the depression. After representations had been made by wheatgrowers' organizations Parliament decided to give the industry a home consumption price in excess of the export price. At the time wheat was being sold overseas at as low as 1s. 3½d. a bushel. Later it rose to 3s. The flour tax legislation was passed in 1936 and it provided for a price on the home market of 5s. 2d. a bushel, which was in excess of the export price. From then until 1939 the wheatgrowers did not receive for the export wheat more than the home consumption price. Prior to 1936 the Gepp Commission had said that the cost of production was about 10s. a bag. In 1945 the Simpson Commission said that it was about 6s. 3d. a bushel. It then became necessary for the Commonwealth and States to pass legislation providing

for at least costs of production to be obtained for all wheat produced. In 1939, under its defence powers, the Commonwealth established the Australian Wheat Board as the sole marketing authority for both overseas and home consumption wheat. Those acquisition powers expired in 1948. In that year the South Australian Parliament provided for wheat stabilization. The arrangement was that the wheatgrowers should contribute, whilst prices were in excess of costs of production, to a reserve fund so that if the overseas prices fell drawings could be made on the fund to cover costs of production as determined from time to time. The Commonwealth Government appointed a wheat index committee comprising the Ministers of Agriculture in each State, and representatives of the Wheatgrowers Federation and the Bureau of Economics. The index committee had no power to alter the basis of 6s. 3d. a bushel fixed by the Simpson Commission. It could only ascertain the annual movements in costs of production, and its determination became the price for wheat on the home market. It went from 6s. 3d. to 7s. 1d., then to 7s. 11d., 10s., and 11s. 11d., which was the price on December 1, 1952. During the last few years the price of export wheat has been far in excess of costs of production. Consequently, from the wheat sold on the export market the grower received a greater price than that received from the local market. Mr. Heaslip suggested that growers contributed millions to the economy of the nation during the operation of the last Act and could have received the high export price which went to 20s. 6d. a bushel for free wheat sales but only received the bare cost of production for wheat sold for flour and stock feed on the local market. The cost of production last year was 11s. 11d. a bushel and one can easily ascertain how much the wheat industry has contributed to the economy of the nation. There have been suggestions that the wheat industry has lost millions of pounds and Mr. Heaslip mentioned a figure of £200,000,000. That amount is not related to the point I am making and those who make such allegations work out the figure by referring to the International Wheat Agreement which fixed a maximum price of 11s. 6d. before the sterling adjustment and 16s. 1d. subsequently because of the depreciation of the pound. They say that the wheatgrower has lost on his export sales the difference between the maximum price under the agreement of 16s. 1d. and the price for free market sales of 20s. 6d. Nothing is further from the truth. They have assumed

that had there been no International Wheat Agreement fixing a price of 16s. 1d. the wheat-grower would have received 20s. 6d. for all wheat sold on the export market. I do not know how anyone can suggest what the export price of wheat would have been had there been no International Wheat Agreement. It is futile for people to use those figures and say that the wheat industry has lost millions.

At the International Wheat Agreement conference in Washington this year exporting nations made it clear to importing countries that a price of 18s. 3½d. a bushel was what they were endeavouring to establish but it would not become the final maximum price that importing countries would have to pay. That figure was the price to operate for wheat purchased under quota from the exporting countries but if the importing countries wanted to purchase a quantity in excess of their quotas they would have to pay a higher price on the free market than that fixed under the agreement. Members can realize that because the International Wheat Agreement operated during the period of the last Act the importing nations were compelled to pay a higher price for wheat on the free market. The statement that wheatgrowers have lost millions because of the agreement is untrue. I cannot say how much wheatgrowers would have lost because I do not know, and no-one can say, what the price of wheat would have been overseas at that time. We can admit that the price of wheat might have been a little higher but it is impossible to say how much higher.

The Federal Minister for Commerce has stated that he is not prepared to ratify the International Wheat Agreement until the States pass enabling legislation. The International Wheat Council is at present meeting in Portugal and Australia has been admitted to the agreement with a quota of 48,000,000 bushels. That is a large reduction from our previous quota of 77.7 million bushels under the old agreement. When this question was discussed in Washington our quota was reduced to 70,000,000 bushels as at that time it was thought impossible for Australia to deliver almost 80,000,000 bushels because wheat acreages had been reduced throughout Australia. Because of the terrific yield, however, we were able to announce that we could increase our quota and that announcement was received with approbation by every importing nation. It created a favourable impression and this year we spoke of a quota of 70,000,000 bushels. However, the United Kingdom did not become a signatory to the agreement for

reasons best known to itself. I believe the United Kingdom is looking at the position from a business viewpoint and is assuming it will be able to buy wheat much more cheaply if not a party to the agreement under which there is a ceiling price of 18s. 3½d. and a floor price of 13s. 10d. a bushel. The International Wheat Agreement works this way: there are two prices, a ceiling and a floor price and the parties to the agreement can negotiate for a price between the floor price of 13s. 10d. and the ceiling price of 18s. 3½d. Any importing country may decline to pay 18s. 3½d. a bushel but may be prepared to pay 17s. 10d. There is nothing to prevent it from offering a price at which it thinks it can get wheat and it could negotiate down to 13s. 10d. a bushel. Under the agreement the exporters say, in effect, "We will sell wheat at not less than 13s. 10d. and not more than 18s. 3½d." Importing nations can say to exporting nations, "We won't pay more than 18s. 3½d. for our quota but we know we can't pay less than 13s. 10d. Negotiations take place between those figures.

This Bill enables the Australian Government to ratify the International Wheat Agreement but because the United Kingdom is not a party to it Australia considered that its quota should be reduced to 48,000,000 bushels. We were criticized and told that we were taking steps to exclude the United Kingdom and were not prepared to sell our wheat to it. That is not correct. Members will now see that because our quota has been reduced to 48,000,000 bushels the balance will be available to the United Kingdom on a free market basis. There was no intention of not supplying the United Kingdom with wheat, for we are anxious to retain our traditional markets and we reduced our quota under the agreement in order to be able to continue our negotiations for wheat with the United Kingdom. At present the maximum price is 18s. 3½d. a bushel and the Australian Wheat Board is still selling wheat at that figure. Not long ago there was a fear that the price would fall because of the huge surpluses in Canada and the United States. Everybody, including the Premier, said that we would return to a buyers' market. That is true in relation to other cereals and I mention barley as an illustration. Twelve months ago barley was bringing 20s. a bushel on the export market but there is no international agreement relating to barley sales and today the export price is 8s. 6d. a bushel. Let us assume for a moment

that there were no International Wheat Agreement providing a floor price for the overseas sale of wheat at 13s. 10d. a bushel. With the great surplus of wheat in America it is reasonable to assume that, under such circumstances, there would be a crash in the world price of wheat.

Mr. Quirke—Are they going to be able to get rid of their surpluses under the International Wheat Agreement? How much will become free wheat?

Mr. STOTT—I do not know the exact figure because it depends on what sales have been made. There is still a great quantity of wheat sold on the world market outside the International Wheat Agreement. It has been selling rather slowly recently, but my point is that but for the International Wheat Agreement fixing the floor price there would have been a big reduction in the overseas price. Further, the United States of America has had price support legislation for some years for all its cereals. It would take too long for me to give the complete details of the legislation, but it works on calculations of various commodity prices. The growers of cereals, such as wheat, soya beans and barley, receive price support calculated on the average of all commodities. The United States Treasury paid growers there, while the International Wheat Agreement maximum price was 16s. 3d., about 19s. 9d. a bushel under price support legislation. Therefore, the United States was subsidizing the United Kingdom and European nations to the extent of the difference in price. The total amount the United States contributed, up to the expiration of the International Wheat Agreement last year, was 600,000,000 dollars. That was a terrific sum, but the United States did not take a serious view of it. It considered it a worth-while contribution to world economy, but in the negotiations for a new agreement it said it did not want to contribute indefinitely so much of the United States taxpayers' money, and wanted a higher world price. That led to tedious negotiations.

Some nations wanted a higher price, whereas others wanted a lower. Australia took a middle-of-the-road stand, and played a tremendous part in getting the nations to adopt a new agreement, which I consider was a good one, notwithstanding that the United Kingdom is not a signatory to it. The Australian wheat stabilization scheme expired, and with it the term of the Australian Wheat Board, on September 30. The board was first appointed in 1939 under the defence powers of the Com-

monwealth Government. When hostilities ceased it was necessary for all States to pass complementary legislation to enable the board to continue to function. The necessary legislation was passed in 1948, but it has now expired. Negotiations for its renewal commenced in April 1952, when the Federal Minister for Commerce and Agriculture asked the wheat organizations to prepare a plan for the continuance of stabilization. The two main points at issue were firstly, what the wheatgrowers would require and secondly, how growers could be encouraged to grow more wheat. The acreage under wheat was diminishing, and this was giving much concern to the Commonwealth and State Governments. The wheatgrowers' organizations formulated a plan, which was submitted to the States, and protracted negotiations took place. We could not get the States to agree on all points, particularly in regard to the price of wheat for flour and stock feed for the local market. Flour and stock feed wheat was being sold at much lower prices than that for export, consequently the wheatgrower was subsidizing the community to the extent of the difference between cost of production price and the average overseas prices.

It is correct to say that the wheatgrowers therefore subsidized other members of the community by many millions of pounds. Had there been no wheat stabilization legislation and no wheat board Australian consumers would have paid the world export price for flour and stock feed wheat. That would have created the very conditions about which we are getting so much criticism today. There would have been an upward spiral in prices and cost of living would have increased greatly. Opposition members here would have been clamouring for Parliament to bring down the price of wheat to a reasonable figure. Probably they would have asked for wheat to be brought under price control. During recent negotiations we have had the unusual spectacle of some Labor Governments in other States saying they would not agree to an increase in the price of wheat for local consumption to 15s. a bushel because it would increase the cost of living by making Australian consumers pay more for bread. I pay a tribute to the Minister of Agriculture (Hon. Sir George Jenkins), the Federal Minister for Commerce and Agriculture (Rt. Hon. J. McEwen), and the N.S.W. Minister of Agriculture (Hon. E. H. Graham) for the part they played in these negotiations. But for their efforts we would not have the plan we have today. What would have

happened if the negotiations had broken down? In South Australia we should have had chaos and confusion. There would have been no marketing authority to take the place of the Australian Wheat Board. We would have gone back to the bad old days of open markets and wheat merchants. That certainly would not have encouraged more wheat to be sown. I have been informed by many prominent wheat-growers in Victoria, New South Wales, and South Australia that they would have put their tractors in their sheds and not grown wheat at all under open markets. Instead, they would have grown lambs and wool.

Mr. McAlees—Isn't that a strike?

Mr. STOTT—No, human nature.

Mr. McAlees—Aren't strikes human nature?

Mr. STOTT—I do not know whether the honourable member is opposed to strikes, but if he is saying that the wheat industry would be going on strike if the farmers put their tractors away I would be prepared to debate the point with him. It would not pay them to grow wheat under open marketing. They would sooner produce other commodities at a much higher profit, but they would still be contributing to the welfare of the nation. I would not blame them for dropping wheat production.

Mr. Macgillivray—It would be common sense.

Mr. STOTT—Of course.

Mr. Lawn—The workers also claim the right to withhold their labour.

Mr. STOTT—I do not want to get into an argument on this matter, because it is time Parliament tackled the problem now before it. We need the full co-operation of all Parties in dealing with this legislation, without any recriminations. I hope there will not be too much reference to an increase in the cost of living, but I will debate that matter at any time with any member. I do not want any member to say he does not like the legislation because there may be an increase in the price of bread.

Mr. Tapping—Will you debate the point with a housewife?

Mr. STOTT—I shall be pleased to do so, because the wheat industry has contributed millions of pounds to the community during the operation of the legislation. We have explained to the Ministers that it not just to ask the industry to continue to subsidize the community in this way, for no other nation in the world does it. The American growers get a subsidy of 19s. 9d. a bushel from the Federal Treasury.

Mr. Hutchens—The honourable member is not putting that up as an argument against stabilization?

Mr. STOTT—On the contrary. This legislation is essential to the Australian economy for, with the limited powers of the Commonwealth Government under its Constitution, it is impossible to make progress without the co-operation of all the States. That has been the case since 1900. All the State Parliaments have realized—until a few months ago at any rate—that they had to agree to majority decisions if Australia were to go ahead. In other words, that the majority will must prevail. In the recent negotiations, however, the Victorian and Queensland Governments said, in effect, "To heck with majority decisions. We do not agree with this type of legislation. The price of wheat for flour and stock feed should be only the bare cost of production, which at present is 11s. 11d. a bushel". They argued that the wheatgrowers agreed, under the old plan, to accept the cost of production price so why did they want to increase it now? I want to make it clear that the wheatgrowers' organizations never agreed to it. They took the view that it was the best possible deal they could get through the respective Parliaments, but they reserved the right to get improvements from time to time, and that was understood clearly by the growers at the time the ballot was taken.

Mr. Hutchens—Was there any provision for a margin of profit?

Mr. STOTT—That is an important point and I would like to clear it up now. There was no margin of profit in the costing index; it was promised but it was never implemented. Had the States refused to accept this legislation calamity would have followed because it would have led to a great reduction in wheat acreage, with consequent loss of employment, railway revenue, and so forth. Fortunately, commonsense prevailed. At one stage our Minister of Agriculture was asked whether, if Victoria would not come in, he would agree to a three-State proposition. Quite rightly, he hedged a little on this because the flour-milling industry was saying that if we fixed the price at 15s. a bushel for flour on the local market and the Victorian Government fixed it at 12s. 6d. the bakers in South Australia would be able to buy flour over the border at 12s. 6d. a bushel and the milling industry in this State would be in a serious position. With all respect, however, I think the milling industry was making a mountain out of a molehill because we have a Prices Commissioner who

fixes the price of bread. Had the South Australian bakers gone to Victoria and bought flour at 12s. 6d. quite obviously, if the greater proportion of their flour came from Victoria at a lower price, the Prices Commissioner would have intervened. The millers feared loss of trade, but I do not think they had cause to worry because the Prices Commissioner would have protected the position by increasing the price of bread if they had to pay 15s. a bushel for flour.

Mr. Pearson—South Australian growers would have lost the advantage of the home price.

Mr. STOTT—Not on the 15s.

Mr. Pearson—Yes, because they would not be selling flour on the local market.

Mr. STOTT—Then that quantity would have gone on the export market and they might have been that much better off. From the Victorian point of view it would have been disastrous because growers in that State would have got only 12s. 6d. a bushel for local sales—with probably slight increases if South Australian bakers had gone there for supplies—as against the price of 15s. a bushel in New South Wales and South Australia. The Victorian Labor Government argued that it would not pay 15s. a bushel and then it became a question of whether South Australia would agree to 14s. I submit with all respect that we should have stuck out for 15s. for I believe that Victoria would have been forced to come in. I think Mr. Cain was playing a big game of bluff. Had he stuck out for 12s. 6d. Victoria's position would have been chaotic, and in the final analysis she would have been compelled to come in. However, that is past history. The Governments and the wheat organizations have now agreed to accept 14s. a bushel on the local market, and consequently the wheatgrowers of Australia have lost another 1s. a bushel on home sales—another terrific contribution to the consumers. The argument that this Bill will result in an increase in the cost of living does not hold water. The wheat industry, under the old legislation, has made a tremendous contribution to Australian economy, and under this legislation will make another.

Mr. Quirke—A contribution of something they never had; 11s. 11d. is the cost of production price.

Mr. STOTT—If they had not sold it for local consumption they would have got 18s. 3½d. That is the proper comparison to make. Mr. Heaslip explained that Western Australia will get 3d. a bushel advantage because it is

nearer the eastern markets. I was not at the conference on September 18, because of illness, but I understand that the Minister for Commerce and Agriculture gave an undertaking to the Australian Wheatgrowers Federation that the Western Australian wheatgrowers would get 3d. a bushel more for all wheat delivered to the board in Western Australia, but under clause 8 it is clear that that 3d. applies only to export wheat. That is not in accordance with the undertaking given by the Minister for Commerce at the conference, and Western Australian growers are naturally becoming concerned at the breakdown of the undertaking. As an undertaking was given by a responsible Minister, they have some grounds for complaint. I believe the 3d. a bushel to Western Australian growers relates to every bushel they grow. It was given to encourage Western Australians to agree to an all-Australian scheme so that the Australian Government could live up to the International Wheat Agreement. An undertaking was given that if their Parliament passed the legislation they would get the 3d. a bushel extra, which they ordinarily get under the State accounting system.

As to the shipment of wheat to Tasmania, subsection (4) of proposed section 14 provides:—

The price applicable under either of the last two preceding subsections shall be increased by an amount of one penny halfpenny per bushel as a contribution towards the reimbursement of the board for the costs of shipment of wheat to Tasmania.

The reason is that Tasmania does not grow any wheat. Under the old wheat stabilization plan Tasmania contended that it was forced to pay an f.o.b. price for wheat at Williamstown, plus freight, for home consumption wheat. It argued that it was part and parcel of the all-Australian scheme. The mainland States received their wheat last year at a cost of production price of 11s. 11d., but Tasmania was compelled to pay 11s. 11d. at Williamstown, plus freight, which made their home consumption price higher than for the remainder of the Australian States. That was a justifiable argument. Tasmania took its case to the Grants Commission on the grounds that it was suffering a disability under the Federal scheme, and in my opinion the commission logically could not have refused an extra grant to offset the difference in the price of wheat. However, I understand that the Tasmanian Government has not received very sympathetic consideration from the commission. In order

to make the position fair to Tasmania, the Wheat Board agreed that an additional 1½d. a bushel should be allowed for freight.

I hope that this legislation will be passed with speed, although it will not altogether solve the wheat industry problem. The Bill provides only for an orderly marketing plan. It sets up the Australian Wheat Board as the sole marketing authority for all export wheat and wheat sold on the local market, the price to be 14s. a bushel. There is no provision for a guaranteed export price. If no subsequent legislation is passed the Australian Wheat Board will have to sell wheat at the export price under the International Wheat Agreement, but the Commonwealth Government will not guarantee any cost of production price. Under the old plan there was a guaranteed price for 100,000,000 bushels of export wheat—the cost of production as determined by the Wheat Index Committee. This Bill relates only to a price of 14s. for home consumption and the term is for three years—the term of the International Wheat Agreement. What will happen then? Shall we be able to renew it on its present basis? The United Kingdom is not a party to this agreement. Some honourable members have said that the agreement will not last for three years because as soon as prices fall the importing nations will be anxious to get out of it and will not live up to their obligations to pay the floor price. I do not believe that. It is a serious indictment of the importing nations.

The question arises, “Why do the importing nations want to remain in the International Agreement?” One would have thought they would have welcomed the opportunity to get out of it because of the surpluses in Canada and the United States, which should force the price down, and therefore they would be better out of the agreement. If the answer is that they would not honour their obligations, why do they want to remain in it at all? It is for one important reason—they want to be assured they will get supplies. England applied to the International Wheat Council for an increase in its quota under the agreement because it was anxious to supply Egypt and thus combat Communism there. Egypt knows perfectly well that if there were no International Agreement it would have difficulty in getting supplies from Australia, because, being part of the British Commonwealth of Nations it would be anxious to trade with its traditional customers, England, France and certain other countries. England wants to be sure of being able to get supplies, and that

also applies to Japan, but not so much to India, which had its quota increased to 36,000,000 bushels. Salvador and other small countries under the agreement are in it for exactly the same reason—they want to be assured that they will be able to call upon Australia or America for the quantities they are entitled to under the agreement. Suppose the price falls to 13s. 10d. a bushel. Do honourable members seriously suggest that the signatories to the agreement will pull out of it? I say no, for the simple reason that if they did then all the exporting countries would say, “You are not playing ball under the agreement. What about some other commodities?” The United States is having a tremendous influence on world affairs today, particularly in the United Nations Organization, and its influence is such that it would not pay any of the smaller nations not to live up to the International Wheat Agreement. I believe that pressure would be brought upon them if they tried to dishonour the agreement when it suited them. This question was mentioned at the International Wheat Conference at Washington and every importing nation was given a clear explanation that they could not withdraw from the agreement in the event of the price falling below a floor price of 13s. 10d. a bushel.

The agreement is to last for three years. What will happen at the end of that time? Do we renew it on favourable terms to the exporting nations, or do we come under the influence of the other nations and say, “No International Wheat Agreement?” There will be no International Wheat Agreement when this legislation runs its course, and therefore unless new legislation is passed the Australian Wheat Board will go out of existence and we will be back on the open market. At the end of that time the position could be the reverse of what it is now, with no big surpluses, whereas on the other hand we could still have surpluses. No-one knows. I am not foolish enough or clever enough to forecast with any degree of accuracy how much wheat there will be in the world in three years when the legislation under consideration, which provides for an orderly marketing scheme, comes to an end. Supposing the contention of some honourable members is correct that the International Agreement may not last, then what use is this legislation unless we have subsequent legislation? It would mean that if the agreement fails during the present three year term wheat-growers will have to accept whatever price they can get for their export wheat. This legislation guarantees no export price for wheat.

The Federal Minister for Commerce and Agriculture has announced that he will ask the State Governments to consider passing legislation for the continuation of wheat stabilization for five years. Such a proposal would provide for a guaranteed price equalling cost of production for 100,000,000 bushels of wheat. If the International Wheat Agreement were renewed after the three year term the wheat stabilization plan would run the extra two years in conjunction with it, but if it were not renewed the wheatgrower would be much better off for he would have a guarantee for the last two years of the five-year term of the cost of production on the quantity exported. Under the old plan the wheatgrower contributed to a reserve fund up to 2s. 2d. a bushel on the quantity of wheat exported. That fund was created for the purpose of being drawn upon in the event of overseas wheat prices falling below the cost of production figure.

Mr. Quirke—It is really compulsory saving?

Mr. STOTT—Yes. While prices are high the farmer pays a premium towards the rainy day when the price will fall below cost of production. The wheatgrower believes that is sound insurance. The No. 14 wheat pool has a credit of £11,000,000 from contributions at the rate of 1s. 3½d. a bushel on the growers' deliveries, and it is proposed that that amount will be repaid to the growers very shortly. The No. 15 pool has a credit of £9,000,000 which represents 1s. 3d. a bushel on the growers' deliveries and it is proposed that that £9,000,000 shall be carried forward into the new wheat stabilization fund as a nucleus, that the growers shall contribute 1s. 6d. a bushel on export wheat towards a new fund, that that fund shall eventually total £20,000,000, and that, immediately it rises above that figure and provided the price remains static at a figure above the cost of production, any surplus over £20,000,000 shall be paid back to the wheatgrowers who deliver the wheat. What was the position under the old plan? A grower who in 1948-49 delivered 3,000 bushels of wheat to the Australian Wheat Board contributed 1s. 3½d. a bushel which was deducted from his return. If that grower went out of wheat production in 1949 he would, under the old plan, be entitled to a rebate of 1s. 3½d. a bushel, because it would be repaid to the grower who delivered the wheat.

The Hon. Sir George Jenkins—All this has no relation to the Bill.

Mr. STOTT—Possibly not, but I want to make it clear that we may have to discuss this matter later. Having passed this Bill members should not think that the wheat industry has been set up in a happy position, for the position is not satisfactory. The introduction of an orderly marketing scheme with a three-year term is due to the fact that agreement could not be arrived at in time for the wheat stabilization scheme to be extended for five years. It seemed that the Australian Wheat Board would go out of existence for it had no legislative power to carry on. It was worried as to whether it could make forward contracts under the International Wheat Agreement and was not sure that Australia would ratify that agreement. Consequently the Federal Minister for Commerce and Agriculture asked the States whether agreement could be reached on an orderly marketing scheme for three years without any stabilization provisions. Subsequently, Parliament will have to consider wheat stabilization and the growers' contribution of 1s. 6d. a bushel. If agreement is reached on that matter the first step will be the introduction of a Bill to give the Minister power to conduct a ballot of growers on the introduction of a stabilization scheme for a period of five years. The wheatgrower will be asked whether he agrees to the introduction of such a scheme, to the transfer of £9,000,000 to the new fund and to a contribution of 1s. 6d. a bushel.

The Wheatgrowers' Federation is not happy about the transfer of £9,000,000 from the old fund to the new wheat stabilization fund. Some members from the eastern States take the view that the £9,000,000 belongs to the growers who delivered wheat under the old legislation and that therefore it should not be used as a nucleus under the new plan. Some of them say that that amount should be repaid immediately to the growers, and the Federal Minister will be approached with a request that some amendment be made to the proposed scheme. As the Minister suggested to the Australian Agricultural Council that the £9,000,000 should become part of the new fund, I do not know whether he will accede to the request, but obviously, if the £9,000,000 is paid to the growers who originally contributed that amount, it cannot be used as the nucleus of the new fund, and those growers contributing to the new fund will have to contribute more than 1s. 6d. a bushel in order to build up a reserve of £20,000,000.

Mr. Goldney—Is the £9,000,000 earning interest?

Mr. STOTT—Yes, but I am unable to tell the honourable member how much. The amount represents a contribution of 1s. 3d. a bushel plus interest, and the £11,000,000 in the No. 15 pool represents 1s. 3½d. a bushel plus interest. The grower will get the benefit of the interest earned on his contribution during the time it has been in the fund. The grower who delivers the wheat is entitled to a rebate. That applies while the price of wheat remains high and the reserve fund is not drawn on to make up the guaranteed price, but, in the event of prices falling below the cost of production and the reserve fund being drawn on, the man who delivers the wheat gets the benefit of the money contributed. If the grower who delivered the wheat remains a wheatgrower he gets the benefit, but, if he goes out of the industry and a draw is made, under the proposed scheme he will not get that benefit.

There has been much argument regarding the cost of production formula, and some members are seriously concerned with its possible effects on the consumer. Some comments have been made with regard to the nature of the costs allowed under the formula, and the member for Rocky River referred to an argument used by Mr. O'Halloran that the man at fault was really the man who had paid terrific prices for land. Although some farmers have paid terrific prices for land on which to settle their sons, members must not be confused and think that any account is taken under the cost of production formula of the foolishly high prices paid for land, for that is not correct. Under the present cost of production formula the grower gets an allowance based on the capital value of the land, but that value is nowhere near the present market value of land. The average price of wheatgrowing land would be hard to estimate. Some people have set it as £18, others at £16 and others at a higher figure, but it depends on the locality.

Mr. Macgillivray—And also on the return from it.

Mr. STOTT—Yes. Land in the lower-north might bring more than £30 an acre, but the farmer would not be allowed that figure in the cost of production formula. Surely the grower has the right to interest on the capital invested in his property. The present price of 11s. 11d. a bushel is based on the cost of production formula, but in my opinion the amount allowed for the value of land is far too low. It works out at only about £6 an

acre, which is ridiculous. Under the cost of production formula the figure applicable is the average price for land throughout Australia, and this includes the high prices paid for land in South Australia and New South Wales, the low prices in Queensland, the extremely low prices in Western Australia, and the low prices paid for marginal land in this State. The average for the whole of the Commonwealth would be lower than the present average value of land in South Australia. Although there has been a fluctuation, it has not been increased to what it should have been. In working out what is the average value of wheat land in Australia many difficulties have to be faced, because about 98 per cent of the growers are not only wheatgrowers, but wool producers as well. Recently land near Gulnare brought £38 per acre, and obviously it would not be worth that for wheat farming alone. The high price of land today is due to a great extent to the influence of high wool prices, and to arrive at a true cost of production price for wheat an allowance must be made for them. Any stock agent in the country is able to give a fairly accurate idea of a fair average price of land in his locality, but if asked to calculate how much of the price is due to the influence of the wool prices he could not do so. There is no reliable statistical guide to indicate to what extent the high price of land today is due to high wool prices, so it is a very difficult job to work out a fair average price of land for wheat production.

Mr. Fred Walsh—Does the honourable member agree that these were inflated prices?

Mr. STOTT—Yes. The cost of production of 11s. 11d. today relates to a figure of about £6 per acre, and even disregarding the influence of wool prices, that is a ridiculously low value for wheat land considering the prices that have been paid for wheat in the last five years. Representatives from wheat organizations in other States take the view that it is not a realistic basis and should be reviewed and members will see they have good grounds for their argument. Costs of fertilizers, cornsacks, rent, cartage and other things can be calculated with a fair degree of accuracy. Wages can also be calculated correctly from the determinations of the Arbitration Courts in the capital cities, and the wheat index committee has been working out the amount allowed for the farmer from the basic price fixed in 1948 by the Simpson Commission, although that is lower than it

should have been because the basis on which it was fixed was too low, but the committee had no power to alter that.

Farmers know from the oil companies what the prices will be for fuel, they know the price of superphosphate from the companies providing it, the price of cornsacks and rail freights from the Wheat Board, so the main items in the cost of production index are easy to calculate accurately, but the question of the interest allowed for the farmer's equity is a matter of policy. There is no reliable guide to provide us with accurate information on that, so it becomes a policy matter to be determined by the Governments. This amount has been determined by the Commonwealth Government and under the new base price of 11s. 11d. the farmer-operator is allowed £955 per annum in his costing index. That coincides very nearly with the figure in the dairying costing index. The committee took the view that if that was good enough for the dairying industry it should be allowed for the farmer-operator. In my view a wheat farmer has a great deal more responsibility in running his farm than the ordinary dairy farmer, therefore the figure should be much greater than £955.

Although the farmer was doing all right even on the 11s. 11d. cost of production base price, even allowing for the terrific price of land, the same position does not obtain in the costing index. The basis of this Bill is the allowance of 14s. a bushel for wheat for flour and stock feed, notwithstanding that the cost of production is 11s. 11d. When a re-survey is made of the annual movements in the cost of production from December 1, 1952, to December 1, 1953, it can be seen that it will probably reach 12s. 6d. to 12s. 9d. a bushel. It is difficult, however, to ascertain the price accurately, because petrol has been reduced in price, and there may be changes in railway freights, which could make a difference of a penny or twopence a bushel. If the Bill is passed, and agreement is reached with the other States, the legislation will not become applicable as soon as the Bill is passed, but will operate from December 1 of this year. Although wheatgrowers received 16s. 1d. a bushel last year for wheat sold as stock feed, the consumer paid only 14s. 1d., the balance being made up by the Commonwealth Government subsidy in an effort to keep down the price of eggs, etc. They also received 16s. 1d. for wheat exported on the basis of the international wheat agreement price. The quantity sold for flour during the whole period of the

Act brought only the bare cost of production price, which is now 11s. 11d., but under the Bill it will bring 14s. a bushel, and wheat sold as stock feed will drop from 16s. 1d. to 14s.

Members will see that producers will receive less under the Bill for stock feed and more for wheat sold for flour, but will agree that it is better for calculation and administration purposes to have a uniform price. The system of having a different price for stock feed and flour wheat led to difficulties. The wheat-growers do not complain about the smaller price for stock feed, although they felt that they were entitled to get a small lift in the price of wheat sold for making flour because of the tremendous contribution they have made to the economy of Australia due to the big difference between home and export prices. Even at the proposed 14s., they are still making a fair contribution, particularly when it is considered that the world price of wheat today under the International Wheat Agreement is 18s. 3d. With a great deal of reluctance they agreed to the 14s. although they would have preferred a flat rate of 15s., but because of the Labor administrations in Queensland and Victoria they were forced down to 14s., thus making another contribution of 1s. a bushel to the Australian community.

In my opinion the Bill is a good one. I hope to be able to illustrate the way the price is worked out, because this may be of interest to members. Allowances are made for labour of the farmer, labour for harvest and other purposes, maintenance of machinery and structures, depreciation, fuel, interest on borrowed capital and farmer's equity, fertilizer, cornsacks, seed, rates and taxes, insurance, cartage, rent and miscellaneous. After taking these into account, the value of wool and other sidelines is deducted from the aggregate figures to arrive at a true cost of production price for wheat, making allowance also for rail freight and handling charges. The wheat industry has faced difficulties in its negotiations. Two years ago there was a drought in Queensland, and the wheatgrowers of Australia were asked to stand the cost of freighting wheat there. At the time the freight rate was a little more than 4s. a bushel. There was a great protest, and some Victorian growers said they would not pay freight on wheat taken from Williamstown to Tasmania; subsequently the cost was met by the Commonwealth Government.

In South Australia legislation dealing with the marketing of barley had been passed, since

which the Australian Barley Board has done a magnificent job. Previously the Prices Commissioner in South Australia had fixed the price of barley at 11s. 2d. a bushel. The growers protested, and later the board lifted the price of malting barley to 16s. a bushel. There was no great outcry from the public about this increase, although it raised slightly the price of beer. Today, because of the increase in the price of wheat for flour there is a terrific outcry because it will raise the price of bread, yet, generally speaking, people pay out more for beer than for bread.

The wheat industry is entitled to consideration. I hope I have illustrated clearly that notwithstanding the price of 14s. a bushel, the industry will be making a tremendous contribution to benefit the public. The growers had to accept the reduction of 1s. a bushel. I hope that members will realize that under this legislation the Australian Wheat Board will be the marketing authority for the next three years, and that it does not sew up all the ends associated with a marketing system. The growers must be consulted as to whether they will agree to the deduction of 1s. 6d. a bushel to provide for a guaranteed price for all wheat produced, and not only a price above cost of production for the quantity sold on the home market. The Western Australian growers will benefit under the Bill but not to the extent of 3d. a bushel as some people believe. They will get an advantage of only two-sixths of the 3d., because it applies to export wheat only. The Western Australian growers are perturbed at the position, and representations are being made to get an adjustment. The undertaking given by the Commonwealth Minister for Commerce should be honoured. The index committee will continue to function. It will be difficult to calculate the cost of production in the next period. Some people say we have reached the peak and that the cost should come down. That may be so, but I cannot see any reduction for some time. The calculation of 12s. 6d. a bushel includes only a low price for land, and high prices for machinery. Without this type of legislation the growers would be in a serious position, because the story is different today from what it was 5 and 10 years ago. Today the growers have to spend large sums in producing a crop.

Mr. O'Halloran—The costs are based mainly on the high cost of mechanization?

Mr. STOTT—They include the cost of petrol, seed wheat, machinery, etc., but only a low price for land. There is no proper allowance

for the machinery used. This type of legislation gives the grower some security. Some people in South Australia foolishly oppose it, but without it, and the International Wheat Agreement, the growers would be in a difficult position. They would be left with a high cost of production.

Mr. O'Halloran—And horses.

Mr. STOTT—Horses went out some time ago. My father was always opposed to tractors, and used to say to me "Tractors are no good because you cannot get foals from them."

Mr. O'Halloran—Hear, hear!

Mr. STOTT—Today young farmers will not get out of bed early in the morning to feed horses and get them ready for work. They prefer to take attractive jobs in the town, where they can have the week-ends off. Farmers with vision try to keep their sons on the land by purchasing costly machinery, which increases the cost of production. Land can be sown much more quickly with a tractor, which is an important factor. Five and 10 years ago tractors could be bought more cheaply than they can be bought today. To meet increased costs farmers must sow and reap more quickly. They must get the maximum return from the crop. The most must be got out of the machinery.

[Sitting suspended from 6 till 7.30 p.m.]

Mr. GEOFFREY CLARKE (Burnside)—This Bill is what has come to be known as a uniform Act—an Act introduced in several States to give validity to Commonwealth legislation for a marketing scheme. This has been found necessary because the people of Australia, about 15 years ago, emphatically decided that they would not agree to the Commonwealth Government having constitutional powers for all time over marketing schemes. That referendum followed a successful challenge to marketing legislation initiated by Mr. F. James, who was so ably represented before the Privy Council by the late Mr. Kevin Ward, Q.C. The view was overwhelmingly held at that time by the people that if market supports were to be given to a vital part of our production, in principle the only equitable basis was by the payment of subsidies. I thought that the Minister, when introducing the Bill, might have prepared the ground for it with a clear statement of the costs of wheat production and by giving a picture of the wheat industry, with which not all members are so familiar as he. Then, too, I was disappointed with the member for Ridley.

I thought he might have arranged the thousand and one facts he presented in a much more orderly fashion, working up from the cost of production of wheat to the need for this Bill and what it meant. I was not much clearer after his speech on the real elements which entered into the cost of production of wheat and the real need for a marketing scheme. He said it was necessary but if I had been violently antagonistic to the passage of this Bill his speech would not have converted me. I do not deny the need for supporting the wheat industry but say, as do all who believe that there should be some principles in our public financing, that fixed home prices and compulsory acquisition do not accord with my views of what is fair, equitable and sound in the method of providing assistance to the wheat industry. I am not at all sure that this is the best means of going about it. Whatever may be said for it in practice—and in practice this Bill is necessary because otherwise there will be no assistance to the wheat industry this season or for the two following seasons—in principle I agree with the majority of Australians who definitely said 15 years ago that they did not like marketing schemes and that the proper method of supporting a vital industry was by a subsidy in which the contribution was made in proportion to the ability of the taxpayer to pay rather than letting the full burden fall only on the consumers of the goods in question.

The essence of this scheme is compulsory acquisition. In practice it is necessary to pass this legislation because the wheatgrowers desire rigid control of marketing and Government-sponsored selling rather than free enterprise. In principle, however, it seems the object is completely opposed to what we are attempting to do under price control. We are attempting, in this Bill, to keep prices up and it is only for the purpose of clarifying my own views on this Bill, which will undoubtedly pass, that I am speaking. The Bill must necessarily be couched in obscure terms because the vital element in the Bill, the price of wheat, is an unknown quantity and the actual price which growers will receive cannot, of course, be determined until a large quantity of wheat is sold. But expressed in a formula, rather than the legalisms in which the price of wheat is described in the Bill, it seems to me that the price which growers will get can be set out as follows. Firstly, from the total realization of all wheat sold either for home consumption, to countries which are participants in the International Wheat Agree-

ment, or to countries outside the agreement, must be deducted the sum of 3d. a bushel on all export wheat from Western Australia. and then the expenses of the board, including interest, transport, storage, etc., must be deducted. The remainder is divided by the total number of bushels produced and the result would represent the nominal price to the grower, which may be varied by taking into account quality, conditions of sale and place of delivery of sales other than wholesale sales. It then represents the price to be paid to all producers except those in Western Australia who will share the proceeds of the 3d. a bushel on their export wheat spread over the whole of the production of wheat in Western Australia.

The second major endeavour of the Bill is to establish a fixed home price. This, the Bill states, is the international price of wheat or 14s. a bushel whichever is the less, except that if this is less than the cost of production, the wheatgrower will receive the cost of production plus 1½d. a bushel as a contribution to repay the board's costs in paying freight to Tasmania. The 1½d. can vary according to the actual charges incurred and any surplus from the 1½d. addition may be used as the Minister thinks fit, after consultation with the Ministers responsible for this legislation in the various States. The third matter which the Bill attempts to define is the cost of production. As at September 30 of this year the cost of production is deemed to be 11s. 11d. but it will vary, as costs go up or down and I am informed that the price may be 12s. 6d. in the coming season.

Much has been said about the International Wheat Agreement. Mr. Stott suggested that members of this agreement are not likely to withdraw from the agreement otherwise they may not get their quota, but a quota is completely useless to a country which cannot pay for it and I know of no provision in the International Wheat Agreement to compel any member nation to take up its quota if it is not able to pay for it, because there would not be the vast quantities of surplus wheat lying in the fields of Canada, which have been paid for or subsidized by the Government, if other countries had been able to buy it. Mr. Stott said that Great Britain was not a party to the International Wheat Agreement and that it had apparently decided it was good business not to be in the agreement. If a country so skilled in world trade as Great Britain can find it suits its economy not to be in the agreement I suggest that our membership of

the agreement might be re-examined. It appears that the price of bread will rise and this is the inevitable result of marketing schemes. We have seen it happen before, with wheat, potatoes and eggs. It may not be a very significant increase, and I am not objecting to this Bill, but I point out the anomalies in principle. There is no alternative to this legislation to support the wheat industry. I do not oppose supporting that industry. One member says that the price of bread will increase by a small amount and, in almost the same breath, that the wheat industry has contributed many millions towards subsidizing the consumer, but I point out that assuming a household consumes two loaves of bread a day, in three years the families of Australia will have paid £16,000,000 more for their bread if it goes up 1d. a loaf.

Mr. Quirke—That is a long way short of £200,000,000.

Mr. GEOFFREY CLARKE—Mr. Stott said that was not the amount but that that it was many millions. I have not yet had a satisfactory answer to a question I have asked previously as to what extent the subsidy to the railways and the contribution which the State taxpayers in general make to country waterworks and other amenities have kept costs of primary production down. I only asked that question because if it can be answered the city taxpayer—the person who will pay an extra 1d. a loaf for bread—would perhaps accept this legislation with a little more enthusiasm. It is desirable from the point of view of the sponsor of this Bill that that question be answered. This legislation has been requested by the wheatgrowers. The member for Rocky River said the wheatgrowers have asked for it and the wheatgrowers must have it. That seems axiomatic in a Parliament such as this. Further, the State Governments have agreed that this legislation is desirable, and the Commonwealth has agreed to sponsor it. I said at the outset that I support the Bill for practical reasons, and practical reasons are sound reasons, but it does not necessarily follow that this Bill is the best way of doing what it seeks to do. It is a matter of expediency that the Bill should be passed in great haste, otherwise there will be no legislation to assist the wheat industry over the next harvest, but I object in principle to a return to the producer, whether he be primary or secondary, on a basis of cost of production, for the cost of production doctrine leads to

inefficiency such as we saw to a large and regrettable extent when cost-plus was the basis for contracting for Government jobs.

Mr. Pattinson—Aren't we getting cost-plus under this Bill?

Mr. GEOFFREY CLARKE—Yes, and I do not like it in principle because it gives no encouragement to the efficient producer.

The Hon. Sir George Jenkins—Does the honourable member realize that wheat sold for flour for human consumption was £27 a ton, and export wheat was worth £40?

Mr. GEOFFREY CLARKE—Yes, but as a professional man I can only get from my clients what they are prepared to pay me. In supporting the Bill for practical reasons I suggest three points for careful consideration by wheatgrowers. Firstly, costs of production must come down. The cost-plus doctrine is a bad one. Secondly, wheatgrowers should examine thoroughly the value of the International Wheat Agreement. It is of no use having a quota system if the member countries have no money to take up the quota. Great Britain is not a party to the agreement and must have sound reasons for not being a signatory. Thirdly, as a long-range suggestion, wheatgrowers should consider an ultimate freeing of the wheat industry from the regimentation which such schemes as this involve and which the highly successful and competitive wool industry so strongly and consistently resists.

Mr. LAWN (Adelaide)—I am wondering whether the Government Party is as united as we are led to believe. It is interesting to hear people who claim to be non-Socialists getting up and espousing Socialism more than members of my Party. It was particularly interesting to hear them condemn their Government as being one that introduces class legislation. The member for Burnside referred to a statement by the member for Rocky River that the farmers wanted this Bill and must have it. He said it was axiomatic that they must have it. In effect, he said that if the farmers want something this House must give it to them, and that they will get it. Obviously, this is because the electoral boundaries have been gerrymandered in the interests of the people in the country. The country people keep the Government in office, and when the masters speak in their electorates they see they get what they want, otherwise the Government will go out. I do not know any legislation that savours of unification and Socialism more than this Bill. We can observe the method which the Liberal Party adopts when it requires

unification in its own interests or in the interests of the section it represents. The Commonwealth Parliament has introduced legislation in the interests of wheatgrowers throughout the Commonwealth, but it will be useless unless the States pass complementary legislation.

One of the first States to handle legislation to transfer price control to the Commonwealth for a certain number of years after the war was Tasmania, but because of the Liberal-dominated Legislative Council there the measure was rejected and therefore there was no further attempt to proceed with the legislation already before the South Australian Parliament. In his second reading speech the Minister stated there would be no poll of wheatgrowers because there was not enough time. I remember the member for Flinders saying that in the trade union movement the rank and file members were unable to freely express themselves at union meetings, but as a past union official I know only too well how they can express themselves. I have heard a Conciliation Commissioner, who was at one time a union secretary, tell employers that rank and file members could express their views freely, but there is no attempt to give wheatgrowers the opportunity of expressing their views on this legislation. No member can fairly reply that the Bill suits the wheatgrowers, for I remember that about two years ago there was strong agitation by them for a differential price for wheat used for stock feed, with the result that they got an extra 2s. 1d. for wheat used for that purpose, yet the Bill proposes the same price for stock feed as for flour wheat. I do not know whether growers agree to the changed method.

Mr. McAlces—They haven't been given a chance to vote on it.

Mr. LAWN—Exactly, either verbally or by secret ballot. The member for Burnside said that in essence the Bill was compulsory acquisition, and therefore must be passed. I asked the Premier earlier in the session whether the Government would consider the compulsory acquisition of potatoes in the interests of both the consumer and the producer. Obviously, the Government did not intend doing so, but this legislation has been introduced definitely for the benefit of the producer only. As the member for Burnside said, it was brought down with the object of keeping prices up. I believe it was even brought down to push prices higher. The Leader of the Opposition asked the Minister what effect it would have on

the price of bread, and he said it would probably increase it by 1d. a loaf. In opening Parliament the Governor said:—

During the financial year now ending South Australia has experienced gratifying prosperity in both primary and secondary industries.

His Excellency did not say "moderate," but "gratifying prosperity." If that was correct why is it necessary at this stage to increase the price of wheat used for home consumption? The Governor continued:—

The recent recession in industrial activity throughout the Commonwealth was relatively mild in this State, and was no more than was inevitable in a change from inflation to a more stable economy.

Were certain members correct in saying that a sacrifice had been made by the poor wheat-grower over the past few years to the extent of £200,000,000?

Mr. Heaslip—Not a sacrifice, but a contribution.

Mr. LAWN—The honourable member claimed that the wheatgrowers of South Australia had made a contribution to the economy of the country of an enormous amount. Let me submit this: on June 25 this year His Excellency the Governor said that we have now stabilized our economy. That being so, surely this is the wrong time to introduce legislation of this type. It should have been done while the wheatgrowers were making that big contribution.

Mr. Heaslip—They still are: 14s. against 18s.

Mr. O'Halloran—They are not making any contribution under this Bill.

Mr. Heaslip—They are.

Mr. LAWN—The honourable member has not told us what sacrifices the farmers are making at the moment, or what they will make under this Bill. This country has spent £23,000,000 on the importation of tractors. Who found the dollars for them? The wheat-grower never sells wheat in America, so who made the sacrifices—or the contribution—to find the dollars to bring out the tractors but the workers of this country? No section in this country should claim to be the only one making sacrifices on behalf of the community. I am not here to represent the workers or any particular section. While I am in this place I hope, to the best of my ability, to give effective representation to the whole of the community; my policy will always be the greatest good for the greatest number. Much stress has been laid upon the fact that—using my own term for it—there have been great sacrifices by the wheatgrowers, and I propose

to analyse that claim. I have already quoted what His Excellency said. Only recently, when introducing the Budget, the Treasurer said:—

The moderate percentage increase in estimated expenditure for 1953-54, compared with the other figures, after allowing for some small expansion of Government services, indicates that the dangerous inflationary spiral has been substantially checked and that the price structure is becoming much more stable.

There again is the statement that our economy is becoming stable. If that is the case this is the wrong time to increase prices, particularly as the Commonwealth Arbitration Court has recently frozen wages. Wages have not been increased by the court for some years; there have been adjustments to meet increasing costs as prices rise, but only belatedly, for the worker is always three months behind any rise in prices. I would not for one moment disagree with giving the wheatgrower or any other producer a fair and reasonable standard of living, but it is wrong when we claim that we have stabilized our economy, to peg wages and, having done so, to increase prices of commodities.

Mr. Jennings—Perhaps they have not stabilized prices.

Mr. LAWN—I am simply quoting the Government as the authority on that. I notice in tonight's *News* that the Commonwealth Arbitration Court, in giving its reasons for freezing wages, said:—

It was proper to point out that, if general effect was given to its decision to abandon the automatic adjustment, there was good ground to expect that the prices of commodities, particularly consumer goods, would tend at least to be stabilized.

I want to know, as a representative of the people, the grounds the court accepted as reasons for claiming that its decision would tend at least to stabilize prices. In the proceedings before the Court both the State and Commonwealth Governments were represented. I have read the reports and the State Government's representative simply said that he opposed the application, but the Commonwealth Government intervened in the national interest; it was its duty to place facts before the court in the interests of all the people. The employers represented a section, the trade unions another, but the Commonwealth Government intervened simply on the grounds of national interest. These negotiations have been going on for some time so it was known to the Commonwealth and all State Governments that while the Commonwealth Arbitration Court was

dealing with the application to freeze—or reduce—wages the Governments were considering a proposal to increase the price of wheat for home consumption which would have the effect of pushing up the price of bread. While the member for Burnside was speaking the Minister of Agriculture interjected and asked if the honourable member knew that the price of flour in Australia was £27 a ton and overseas £40 a ton.

The Hon. Sir George Jenkins—The honourable member is quoting me quite wrongly. I said that the price of flour for home consumption was £27 a ton and the price for export in Australia was £40.

Mr. LAWN—I accept the Minister's statement. That is the price to another country where the price structure is much higher than in this. Consider the price of steel. The price of overseas steel is much higher than Australian steel, despite our 40-hour week.

Mr. Heaslip—We cannot export tractors.

Mr. LAWN—Ask people who visit America what it costs to live there.

Mr. Heaslip—There is no 40-hour week in the wheat industry.

Mr. LAWN—But there is in the steel industry and yet we can sell steel on the home market much more cheaply than we can buy it from overseas. The Government should have introduced this legislation prior to the court's decision to freeze wages. The court was led to believe that our economy was stable; I have quoted two authorities in support of that. While the Commonwealth Government was negotiating with the States on the question of increasing the price of wheat for home consumption it apparently led the court to believe that our economy was stabilized, so I say that our Governments have been misleading the people. Mr. Geoffrey Clarke estimated that the average family uses two loaves of bread a day. I know my wife used more when I worked in industry. Bread is the main diet of the working man. He has it as toast in the morning, in the form of sandwiches for his midday lunch and again when he comes home at night. His children take bread, or cake which the housewife herself makes, to school for lunch, but I will accept the honourable member's figure for the sake of argument. That represents 14 loaves a week, or an extra 1s. 2d. Again accepting the authority of the *Advertiser*, on July 18, when there was a 3s. increase in the basic wage, it stated that this represented an increase of £1,500,000 annually in the wages bill. In other words,

every shilling up or down meant an increase or decrease of £500,000 in the annual wages bill, so the worker in South Australia is losing £1,000,000 annually because of the refusal of the court to grant the 2s. cost of living increase this month. Accepting the member for Burnside's figures of a further 1s. 2d. a week for bread, that will add a further £500,000 in the next 12 months. One would like to know what other prices will increase, and what other secrets the Government has up its sleeve to spring upon the people. It is all very fine for the Government to introduce such legislation after wages have been pegged. There would have been a far greater outcry from the people had it been introduced prior to the Arbitration Court's decision to freeze wages. I could not resist the opportunity to express my views, as I have in mind the interests of all the people in the State. I have no objection to a fair price being paid to the wheatgrower, whether it is 14s. or 12s. a bushel, but it is unfair to have this legislation introduced after the wages have been pegged. Had it been introduced prior to the court's decision we would have said that although it meant another 1s. 9d. a week added cost to the wage-earner, as I have allowed for three loaves a day for a worker's family, at least he would get the benefit of it in three months. Then I would not disagree with the principles of the Bill.

The States of New South Wales, Queensland and Victoria, where Labor Governments are in office which legislate in the interests of all the people, have provision for rural workers to approach a wage tribunal. The legislation now before us provides for a fair and reasonable return to the wheatgrower, and members opposite say he wants it and therefore must have it, but at the same time they refuse to give the person who works for the wheatgrower the right to a fair and reasonable return for his labours. They consistently oppose every Bill introduced by this side to amend the Industrial Code to give rural workers the opportunity to go before a tribunal to have their wages and conditions fixed. The Bill now before us is definitely class legislation. Let the Government supporters, if they claim to represent the people, introduce legislation to amend the Industrial Code along the lines I have indicated. I should like to know how the cost basis of growing wheat is arrived at, because the industry has no set wage or a 40-hour week. I have received letters from people in the country asking if I could get them a house in

the city, because in the country they have been working for 10s. a week in addition to their keep. I have had interviews with some of these people recently. Mr. Heaslip and other farmers pay only what they have to pay for their labour. In some districts it might be the basic wage, but much depends upon whether a person can get a house. I have had homeless people come to me and say they are prepared to go anywhere in the State and work provided they could get a home. They are not interested so much in wages. The member for Rocky River says there is no 40-hour week in the country; and possibly some honourable members opposite, who claim they now pay £1 a week over the basic wage, are working their men 80 hours a week instead of 80 hours a fortnight. I challenge the Government to introduce complementary legislation to that now before the House to provide for an amendment of the Industrial Code to enable those working for wheat farmers to enjoy a fair wage and a fair standard of living. Common justice demands it.

Mr. Heaslip—You will have to pay for it.

Mr. LAWN—Consider, for instance, the churches. Although they are not producers they are rendering the people a service. When a new church is wanted in this country do the people say, "It will cost something to erect it?" If it is right to have churches, then the cost should not be considered, and if it is right to give people working in the metropolitan area a fair and reasonable return for their labour and employers a fair return for their invested capital, is it not equally right to give the country workers a similar fair and reasonable return and not say, "Someone has to pay for it"? Does not someone have to pay for everything? Will not someone have to pay as a result of this legislation? No member opposite is worrying about what it will cost, but someone will have to pay. Government supporters say that this legislation is fair and just, and we have not denied it. No-one will suggest that because someone has to pay the additional amount we should vote against the Bill. Surely the Government should not reply to my statement as to equality of treatment of people working in the country that "Someone will have to pay?" We have got past the stage of thinking what it will cost, because we have found we can adjust our economy to the circumstances. Possibly other figures will be given as to what was done from the time that the Curtin-Chifley Government took over until it was defeated. That Government never considered what the 40-hour week would cost,

or what was the cost of building munition factories to produce the wherewithal to fight a successful war against Japan, otherwise we would not have been here today.

Mr. Heaslip—Your leader said that we should go back to the horse because mechanical farm power was costing too much.

Mr. O'Halloran—And I repeat it.

Mr. LAWN—I am reminded that State and Commonwealth Governments spend money in research work on behalf of primary producers and support the work of agricultural colleges. Do members supporting the Government say before passing a line for this purpose, "Someone will have to pay for these things?"

Mr. Macgillivray—Very often they do.

Mr. LAWN—The only time you hear that said is by members opposite who represent vested interests. The only thing they can think of morning, noon and night is rent, interest and profit, but every time any suggestion for improvement is made on behalf of those working in offices, shops and factories we hear "What is it going to cost?" and we hear the same thing every time workers seek an increase in wages or a reduced working week. Even many years ago, when a 60-hour week was advocated in England it was said in the House of Commons that a featherweight would turn the scales between the production costs of England compared with those of overseas countries. It was also repeated in 1929 in the Australian Arbitration Court by the then chief employer of labour in South Australia. History has proved that Australia has produced things just as cheaply as we can buy them from overseas, despite the fact that we have had a 48, a 44 and now a 40-hour week. I strongly urge the Government to pass complementary legislation to give those who work for primary industries in the country the opportunity to go before a tribunal to have their wages and conditions fixed.

Mr. CHRISTIAN (Eyre)—It is more important that we should pass this legislation than make long speeches on it. One of course, could be tempted to deal specifically with many of the arguments submitted, particularly by the member for Adelaide, but I think it would suffice to remind him that this legislation is not the result of some nefarious Government conspiracy, but of an agreement between all the State Governments and the Commonwealth Government. They have all agreed to introduce and try to pass this legislation, not purely in the interests of one section of the community. I should like Mr. Lawn to realize that.

It is an attempt to stabilize the Australian economy, because the State Governments at least know that the Australian economy rests upon the primary industries being able to stand on their own feet. This Bill, far from being an advantage purely to the wheatgrowing industry, actually brings a considerable advantage to the consumers in this country, in that it pegs the price of wheat for home consumption. I do not know whether the member for Adelaide realizes that, if this legislation is not passed and the home consumption price reverts to world parity, he and all other consumers will be paying much more for their bread than they would be under this legislation.

Mr. O'Halloran—Even if the International Wheat Agreement is terminated?

Mr. CHRISTIAN—The world parity price would determine the internal price and we do not know what the world parity price would be without a world agreement, but despite the International Wheat Agreement the world parity price for free wheat was considerably higher than that under the agreement, and that could be the position if no agreement existed.

Mr. O'Halloran—Is that why England, the biggest consumer of wheat in the world, refused to sign the agreement?

Mr. CHRISTIAN—England knows what she is doing and I have not overlooked that aspect, but if it were not for this legislation our home consumption price would rise to world parity price which could conceivably be more than 14s. a bushel. Mr. O'Halloran said that the world price might decline in the face of considerable stocks in America, but, despite those stocks, prices have not yet tumbled and Australian wheat is still selling at about 17s. a bushel, which is considerably more than the 14s. at which we propose to peg the internal price, therefore by agreeing to this measure we are still contributing considerably to the stabilizing of the cost of living in this State. Far from its being purely in the interests of the wheatgrowers, this legislation is in the interests of the whole of the Australian economy. It is not designed simply to assist the wheatgrower as a section of the community, for it does much more than that by stabilizing the cost of living for all Australians.

I am pleased that this legislation deals only with the marketing set-up as we have it at present and other legislation will be introduced to deal with any stabilization scheme in respect

of prices. I do not think there is any difference of opinion among the large body of Australian wheatgrowers with regard to the marketing of their wheat. They are all perfectly satisfied that the Australian Wheat Board should continue to be the sole marketing authority for the wheat produced and marketed throughout Australia. I know of no section of wheatgrowers who want to revert to the system which operated prior to World War II. when our wheat was marketed through the usual merchant channels. The board has done a splendid job and in view of the tremendous experience it has gained I do not think any authority—private or public—could handle the business more satisfactorily than it has done.

I am only sorry that the legislation is limited to a period of three years. I well remember both State and Federal Governments some years ago pledging themselves to a five and even a ten year plan, but, regrettably, when in office none has carried out that undertaking given to the wheat industry to gain its support at elections, and we still have this piecemeal legislation which does not ensure absolute stability in the marketing of wheat. We should have embarked on a longer period than three years because, when that term expires, we will have the whole of this argument all over again and we will have to get the States to agree to support similar legislation. It would have been better if, once and for all, we had embarked on a 10-year plan instead of the proposed three-year plan.

Price stabilization is a more controversial issue and I am glad to know that separate legislation is to be introduced on that topic because some difference of opinion exists among wheatgrowers on whether it should continue; therefore it is right and proper that wheatgrowers should be consulted by way of a ballot so that they may decide for themselves whether in the future they will have a stabilized or guaranteed price or whether they will stabilize prices for themselves. A considerable body of opinion amongst Australian wheatgrowers believes that the grower is capable of stabilizing his own price, that is to say that in years of high prices the grower would build up his own reserves which would tide him over a period of low prices. On the other hand a considerable section believes it is of advantage to the grower and to the industry generally that some authority should compulsorily take from growers a small surplus each year as has been done in the past, and that those contributions should be paid into a stabilization fund to be used in lean times

in evening out the price of wheat. Personally, I favour the stabilization of his own price by the individual who would build up his own reserves, but, as legislators, we have had to be concerned so often in the past with the problems of the wheat industry and have been called upon to grant relief, assistance and subsidies of various kinds to so many wheatgrowers that we are tempted to agree to some compulsory stabilization fund is almost a necessity because we know only too well from experience that many wheatgrowers sometimes engage in rash expenditure of accumulated reserves and in unnecessary spending in good times. In saying that I do not wish to stigmatize the wheatgrowers, for the same reflection on human nature would apply to any section of the community. I suggest that members should again support the stabilization price plan so that Governments may be relieved of the obligation which they have been called upon to shoulder so often in granting relief from public funds to members of the industry in times of stress and difficulty. When the price stabilization legislation is introduced I shall support it on those grounds.

I remind the members for Burnside and Adelaide that other sections of the community have been specifically protected by State and Federal legislation. Where would our factories and factory workers be had it not been for the tremendous protection afforded them by the operation of the Federal tariff laws and the Arbitration Court system? Those means of protection have built up secondary industry in Australia, and it has always been done on a cost-plus basis. To be afforded protection manufacturers have only had to apply to the Tariff Board and make out a case on a cost-plus basis. Workers in industry have been able to go to the Arbitration Court and similarly obtain increases in wages on a cost-plus basis. Was not the Harvester Award itself based on the same principle, and have not following awards been based on what it costs the individual to maintain himself and his family regardless of whether the Australian economy can stand the addition to his wages? I mention these matters only to rebut some of the fallacious arguments advanced this evening to denounce the Bill. Realizing that this legislation is somewhat urgent as the signing of the International Wheat Agreement is contingent on its passing expeditiously, I content myself with indicating my support of the Bill.

Bill read a second time.

In Committee.

Clauses 1 to 8 passed.

Clause 9—"Home consumption price of wheat."

Mr. O'HALLORAN—Most people believe that the price will be 14s. a bushel or the lowest price derived from the sale of wheat under the International Wheat Agreement, whichever is the lower. Subsection (2) of new section 14 makes it clear that the price for local consumption shall be the international price as provided for and accepted or 14s. a bushel, whichever is the lower. However, subsection (3) seems to indicate that there is a possibility of the price of wheat for local consumption going beyond 14s. a bushel, which most people believe is to be the standard price for the duration of the Act. Can the Minister explain the position?

The Hon. Sir GEORGE JENKINS (Minister of Agriculture)—In the event of the cost of production rising above 14s. a bushel the price would be the cost of production price; if it is less than 14s. a bushel and the International Wheat Agreement price falls below that, then the price of wheat falls with it.

Mr. TEUSNER—The definition of "year" in subsection (5) of new section 14 is repeated in subsection (8). This appears to be unnecessary repetition.

The Hon. Sir GEORGE JENKINS—The Bill is really a copy of the Commonwealth draft and possibly there is some slight repetition. I ask members to pass the clause and if any amendment is necessary I will arrange to have it made in the Legislative Council.

Mr. HEASLIP—In the past cost of production has always been arrived at by a committee of three members, on which the wheatgrowers have one representative. In collaboration with the Agricultural Bureau of Economics they arrive at the cost of production. Will the same formula and the same proceedings be observed in this Bill?

The Hon. Sir GEORGE JENKINS—The formula will be virtually the same as previously.

Mr. STOTT—Actually it is not a very great departure from the previous interpretation because the price was determined in the same way as in the Commonwealth Act, which laid it down that the Minister for Commerce would publish the new price by notice in the *Gazette*. Under the last plan the Commonwealth Minister notified the State Ministers of Agriculture and the same procedure will be adopted here. When the new price is arrived at we will publish it in the *Gazette*.

Mr. O'HALLORAN—I am not happy about the drafting of this provision and after full

consideration I may ask the Leader of the Opposition in the Legislative Council to oppose it. This afternoon I expressed my dissatisfaction with the method under which the cost of production was arrived at in order to make legislation of this kind operate. It is about time that a stand was taken on this principle. I will not oppose the clause, because there is some good in it, but I will consult with the Leader of the Opposition in the Legislative Council to see whether or not we should vote against this pernicious provision.

Clause passed.

Clause 10 and title passed. Bill read a third time and passed.

CONSTITUTION ACT AMENDMENT BILL (GOVERNOR'S ALLOWANCE).

Second reading.

The Hon. C. S. Hincks for the Hon. T. PLAYFORD (Premier and Treasurer)—I move:—

That this Bill be now read a second time.

Its object is to provide an annual allowance to the Governor for payment of the staff at Government House. The cost of paying and maintaining this staff has recently been carefully investigated by officers of the Treasury. They are satisfied that, having regard to the present general level of salaries and wages in South Australia, the existing allowance of the Governor is insufficient for this expenditure. The need for an increased allowance does not arise from any increase in the size of the staff but from the fact that under present conditions suitable employees can only be retained if their rates of pay are commensurate with what they can earn in other employments open to them in the State.

As the Government has previously said on a number of occasions, Ministers do not desire that any Governor should be out of pocket by reason of holding the Vice-Regal office. The Government therefore feels that it has no alternative but to seek Parliamentary approval for a further allowance. The amount proposed in this Bill is £2,650 a year which has been arrived at after obtaining full information from the Commonwealth Employment Office as to the rates now being paid to domestic staff in South Australia. The allowance will be payable as from the first of July this year. If at any time the Lieutenant-Governor should assume office as the Administrator of the Government, the Treasurer may direct that the allowance, or such part of it as the Treasurer

deems just, shall be paid to him. The Bill contains a standing appropriation of revenue to enable the allowance to be paid from year to year.

Mr. O'HALLORAN secured the adjournment of the debate.

PUBLIC SERVICE ACT AMENDMENT BILL.

Second reading.

The Hon. C. S. Hincks for the Hon. T. PLAYFORD (Premier and Treasurer)—I move:—

That this Bill be now read a second time. Its object is to enable persons over the statutory retiring age to be employed temporarily in Government service after December 31, 1953. In 1941, because of the exigencies of war-time the Public Service Act was amended to permit the temporary employment of persons over the the statutory retiring age in the Public Service, the Education Department and the Railways Department. In 1946, in the belief that the end of the war would mean that there would be no further shortage of labour, the relevant section, section 49a of the principal Act, was amended to provide that no further appointment should be made under the section. However, by 1947, the Government had found that it was still desirable to employ over-age persons, and the operation of section 49a was extended to December 31, 1952, subject to the limitation that only persons in the employment of the Government before reaching retiring age could be employed. In 1951, as it was still difficult to find employees, particularly tradesmen, and the limitation that employees under the section should previously have been employed by the Government had rendered the section almost ineffective, that limitation was removed. At the same time, it was thought desirable to extend the operation of the section to December 31, 1953.

At the beginning of August there were 55 over-age persons temporarily employed in the Public Service under the section, 78 in the Education Department, and a small number in the Railways Department. Although it is easier now than it was in 1951 to find employees, much difficulty is still experienced in finding certain classes of employees, and it has been necessary to retain or recruit persons over the retiring age. Five over-age medical officers are employed in mental institutions, and the Government is informed that without their services it would have been impossible to carry on the work of the institutions.

Eighteen of the persons engaged for the fruit fly eradication campaign are over-age. They were employed because it was impossible to find anyone able to do the work. It has been necessary to employ over-age persons at the Agricultural College. Distance from townships and lack of housing have made it difficult to find other employees. Also in some construction departments it has been necessary to employ over-age blacksmiths, boilermakers, and plumbers because of the scarcity of tradesmen. Repeated efforts have been made without success to find applicants for these vacancies. It seems that young men are reluctant to enter those trades. Construction departments have also been compelled to employ over-age civil and mechanical engineers. The Education Department also has been greatly assisted by the employment of 78 over-age teachers. The Railways Department has in the past found it unnecessary to engage more than a very small number of over-age employees. Staff has been recruited overseas and the system of apprenticeship has generally made sufficient tradesmen available. However, the two-year contracts of employees recruited overseas will begin to expire in November of this year, and the Acting Railways Commissioner believes that he may then have difficulty in finding labour.

It thus appears that the provisions of section 49a are proving of great value, and will still be required after the end of this year. It seems that not only are the provisions of section 49a required to keep in employment those already employed, but to make future temporary engagements of over-age persons. The Public Service Commissioner has recommended that the operation of section 49a should be continued indefinitely. There is a substantial safeguard to the use of the section, namely, that the powers of the section cannot be used so as to prevent or delay the making of permanent appointments. Also, it is provided that no person is to be employed by the Minister of Education in a position higher than that of temporary assistant. The Public Service Commissioner reports that he has never received any complaint about an appointment made under the section. The Government believes that there is a real need to extend the provisions of section 49a, and that no good purpose would be served by limiting the period of its operation. The only danger of the section is that it might be used to the prejudice of persons under the age of retirement. The Government feels that the section contains adequate safeguards against this danger.

Clause 3 of the Bill, therefore, strikes out subsection (1a) of section 49a, which provides that no person shall be employed under the section after December 31, 1953.

Mr. O'HALLORAN secured the adjournment of the debate.

PRICES ACT AMENDMENT BILL.

Second reading.

The Hon. C. S. Hincks, for the Hon. T. PLAYFORD (Premier and Treasurer)—I move—

That this Bill be now read a second time.

The Bill provides for the continuance of prices control until the end of next year. The policy of the Government in connection with this matter has not changed. As the Government previously announced, it believes that freedom from control is in the public interest and leads to lower prices than control, provided that adequate supplies of goods are on the market and there is reasonable competition between sellers. Where these conditions exist control is not necessary and, in fact, quite a number of commodities have been freed from control. However, there are still shortages and it is not yet desirable in the public interest to allow the prices legislation to go out of operation. The Government therefore proposes to extend the principal Act so that it will apply to all transactions taking place before January 1, 1955.

Mr. O'HALLORAN secured the adjournment of the debate.

ABATTOIRS ACT AMENDMENT BILL.

Second reading.

The Hon. Sir GEORGE JENKINS (Minister of Agriculture)—I move—

That this Bill be now read a second time.

The Abattoirs Act, 1911-1950, provides for the establishment of abattoirs areas in the country. There are two methods provided under the Act for the proclamation of an abattoirs area and the subsequent constitution of a board and establishment of an abattoir. An abattoirs area may consist of any continuous area contained in one or more local government areas. Part II. of the Act provides that the council or councils for the areas of which it is proposed to constitute an abattoirs area and to establish an abattoir, may take a poll of the ratepayers on the question. The question submitted is to the effect that an abattoirs area should be proclaimed and that in due course the board for the area should

proceed to establish an abattoir for the area. An affirmative poll on the question under the Act provides sufficient authority for the councils to borrow the amounts necessary for the establishment of an abattoir in the abattoirs area and to impose any necessary special rates and thus the poll of the ratepayers is taken on the question whether an abattoirs area should be constituted and whether the councils concerned should enter into the financial commitments involved in establishing an abattoir for the area.

The expense of establishing a new abattoir can, of course, be heavy and in 1946 Part IVA. of the Act was enacted to enable this expense to be obviated where there was a private abattoirs or slaughterhouse which was suitable for the purpose and which could, under arrangements made with the owner, be made available as the abattoir for the new abattoirs area. Part IVA. provides that an abattoirs area can be constituted if the council is of opinion that arrangements of this kind can be made and the Minister, in effect, approves of the proposals. However, section 74a of the Act still provides that there should be a poll of the ratepayers although the basis of such a scheme is that the board of the new abattoirs area should arrange for the use of a private abattoirs as the abattoirs for the area and thus the councils concerned do not undertake the capital liability associated with the establishment of a new abattoirs. Where an abattoirs area is proclaimed whether under Part II. or Part IVA., a board for the abattoirs area is constituted upon which the council or councils concerned have representation. The board, if constituted under Part II., is expected to establish an abattoirs and, if constituted under Part IVA., is expected to arrange for a private abattoirs to be the abattoir for the area. In each case, the abattoir so established or in respect of which arrangements are made, is the abattoir at which, in general, stock is to be slaughtered within the abattoirs area and, subject to certain exceptions, all meat sold within the abattoirs area must be slaughtered at the abattoir.

As has been previously mentioned, Part IVA. requires a poll of ratepayers before an abattoirs area can be proclaimed under Part IVA. although, under the scheme of this Part, the council or councils concerned do not undertake any liability for capital expenditure on the establishment of an abattoir and there is no consequent liability imposed on the ratepayers. Whilst it is considered that a proposal to proclaim an abattoirs area under

Part II. should require a previous poll of the ratepayers, as such a proposal involves the establishment of a new abattoir and consequent liability on the ratepayers, it is considered that there should be no necessity for a poll under Part IVA. It is therefore proposed by clause 3 of the Bill that where a council or councils are of opinion that an abattoirs area should be established on the basis of making arrangements for the use of a private abattoirs as the abattoir for the area, the council may petition the Minister accordingly. If satisfied as to matters in issue, the Minister may recommend the making of a proclamation by the Governor constituting the abattoirs area and the necessary proclamation may then be made.

Clauses 2 and 4 deal with the case of an abattoirs area proclaimed under Part II. Although the original proposal for the constitution of such an area is based on the assumption that the board of the area will establish a new abattoir, it may subsequently appear desirable to make arrangements for the use of a private abattoir instead of establishing the abattoir. Clauses 2 and 4 enable this to be done and, in effect, provide that the board of

an area established under Part II. can either establish its own abattoirs or arrange for the use of a private abattoir. No such alternative is given to the board of an area proclaimed under Part IVA. and, under the existing provisions of section 74e, if the board does not make the necessary and suitable arrangements for the use of a private abattoirs within 12 months of the proclamation of the abattoirs area, the Governor may revoke the proclamation. Clause 5 contains new provisions to enable an abattoirs area proclaimed under Part IVA. to be extended. The council of any municipality or district contiguous to the abattoirs area may petition the Minister for the area to be extended to include the municipality or district and, if recommended by the Minister, a proclamation can be made accordingly.

Mr. O'HALLORAN secured the adjournment of the debate.

ADJOURNMENT.

At 9.20 p.m. the House adjourned until Wednesday, October 28, at 2 p.m.