HOUSE OF ASSEMBLY.

Wednesday, September 29, 1954.

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

QUESTIONS.

CO-ORDINATION OF TRANSPORT SERVICES.

Mr. FRANK WALSH—Has the Minister of Lands, representing the Minister of Works, who is absent today, a reply to my recent question concerning the co-ordination of transport services?

The Hon. C. S. HINCKS—The Railways Commissioner reports:—

Automobile Transport Limited have used rail transport in their business, and certain moneys are due to the department from the company, which moneys are covered by a guarantee from an insurance company. Automobile Transport Limited defaulted, and steps are now being taken to obtain settlement in full from the insurance company in question.

CEMENT SUPPLIES.

Mr. TEUSNER—A recent edition of the *Advertiser* contained the following report under the heading "Doubt over South Australian cement supply":—

Cement brick manufacturers do not know where the Government will get its cement to treble the output of bricks made by prisoners at Yatala Labour Prison. A former president of the Concrete and Masonry Manufacturers' Association (Mr. R. L. Golding) said yesterday that the association was pleased to hear that the Government intended to make a further 3 million bricks a year. "We sincerely hope that our members' quota of cement is increased by a similar amount," he added. "At present my firm could produce another 20,000 to 25,000 bricks a week, if only we could get sufficient cement."

I understand that in recent weeks an additional kiln has been completed and cement production considerably increased at the Angaston cement works. Can the Premier say whether that increased production will considerably alleviate the cement shortage that is apparent in this State?

The Hon. T. PLAYFORD—I understand the present fairly acute shortage of cement arises out of the breakdown of some of the plant manufacturing cement. I believe, however, that that breakdown will be only short-lived and that the additional plant referred to by the honourable member will step up production to about 240,000 tons a year, which should prove adequate to meet the State's requirements.

MURRAY AREA FROSTS.

Mr. MACGILLIVRAY—Has the Minister of Irrigation a report from his officers in the River Murray areas regarding the incidence of frost that took place there last week-end?

The Hon. C. S. HINCKS—I have received no report from the area, but I will ascertain the position for the honourable member.

APPOINTMENT OF AGRICULTURAL ADVISER.

Mr. WILLIAM JENKINS—Will the Minister of Agriculture indicate whether an agricultural adviser has been appointed to fill the vacancy caused by the retirement of Mr. Griffiths, who was acting in that capacity in my district? Country Agricultural Bureaux consider that an adviser could give much more service if he resided in the district in which he operated rather than if he worked from Adelaide. Will the Minister consider this aspect, and station the adviser in the centre of the area he is to serve?

The Hon. A. W. CHRISTIAN—Steps are being taken to fill the vacancy caused by Mr. Griffiths' retirement. The question of where the officer shall be stationed is to a large extent bound up with accommodation, and I regret to say that it has been found difficult to obtain houses in country towns for such staff. That was largely the reason why Mr. Griffiths resided in the metropolitan area, and why I believe the new appointee will have to reside there. The stationing of a man in the centre of the district is largely bound up with the matter of additional staff, because, although Mr. Griffiths served the central district, he was also the Senior Adviser and his services were required to a large extent in the head office.

EYRE PENINSULA RAIL TRACK.

Mr. PEARSON—I intended directing my question to the Minister of Works representing the Minister of Railways, but in his unavoidable absence I ask the Treasurer to refer it to his colleague. During the debate on the Loan Estimates I emphasized the importance of relaying considerable portions of the railway track on the Eyre Peninsula division, and the Minister of Railways subsequently supplied me with a comprehensive report on the position, which I greatly appreciated. He said, in effect, that it is not proposed to use rails heavier than 60 lb. on the division, because it is assumed that that weight will carry all the axle loads it is proposed to carry on that division for a long time. I am concerned,

however, whether or not rails of that weight are sufficiently heavy to carry narrow gauge diesel engines, for I foresee the time when their use on that division will prove economical. Will the Treasurer refer this matter to the Minister of Railways and before a final decision is made on the rails to be used, inform me whether rails of this weight would be adequate?

The Hon. T. PLAYFORD—I will give the honourable member an answer to his question next Tuesday.

LEAVE OF ABSENCE: MR. TAPPING.

Mr. HUTCHENS (Hindmarsh) moved—

That two weeks' leave of absence be granted to the honourable member for Semaphore (Mr. H. L. Tapping) on account of ill-health.

Motion carried.

PUBLIC ACCOUNTS COMMITTEE.

Adjourned debate on the motion of Mr. O'HALLORAN—

That in the opinion of this House it is desirable to appoint a Public Accounts Committee to—

(*a*) examine the loan and revenue accounts of the State and all statements and reports required by law to be submitted by the Auditor-General to Parliament;

(*b*) report to Parliament, with such comment as it thinks fit, any items or matters in those accounts, statements and reports of any circumstances connected therewith, to which the Committee is of the opinion the attention of Parliament should be directed; and

(*c*) report to Parliament any alteration which the Committee thinks desirable in the form of the public accounts or in the method of keeping them or in the mode of receipt, control, issue or payment of public moneys.

(Continued from September 1. Page 564.)

Mr. JENNINGS (Prospect)—I had almost completed my remarks when I obtained leave to continue. In view of the many private measures on the Notice Paper I do not intend to delay the House long. I reiterate that Public Accounts Committees, such as is proposed in the motion, are functioning successfully in other Parliaments; that such a committee would provide a venue for private members to raise matters involving Government expenditure for examination; that rather than being an embarrassment to the Government it would be of great assistance, as the Government would be fortified by the knowledge that expenditure would run the gauntlet of examination and inquiry by the committee; and that recent debates—particularly that on the Loan Estimates—have made it abundantly clear that many members are far from satisfied that the money Parliament is voting is being spent wisely and well. Members would feel much more confident that they were honouring their responsibilities to their electorates if a committee of this nature were established to supervise the expenditure of public money.

Mr. O'HALLORAN (Leader of the Opposition)—I express my gratitude to members for the consideration they have given to the motion. I desire to repeat some of the points I submitted in moving the motion because further amplification of them has become necessary as a result of the debate. The purpose of this motion is to authorize the establishment of a permanent committee whose main function would be to report to Parliament on any matter arising from the possible misuse or waste of public funds other than such things as theft, disregard of statutory authority and any other misappropriation of the kind that would normally come under jurisdiction of the Auditor-General. It is not intended that the Auditor-General should be superseded in his own sphere, but to the extent that the motion does concern him and his department, we feel that purposes which he has been called upon from time to time to serve—purposes which are really foreign to his duties—would be more satisfactorily served by the proposed committee.

With his characteristic refusal to admit what the motion really sought—and even making a deliberate endeavour to evade it—the Premier has emphasized the magnificent work being done by the Auditor-General and his department, the compliments paid to the Under Treasurer and his department on the neat and tidy way in which the State's accounts are kept and other matters which have nothing whatever to do with the question. It is a poor form of argument, however, for him to adopt when he feels that he is being attacked on the extravagance of his administration and the dangerous drift away from Parliamentary control of public undertakings that is implicit in his policy. One may say that the bulk of his speech on the motion was irrelevant and also that it was never intended that the motion itself should constitute a reflection on the efficiency of Audit and Treasury officials.

Perhaps the only relevant assertion made by the Premier was that the functions of the proposed Public Accounts Committee are the

functions of this House, not to be delegated to a committee but to be debated by members when the Loan and Revenue Estimates are before them and before the House passes the Bills appropriating moneys for the purposes set out in the Estimates. This is the only relevant assertion, but that does not mean it is valid. There is need for a standing committee which will be able to go into these questions somewhat more expertly than can be expected of members generally, and it is especially necessary in view of the tremendous expansion of public activities under the present anti-socialistic Government, the removal of those activities from the immediate control of Parliament and the meagre nature of the information usually made available to members on those activities. I am not reflecting on members of the House because I sympathize with them in the impossible task they are set to trace the expenditure of public money which they are asked to approve for specific purposes.

Before dealing with the positive side of the question, I want to dispose of the rest of the so-called arguments used by the Premier in his speech on the motion. He said that as far as subparagraphs (*a*) and (*b*) were concerned, the Auditor-General's report reveals that he carries out in great detail the duties which I propose to hand over to the committee. He also asserted that "all types of Government expenditure and the efficiency of departments are under the watchful eye of the Auditor-General." I have studied the Audit Act, which sets out the duties and responsibilities of the Auditor-General, and I have failed to discover very much in that Act to warrant the assumption that those duties and responsibilities are intended to be anything but of an auditor as such. Section 37 sets out the details, such things as to see that moneys have been disbursed with authority, that receipts have been issued for moneys received, that accounting officers are carrying out their dutis as prescribed by regulation, etc. These are exactly what one would expect the Auditor-General's Department to be concerned with. Subparagraph (*h*) of the section seems to contain the only reference therein to anything other than the ordinary duties of an auditor, and that subparagraph would only be made to apply to such matters as wasteful expenditure, etc., contemplated in the motion, by an unnatural stretching of the ordinary meaning of the words of the subparagraph. Section 40 could possibly be interpreted to mean that the Auditor-General may take the initiative in bringing before the notice of the Government any irregularity, but here again I feel sure the power conferred upon him in that section is a purely auditing matter. There does not seem to be any justification for the assertion that matters which I "had in mind" when I said that expenditure might be wasteful and extravagant come within the category of the powers given to the Auditor-General. If they do, it is perhaps time we made it clear what the Auditor-General's duties really are.

The Premier also said:—

I have no fear that the Auditor-General and his staff are not capable not only of auditing the accounts of the State but also of detecting what is called by the honourable member wasteful and extravagant expenditure. It has not been his practice for many years to confine his responsibilities in the manner suggested.

I have taken the trouble to consult some of the special reports compiled by the Auditor-General during the last 24 years, and, as far as I can ascertain, there have not been very many of them. I have been able to locate six in the Parliamentary Papers since 1927. The first was a report on railways accounts in 1927 and this is the only one that I would regard as a purely auditing report and made in the spirit of the Audit Act. There was a difference of opinion between the Auditor-General and the comptroller of railway accounts at the time about the way railway accounts were being presented, and that was the reason for the special investigation.

In 1929 there was a supplementary report to the seventh annual report of the Auditor-General on the South Australian railways. This had been unaccountably omitted from the general report submitted earlier in the year. In 1936 there was a report on an investigation into the administration of the Metropolitan and Export Abattoirs Board. The conclusions of this report indicate that the investigation was only slightly connected with matters coming under the heading of accounting. From the nature of the report it appears that the matters investigated by the Auditor-General were concerned with administration and compliance with working conditions, most of which would have been appropriate for the industrial tribunal under which the abattoirs were working at the time. In 1945 there was a similar report on the administration and operations of the Abattoirs Board, of which the financial aspect was only a part. In 1950 there was a third report on an investigation into the operations of the Transport Control Board and the administration of the Road and Railway Transport Act. It was

not so much a question of informing Parliament of what had been done with the taxpayers' money as of informing it how certain legislation was being administered by the statutory authority.

The Premier may have had this sort of investigation in mind when he said that the Auditor-General does not confine himself to mere auditing duties, and he may regard these as justification for not appointing the committee proposed. But it is questionable whether the Auditor-General should be called upon to perform these duties, and I am inclined to think that they were pushed on to him because the Government thought he was the most appropriate person to carry them out or because there was no standing committee for the purpose. That does not, however, justify delegating the responsibility of a Parliamentary committee to the Auditor-General. I propose to avoid this work being imposed on the Auditor-General by creating a statutory body to carry out the type of investigation which is undoubtedly required.

Dragging in the Grants Commission the Premier stated that the financial records of the State are subjected to searching examination by that commission every year. In 1951 the commission complimented the State on the way in which the accounts are kept and presented and in 1953 it said that the accounts of the Government and Government instrumentalities were models of clarity, conciseness and consistency. I have already said that these compliments, although very acceptable and I feel sure merited, are beside the point. The Grants Commission is merely concerned with money terms, and comparisons in terms of money, between South Australia and other States. It is not concerned with the real significance of the money spent, and that is precisely the matter which the proposed committee would deal with. Even if the Grants Commission refers to matters in "a most cogent way by saying that because such and such things are happening, the grant to the State will be reduced," what has that to do with the subject under discussion? Some time ago, for instance, the commission drew attention to the fact that the State was not raising enough by way of betting tax, and the Premier promptly imposed a tax which has brought in considerably more than was necessary to put South Australia in line with other States, and, by some curious logic, the State's grant was increased for that reason. On this particular head, the Premier himself said that he had been told there is to be an adverse adjustment in our grant of about £450,000, because our water, sewerage, harbour and railway charges are below standard. But this only touches the surface of the problem and disregards altogether the fact that the capital cost of providing, for example, water to the metropolitan area has been so drastically increased as a result of the extravagant policy followed by the Premier and his obstinate refusal to do anything about decentralization, preferring to concentrate more and more people in the metropolitan area. Moreover, when such projects as the Mannum-Adelaide pipeline are before the Public Works Committee, the estimated cost is one figure, but as time goes on, we find the actual cost mounting to such heights that increased charges become inevitable. The figures I quoted when I moved the motion prove conclusively that the completed costs of this public work, and others, bear no relation to the estimates submitted to the committee.

Mr. Brookman—Can't Parliament adequately cover that point?

Mr. O'HALLORAN—Parliament could discuss the point if it had the relevant information before it, but there is no authority to submit that information to it. When I was first a member of this House a report on expenditure on public works was presented annually. We were told how much money had been spent on a particular project and what had been achieved, but that practice is not now followed, and the result is that after the Public Works Committee has investigated a project and reported to the Governor, Parliament approves of the expenditure on the basis of the estimates submitted. However, it may cost considerably more than twice the amount estimated.

Mr. Brookman—Would you be satisfied with the system of reporting annually if it were re-instituted?

Mr. O'HALLORAN—I will not say that, but it would be a step in the right direction. An all-party Public Accounts Committee, such as I have suggested, would act as a watchdog on this type of expenditure and would be infinitely preferable to an annual report. I am not saying that the increased cost of the Mannum-Adelaide main has been the result of any inefficiency on the part of the Engineering and Water Supply Department. We charged it with the task of constructing a main as quickly as possible, but to expedite the work steel for pipes had to be imported at far greater cost than would have been incurred

for Australian steel. If the Government had shown the same enthusiasm for the establishment of a steel works at Whyalla as it has shown for other grand schemes, particularly in the metropolitan area, it might not have been necessary to import steel. The deliberate policy of the Government concentrates people unnecessarily in the metropolitan area and creates a greater demand for water there. The gravamen of the charge is that when Parliament approved the first item of Loan Expenditure it thought that the total cost of the Mannum-Adelaide pipeline would be under £4,000,000, but we now realize it will be about £10,000,000. If Parliament had known this, or if it had had a body to watch the progress of big projects, it might have hesitated before embarking on this huge expenditure. After all, we must look at the picture from the standpoint of the State, not from the standpoint of one section. We must visualize what the impact of expenditure that we authorize today is likely to be on future generations. In this respect a Public Accounts Committee would be invaluable.

The weakness of the Premier's argument against the appointment of a Public Accounts Committee was demonstrated when he suggested that any member could bring in a private Bill to increase railway and water charges. That was a ridiculous thing to say because, in the first place, a private member would not be entitled to introduce a money Bill and, in the second place, railway charges and metropolitan water charges at least are a matter of regulation. That shows the absurdity of the contentions advanced by the Treasurer in opposing the motion. As he has the numbers behind him he confidently expects that his chosen people will support him, whatever views he puts forward. Therefore, he need not rely on any valid argument; he merely says, "If we do not make these things pay, why don't you introduce a Bill?" The Premier however, has been in Parliament long enough to know that under the Standing Orders and procedure of this House it is not competent for a private member to introduce a Bill imposing charges on the public. Further, he has been long enough in Cabinet to know that the regulation-making power provided in the various Acts may only be exercised by the Government of the day. The absurdity of his attitude is further emphasized in his words: "I point out that the Adelaide water district is not paying expenses now . . . but do we bring in a Bill to increase charges? We do not." At present metropolitan properties are being re-assessed with a view to increasing charges. However, the point is that something ought to be done about checking the wasteful expenditure which is largely responsible for the necessity of imposing higher charges.

The Premier also said that the Public Works Committee subjects officers concerned with the planning of works to close examination and the reports of that committee are valuable to members. Of course they are valuable. From my experience as a member of that committee I appreciate the meritorious service rendered by it to Parliament and to the people; but its inquiries are entirely prospective. I suggest we look at the position in retrospect to test whether a scheme, submitted to the Public Works Committee by departmental officers in all good faith as a good thing, is such a good thing after all when looked at in the light of our long-term financial resources. On this point, it may be remembered that projects strictly under some Government department estimated to cost more than £30,000 are investigated by the Public Works Committee, and owing to the prevailing inflation many of these projects do not warrant being submitted to that committee; whereas huge undertakings, merely because they are not strictly under some Government Department, are not subject to investigation by the committee.

That is an important point on which I will say more later; at the moment it is sufficient to indicate that in this year's Loan Estimates a substantial portion of the total expenditure is going to semi-governmental authorities whose expenditure is not subject to any inquiry by the Public Works Committee. In any case, once a project has been recommended by that Committee, it does not seem to matter how much it costs; and the practice of diverting loan funds from one work to another necessarily aggravates the unsatisfactory position that has arisen in this respect. This is the kind of subject the Public Accounts Committee would investigate.

The Premier also said that the proposed committee would not examine anything before money was spent, but would be like a coroner holding an inquest. Apparently the Premier is afraid of that, but it would have a most salutary effect and, if nothing else, would suggest means of avoiding certain extravagances, etc., in future projects. The Premier also said there was plenty of scope in the debates on the Loan and Revenue Estimates and that the Government had never stifled discussion on these. But it does not matter

what we say during those debates: the Government takes no notice of our suggestions and they rarely get any publicity in the press. An official report by a Public Accounts Committee would at least be printed and would be of great assistance to members in making their contributions to the debates mentioned. No-one would say that those debates are as thorough and relevant and they might be—they usually finish by exhaustion in protracted night sittings. However, the debate on the Municipal Tramways Trust last week showed conclusively the need for some investigation into the policy now being pursued by that body and the submission to Parliament of the facts of the case.

In conclusion, I wish to refer to one or two reports recently issued by the Commonwealth Public Accounts Committee, as examples of the kind of investigation and report the proposed committee would make in the interests of good government in this State—the 11th report—Joint Coal Board, Plant and Equipment, submitted in April, 1954 (paragraphs 28 to 35 and 39), and the 13th report—The Form and Content of the Financial Documents Presented to Parliament (paragraphs 7 and 8). The Commonwealth Public Accounts Committee is associated with the Commonwealth Parliament in which a political organization of a shade similar to that of the Playford Government has a majority in both Houses. That committee, which had been in recess for some years because of the war and certain exigencies born of the war, was resuscitated and continued by the Menzies-Fadden Government, because it is recognized that it serves a valuable purpose. Paragraph 28 of the committee's report of April, 1954, states:—

As the accounts of the Joint Coal Board are the first of a statutory corporation to be examined, the Joint Committee on Public Accounts thinks it desirable to refer to some of the problems associated with the status and functions of such corporations.

Paragraph 29 states:—

There has never been any clear definition of the status of the statutory corporation in Australia. At times these corporations have been given power that makes them almost completely independent of the Government of the day (save in matters of high policy) and in these cases they have power to raise loans for capital works and to impose rates and charges. The Joint Coal Board has no independent power to borrow money (see section 23 of the Commonwealth Coal Industry Act 1946-1952) but apart from that it appears to have a greater degree of independence than, for example, the Commonwealth Railways or the Australian Broadcasting Commission.

I draw attention to this reference to what the committee calls statutory corporations. In this State our administration is cluttered up with statutory corporations. There is the Electricity Trust, M.T.T., the greater development project for uranium, the Metropolitan Abattoirs Board and many other bodies which come close to being within the ambit of the definition supplied by the committee. We are asked to vote millions annually for those services. I do not suggest that they are not giving good service, but whether the service is good or bad it is the duty of Parliament to strictly scrutinize the expenditure of public money. Paragraph 30 states:—

In England, where, in recent years, many statutory corporations have been created for the management and operation of industries such as coal, gas, electricity and transport, the political and administrative status of these corporations has been extensively discussed.

The nationalization of coal, gas, electricity and transport in England was carried out by the Attlee Labor Government in conformity with the principles it had submitted to the people at the previous election and which had been approved by the people then. The Attlee Government termed it Socialism but in this State the Premier and his loyal and devoted henchmen, posing as anti-Socialists, wander into the socialistic pattern, because there is a great similarity between the statutory corporations established by this Government and those established by the Attlee Government in England. There is this difference, however, that in England these matters have been the subject of considerable discussion in Parliament and of inquiries, as is related in paragraph 31 of the Commonwealth committee's report, which states:—

Because it was felt that a large sector of governmental activity was tending to pass beyond parliamentary control, the United Kingdom House of Commons appointed on November 6, 1952, a Select Committee on Nationalized Industries. As it was generally agreed that the Parliament had intended to give these corporations a wide degree of autonomy, it was argued by some that if any authority were created to examine the operations of the corporations, it would be tantamount to denying their autonomy and, in addition, it could lead to destroying the initiative, the enterprise and the independence of executives which were amongst the things chiefly sought in creating the corporations.

Paragraph 32 states:—

Nevertheless, the Select Committee in its recent report to the House of Commons declared that it was of paramount importance to ensure the accountability of the corporations to the Parliament because, amongst other

things, of the way in which their activities touched on many aspects of everyday life and of the vast sums of public money involved.

Paragraph 33 states:—

The Select Committee proposed to ensure accountability by creating a Special Committee of the House of Commons, which would be assisted by an officer having a status not unlike that of the Auditor-General. The duties of the Special Committee would be to keep the Parliament informed about the character and nature of the activities of the corporations, but it would make no attempt to influence their policy or control their general administration.

Paragraph 34 states:—

So far as the financial operations of the corporations were concerned it was intended that the Special Committee would replace the Committee on Public Accounts which at present has the power to examine the accounts of the corporations but which because of the magnitude of the work entailed it was unable effectively to do.

In England, long before this step was taken, there was a committee on public accounts, but because of the increased magnitude of work created by these statutory corporations—these semi-public bodies—it was felt by the House of Commons that the Public Accounts Committee was no longer able to discharge its functions satisfactorily and it created a special committee to deal specifically with nationalized industries. Paragraph 35 states:—

Whereas in the United Kingdom, interest in this question was stimulated by the creation in rapid succession of a number of important statutory corporations, a similar stimulus does not exist in Australia. Nevertheless, the problem is still present; for over a period of years a large number of statutory bodies of this character have been established in this country.

Paragraph 39 states:—

In this case, the Government, upon the recommendation of the Joint Coal Board, authorized the purchase of plant sufficient to obtain the amount of coal estimated to be needed for Australian economy in 1953. The care taken to get a reliable estimate is fully set out in Appendix No. 1 and indicates the reasonable manner in which the Board interpreted its obligations. The estimates proved to be excessive not merely by the course of events but also by the desire of coal consumers in New South Wales and other States to make certain that they would obtain adequate future deliveries. The large variations between estimated and actual consumption support the view expressed by the board and concurred in by the committee that some coal consumers took very lightly their obligations to the Coal Board. It must be conceded that the increasing use of oil and fuels other than black coal was an important contributing factor to the ultimate disparity between the estimate and actual consumption.

It was shown that the indebtedness of the Joint Coal Board had been enormously increased, mainly because the board's customers had over-estimated their requirements in a period of years. In the thirteenth report the committee drew attention to a constitutional point and in paragraph 7, said:—

The committee thinks the Parliament should know that evidence has been given on questions—

(*a*) the legal and constitutional validity of the present form of the Governor-General's message with the Estimates and, generally, of the form of the Estimates of receipts and expenditure and of the Appropriation Bill, and

(*b*) the legal force of the systems of transfers between votes in the Estimates, the salaries schedules and the crediting of revenue to votes in the Estimates.

In paragraph 8 it said:—

Other questions that have been raised for the consideration of the committee include (*a*) the inadequacy both of the information in, and the manner of presentation of, various sections of the Estimates and the Budget papers, and (*b*) the duplication of information in the various financial documents.

I think I have produced sufficient evidence to prove that a Public Accounts Committee is essential in our Parliament and by the quotation of extracts from reports by the Federal Parliamentary Accounts Committee I have clinched the argument in favour of the motion, which I hope will be carried.

The House divided on the motion:—

Ayes (13).—Messrs. John Clark, Fletcher, Hutchens, Jennings, Lawn, Macgillivray, McAlees, O'Halloran (teller), Quirke, Riches, Stephens, Frank Walsh and Fred Walsh.

Noes (17).—Messrs. Brookman, Christian, Geoffrey Clarke, Dunks, Goldney, Hawker, Heaslip, Hincks, Sir George Jenkins, Messrs. Wm. Jenkins, Pattinson, Pearson, Playford (teller), Shannon, Stott, Teusner, and White.

Pairs.—Ayes—Messrs. Tapping Davis, Dunstan and Corcoran. Noes—Messrs. Michael, McIntosh, Travers and Dunnage.

Majority of 4 for the Noes.

Motion thus negatived.

LONG SERVICE LEAVE BILL.

Second reading.

Mr. O'HALLORAN (Leader of the Opposition)—I move—

That this Bill be now read a second time.

It is desirable that a Bill of this nature should be introduced and its provisions are fair and just having regard to general industrial conditions in this State. Members will agree that a substantial measure of peace, harmony and efficiency has been established in industry here.

Frequently we have heard the Premier and other Government members compliment employers and workers on the industrial position. It has been one of the principal aims of the Labor Party for the past 50 years: it has desired peace, harmony and efficiency in industry since it became a political force in this country and it has succeeded to a considerable degree, but it has not succeeded in achieving the ultimate objective of all workers being partners in industry by sharing in the management and profits and the betterment which follows the exploitation of new industrial fields. That will come gradually, but in the meantime we should not lag behind what has been done in other States in the matter of working conditions. We should not lag behind the accepted principle in this State for many years in connection with Government employment where there has been long service leave in various forms. Frequently we have passed legislation improving the position. New South Wales, Queensland and Victoria have provided long service leave for employees in private industry. Queensland was the first State to inaugurate such a system but it was followed closely by New South Wales and last year by Victoria. We now have the three major States with legislation for long service leave. They are often called the three contributing States, and if anyone suggests that we cannot afford this luxury because the Grants Commission may take us to task for imposing a burden on industry which is not borne by the people in the contributing States my reply will be that it is already provided there. Of course, the workers of South Australia should not be any worse off than workers in the contributing States, otherwise we should be putting some of the burden of financial stability on the shoulders of those employed in private industry in this State. I think that one of the inseparable difficulties in times of full employment, or a little more than that in some respects, has been the impact on industry of the turnover of labour. I believe that the provision of long service leave would diminish the turnover of labour. Do not misunderstand me by assuming that we on this side think the workers should be made subservient in their fight for just conditions merely because they might lose long service leave if they fought for those conditions, and the Bill covers that matter. The workers, who actually produce the goods, are entitled to tolerable conditions of employment.

The housing shortage is aggravated by the turnover of labour. Houses have to be erected in certain areas because many employees change from one industry to another. The aim of the captains of industry, until we can get that full co-operation that Labor members believe in, should be to establish conditions under which their employees make employment in a particular industry a career. On broad principles there can be no valid argument against the Bill. I have examined the legislation in New South Wales, Queensland and Victoria, and I found that the Victorian Act was the best.

Mr. Lawn—It is the latest, so it should be the best.

Mr. O'HALLORAN—Yes. The draftsman had the benefit of the experience of the other two States. Both Queensland and New South Wales are now remodelling their legislation on the lines of the Victorian Act, so if we pass this Bill there will probably be uniform long service leave condition in the four main States. The general effect of the Bill is to entitle workers who are not covered by other legislation to long service leave at the rate of three months for 20 years' service with the same employer, and proportionately for service beyond that period. If a business is transferred to another employer, employees retained by him will be able to count their service with their former employer. Service in the armed forces will count as continuous employment with the employee's previous employer. Service before the passing of the Bill, up to 20 years, will be counted. The dismissal of an employee after August 1 for the purpose of evading responsibilities under this legislation will not disentitle the employee to long service leave. That is an important point. I have stated "August 1" because that is about the time when I gave notice of my intention to introduce the Bill. I do not think many employers would desire to contract out of their obligations, but if they could, and did, the great majority of employers who will welcome the Bill would at a serious disadvantage.

Disputes relating to entitlement to long service leave are to be heard by the local court nearest the employer's place of business or residence. This is a simple provision which will obviate the necessity of costly legal proceedings. It is provided that there may be appeals from the local court's decision, and in this matter I encountered some difficulties. In Victoria the problem has been solved by making the Metropolitan Industrial Court the appeal tribunal, but we have no such body. However, we have a similar body in the Board

of Industry which, like the Victorian Metropolitan Industrial Court, comprises representatives of employers and employees, with a magistrate as chairman. Therefore, the Board of Industry will hear appeals from local courts and also applications for exemptions lodged by employers who are providing privileges equivalent to those contained in the Bill. The provisions of the Bill will apply only where an employer does not already grant conditions equal to or better than those in the Bill. For instance, in the last agreement between the Broken Hill Associated Smelters and the Australian Workers' Union and other organizations a clause was inserted that the company would accept the conditions of long service leave laid down for Government servants. Therefore, the B.H.A.S. will be able to obtain exemption from the operation of this Bill. All employees with 20 years' service will become entitled to long service leave on the passing of the Bill, but it is provided that an employer will not be obliged to grant the leave before December 31, 1955. On the passing of the Bill many employees will become simultaneously entitled to leave. It will not be possible to grant all of them leave at the same time, so they will have to be rostered. That is why I have provided a period of grace. Employees who have served 10 years or more and are dismissed for reasons other than misconduct, etc., or are unable to continue their employment through illness, etc., will be entitled to long service leave equivalent to one-eightieth of their service. This formula makes it easy to calculate the sum to which a man is entitled if he is dismissed from his employment through no fault of his own or becomes sick and has to leave his employment, or the sum to which his dependants would be entitled, in lieu of leave, in the event of his death.

Legal representatives of employees who die after 10 years' service will be entitled to receive cash equivalent to proportional leave. Normally the employee will be required to take leave as leave and not in cash, and will be required to abstain from any other employment for wages. That is an important, wise and just provision. The granting of long service leave has two objectives: firstly, to give some respite to the employee who has served for 20 years or more; and secondly, to enable him to continue to give the same meritorious service that he has given in the past. Consequently the Bill provides that a person on long service leave may not be employed on wages by any other employer. Payment of cash in lieu of leave will be made only in the case of death or dismissal, etc. Clause 4 sets out what constitutes continuous employment, and its provisions are fair and just. In fact, the whole scheme of the Bill is fair and just, and it is with confidence that I move the second reading.

The Hon. C. S. HINCKS secured the adjournment of the debate.

CONSTITUTION ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from September 22. Page 701.)

Mr. HAWKER (Burra)—I oppose the Bill. Its sponsor has departed from the principle of one vote one value expressed previously in similar Bills, and it has been decided to introduce two zones having votes of different values. I have not heard any sound argument in favour of the one vote one value principle, and, although the member for Norwood (Mr. Dunstan) said it had been acknowledged over the years by the people of Great Britain, it is interesting to note the variation between the numbers in the various electorates there. For instance, there are 27,000 electors in Caithness and Sutherland, and 80,921 in Down. It is also interesting to look at the position in Australian States where Labor Governments have been in power for some years. In Queensland Mount Gravatt has 20,823 electors and Charters Towers 4,509. In Western Australia, before the recent re-distribution of electorates, Nedlands had 15,489 electors and Roeburne 510. Labor had then been in office for 15 years, and, even though shortly after the Liberal and Country Party assumed office the numbers in the electorates were adjusted, there is still a discrepancy between the electorates. For instance, Canning has 13,514 electors and Kimberley 1,010. Therefore, it will be seen that in both Great Britain and the Australian States that have been governed by Labor for some years the principle of one vote one value does not apply.

The member for Prospect (Mr. Jennings) went to great length to show that country members had occupations other than that of member of Parliament; but Parliament has never required that members, particularly back benchers, should regard their Parliamentary duty as a full-time job. Indeed, if that were the case, a member would be unable to serve on the various Parliamentary committees or take his place in the Ministry. In fact the whole essence of good Parliamentary government is to have members who have an interest and a stake in the country other than their

job as a member. If Mr. Jennings were to apply the principle he enunciated regarding country members to city members he would find that city members on both sides have other interests; therefore, if Mr. Jennings' argument were sound, it would logically follow that such members could take on more Parliamentary work than they are doing at present. In view of that logical conclusion, why does this Bill provide for six additional members?

The Bill seeks to replace single electorates with multiple electorates. Except for 24 dual electorates in a total of about 600 Great Britain adopted the single electorate system in 1885. A commission headed by Sir Richard Cavendish was appointed to examine electoral schemes in relation to the United Kingdom, and its conclusion was that single electorates should be retained and preferential voting adopted. Although I have never served as a member under a multiple electorate system I had much to do with members who served under such a system and I found that each member from a multiple electorate did almost as much work as he would have done had he been the sole member for the electorate. Mr. O'Halloran made it clear that the Bill provides for multiple electorates so that proportional representation may be used as a voting system. Last session in a debate on a similar measure the member for Gawler (Mr. Clark) quoted Sir Winston Churchill as saying in favour of proportional representation:—

> Both therefore on the grounds of securing a truer representation of the people and the strengthening of the House of Commons, I am in favour of electoral reform.

That was in an article in the *Daily Mail* of May 29, 1935, by Winston Churchill, but it is only fair to read on after that statement. Sir Winston continued:—

> I suggest three practical steps. First, the application of proportional representation in the first instance to the great cities. This is no more than was advocated by the House of Lords in 1918, and by a majority of the last Parliamentary Conference on Electoral Reform in 1930. Nay, it is less; for I would not propose to extend this system to the counties.

Therefore, Sir Winston limited the application of proportional representation to the big cities. He continued:—

> Whereas proportional representation in the cities would mean a higher focusing of public thought, its extension through the counties would make the areas so wide as to impair the relations between a member and his constituency. Let us begin with the cities and establish them as coherent living forceful entities in our national politics.

Sir Winston made the point often made by members on this side: you cannot have large electorates in the country, because the expansion of proportional representation throughout the country would make the districts so big as to impair relations between the member and his constituency. Sir Winston's second recommendation was compulsory voting, and he goes on to say:—

> Thirdly, we should improve the quality of the franchise by making a difference between the householder or head of the family and his or her children, or dependents. I would therefore give a second vote to every man or woman who pays the rent and the rates of any dwelling in which more than two persons habitually reside.

They are the complete views of Sir Winston Churchill in 1935 and not mere references to his beliefs as expressed by the opposition. I oppose the Bill.

Mr. RICHES secured the adjournment of the debate.

PREVENTION OF CRUELTY TO ANIMALS ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from September 22. Page 707.)

Mr. HUTCHENS (Hindmarsh)—I support the Bill, which is a simple measure. I am surprised at the opposition of some members to this worthy move by Mr. Jennings. It is amazing that some people in South Australia should desire this bloodthirsty sport to continue. After being captured, birds of an attractive colouring, which have served the interests of the country as carrier pigeons in times of emergency, are penned and placed in traps, to be subsequently released into the mouths of guns aimed by callous, brutal people who parade as sportsmen. Australians generally regard a sportsman as a man who will give even a poor, dumb animal a chance. One cannot help regarding trap shooting with disgust. I submit that I express the views of the majority of South Australians and I base my claim on a petition circulated among members praying that something be done to rid the country of this awful blot. A representative of the *News* questioned six people at random about trap shooting and five of them asserted unhesitatingly that it was undesirable. It has been argued that these birds are a menace and should be destroyed, but those who make such claims go to no end of trouble to capture the birds alive and subject them to the misery of being targets in this sport. With one exception, all other States have prohibited this

cold-blooded murder. It has been alleged that there are other sports equally undesirable, but this Bill represents a move in the right direction. To argue that because other forms of cruelty are not being prevented this measure should be rejected is most unusual reasoning. I was interested, recently, to read of a shoot which took place only a few miles from Adelaide. It was estimated that 500 birds were taken there to be shot at and many were left lying about with their legs shot off, whilst others fluttered away to die in agony. Some members may laugh, but the day may come when people even more cold-blooded than the supporters of this sport may occupy our country and have no hesitation in shooting the arms and legs off the offspring of those who encourage this brutality. If that happens, they will be receiving their just deserts. Even these small birds were given life by the Creator of mankind. If a person encourages unnecessary suffering to inoffensive birds he is enouraging brutality towards humanity. No really Christian person would support this sport. Australians have been highly commended for their sportsmanship, kindness and decency, and I hope members will support this Bill, which aims at maintaining our traditions.

Mr. HEASLIP (Rocky River)—This Bill, which amends the Prevention of Cruelty to Animals Act, is designed to prevent cruelty. I will wholeheartedly support any move aimed at preventing cruelty, provided the prevention is complete. I have never taken part in pigeon shooting and I have no interest in any gun club, so I have no axe to grind. In introducing the Bill Mr. Jennings said:—

I believe that any member who introduces a Bill of this nature can be satisfied that it will receive the individual attention of all members irrespective of their position or Party because it is scrupulously non-political and is designed for the sole purpose of prohibiting cruelty which is, I am sure, abhorrent to all members.

We should do all we can to prevent cruelty, but if we legislate in that direction we should not be sectional. We should not prohibit one form of a cruelty whilst we permit another to continue, that is what this Bill does.

Mr. Macgillivray—There is nothing to prevent you from moving amendments.

Mr. HEASLIP—My amendments would be so far-reaching and so test the genuineness of the mover and his supporters that they would not support them. This Bill only prevents the shooting of captive birds.

Mr. Frank Walsh—That is all it was introduced for.

Mr. HEASLIP—I know, but it is designed to amend the principal Act, and its object is to prevent cruelty. Let it prevent cruelty and I will support it. It will prohibit the shooting of captive birds, but what does it do in respect of persons who capture pigeons, lock them up, transport them 400 or 500 miles and then release them? Some of those birds are shot, some get strung up in telephone wires—

Mr. Quirke—I think you are giving excuses and not reasons for voting against the Bill.

Mr. HEASLIP—In the *News* of September 22, under the heading "Only one Pigeon Got Back," the following article appears:—

Murray Bridge, Wednesday.—Only one pigeon reached home in the 285 mile Ararat Derby run by Murray Bridge Homing Club for young birds. Heavy head winds were encountered. The winning bird was owned by Mr. J. Rowe, of Murray Bridge and the time was 12 hours 56 minutes 19 seconds.

That is legal and it is not cruel to lose 499 pigeons. Another recent press article stated:—

Nearly all the 500 homing pigeons released in the Bowen to Brisbane race on July 30 have mysteriously disappeared, according to Mr. L. Chandler, of Brisbane, who had pigeons in the race. He said one of his birds landed 250 miles west of Cairns. It had flown north instead of south.

It is not cruel, apparently, to capture and transport birds hundreds of miles and then release them. If we want to prevent cruelty let us be sincere and do it properly. The shooting of ducks in swamps is regarded as legal and of course it is not cruel for sportsment to shoot quail! Let us be genuine in this matter.

Mr. John Clark—Don't you think the member who introduced the Bill was genuine?

Mr. HEASLIP—The Bill does not do what it sets out to do.

Mr. Quirke—It sets out to prevent the trap shooting of pigeons.

Mr. HEASLIP—Yes. Of course, rabbit and fox shooting is not cruel! It is all regarded as sport, but apparently pigeon shooting is cruel. It is not regarded as cruel to ride horses over hurdles and have their backs or legs broken when they fall, but all these things are as cruel as pigeon shooting. Mr. Jennings said:—

It is obvious that the birds shot are not those that could conceivably be a nuisance, because they are bred for this purpose. My credulity would be stretched to breaking point to believe that the birds used in this sport are those that we should get rid of.

People who have had anything to do with primary production know that galahs are a nuisance and destructive. In swarms they

cover a paddock and pull up the wheat or barley. Over 1,500 galahs at Kerang and Swan Hill were gathered by producers in this densely populated area for a two-days' shoot. They preferred to see them shot to their being poisoned. The birds are regarded as a serious and increasing pest. The club paid 3s. to 4s. each for them. If the Bill is passed the birds will have to be poisoned, which I think would be more cruel than shooting them. The Bill deals only with a small section of cruelty and I cannot support it.

Mr. JOHN CLARK (Gawler)—I support the Bill. Members must now realize that Mr. Heaslip is the kindly champion of all animals. It is obvious that he is filled with the milk of human kindness towards all animals and birds. In 1952, when debating the Veterinary Surgeons Bill, Mr. Heaslip (page 1,477 of *Hansard*) deprecated the fact that veterinary surgeons were forced to put in their time attending to race horses, dogs, cats, etc., and leaving the important matter of increased production of foodstuffs to be neglected. I interjected "You would prefer the cats and dogs to be neglected" and Mr. Heaslip replied "They should be able to look after themselves. They do not play an important part in production." I again interjected, "You would let a sick dog die?" and Mr. Heaslip said "I would shoot him unless he was a useful dog, like a sheep dog." I did not take kindly to the honourable member's remarks about the Bill now before us, which was introduced by Mr. Jennings in good faith. Mr. Heaslip said he was not genuine in his move. From my knowledge of Mr. Jennings I would say he would not waste his time bringing down a Bill to which a large section of the community was hostile unless he was very genuine. I have not had letters and petitions submitted to me in regard to this matter. The only approach I have had was from a friend who visited my home and talked to me about it. He is a keen trap shooter and probably one of the best shots in the State, but he did not influence my view on the matter. I am not a killjoy by any means, nor an opponent of sport. Most of my life I have been actively engaged in sport or interested in it in other ways. I am fond of open coursing where the dog and hare are given a good go, and where the odds are slightly in favour of the hare. The trap shooting of birds is an entirely different matter. It is a massacre and the odds are in favour of the gun man and never the birds. Opponents of the Bill have proved this statement. Mr. Shannon said that sportsmen like to think they have given the quarry a chance. Of course they do but the honourable member was referring to real sportsmen. In contrast to that statement Mr. William Jenkins said "They have to be crack shots. Very few miss their birds." If that is so, there is not much chance for the pigeon caged for some time, hurled into the air from a trap and shot at by crack shooters. Some of the shooters use guns valued at as much as 150 to 200 guineas. I do not doubt that Mr. Jenkins made the statement in good faith but I doubt whether the shooters are always crack shots. They must have to learn to shoot at some time.

Mr. Heaslip—Are all duck shooters crack shots?

Mr. JOHN CLARK—I would not know. I have not taken part in any duck shooting expeditions. All I know about ducks is their taste. I do not know enough about duck shooting to be dragged into a debate on it. Some peculiar argument has been put forward by opponents of the Bill. Mr. Heaslip probably spoke with the best of goodwill, but all he did was to confuse the issue. Members supporting the Bill want to eliminate a sport which they believe to be cruel, and it may lead to other sport being prohibited if proved to be cruel. The Bill prohibits the use of captive birds for trap shooting, and lays down fairly heavy penalties for anyone organizing such sport. It is modelled on the British legislation on this matter, but there has been no attempt to hinder any other form of sport. I know that the member for Rocky River objects to the fact that it relates to one sport only, but I have heard strange rumours about the Bill. I hope that any misconceptions that have arisen outside the House will be corrected. The Bill is similar to those that have been passed in all States except Victoria. It represents a step nearer civilization in South Australia. I compliment the member for Prospect on having the courage to bring down this measure, for he realizes that it must bring him unpopularity from some quarters. It was introduced to prohibit a sport that most people believe to be unfair. I was interested in the remarks made by the member for Flinders in his thoughtful speech. He said that when killing became necessary it should be done as humanely as possible. I think we can assume that he does not believe in blind killing of animals in the sacred name of sport. If pigeons are a menace surely they can be destroyed without

first releasing them from a trap before taking shots at them. The member for Stirling said:—

Ultimately many more pigeons and other birds will suffer cruelty than under the present conditions.

His argument was difficult to follow. Perhaps he meant that pigeons that were not trapped might have the opportunity to breed and that therefore there would be more pigeons and more to suffer. His statement was typical of the arguments that have been brought forward in opposing the Bill. The member for Mount Gambier, in an interesting speech, said that down through the ages there has always been a section opposed to sport. He may be right, but I should like him to try to prove that trap shooting is really a sport. I do not want him to think I am opposed to sport. He gave us instructive, but completely irrelevant, details about the cost of cartridges and the rules of gun clubs. I was amused by an interjection, I think from the member for Port Pirie asking what happened to wounded birds that got away. The member for Mount Gambier replied, in effect, that they lived to fight another day. They do not; they live to die slowly, and in misery, from their wounds. He said that he had never known them to linger for days, but where did he get his information? The member for Prospect gave at least one instance to prove that some birds fluttered around in pain from their wounds. We have been told much about the cost of trap shooting, but that has nothing to do with the Bill. Some members gave us completely irrelevant facts about homing pigeons. Surely most people know that homing pigeon societies try to improve the quality of the breed. Of course, homing pigeons often encounter bad weather, but they would be just as likely to die if they were in their wild state. I have been connected with a homing pigeon club, though not as an active member, for some time, and I know how enthusiastic the members are about their birds and how sad they are when they lose one.

Mr. Hutchens—Those pigeons have done a great deal in the defence of the nation.

Mr. JOHN CLARK—Yes. Any cruelty in flying homing pigeons is purely accidental, not deliberate as in trap shooting. I commend the Bill to the House and I believe that those who dislike cruelty masquerading under the name of sport and have not been influenced by local interests will be happy to support it.

Mr. GOLDNEY (Gouger)—I oppose the Bill, which is aimed at one section of the community. Those who favour the measure say there is an alternative to using live birds. I have never taken part in pigeon shooting, but I have seen it. I know a great deal more skill is required to shoot a live bird than to shoot a clay. The member for Hindmarsh made some extravagant statements about members of gun clubs. He termed them bloodthirsty, but that is a libel. I am sure they are no more cruel than any other section of the community. I know some members of gun clubs. They are good, honest citizens and I am sure that they are not cruel in private life. They have been accustomed to trap shooting, and they believe they are being singled out by this legislation.

Mr. QUIRKE (Stanley)—I support the Bill. I will not go into hysterics about cruelty and bloodthristy ruffians that use guns on pigeons. I have never entered into the sport because I have never considered it a sport. I cannot see anything in it. I have no desire to see a pigeon shoot because I cannot imagine anything more boring than to stand in one place 25yds. from the traps and shoot at pigeons, even if considerable skill is necessary. There is nothing robust about that sport, like padding after a pair of dogs hour after hour with a gun or rifle. I doubt whether trap shooting is bloodthirsty or cruel. I have had to destroy horses and dogs. Perhaps I would sooner shoot some men than destroy a faithful dog, but I doubt whether animals feel pain to the extent that some people believe, though we should never maltreat an animal. I have taken the horns off a three-year-old bull with a handsaw. Considerable effort is required, but two or three minutes after being dehorned, if there is any feed nearby, he will start feeding unconcernedly with the blood running down his face. Animals and birds may get annoyed with the handling given them, but I have grave doubts about the amount of pain suffered by them even though they are wounded. If you fire at ducks or pigeons in flight, some may get away wounded, but that does not disturb me. In trap shooting, however, able-bodied men, skilful and quick on the trigger, fire at birds leaving traps. I can handle a gun and know that considerable skill and quick coordination are needed to bring down a bird leaving a trap; but I do not call trap shooting a sport, because that bird has been caged and kept in one position for some hours and maybe days, and the gunman is standing almost over it at 25 yards distance. The gunman knows that the pigeon will come up just in front

of him, and that is an entirely different proposition from a duck leaving a swamp or a hare or a rabbit in the scrub, where you must follow the game and bring the gun up to cover it. That is real sport, the same as kangaroo shooting. Possibly a greater degree of skill is necessary in bringing down a kangaroo on the run than in bringing down live pigeons. It is an interesting sport and is necessary because the animals may become a plague.

The member for Rocky River (Mr. Heaslip) said he would vote against this Bill because he has a few gun clubs in his district. He brought along a few red herrings and laid them across the trail, saying, in effect, "I will not vote for the Bill, because it does not include shooting galahs." He said that 1,200 galahs were caught and boxed up for a gun shoot, that this was more humane than poisoning them, and that it was necessary to trap them because they were a pest. However, they were not trapped because they were a pest: they were trapped because the people who trapped them received 4s. or 5s. a bird. Anyone who told the lads to go out and trap 1,200 galahs merely for the love of it or to reduce a pest would be the biggest galah if he expected any birds to be captured. I oppose the practice of trap shooting because I do not think it is a sport and because the fact that the bird is not in a natural position rules it out as a sport. I believe that the men who engage in this practice are good shots, and I am not willing to believe stories of thousands of mangled and maimed birds scattered around the countryside.

Nature knows the law of tooth and claw. In the great reserves of Africa animals live in their natural state; the lion preys on the zebra and the deer; the law of nature prevails. In our own country I have seen the hare in a coursing match metaphorically thumb its nose at the dogs; indeed, I believe the hare enjoys every whit of the course, and the fact that the hare is pulled down does not worry him because he is killed instantly. Has any member seen two wedge-tailed eagles coursing a hare? The female is the huntress, and the male picks up the game. It is a most interesting spectacle. The hare, being able to look backwards, squats at every swoop of the eagle before the eagle is low enough to strike. Certainly, it may misjudge on occasion, and the hare is all the time making slowly toward any tree or post for cover. Once it reaches cover it can sit alongside it and not worry about the eagle. I support the Bill because trap shooting cannot be called a sport as the pigeon is not in its natural element.

Mr. GEOFFREY CLARKE (Burnside)—I, too, support the Bill in its general application. I do not regard trap shooting as a sport, and although my views may be outmoded on this issue, I do not like any blood sport; but some people do, and this Bill does not seek to interfere with their sport, except in one particular. There may be a distinction between shooting game in its natural surroundings and shooting birds as they emerge from a trap.

The SPEAKER—Order! I ask honourable members not to converse aloud.

Mr. GEOFFREY CLARKE—Under present day conditions it seems that a great deal of cruelty to animals is inescapable, and I deplore both the circumstances under which sheep and cattle are often compelled to travel to market and the keeping of small animals and birds in cages quite unsuitable for them; but we have gone a long way since the middle ages when British people indulged in bear baiting and cock fighting. It is, however, a sad commentary on our times that cruelty to children should be practised today. I understand some amendment is contemplated, and with the reservation that I will wait to see what it provides, I support the Bill.

Mr. CORCORAN (Victoria)—I too, support the Bill, but I do not justify my attitude by indulging in unfair criticism of the people participating in the practice of trap shooting. I have been associated with pigeon shooting and starling shooting for many years and I know quite a lot about the sport. I would not speak in disparaging terms about the inhumanity of any of the people engaged in those sports for such practices have been permitted by the law for many years. Trap shooting is a competitive sport; men shoot from different marks in accordance with their handicaps and prizes are awarded. Several traps lie around in a semi-circle and, although the gunman may get set, he does not know from which trap the game will emerge. If the bird has been a captive for a long time and leaves the trap only to walk around, the gunman does not shoot.

In supporting the Bill I am not happy about opposing representations made to me by many old friends who have been associated with the sport for many years. In the South-East we have some of the best pigeon shots in the Commonwealth; they have participated in contests in other States without disgracing themselves. I have read articles in *Truth* condemning all and sundry who participate in the sport and referring to it as a rich man's

pastime, but that is not so. In the country where a man has nothing else to occupy his spare time there is a tendency to indulge in this kind of thing, and I do not suggest that anyone who indulges in it does so because he likes to shed blood or cause cruelty to animals. Further, every effort is made by gun clubs and their members to locate any bird that may escape; but birds do escape and it is inevitable that they suffer agony, waiting for hours and even days before they die. I support the Bill because I am convinced beyond doubt that that is the truth. I have written to members of gun clubs who have approached me regarding this Bill, and I hope that those people will not suffer any disadvantage because of this legislation. I hope that if this Bill passes, as it should, the gun clubs will suffer no disadvantage from using clay pigeons. Necessity is the mother of invention and I have no doubt that persons engaged in this sport will rapidly adapt themselves to altered conditions. I support the Bill.

Mr. HAWKER secured the adjournment of the debate.

MOTOR SPIRITS DISTRIBUTION BILL.

Adjourned debate on second reading.

(Continued from Stepember 22. Page 711.)

Mr. RICHES (Port Augusta)—I support the Bill. It is unnecessary to traverse its provisions; they are well-known to members and were adequately explained by Mr. Dunstan. I had hoped that the Premier would have given more attention to this measure in view of the pronouncements he has made from time to time concerning the sale of petrol throughout the State; the mushroom growth of petrol stations, not only in the metropolitan area, but throughout the country; his repeated warnings that this increase in the number of stations would be taken into consideration by the authorities in determining the price of petrol and his further warning that companies and resellers engaged in this building glut could not hope to recoup themselves from the sales of petrol. I recognize that the Premier is a busy man and I think he should permit other Ministers to examine measures introduced by the Opposition rather than that, as frequently happens when discussing such measures, he should apologize for not being present when they are introduced and for only being able to examine their provisions and the reports of members' speeches in *Hansard* cursorily. Once the Premier declares himself on a measure he sets the standard for those who sit behind him.

I am sorry the Premier did not go more fully into the need for this legislation. He did not present valid reasons for his opposition to it. I suggest that he provided excuses which occurred to him while he was speaking. He is a capable debater, but his reasoning will not bear investigation. I do not think any good purpose would be served by my reiterating the arguments advanced by Mr. Dunstan in introducing the Bill because they were complete and clear and every member would appreciate, from his own experience, that Mr. Dunstans' contentions were correct. He said:—

It is necessary to meet a situation that has arisen in the South Australian petrol retail trade, and this Parliament has a duty to ensure equality of opportunity and protection of the public against monopolies and combinations in restraint of trade. This House must ensure that people have the opportunity to engage in retail trade under conditions of fair competition and that the avenues of that trade are not tied up by monopolies and combines to the detriment of persons engaged in the trade and the public generally.

The Premier objects to that and claims that the Bill will not achieve its objective. He said:—

It is not correct to say that this Bill will rectify anomalies. What it will do, if it will do anything, will be to restrict competition amongst retailers, and nothing more.

I suggest the Bill will break down monopolies. At present the Shell Company or the Plume Company go into a country town, select a garage and dictate to that garage that it shall sell only Shell or Plume petrol and nothing else. They give to that garage a monopoly of the sale of that particular brand in that locality. They also determine that no-one else in the locality shall sell their brand of petrol and no other re-seller is supplied with it. I undertstand that before one-brand petrol stations were established an agreement was reached under which the State was divided between the two companies. It was agreed, for instance, that the Shell company would supply the biggest petrol station in Port Augusta and the Plume Company the biggest reselling station in Whyalla. That type of arrangement applied over most of South Australia. The petrol wholesalers appeared to have the whole of the country reselling business sewn up. The rush to build additional stations was not because the public was not being adequately served, but because smaller companies

were unable to get their commodity marketed through the channels formerly available to them. Whereas a petrol station previously sold a number of brands of petrol, now it is permitted to sell only one brand. I know of instances where the C.O.R. and other companies have had to purchase land and build stations in order to sell their petrol in some localities. That indicates the pressure which has been brought to bear and this Bill will prevent that if given the support it deserves. That is the type of monopolistic and dictatorial control the Bill seeks to break down.

The Premier suggested that a dictatorship of three men would be set up and that it could go to the country and say "John Brown can sell petrol at Mallala, but John Smith can't." The Bill does not seek to do that, although the petrol companies themselves are exercising that power today and they are not answerable to anyone. Control over licences should be in the hands of the people in the final analysis. The Shell Company definitely determines who shall sell Shell petrol at Mallala or elsewhere and also who shall not sell it. That is a complete dictatorship. The Bill would free garages from that control and give back to them the right to sell any brand of petrol. It would enable them to give the full service they were formerly providing to the public. It would also obviate the necessity for this enormous expenditure on the building of new stations. The Premier can argue as long as he likes, but everyone knows that the cost of this unnecessary building must affect the price of petrol. No-one is silly enough to believe otherwise. This unnecessary expenditure is an undue burden on industry and on the motorist and one of which this House should take notice. This Bill is a constructive attempt to correct that situation and I hope it will receive the full consideration of members. The Premier was hard put to find arguments in opposition to the Bill and he said:—

I do not know who sells petrol at Mallala, but assuming there is a petrol seller there and that somebody else considers he could give a better service to the public by starting business in competition, what concern is it of the Government, the honourable member for Norwood or anyone else.

The petrol stations at present dictate who shall sell their petrol. I argue that that power should not be in the hands of a monopolistic control but rather in the hands of some body answerable to Parliament and to the people through Parliament. That would bring our system more in line with democracy and less in line with totalitarianism. The Premier said:—

We do not say that there shall be only a certain number of tailors, haberdashery stores or chemists in Rundle Street.

I suggest he does do that. Legislation he introduced limits the number of chemists' shops that any company can conduct and provides that such shops shall be operated by qualified chemists. No company, financial organization or co-operative society is permitted to conduct a chemist's shop. Those who are already established can have only four shops and must have qualified chemists in charge of each. That, in effect, is what this Bill seeks to do: to give to the petrol reseller the right and responsibility of conducting his own business in his own way. The Premier took exception to the suggestion that this kind of thing emanated from the United States of America, but where did it originate if not in America? It is a kind of high pressure salesmanship which we do not want in this State. The Premier complained that the present competition would be broken down, but I claim there is no competition, only control. He said:—

I publicly expressed my concern in this House and immediately the oil companies approached me and gave a written undertaking that the number of retailers and resellers would not be increased in the metropolitan area for two years and that no premises not in operation at the time of the undertaking would be started in the metropolitan area for that period . . . .

Does that not set out what I have been trying to emphasize? The oil companies can say how many retailers and resellers there shall be. Where does the competition come in? The companies should not have the power; it should be with Parliament or some authority created by Parliament. The controlling authority should be answerable to the people. The control should not be exercised in the interests of the oil companies alone. The Premier would have us believe that the Bill seeks to tie everything up with bureaucratic control but it seeks to do away with control. The oil companies have the industry so much tied up that they can give an assurance that no more petrol stations will be established in Adelaide in the next two years. Why should the company be in a position to give that undertaking? It is a control they should not possess. When the Premier was speaking I interjected, "What

about the right of a reseller to sell more than one brand of petrol?'' and he replied:—

The honourable member sells a certain brand of politics but he does not put the Liberal brand of politics. He is not game to put our placards up alongside his.

I accept the challenge and am prepared to have his brand of politics put up alongside mine and let the people decide which they want. Whenever the electors have been given the opportunity to make a selection on an equitable basis they have invariably selected my brand of politics as being superior to his brand. There are certain items in the Premier's policy which I would not invite anyone to accept, but as far as not being game to give the electors the choice I remind him that at my very first political meeting held on a railway station platform my opponents were on that same platform. I welcome such meetings. Of course, this has nothing to do with the Bill, but it is an answer to the Premier's statement. He also said:—

Some fruit shops sell Jonathan apples and others Rome Beauties, but not necessarily all varieties.

He would have us believe that it would be all right for an outside organization to say to the proprietor of a fruit shop ''You can sell Jonathan apples and only Jonathans, and no one else can sell them.'' This is the kind of control we have in relation to petrol stations and it is wrong. The Bill places the control where it rightly belongs. The Premier made an issue of the claim that there is keen competition amongst petrol wholesalers. I do not know how far that extends and I would like to know because the last time I was at Port Lincoln I saw a tanker pull in and fill up the tanks of the Shell Company and then the tanks of other companies. Whether something is added to those tanks at a later stage, I do not know, but I saw the same brand of petrol going into all the tanks. The Bill is desirable in many ways. It brings about a reform that has been desirable for many years. The oil companies that have financed petrol stations will have to withdraw their capital and then the stations will be free to conduct their own business. It is desirable for people wanting finance to conduct petrol stations to be able to get it from banking institutions and not tie themselves up to oil companies. This should apply to all other commodities. Other trades need cleaning up to free them from business houses and to be financed by banking institutions. I hope the Bill will receive more consideration from Government members than it has up to the present.

Mr. HAWKER (Burra)—The Bill contains several principles which I could not possibly support. The main one is the restriction on trade and consequently I cannot support the Bill. I want to comment on remarks made by Mr. Dunstan when he introduced the measure. He said that in the United State of America action was taken under the Sherman anti-trust laws to deal with the situation. There are one-brand petrol stations in the United States of America and any laws regulating them would be State and not Sherman anti-trust laws. Mr. Riches said that one-brand petrol stations emanated from that country. The Sherman anti-trust legislation was enacted in 1890 before there were such things as petrol bowsers. By 1940 it had lost much of its effectiveness through several circumstances. The New Deal under Roosevelt and the necessity of pooling resources, especially in connection with research, largely nullified the effect of the anti-trust laws. The *Encyclopaedia of the Social Sciences* reviews the legislation from the start of the Sherman anti-trust laws. Admittedly one of the people against which they were aimed was the Standard Oil Company of Amercia, but it was only one of several. The final paragraph seems to sum up the present position very well:—

In a frontier society living by agriculture, the handicrafts and petty trade it might have functioned very well—chiefly because under those conditions it would have been superfluous. In a developed industrial society exploiting the machine technique, the credit system of high finance and world markets it was already moribund when it achieved belated legislative expression.

So much for the anti-trust laws mentioned by Mr. Dunstan. He also took the Automobile Association to task for giving inaccurate information and he adopted another set of figures. Anyone going into figures knows perfectly well that there are several sources from which information can be obtained to make up certain figures. In comparing one year with another it is all right if the same set of figures is adhered to. The honourable member mentioned the 1939 figure of 277 given by the Factories and Steam Boilers Department. He failed to give the 1952 figure, the latest one published, of 270, which showed a decrease over the period of seven. The figure for August, 1954, was 326, which showed an increase of about 20 per cent in the number of service stations. They are stations licensed to sell motor spirits and oil after trading hours so they have no bearing at all on the position. For the whole

State which is more to the point in my view, the 1939 figure was 602 and the figure today is 703. That shows an increase of only 17 per cent. The Automobile Association reports that in 1939 there were 1,325 reselling outlets, and in 1954 there were 1,551, an increase of 17 per cent but the number of motor vehicles increased by 142 per cent and fuel consumption by 132 per cent. The member for Norwood referred to a gentlemen's agreement. The one-brand petrol stations started in 1951. The minimum period for which an agreement was drawn up was three years, and as far as I can ascertain no reseller has desired to switch to another wholesaler. Therefore, I do not think that any gentlemen's agreement exists. An oil company would not be interested in supplying a reseller who wanted to switch after his agreement expired. If a man was not satisfied and wanted to switch from one company he would not likely be satisfied with another. After all, these petrol agreements were made voluntarily. Of course, the companies tried to point out the advantages to resellers under the one-brand system, but not all the resellers signed them. Several stations sell several brands of petrol; in fact, I have been informed by the oil companies that there are 10 such stations in the metropolitan area. The garage that I patronize has two pumps—a Plume and a C.O.R. That reseller did not make an agreement with any company. When I refer to several brands of petrol being sold I do not mean only C.O.R., Ampol, and Golden Fleece, but Shell or Plume as well. One of the stations is at Willaston, near Gawler, two in Burra, one at Kapunda, two on the road to Mitcham and two on the Main North Road. Therefore, this frightful coercion by the companies does not exist.

The member for Norwood said that legislation similar to this was brought down by a Liberal Government in New Zealand. He said he founded the Bill on that legislation. In 1936 a Labor Government introduced the Industrial Efficiency Act in New Zealand, whereby the Minister could, merely by publication in the *Government Gazette*, bring any industry under the system of licensing. If an industry did not apply for or get a licence it could not sell the particular product. The Liberal Party tried to alter this procedure, and it has gone a long way, but petrol was one of the main articles for which a licence must be obtained. That Act gave a virtual monopoly to some of the resellers. I shall quote what the honourable Mr. Nordmeyer, a member of the Opposition, said about the petrol legislation:—

The present Government was committed to a policy of free competition. It said that it believed in competition. But the fact remains that competition is very severely restricted by this Bill.

When speaking on the effect of the Industrial Efficiency Act he said:—

In practice it happened that in effect many monopolies were created during the operation of the Industrial Efficiency Act, secured by those who happened to have the privilege of possessing licences under that Act. The fact is that before the oil companies decided to go in for the one-brand petrol stations and to pay very considerable sums, much of which was goodwill, the previous holders of those stations, selling them in the normal way to others, found that they could cash in on the privileged position which the Act had given them.

Mr. Dunstan—Will you read on? He said other things later on.

Mr. HAWKER—I know. The honourable member can read what he said when he replies. That was a Labor member's attitude. Petrol selling in New Zealand was tied up to such an extent that monopolies were given to privileged people. Mr. Nordmeyer said that the legislation did not rectify the position. Therefore, we cannot take what the New Zealand Government did as a criterion of what we should do here. The member for Norwood made a great deal out of the demolition of houses for the erection of petrol stations. He supported his argument by pinning some pretty photographs on the board, but I do not know that they conveyed much, especially after hearing the figures the honourable member quoted from the Factories and Steam Boilers Department Report. I doubt whether it is possible for a reseller to buy a house and then wreck it before erecting a station.

Mr. Dunstan—Why not?

Mr. HAWKER—Because of the Building Operations Act.

Mr. Dunstan—That has gone by the board.

Mr. HAWKER—The Building Materials Act has, but I think the Building Operations Act is still in force.

Mr. Dunstan—It has certainly not stopped the demolition of houses.

Mr. HAWKER—Some houses are sub-standard. I could take a photograph of a sub-standard house and make it look like a good one. It is not right to instruct any firm on where it is to sell goods, although that can be done under the Prices Act. If goods are subject to price control, under section 29 of the Act, a man cannot refuse to sell them if a

purchaser is prepared to pay cash. I have spoken to many people with petrol stations selling several brands, and they have had no difficulty in getting petrol from the various companies. I know one man who went to one of the major companies and said, "I will be pleased to sell your petrol, but you will not dictate to me. Will you let me know now whether you want your bowser to remain, or I will take it away?" The bowser is still there, but he is selling several other brands of petrol as well. Another man was approached by a company and told that it would like to supply him with petrol. He said, "You are too late. I have put in a new floor and I do not want to pull it out for a bowser to sell your petrol."

Those who signed agreements for the sale of one brand only did so because they thought they could give better service. We often used to see a line of 12 pumps cheek by jowl, but with one brand stations the pumps are spaced farther apart, and cars can be filled at every pump simultaneously. The man who will get the business is the one who gives the service, what-ever brand of petrol he sells. No man can expect to make money if he depends on the sale of petrol alone. An official of one major company told me that a petrol reseller could not expect to make more than 25 per cent on petrol sales; another estimated the profit at 33 per cent. Unless the man makes the bulk of his income from repairs or some other automotive service he will be unable to carry on.

I cannot possibly agree with the principles expressed in the Bill which seeks to prevent an oil company having any financial interest in retailing its product. Parliament should not legislate in that way. To tell a man he may manufacture a product but take no part in its disposal to the consumer would be a retrograde step. Further, it is a step towards socialization, and, when I explained to petrol resellers that, if this Bill becomes law their petrol and oil sales will come under Government control, they are not sure whether it will be a good thing. Many of them do not appreciate this attempt to interfere with their trade. I realize that oil companies may try to get a monopoly of the sale of petrol, but that attempt has been made over the years. Indeed, I believe the Government should watch the position carefully; I do not want to see a man penalized merely because he has decided not to sign up with a big oil company, because that would be a bad thing. This Bill, however, in no way safeguards the petrol reseller against that, for it contains nothing to compel an oil company to sell petrol to any reseller. The big oil companies have spent millions of pounds on refineries in Australia, and they want their goods handled by the live man who made a success of selling petrol before the introduction of one-brand stations. Those companies know that he is the man who will sell their goods and widen their market. There is nothing wrong with the one-brand station principle, provided the man signs up voluntarily and the oil companies do not stop supplying petrol to the man who decides to continue with a multiple station. It must be understood that many such men, although they refuse to sign with a major company, have signed up with a smaller company which allows them to sell other brands. If, however, the major companies decide to refuse such a man petrol supplies, there is nothing in this Bill to stop their doing so. I oppose the Bill because it is effective in the restraint of trade and has nothing to commend it.

Mr. TRAVERS (Torrens)—The Bill is wrong both in principle and detail. I was pleased to note the ring of pride in the voice of the member for Norwood Mr. Dunstan when he said he had borrowed the legislation from a Liberal Government. Indeed he seemed to consider that quite an achievement, but I consider it simply establishes a fact that many people would not be prepared to admit—short of the proof provided by Mr. Dunstan—that apparently even a Liberal Government may sometimes err—at least in New Zealand. If similar legislation were introduced by a Liberal Government in New Zealand, I suggest it is not legislation of which to be proud. I would subscribe to opposing two things. Firstly, I would oppose the unlimited use of housing or the destruction of housing for the purpose of erecting any unnecessary petrol station, if that were established as a fact; but my inquiries fail to reveal that that is occurring. I am not prepared to say that the mere demolition of one house here and there on appropriate business sites is sufficient evidence because that process must go on all the time in any expanding city. Further, I would not be favourably impressed by any idea of an expansive building programme by the oil companies for which the consumer had to pay; but that is not going on. In an age when everyone else is specializing the oil and petrol companies are trying to do likewise. The day is past when a man was capable of being

a jack-of-all-trades and when traders were prepared to set up an emporium to sell all types of commodities. Today people tend to specialize in what they make and sell, and set up establishments in which they may concentrate on one brand of commodity.

It would appear that only a negligible percentage of the 1,500 reselling outlets in South Australia are owned by individual oil companies. True, many carry the name of a particular brand of petrol, but that is only because of the existence of a contract between the petrol company and the reseller to sell the company's products. I agree with the honourable member for Burra that it would be a sorry day if we were to interfere with the right of these resellers to enter into contracts of that kind. If the owner of a petrol station wishes to sell all brands of petrol, there is nothing to prevent his saying to an individual company, "I will not contract to act solely on your behalf." Unfortunately, there is abroad the opinion—quite an erroneous opinion—that many petrol stations whose owners have contracted to sell one brand actually belong to the company concerned; nothing could be further from the truth.

We have heard the suggestion of the terrible monopoly exercised by the big companies which have squeezed out and ruined the small vendor of petrol; but if there were any evidence to support that nobody would be more enthusiastic than I in trying to prevent such a trend. It is one thing to make vague allegations, however, and another to substantiate them, and, so far as I can ascertain, no facts are available to establish the existence of any such monopoly. Indeed, we have only to inquire, "Is there any real likelihood that an oil company would pursue such a policy? If so, what would be the net result?" Firstly, the company would be ruining the people who are selling its products and working to distribute more widely the brand of petrol it is producing. Secondly, it would be creating many more bad debts because the retailers have trading accounts, and probably many would be owing a substantial sum from time to time. Therefore, it seems to me that any such suggestions are not worth considering.

I always try to form my opinion on the evidence presented rather than on the opening argument in a case, and in this case I have heard no evidence. It would appear from a close examination that, so far from the petrol companies being monopolistic, the very design of this Bill is to create a monopoly amongst petrol resellers, to issue licences, and to clamp down on the right of anyone else to enter that line of business. To that extent the Bill does create a monopoly and increases in a convenient and profitable manner the value of the goodwill of such businesses. To suggest that a monopoly exists between the eight keenly competitive oil companies seems quite absurd, and, although it has been claimed that this Bill is designed to attack an alleged monopolistic control, it does no more than create that control over the small trader. It is interesting to compare the position in 1948 with that existing today. Since 1948 the number of petrol reselling sites in South Australia has increased by 23 per cent, but the total sales to retailers in the same period have increased by 77 per cent—more than three times the amount of increase in the number of sites. In the same period the number of motor vehicles increased by 76 per cent and the number of customers per retail site by 44 per cent. So, it is obvious when one looks at the figures in that short period of six years that the increase in the number of petrol reselling sites has lagged behind the increase in the number of vehicles, the increase in sales and the increase in the number of customers per station. In the same period the margin of profit enjoyed by the reseller has increased by approximately 50 per cent, so one is entitled to consider the position analytically. Although it does strike one forcibly if one sees an old building being pulled down one day, and the next day a brand new petrol station there, one is entitled to pause and inquire why. It seems desirable to get one's facts right and not to talk until then, and when one gets them right one finds that the quantity of petrol being served out at these stations has increased beyond all recognition, and the same applies with regard to the number of vehicles and customers per station. It is out of all proportion to what it was a few years ago. Consider also the number of reseller pumps. In 1950 there were 44,400 and in 1953 the number had been reduced to 42,700. That eliminated all the waste of having an additional 1,300 pumps and the useless provision of much capital.

Mr. Fred Walsh—Some of them have four or five pumps now.

Mr. TRAVERS—That may be so, but in the three years there has been a reduction of 1,300. Over the same period the gallonage sold has increased from 231,500 to 463,500 and this has raised the average output per pump from 5,214 gallons a year to 10,855. When that is worked out in pounds, shillings and pence it is evident that there has been a great saving in

capital costs. If petrol stations had continued under the old system of having many petrol pumps installed to dispose of that gallonage, it would have involved a capital investment of several million pounds. This has been saved through stations concentrating on the one brand, and having one or two pumps to cope with the output. If one takes the trouble to have a look at the facts rather than allow one's fancy to run away with his judgment, one finds that the process adopted in this one-brand petrol business is basically in line with the tendency today to specialize in all goods. It has the added advantage of saving a considerable capital outlay by the companies, and although it may not be represented in the price at present, no doubt, spread over the years, it will eventually be to the benefit of consumers. Even if it does not do this, provided that consumers do not have to pay more than in the old days, they cannot complain that the companies get a profit. I am suggesting that an extremely strong case must be presented before one takes the un-British stand of saying, "You shall not be entitled to enter into a contract freely and voluntarily or to exercise your own free will as to what contracts you will make and for what purpose"—for no purpose except to create a monopoly among the present holders of service stations who, no doubt, would receive a licence if this Bill was carried.

Mr. JENNINGS secured the adjournment of the debate.

[*Sitting suspended from* 5.54 *to* 7.30 *p.m.*]

PRICES ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from August 24. Page 468.)

Mr. HUTCHENS (Hindmarsh)—The purpose of this Bill is to continue price control for another 12 months, and I listened with interest to the remarks of the member for Mitcham (Mr. Dunks). Although what he said has been criticized I am convinced more than ever that he is to be congratulated on his obvious political honesty. He had a great deal to say and, as usual, was consistent in his argument. He said:—

Today with the high wages, increased rents and prices fixed, many of the small cafes are going out of business. I cannot say that I can give instances of many butchers doing so, as like some grocers they work on small margins because they do a lot of their own work.

Although I cannot agree with his conclusion I think his remarks warrant some comment and analysis because they have some substance, as I will endeavour to show. I support the Bill. It is amazing that Mr. Dunks was able to continue in the strain that he did after so many years of argument; he expressed his political views, and I admire any man who stands up and gives his views particularly when they have proved to be wrong. He stuck to them, and it takes great courage to do that.

On May 25, 1948, in a final broadcast in support of the referendum on price control, the then Prime Minister of Australia, the late Right Hon. Ben Chifley, said:—

In this final talk with you, in which I ask you to record a "Yes" vote at the referendum to be taken next Saturday, I remind you that the matter of control of rents and prices is your responsibility. It is for you, the men and women of Australia, to say whether you desire a continuance of control. It is for you to decide whether you want protection from rising rents and increased prices.

As I said to you when I placed the matter before you three weeks ago, this is not a political matter. It is simply a matter of your individual welfare. The Opposition admits that price control is necessary, but they add that if it should be necessary in the future then the States can do the job. Their arguments finish there and they want you to take it for granted that all will be well if the matter is left for the States. They have not said how the States can operate control. They have not told you whether price control in the sugar producing State of Queensland would control the price paid by the consumers in South Australia. It might be possible to operate a stringent control over producers' prices in Queensland but the money denied the producers could be taken from the housewives in consuming States by middlemen and exploiters. The example of sugar could be multiplied many times. No State is independent of other States. All States are dependent on Western Australia for jarrah and karri; on South Australia for alkalis; on Tasmania for carbide and newsprint; on Victoria for textiles and footwear; on New South Wales for galvanized iron.

This brings us to the second question: Who should have the authority—the Commonwealth or the six States? No-one will deny that, before the war, there were many occasions in all States when it would have been desirable to operate price control. The States have had the power for 48 years but what have they done about it? Nothing. With the exception of a few half-hearted efforts, the States did not, would not, or more likely realized that they could not effectively operate their power. Now there is a kind of death-bed repentance and anti-Labor Premiers are making all sorts of promises of what the States can and will do.

There is no need to go back 48 years to find out the attitude of the States on price control. Less than two years ago, all State Premiers, Labor and Conservative, promised to introduce legislation to support Commonwealth price control if the Commonwealth's powers should be successfully challenged. There was no need for the States to set up any new authority or to

engage in the actual work of price control. All they were asked to do was to pass a simple piece of complementary legislation. You know what happened. Some Parliaments refused to agree to the supporting legislation. In other words they thought that economic conditions were not such as to justify a sure and certain measure of temporary price control. If State Parliaments had honoured the undertakings of State Premiers, the Commonwealth would not be seeking authority today. Are the people of Australia justified in taking this risk in the future?

It is amazing that after the advocates of a discontinuance of general control have been proved to be wrong and have admitted it, they now argue that we can have further decontrol and that the State can give up the idea of controlling prices.

It seems to me that we have now a type of price control that is nearly ineffective. The basic wage has risen from £5 19s. in 1949 to £11 11s. this year and Mr. Dunks claims that these high wages and an increase in rents have caused small cafes to go out of business. This almost brings me to tears, because they are the result of the abolition of effective Federal control. Now that we in this House, including the Premier, have acknowledged that prices cannot be controlled effectively by the States, surely we should continue this legislation so that we might establish something more satisfactory. The Leader of the Opposition suggested that we should consider the establishment of a fair prices court in South Australia. He was supported by a number of speakers on this side of the House, including the member for Chaffey. They all produced strong evidence in the hope that Parliament will consider this measure and next year introduce legislation to allow traders to be free of price control as we know it today, and establish machinery to stop exploitation of consumers which is detrimental to producers also. The Labor Party encourages private enterprise and competition, but if it exploits the public we believe that it should be controlled.

Mr. O'Halloran—What if it becomes monopolistic?

Mr. HUTCHENS—Then we believe it should be controlled.

Mr. Dunks—Do you believe that as a general principle? You do not want price fixing in the ordinary way?

Mr. HUTCHENS—No, we are not advocating the continuance of this legislation beyond 12 months if we can get a fair prices court in this State. The Premier made an admission about a recent happening in the Hide and Leather Industry Board, a body that has operated for a number of years with great advantage to all sections of the community. I can speak with some authority on this matter because I was engaged in the industry for about 26 years. Prior to the war, when local manufacturers, particularly the small people, were making leather of all types, because of the lack of control overseas markets were able to buy choicer lines of leather leaving only inferior grades for South Australia. This forced up the price of inferior leather, and local manufacturers had to compete with products from overseas made with cheap labour. When the war started and leather was needed in great quantities the Hide and Leather Industry Board was established and prices were controlled. It was proved that when local manufacturers, many of them operating in my district, were able to procure hides at a fair price, and turn out a leather equal to any in the world, they were able to make a reasonable profit. They enjoyed prosperity and the consumer was able to buy a first class article made in South Australia at a reasonable price. This year it was found that the Hide and Leather Industry Board could not control prices effectively and regulate the market of raw materials. This was admitted by the Premier when he replied to a question of mine relating to the price of hides and skins. He said:—

> Consequent upon the export regulations being repealed, the local tanners now have to compete with outside people as far as prices are concerned. Under these circumstances the States had no alternative but to decontrol the prices of hides and skins, but control is still being maintained over leather and leather goods, particularly shoes. Whether that can be effective now I am not in a position to say.

Shortly after that reply shoes and boots were decontrolled. Nothing else could be done. They could not be controlled because we received no help from the Federal Government. It is interesting to note the increases that have taken place in the price of raw materials. The price of hides increased from 2d. to 4d. a lb. on the day control was lifted. Yearlings 9 to 12 lb.—the type of hide used for the making of uppers of shoes—increased from 15§d. to 23d. a pound and other grades from 14½d. to 22d. a pound. There were similar increases in all light weight hides. The increase in the price of calf skins was astounding. It went from 18§d. to 30½d. lb. These increases are reflected in the price of shoes in South Australia.

Mr. O'Halloran—If they continue they will put us in our bare feet.

Mr. HUTCHENS—Yes, and also put the manufacturers in South Australia on the rocks

in their bare feet. During the war we were told that prices would be controlled and that local manufacturers would be protected, but today many are faced with insolvency because the present Liberal Federal Parliament has sold Australia to overseas interests to the detriment of local manufacturers. Not only will a continuance of price increases retard local industries but it will send us back to the conditions operating before the war. A reduction in manufacturing in South Australia could lead to unemployment and have a serious effect on industry. Under price control there were many small industries in South Australia making soap and competing with the big combines, but after decontrol the price of tallow increased. The Federal Government issued export licences and permitted overseas interests to enter our markets to the detriment of local manufacturers. Prime bright tallow, which was fixed at £31 a ton under price control, by adjustments to 1952 increased to £46 a ton, but as a result of the abolition of control further increased to £70 a ton. Good colour tallow was £30 10s., by adjustments increased to £45 10s., and is now £66 a ton. Many local producers have approached me and asked whether action could be taken to assist them in securing supplies at a reduced cost. It is time we seriously considered this problem. The Labor Party has no desire to continue controls if they are unnecessary but it believes there is a need for some control. The member for Chaffey recently referred to the exhorbitant prices obtaining for secondhand cars. In order to provide some protection the State should establish a fair prices court to which people who feel they have been charged excessive prices might go for arbitration. This would have the desired effect upon persons who would otherwise charge ridiculous and unreasonable prices. The majority of traders only expect a reasonable return but there are some men who will take advantage of prevailing conditions and demand unreasonable prices. I support the Bill and hope that when the matter is brought before the House again full consideration will be given to the Leader of the Opposition's suggestion and a proposal will be introduced to provide people with the utmost freedom and the utmost protection.

Mr. SHANNON (Onkaparinga)—Members will realize where I stand on this question. I listened with interest to Mr. Hutchen's references to the shocking increases in prices which have resulted from the abolition of price control, particularly in relation to tallow and hides. I was interested in his suggestion that it would lead us to a stage when people would be barefooted. I wonder whether he will take his line of argument a step further and apply some form of control to the price of wool so that persons will be assured of a rag to wear. I have never heard it suggested before that we should control the price of wool in order to keep down the price of clothing. If the price of leather should be controlled so that people will not be compelled to go without shoes, the price of wool should be controlled in order to ensure that no person will have to go without an overcoat. Today everyone can afford an overcoat.

Mr. Lawn—That's what you think.

Mr. SHANNON—That is what I know. The member for Adelaide has apparently not studied statistical records because today there is more money per capita in our Savings Bank than there has ever been. I am not unmindful of what the lifting of price control will mean. There was no price control on petrol before the war nor can I remember any price control on petrol even during World War I. I am prepared to face whatever happens in regard to petrol, of which there is no shortage. Superphosphate is another commodity frequently mentioned where price increases are likely if there is no control. At present there are plentiful supplies of it. The South-East enjoys a price privilege because the settlers can import superphosphate from the Pivot company in Victoria. I do not know whether the Victorian Government provides a subsidy, but whatever the freight rate the superphosphate is landed cheaper than South Australian superphosphate delivered by rail at a heavily subsidized rate. The price of superphosphate was kept down by considerably reducing the handling charges of the companies who not only distribute the commodity, but do the financing. They supply a *del credere* risk to the consumer.

Mr. O'Halloran—When was that done?

Mr. SHANNON—Last year.

Mr. O'Halloran—By the present Government?

Mr. SHANNON—Yes, by the Premier, as Prices Minister. Some of the pastoral firms invest in superphosphate about £1,000,000 and they do not get a good return. Some of them allege that they are handling the superphosphate at a loss. I hope no one will suggest that the companies are going broke, but there should be a reasonable margin available to them for the service rendered. Some of them handle large quantities of wool and are told

they should handle superphosphate for nothing, despite the considerable capital involved. In South Australia there is a risk of giving credit to farmers for superphosphate because we have dry years and frequently a man just starting out on the land has little to offer in the way of security. The firms giving the credit know they are dependent on the season for payment. If a bad year comes they must carry the consumers for another year. Under price control the books of the firms are available for inspection by any person sent along by the Prices Department. If an inspection were made it would be seen that some are handling superphosphate at a loss.

Mr. Pearson—I think it would be a good idea to abandon the overall organization set up for the supply of superphosphate.

Mr. SHANNON—I think the honourable member is referring to Fertilizer Sales Ltd., Cresco, a farmers' organization, is a member of that firm and I do not think it would overcharge the farmers. If shareholders do not attend the annual meetings of that firm and do not criticize it for not doing the proper thing it is their fault. The creation of Fertilizers Sales Ltd., had the effect of combining the three major companies into one channel. If, as the result of the lifting of control, the superphosphate price were raised exorbitantly Cresco shareholders could then do something about it. It only needs the breaking away of one company from a wild-cat scheme to get rich quickly—and I suggest that Cresco might be the one—for the attempt to overcharge to fail. We have a good competitor in the Pivot Company in Victoria, which keeps the South-East reasonably free from a high price. If the South Australian companies made the price too high the Pivot Company would soon get all the business. Even farmers on Yorke Peninsula have Pivot superphosphate delivered to them by road. There is valid competition in the sale of this commodity and enough to keep the price at a reasonable level. If commodity price control were dispensed with we would have to forgo wage pegging. If we do one thing we must do the other. I have no objection to resuming our normal wage fixation system and giving the working man a reasonable income in relation to returns to industry.

Mr. Stott—You don't believe in taking wage fixation out of the hands of the Arbitration Court?

Mr. SHANNON—No. On the other hand, we shall not suffer any great harm if we wipe out price control completely, but I cannot get sufficient support in this House to do that. I am prepared to face increases in wages as a result of unpegging them, and I am equally prepared to face any increase in the cost of commodities if they are no longer controlled. If price control was lifted—

Mr. John Clark—It would soon be back on again.

Mr. SHANNON—It would not. There was no price control before the war. The Romans thought price control was a good thing, but it wrecked their economy. If we continue price control we shall undermine our economy. We would not wreck it because this is too good a country, but we should do it much harm. Price control has not been a good influence on the general economic structure of Australia. Any industry which enjoys it does not have to worry much about efficiency. If a firm is in an industry with little competition, or if its competitors are willing to agree on prices, it merely has to produce figures about costs of raw materials and labour to the Prices Department, which then fixes the price of the commodity on a cost-plus basis. That encourages inefficiency. That is what makes me believe that nine years after the war we should abandon war-time controls. Normal conditions in industry should now prevail. We should return to sound, commonsense business. We would not suffer anything that we did not suffer in 1939.

Mr. Riches—Who said we didn't suffer then?

Mr. SHANNON—I did.

Mr. Riches—You must have been asleep.

Mr. SHANNON—There was no such thing as price control in the 1920's or 1930's, and we should abolish it now.

Mr. JOHN CLARK (Gawler)—After having heard three apostles of the doctrine of no controls, I support the Bill, for it is the best protection offering against exploitation. I do not support the Bill because I believe it is perfect, but it is the best weapon against a return to what the member for Onkaparinga called "normal conditions." The Leader of the Opposition said that a Fair Prices Act, similar to legislation in Queensland, should be brought down. I believe that that would be preferable to extending our prices legislation, for it would more satisfactorily perform the functions that this Bill sets out to perform. Indeed, it would be permanent legislation that could be invoked when necessary. However, the Government, in accordance with its usual policy, is not likely to adopt the Leader of of the Opposition's proposal for some time, though probably it will eventually. Therefore, we have to be content with this Bill.

When speaking on a similar measure in 1951—for prices legislation is one of our serial Bills that we get yearly—the Premier said:—

It has been the experience not only in this State but in every State of Australia that where price control has been relaxed invariably there has been a fairly stiff increase of prices for most commodities.

Apparently he still holds the same view, and most members agree with him. After the war the United States of America lifted price control, but prices skyrocketted and controls were soon reimposed. It is our duty to prevent the people from being exploited. I do not say that all business people and manufacturers are out to exploit the underdog, but there are always some who are prepared to take all they can.

Mr. Riches—What would happen if petrol was de-controlled?

Mr. JOHN CLARK—I shudder to think. Many commodities would rise steeply in price if controls were abandoned. The Premier believes that control is still necessary, but I am not surprised that some of his henchmen do not like it. One of the central themes of so-called Liberal thought, or at least of the die-hard Liberals, is the misguided belief that Government regulation of any kind cannot be justified, and that it is clumsy and indeed a wicked interference with those sacred and complicated laws of supply and demand and the rights of the individual. That is why we have heard again from the members for Mitcham and Burra, and others that would like to oppose the Bill but do not—or perhaps dare not. They hold up their hands in horror at the mere mention of the word "control." The member for Mitcham can at least be admired for consistently opposing this legislation, though there can be little virtue in sticking to something that has been proved erroneous. The member for Burra is also consistent. He is even more stubbornly persistent when shown to be wrong. The statement of the member for Burra (Mr. Hawker) that laziness is engendered by price fixation has occurred again and again, and, although he has been told that that is not so, he cannot apparently absorb the known fact that the prices fixed are maximum or ceiling prices. On October 2, 1951, the Leader of the Opposition (Mr. O'Halloran), by way of interjection said:—

There is no compulsion on the storekeeper to charge the highest possible price. He can charge less.

Apparently however, Mr. Hawker did not absorb that lesson, and it was left to the member for Adelaide (Mr. Lawn) in last year's debate on this legislation to remind him that under price control only a ceiling price was fixed, and that if a manufacturer or retailer wanted to sell at a lower price he was free to do so. But again, apparently, the honourable member did not absorb the lesson, because in his speech on this Bill he has given evidence of the same obsession that has gripped him previously. It will be interesting to see whether he gives evidence of it next session when this legislation comes up for review. Some members opposite appear to think that all price regulation or price control is socialistic.

Mr. Dunks—Isn't it?

Mr. JOHN CLARK—No, although some members opposite seem to think it is some modern scheme invented by the frightful Socialists! The members to whom I have referred suffer from that delusion and forget that private monopolies have also engaged in price regulations, but for their own ends. If I were asked for an extreme example of this I would remind members of the famous diamond syndicate which, by agreement between producers and dealers, transformed diamond prices from competitive to monopoly prices. True, that was not strictly price control, but it was price juggling or cornering. Many sinister rackets could be mentioned, and probably there are many others of which we know nothing; but they are not examples of State price control. Indeed, State price control helps to stop such rackets. I admit that price control may be regarded as a political and not an economic weapon, but after all it must be remembered that the motive is always economic and has economic consequences, otherwise it would be a waste of time and resources. Probably some of my honourable friends think it is a waste of time, but I submit that it is not.

Mr. Fred Walsh—It is economic only if it protects the consumer.

Mr. JOHN CLARK—Yes. and that must be our great consideration when dealing with this legislation. Price control prevents the victimization of the most important economic unit in the community—the individual. The recent history of price control is well known. It was in general use in most countries in World War I, and most nations adopted it in World War II. Under the defence powers provided by the Commonwealth Constitution the Commonwealth Government exercised control over prices from September, 1939 to September, 1948. A referendum was then held with a view to giving the Commonwealth

continued control over prices by altering the Constitution, but the voters refused to give the Commonwealth that power. That was a sad day for Australia.

Mr. Riches—The States promised to do the job better.

Mr. JOHN CLARK—The South Australian Prices Act came into force on September 20, 1948, and many people were coerced into believing that State Price control would be effective, but that has not been the case. Despite that, however, we must have price control in the interests of the consumer. I believe that certain members opposite consider price control legislation to be Socialistic, but this evening the member for Onkaparinga (Mr. Shannon) took us back to ancient Rome—

Mr. Dunks—He was worth hearing!

Mr. JOHN CLARK—Yes, even if it were impossible to agree with most of what he said. If any members opposite still suffer from a delusion that price control is new, I refer them to the history of ancient Rome to prove that price control is something that was not originated by Socialists. As far as I can ascertain the first mention of price control in history was 301 AD, when, following several bad harvests and much damaging commercial speculation, the Emperor Diocletian, in a well intended attempt to meet consequent distress, issued an edict tabulating a series of maximum prices for commodities including cereals, oil, wine, meat, vegetables, fruit, skins, leather, furs, footwear, timber, carpets and clothes. The wages of all people from the ordinary labourer to the professional advocate were controlled and an attempt was made to co-ordinate all import prices. Punishment for exceeding the prices fixed was either death or banishment. These measures were severe, yet by no stretch of imagination can it be claimed that the Emperor was a Socialist; he was one of the first economists.

Early in the fifth century the Kings of Ireland attempted, under the very old Brehon laws, to implement price control. They were certainly not Socialists; in fact they were despots. Yet they fixed a schedule of prices, and the prices fixed were calculated in relation to the standard commodity of Ireland—the female slave. That was another attempt to stabilize prices, and it was not done by Socialists. In the Middle Ages several factors affected price control. The Christians at that time were forbidden to practise usury and that helped in some measure to regulate prices and profiteers. It was commonly believed in those days that large fluctuations in prices were both senseless and immoral, and a just price was generally agreed upon between producer and consumer. If they failed or could not be trusted to fix a just price, the State in the person of the King intervened to fix a price giving the necessary minimum to the producer or manufacturer, whilst safeguarding the consumer by a maximum fixed price. No doubt, even in those days there were many dyed in the wool Conservatives who disliked this fixation of prices. The method was often ineffective because so many towns, merchant and craft guilds and individuals claimed special long-standing privileges granted by past kings, and they often got away with it. The kings who exercised price control in the Middle Ages were certainly not Socialists.

In 1215 the principles of Magna Carta were enunciated and since then those principles have become some of the cornerstones of democracy throughout the world; but it must be remembered that the conditions stipulated in Magna Carta were not fixed in the interests of the common man, but by the barons and high churchmen in an attempt to usurp power that otherwise would have been exercised by the king. In 1266 an Act was passed to control the prices of bread and ale, the staple food commodities of the time. In 1351, in connection with the presentment before the Justices of Labourers there were two interesting cases.

I quote from the old English transcript. One was as follows:—

Further they say that Robert Grys of Danbury, potter, makes brass pots, and sells them at threefold the price which he did against the Statute in oppression of the people.

Unfortunately, we don't know what penalty Robert Grys suffered for selling above the fixed and maximum price. The other interesting and rather unusual case was of the type we are not likely to get today. I quote from the same author.

John Galion, vicar of Nazeing, will not minister to any the sacrament of marriage unless he have from each man 5s. or 6s., and in this manner by extortion the said John has taken from John Wakerild 4s., from William Gurteber 5s., from John Mabely 9s., and from many others the sum of 20s. in oppression of the people by tort and against the peace.

Unfortunately, we do not know what penalty this unjust steward suffered. These cases show that price-fixing covered a wide field even back in the Middle Ages. I could continue to give examples of price control throughout the years, but I have given those instances only to show that price control is nothing new and certainly

is not a socialistic measure. It was introduced into this world long before Socialism had been thought of. I should hate anyone to claim that our present Premier was a Socialist. I believe that the right to regulate prices is necessary, and this Bill gives that right up to a point. I suggest it will have to do until the Premier decides in his wisdom to introduce a Fair Prices Act along the lines of the Queensland legislation, as mentioned by the Leader of the Opposition. Fortunately, we find nowadays the Premier adopts any suggestion of the Leader of the Opposition much more quickly than he used to. At one time when Mr. O'Halloran made a suggestion it was several years before it was adopted by the Government, but now it takes far less time, so we should have the Leader of the Opposition's legislation on the Statute Book before long. In anticipation of this future legislation. I support the Bill.

The House divided on the second reading:

Ayes (28).—Messrs. Brookman, Christian, John Clark, Geoffrey Clarke, Corcoran, Dunnage, Fletcher, Goldney, Heaslip, Hincks, Hutchens, William Jenkins, Jennings, Lawn, Macgillivray, McAlees, O'Halloran, Pattinson, Pearson, Playford (teller), Quirke, Riches, Stott, Teusner, Travers, Frank Walsh, Fred Walsh, and White.

Noes (3).—Messrs. Dunks, (teller), Hawker, and Shannon.

Majority of 25 for the Ayes.

Bill thus read a second time.

Bill taken through its remaining stages.

ADJOURNMENT.

At 8.59 p.m. the House adjourned until Wednesday, September 30, at 2 p.m.