

HOUSE OF ASSEMBLY.

Wednesday, September 7, 1955.

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

QUESTIONS.**URANIUM FIELDS.**

Mr. O'HALLORAN—Has the Premier any information to give concerning the exploratory work that has been carried on for some time by the Mines Department on the uranium fields in the Crocker Well and Mount Victoria Hut areas, and particularly steps that may be taken to develop such fields if warranted by investigations?

The Hon. T. PLAYFORD—I have previously said in this House that the Government intends to invite applications from responsible mining authorities to undertake the mining and exploitation on the basis that the Government would buy the ore delivered to it for treatment at the Port Pirie treatment works. For this purpose a Bill is being drafted and will be introduced this session. The area concerned is fairly large and a considerable amount of exploratory work has been undertaken. I think that up to the present about £170,000 has been spent on that work, which has proved that the Mount Victoria Hut mine goes to depth, that the grade is suitable for mining and slightly better than that at Radium Hill, and that the ore has the same characteristics as that at Radium Hill. There is undoubtedly a sound, but not large, mining proposition in the area referred to and the ore would be a useful supplementary supply to the Port Pirie treatment works, which has a capacity a little in excess of that sufficient to treat the ore from Radium Hill. Secondly, after a good deal of disappointment we are now able to say that the Crocker Well area may well prove to be very important indeed. The grade of the ore is hard to determine because it varies from place to place, but underground work has been completely successful and a highly qualified geologist from the U.S.A. has given a most excellent report on the mine. Therefore I believe I can assure the honourable member that a worth-while proposition exists and that several large companies have already shown some interest in it, and, I believe, would be prepared to enter into suitable arrangements for mining operations. This matter will come before the House in the very near future, but there are still one or two questions to be determined; firstly, whether the ore can be accepted

under our Mines Department contract and, secondly, whether it is suitable for treatment in the Port Pirie works. I have no doubts on those points myself.

PRISON FARMS.

Mr. TRAVERS—Can the Premier say what the present position is with regard to the development and conduct of prison farms, with separate reference to each of the following projects, namely, additional land acquired at Yatala, land in the Kyeema area, a proposal that was under consideration for the South-East, and the Loveday project?

The Hon. T. PLAYFORD—The Government owns a relatively small area of land near Yatala which with our quarrying operations was fast becoming hemmed in. The Government has acquired an additional large area in the vicinity, so that there is now room for expansion of the institution and, what is more, it will give the Government considerable scope for intelligent use of the labour available, both in the interests of the Government and the inmates of the institution. Negotiations were undertaken with the Forestry Department with a view to establishing a prison farm associated with our forests in the South-East, because the project at Kyeema has not proved successful as the opportunities there were very limited. However, these proposals were not successfully negotiated because of the many difficulties that cropped up, and finally they had to be abandoned. In lieu of that a proposal has been worked out, and is now before the Public Works Committee, for the establishment of a suitable prison farm in the upper river irrigation areas.

MARION HIGH SCHOOL ENROLMENTS.

Mr. FRANK WALSH—Has the Minister of Education a reply to my question of August 31 concerning the expected Marion High School enrolments?

The Hon. B. PATTINSON—The Education Department has made a survey of anticipated enrolments in secondary schools throughout the State. It is expected that enrolments at the Marion High School in 1956 will be:—

First year students . . .	from 150 to 170
Second year students . .	from 130 to 140

Total	from 280 to 310
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Two new quadruple units are being erected, each containing four classrooms. These, with existing classrooms, will ensure ample accommodation for 1956. The new classrooms will be available for use by the beginning of the next

school year. The school yard is already graded sufficiently for assembly purposes. In addition, the ground around the new rooms will be graded and the whole area will be sewered as soon as possible.

COUNTRY WATER SUPPLIES.

Mr. TEUSNER—Some days ago I introduced a deputation, including representatives of the Mount Pleasant District Council, to the Minister of Works regarding a water supply for Mount Pleasant, Eden Valley and Springton areas. Has he any information about this matter?

The Hon. M. McINTOSH—A deputation from the Mount Pleasant district asked for a supply of water from the Mannum-Adelaide pipeline not only for the townships of Mount Pleasant, Springton and Eden Valley, but also for a large area of country between Mount Pleasant and Angaston. Supply to Mount Pleasant would depend on whether water is eventually taken further north. In view thereof, and as the country in question is in a fairly high rainfall area, the Government considered that possible underground supplies should be investigated. Arrangements were therefore made for the Director of Mines to carry out a geological examination of this area. The Director has completed the field work connected with this investigation and his report is expected this month. A water scheme to supply these towns and areas from the Mannum-Adelaide pipeline is estimated to cost £330,000 and because of the magnitude of such a scheme the Government considers that full information should be available as to whether underground supplies exist, if not for all, then for portion of the area. When the report of the Director of Mines is received, his conclusions will be studied and I will then submit a full report to Cabinet.

NEW TEACHERS' COLLEGE.

Mr. JOHN CLARK—I was delighted yesterday to read that at a departmental conference the Minister of Education said, in effect, that increases were to be made in the allowances to Teachers' College students and also that a new teachers' college would be provided. The Minister will recall that I have advocated both. I have also suggested the possibility of teachers' colleges being established in country towns. Will the Minister consider country locations before deciding on a site for the new college?

The Hon. B. PATTINSON—Yes. All that has been decided at present is that, in principle,

there should be another teachers' college, particularly in view of my confident anticipation that the number of trainees in the next four years will be double what it is now. There are 583 this year, which is an all-time record, but from reliable information I anticipate that in about four years there will be 1,200. As the honourable member himself will agree, apart from other considerations, it is uneconomic and beyond the control of the present college teaching staff to control anywhere near that number. The Director of Education has been authorized to investigate the problem and to endeavour to find suitable areas of land for the college and recreation purposes, but no decision has yet been made whether the college should be in the metropolitan area or in the country. I will certainly consider the country aspect.

EDUCATION DEPARTMENT: ENDORSEMENT OF BOOKS.

Mr. JENNINGS—Has the Minister of Education a reply to my question of September 1 as to whether a certain book for children had been recommended by the Education Department, as had been stated by a salesman?

The Hon. B. PATTINSON—I have investigated the matter personally. The book has been recommended by the Education Department, but not recommended to parents. Books dealing with various aspects of education are frequently forwarded to the Education Department for review. They are examined by a superintendent or an inspector and a brief review is published in the *Education Gazette* for the information of teachers. Where books are useful for school libraries the department does not hesitate to say so in the review, but as far as I have been able to ascertain no review has ever been published in the *Gazette* recommending that parents should purchase a particular book. To do so would be, in my opinion, quite outside the province of the department. The books in question, four volumes of *World of the Children* are published by Caxton Publishing Co. Ltd. The company and its publications are highly regarded by the department. A favourable review appeared in the *Education Gazette* last year. The important paragraph is the last one, as follows:—

This publication should prove a valuable addition to the school library and should also help teachers to cope with the many and varied questions they are called upon to answer. The range of subject matter is very broad.

At no time has the department advised parents that they should purchase books, or has it approved of salesmen quoting the department

as approving of the books as a desirable purchase by parents. That state of affairs applied to the particular sale to which the honourable member rightly called my attention.

ROBE SLIPWAY.

Mr. CORCORAN—Has the Minister of Marine a reply to my question of August 18 concerning the provision of a channel from the sea to the lake at Robe to enable boats to enter for repairs, in place of the present slipway?

The Hon. M. McINTOSH—The reply I have received from the Harbours Board is rather long, but in view of the importance attached to the subject matter I shall give a little of the background of the position. Some years ago following requests by the fishing industry for the provision of slipping facilities for fishing boats at South-East ports, the Board decided that a new slipway should be constructed at Robe, this port being centrally situated to serve both Kingston and Beachport as well. This slipway was constructed to accommodate boats up to 65ft. in length and incorporated an extension of the ways to permit of boats being transferred overland into Lake Butler, at the rear of the line of sandhills, wherein all fishing boats in the South East could be afforded safe winter anchorage. Slipway turnouts for lay-by repair purposes were provided. This work was carried out at a cost of over £11,000. When the construction of the slipway was being investigated the matter of cutting a canal from the sea to the lake to allow the free passage of fishing boats was discussed. This proposal was dismissed as being too costly and not an economic proposition. Also, maintenance in keeping the entrance free of sand would be difficult and costly. Another difficulty is the difference in the water levels of the sea and the lake, which could be overcome by providing locks but only at considerable cost. Much of the water used by the residents of the town is drawn from underground supplies, and if a channel were constructed from the sea to the lake the water table might be affected by sea water that would inevitably find its way through a cutting into the lake when lock gates were opened and closed, and by seepage. After experience gained in working the Robe slipway it has been decided to carry out the following improvements at an estimated cost of £5,500, for which expenditure I have given my approval:—

- (a) The strengthening of the sea end of the slipway and the erection of two guide poles at the lake end of the slipway.

- (b) The installation of a 35 h.p. electric winch motor with the necessary control gear to increase the speed at which the boats can be handled.
- (c) The provision of two steel cradles weighing approximately five tons each to be fitted with stabilizers for use on the main slipping from the sea and the altering of the two existing timber cradles by providing two sets of wings for use when getting boats out of the lake on to spur lines for repair work.

The cradles have been constructed and are being forwarded to Robe today. The additional cradles will overcome many of the delays that now occur in slipping. They will be heavier and fitted with stabilizers which will enable the larger boats to be transferred from the sea safely. The existing cradles will be modified and used for the slipping of smaller boats and also for transferring boats out of the lake on to the spur lines for repair. The strengthening of the slipway, however, cannot be carried out until the summer months. This work entails the employment of a diver who on account of the nature of the sea and lake beds can only operate in calm weather. When these improvements have been effected and the new electric winch motor installed there should be no trouble in slipping any fishing boat offering at Robe, either for repair or transfer to the safe haven of Lake Butler.

ELECTRICITY TRUST COAL.

Mr. FRED WALSH—In yesterday's *Advertiser* it was reported that the Electricity Trust would buy New South Wales coal direct from pits. Mr. Cochran, chairman of the Joint Coal Board, said, amongst other things:—

Since 1946, the Joint Coal Board has been the distributing and consigning authority for coal supplied to the trust.

He also said that the trust would buy the coal by direct private contract from New South Wales mining companies, and added:—

The new arrangement will mean that supplies of coal for South Australia and Victoria will now be less assured. Supplies will be more subject to production lags and industrial disputes at the pits.

Can the Premier say whether this new arrangement has been forced on the Electricity Trust by the Joint Coal Board, and, if not, will he state the reason for the change and whether it will be of advantage to the trust?

The Hon. T. PLAYFORD—The new arrangements have not been forced on the Electricity Trust by the Joint Coal Board. They have

been entered into freely by both sides after fairly protracted negotiations. There are some advantages in the old method and some in the new contract system, and only time can tell which will operate in the better interests of the State. The Electricity Trust was prompted to change from purchasing coal direct from the Coal Board to purchasing it from individual colliers because under the present system there is no assurance regarding the type of coal that will come forward. Undoubtedly the small coal used by the Electricity Trust has been disadvantageously priced compared with large coal. The trust, of course, wants to buy as favourably as possible, but has to buy high grade coal. The freight rate on low grade coal is just as much as on high grade, and in addition to the cartage of a large quantity of useless material to South Australia, the trust has the problem of disposing of about 3,000 tons of ashes from the boilers each week. It is therefore essential that the trust should receive high grade coal. I do not propose to make public the altered coal price because I believe one of the terms of the agreement was that we would not do so. However, I assure the honourable member that the price is very much more favourable to South Australia than previously, and there will also be an assurance of higher grade coal. Against those advantages it will be necessary for the trust to keep a larger emergency stock of coal on hand to provide against dislocation at the pits from which it is purchasing.

SHIPPING FREIGHT RATES.

Mr. HUTCHENS—Has the Minister of Agriculture any comments to make on a question asked by the honourable member for Semaphore (Mr. Tapping) on August 25 in regard to the possibility of using Commonwealth ships for overseas trade in view of increases in freight rates?

The Hon. A. W. CHRISTIAN—I referred this matter to the Commonwealth Minister of Shipping, Senator McLeay, who wired me in the following terms:—

At present all Commonwealth-owned vessels of size and type suitable for overseas trade are engaged in transport of essential cargoes such as iron ore, limestone, coal, steel, sugar, etc., on Australian Coast. Even with all suitable Commonwealth vessels engaged in these trades there are insufficient Australian vessels available to meet needs of all States for essential cargoes and 13 overseas vessels are on charter to Australian companies and the Commonwealth for use in bulk cargo trades. There are insufficient ocean-going vessels on the Australian Register to make an appreciable impact on overseas trade and if any were to be

directed from current essential tasks effect on Australia's expanding economy would be most serious.

FINANCE FOR ROAD WORKS.

Mr. QUIRKE—Has the Minister of Works a reply to the question I asked on August 17 on the allocation of money for road works?

The Hon. M. McINTOSH—The sum of £1,004,738 was received from the Commonwealth for rural roads last year, and the whole of this amount was spent during the year on rural roads other than main roads. The estimated amount available for the same purpose in the current year is £1,060,000. To answer the query as to where the money was spent, as I stated before, would necessitate a schedule so long that it would be hard to find room in *Hansard* to print it. However, the Minister of Roads has informed me that he will readily make available a list of any particular allocations in which the honourable member may be interested.

TRAIN TO SALISBURY.

Mr. JOHN CLARK—Has the Minister representing the Minister of Railways a reply to my recent question about passengers being debarred from travelling on the 6.05 p.m. express to Salisbury on August 24?

The Hon. M. McINTOSH—Through my colleague, I have received the following report from the Railways Commissioner:—

The train referred to departs at 6.05 p.m. from Adelaide for Moonta, and consists of one of the new type railcars. Before the introduction of this railcar, the service was operated by a "75" type railcar with trailer attached, the latter being required to accommodate baggage. With the old type railcar and trailer, there was more than sufficient seating accommodation. However, the number of passengers travelling on this car beyond Salisbury does not warrant the working of more than a single railcar except at week-ends and on special occasions. Indeed, there are usually from 10 to 20 vacant seats in the new car, available for Salisbury passengers. The unfortunate occurrence on Wednesday, August 24, 1955, when passengers were debarred from joining the 6.05 p.m. train, resulted from some misunderstanding, as it was never intended to debar Salisbury passengers from travelling on this train altogether, but only to ensure that they do not occupy seats while long distance passengers are standing. Salisbury is only 12½ miles from Adelaide, and the journey to that station occupies 18 minutes. It would be most difficult to provide seating accommodation for the whole of the Salisbury passengers on the country railcar, particularly as alternative services are provided leaving Adelaide at 5.47 p.m. and 6.17 p.m.

Apparently on that day there was a misunderstanding, which I hope will not occur again.

ELECTRICITY ACCOUNTS.

Mr. FRANK WALSH—Has the Premier a reply to my recent question about electricity supplies being disconnected for non-payment of accounts?

The Hon. T. PLAYFORD—I have a report from the Electricity Trust on both cases the honourable member mentioned. In regard to the first case, the report states:—

This account is classified as “bad” in our records, as we have, over a period of three and a half years, been forced to take action to collect 11 out of 14 accounts rendered.

The honourable member can see that there was nothing capricious about the action taken in this case, and I will show him the full report if he desires. In regard to the second case the report states:—

To enable meter readers to read meters where premises are vacant during normal business hours, information of a helpful nature, such as to where a key may be found, is contained in the meter book. The following information appears in the meter book concerning the premises in question:—

“Enter gate through spare block. Great Dane, ‘Pluto,’ harmless. Back door always open; enter and read.”

On June 22, 1955, the meter reader called at these premises, and finding the back door locked, estimated an account of £5 18s. 11d. This estimate was based on the previous account of £5 7s. 10d. for the quarter ending March 21, 1955, when the reader was able to read the meter, and is our usual practice in these circumstances. On August 3, 1955, a letter was posted requesting payment of £4 13s. 7d.; the estimated June account for £5 18s. 11d., less £1 5s. 4d. credit on the consumer’s ledger account. The last day for payment was given as August 10, 1955, and as the account was not paid on that day, a special collector was instructed to call on August 11. As he was unable to collect the account the collector disconnected the supply, and at the present date the supply is still disconnected. The person concerned had not advised us that he was dissatisfied with the account as rendered, and had he done so action could have been taken to obtain correct readings of the meters to enable the correct charge for electricity consumed to be made.

The chairman of the trust has reported to me as follows:—

You will see from the above reports that no justification at all existed for the complaints. The management of the trust will always give consideration to people who through adverse circumstances are in financial difficulties. The trust must insist upon payment of accounts regularly and will make arrangements for people to pay regularly on a weekly basis. The amount owing to the trust for electricity supplied at June 30 last totalled £1,465,861—a large amount of money which has to be found in advance by the trust to finance operating expenses. If the management became lax in collection of accounts the amount due would soon be doubled.

KLEMZIG PRIMARY SCHOOL.

Mr. JENNINGS—Has the Minister of Education a reply to the question I asked some time ago concerning the erection of a new primary school at Klemzig?

The Hon. B. PATTINSON—A new school of eleven classrooms has been under consideration for some time. The Superintendent of Primary Schools put it forward in the tentative loan programme this year but did not consider it as urgent as some other schools. The work was accordingly deferred and is not in this year’s programme. It will be listed again early next year when the 1956-1957 Loan Estimates are under consideration. It is not possible to say at this stage when the work will be undertaken. As the honourable member knows, it is proposed to spend, during the current financial year, out of Loan Funds alone £1,150,000 on school buildings. It is expected that this expenditure will meet current building requirements, but it is hoped to plan the building of several other new schools of the same class and category as Klemzig early next financial year.

SPRAYS AND FERTILIZERS.

Mr. QUIRKE—At various times I have brought to the attention of the House the necessity for certain legislation concerning nutrient sprays and chemical fertilizers and I have understood from the Minister of Agriculture’s statements that he intends to introduce such legislation. Can he now say whether he intends to introduce it this session?

The Hon. A. W. CHRISTIAN—I have a departmental draft of such legislation, but I am not at present satisfied that it covers all the requirements regarding fertilizers generally, and a departmental committee is conducting further research into the matter. Until I have the committee’s final report I cannot take the matter any further. After that report comes to hand the measure must have Cabinet approval, and when that is obtained I will introduce the legislation.

COMMONWEALTH GRANT.

Mr. RICHES—Following on representations by the Treasurer last year, the royalty received by the Government on iron ore from Iron Knob was increased from 6d. to 1s. a ton. Can the Treasurer say what effect that increased revenue has had on this year’s grant from the Commonwealth and on State finances generally?

The Hon. T. PLAYFORD—I received a preliminary copy of the Grants Commission’s report only this morning and I have not had

time to study it closely; but if the Commission has adopted its usual procedure, this year's grant would not be altered, because the increased payments were not effective two years ago during the year of review on which the Grants Commission this year examined the State's financial position. The preliminary grant that the Commission gives under part II of its procedure would not have been affected as the result of any additional amount received, and, although I cannot state that definitely, as I have not had a chance to study the report, I have no doubt that would be the position.

STATE BANK STAFF.

Mr. JENNINGS—I understand that there will soon be a vacancy for the position of senior teller on the State Bank staff. Is the Treasurer in a position to assure members that the Bank Board will call for applications to fill the vacancy from the bank's staff?

The Hon. T. PLAYFORD—I have no knowledge of this matter, but I have no doubt that if any change is to be made the usual procedure will be followed.

EARLY CLOSING ACT AMENDMENT BILL.

Mr. O'HALLORAN (Leader of the Opposition), having obtained leave, introduced a Bill for an Act to amend the Early Closing Act, 1926-1954.

Read a first time.

STEELWORKS FOR SOUTH AUSTRALIA.

Adjourned debate on motion of Mr. O'Halloran.

(For wording of motion, see page 686).

(Continued from August 31. Page 690).

The Hon. T. PLAYFORD (Premier and Treasurer)—I believe that this motion is the longest submitted to this House since I have been a member and anyone would have thought, on reading it, that it had been prepared by a lawyer paid so much a folio for the job. But as moved by the Leader of the Opposition the assumption that it had been prepared by a young and inexperienced person falls to the ground, because I heard the Leader himself, I saw him stand in his place to move it, so there can be no doubt whatever about the authorship. Had I not heard him I would have had grave doubts that a person so experienced and

mature would bring forward a proposal couched in these terms. We are asked to say that—

In the opinion of this House, in view of the urgency of the need for the establishment of a steelworks at or near Whyalla in the interests of the people of South Australia, in view of the failure of the Broken Hill Proprietary Company Limited to establish a steelworks within reasonable times in accordance with undertakings given and consideration of being granted leases of areas containing high-grade ore on Eyre Peninsula, and in view of the necessity of developing the low-grade deposits elsewhere on Eyre Peninsula in conjunction with the high-grade ore contained in those areas for the economic operation of such steelworks and in order to ensure an adequate and continuous supply of ore thereto—

the following results are to accrue:—

the said leases should be terminated, the mining, transport and crushing plant operated by the Broken Hill Proprietary Company Limited in association with such leases should be acquired by the State and a joint committee of both Houses, with equal representation of the Government and the Opposition, should be appointed to advise the Parliament on the future use and disposal of all iron ore on Eyre Peninsula so that all interests may be fully considered and fairly served in the distribution of same.

First, the Leader of the Opposition sets out the reasons for the action proposed and then the consequences arising therefrom.

Mr. Pearson—Some of them.

The Hon. T. PLAYFORD—The honourable member is correct. He sets out only a very few of the consequences which would arise from the action proposed. In the Address in Reply debate this matter was discussed at some length and I went to considerable pains to give the history, as disclosed by official records, of the negotiations which led up to the Indenture Act, and I gave such information as I could obtain with regard to the obligations assumed by the B.H.P. Company. I pointed out that the company had assumed certain legal obligations; that they were placed before Parliament; that they were the subject of a Bill which was examined by a Select Committee and that they were adopted by this House.

As a back bencher at the time of the debate I spoke rather critically of some of the provisions of the Bill and pointed out that we were talking rather airily of steelworks and a lot of other things associated with the proposal before the House, whereas all that the company undertook to do were those things set out in the Bill. My colleague, the Minister of Agriculture, had made similar comments in evidence before the Select Committee and in the House, so the House knew quite well what

the position was, namely, that the company assumed certain legal obligations. I repeat what I said in the Address in Reply debate, that I cannot find that the company has ever departed from its obligations in one small particular.

Mr. O'Halloran—What did the then Premier tell the House about the implied obligations?

The Hon. T. PLAYFORD—I will deal with those in a few moments. I will not shirk that issue, but as far as I can learn, even on the question of the time of payment of royalties, or anything else, the company has carried out the agreement entered into, which was the subject of the Indenture Act, to the last degree.

Mr. Riches—In the Address in Reply debate the Premier had something to say about moral obligations.

The Hon. T. PLAYFORD—I have already said in reply to an interjection by the Leader of the Opposition that I will talk about moral obligations too, but what I want to emphasize at the moment is that the company has carried out the agreement entered into. Had it not done so the motion submitted to this House would have been in an entirely different form, namely:—

That the Government does not enjoy the confidence of the House because it has not enforced the agreement entered into.

Had the agreement not been carried out in its legal sense we would, of course, not have resorted to this kind of action, but to action in a court of law. It would not have been necessary for us to assume for ourselves the powers of both judge and jury. We would have taken the case to some impartial tribunal. Instead, we are asked to say that because the company has not carried out the agreement we will take away all its rights—and it would have no appeal from our decision. Speaking of my friend, the Leader of the Opposition, may I quote some poetry—

The creatures see of flood and field,
And those that travel on the wind!
With them no strife can last; they live
In peace, and peace of mind.

For why?—because the good old rule
Sufficeth them, the simple plan,
That they should take, who have the power,
And they should keep who can.

That is what is proposed; that they who have power shall take and that they shall hold who can. We are not to worry about the law. We are to say that because of these consequences, because of the need to establish a steel industry at Whyalla, because in our opinion the company has not done it quickly enough and because we believe that there should be some

conservation of the higher grade ore, we should constitute ourselves judge and jury and declare that the company's property and its leases, provided under an agreement with this Parliament, shall be forfeited forthwith. That is a simple plan but I have never previously encountered an instance where Parliament, having entered into an agreement and without any evidence that it had been broken, has said, "This agreement is no longer convenient and we will brush it aside." If we accept such a proposal now, what will be the position with regard to all other rights that have been conferred by this Parliament from time to time? Will they, by a simple resolution of this House, be abrogated at the will of anyone?

Mr. O'Halloran—What about the indefeasible rights in freehold titles that we are abrogating under the Town Planning Act?

The Hon. T. PLAYFORD—Although that question is a trifle irrelevant—

The SPEAKER—It is. There is a Bill relating to that matter.

The Hon. T. PLAYFORD—If the Leader wants me to, I will reply on that matter when it is before the House. When the question of granting leases to the company was before the Government of the day, the company said, "If we are to establish industries at Whyalla we must have security of tenure. That is necessary before we will spend money at Whyalla." Parliament examined the position and agreed that security of tenure was necessary and passed the necessary legislation to safeguard the company during the term of the agreement. That was the basis of that legislation.

Mr. O'Halloran—And to keep anyone else out who wanted to exploit those leases.

The Hon. T. PLAYFORD—Those features were all debated in the House. In point of fact I doubt if anyone else could have entered that area at that time because the Broken Hill Proprietary Company had assumed the normal rights under the Mining Act. At that time nobody else had any rights nor was it possible for them to accrue rights.

Mr. O'Halloran—Why then was it necessary to pass that legislation?

The Hon. T. PLAYFORD—In effect, the company said, "The Mining Act confers certain rights but if we are to spend money in this area we want those rights reinforced so that we will be absolutely sure of having security of tenure." It was to meet just such a case as this where impetuous people—young and ardent, in some instances—wanted to take

short cuts and would not bother to wait for the usual processes. The company wanted to know precisely where it stood and it revealed considerable wisdom in desiring its rights to be reinforced by specific approval of Parliament. If we pass this motion we will, in point of fact, repudiate rights which were specifically granted and be constituting ourselves judge, jury and prosecutor to consider this matter in the absence of any defendant. We cannot approach the court and ask a judge to declare that the agreement has not been carried out by the company and so we are asked to take this short cut. I wholeheartedly approve of a steelworks being established at Whyalla and agree that the steel supply in Australia is inadequate for the needs of the country and that there should be a great expansion of steel production.

Mr. O'Halloran—Having agreed with all that, have you any idea how it can be achieved?

The Hon. T. PLAYFORD—I will discuss that in a few minutes. I agree that the company has been extremely tardy in its development at Whyalla and I believe that if Parliament had known, when the Indenture Bill was before the House, that the company would be so long in giving effect to the desires of this State it would have been more precise in setting out the terms of the agreement.

Mr. Pearson—We were not holding strong cards at that time.

The Hon. T. PLAYFORD—That is so, but on the other hand we were giving away substantial benefits. It is not for us to declare the company in default. That would be highly improper. I still hope that the company will examine the position so far as South Australia is concerned. We have a strong case for a steel industry. South Australia provides an important component for the operation of a successful steel industry. Our iron ore is unique for its richness and the ease with which it can be procured. I have not hesitated to say to the company that I believe it has a moral obligation to undertake expansion in this State and give our citizens a fair share of the advantages of the industrialization which arises from a big industry being established here. Having gone that far—

Mr. O'Halloran—I want to go all the way.

The Hon. T. PLAYFORD—It is not the way at all that the honourable member wants to go.

Mr. O'Halloran—It is very nearly all the way.

The Hon. T. PLAYFORD—The rest is the important part. I have stated publicly that I would under no circumstances be a party to the repudiation of an express agreement entered into.

Mr. O'Halloran—The company never established the steelworks in South Australia, and prevents us from developing our resources, and you will take no action to force it.

The Hon. T. PLAYFORD—I will not take action to break obligations entered into by this Parliament. The Leader of the Opposition's point of view is stated in the motion, in which he says that the leases should be terminated. They cannot be terminated except by Parliament, which stated that they must not be abrogated. I would not be a party to such abrogation. Would it ever be of any benefit to South Australia to establish a steel industry if the leases were terminated? The costs of establishing such an industry are fantastic. To establish works with a production of 500,000 tons of steel would probably cost between £50,000,000 and £60,000,000, and I quote that figure with a good deal of diffidence, and probably will be told by the experts that I have underestimated the amount. The B.H.P. Company has just established at Port Kembla a hot strip rolling mill at a cost of about £40,000,000, but this will not increase the production of steel by one ton. The mill only fabricates the steel. I have been informed, and have seen it publicly stated, that the company is now faced with the necessity of spending almost another £60,000,000 to produce the steel which will be used to keep that mill in operation.

Mr. O'Halloran—And all that money will be spent in New South Wales?

The Hon. T. PLAYFORD—That is so, with the exception of £1,000,000. There is no argument about that.

Mr. O'Halloran—Could not some of it be spent at Whyalla?

The Hon. T. PLAYFORD—Unfortunately, as far as the unit mentioned is concerned, the money cannot be effectively spent at Whyalla. Undoubtedly the hot strip mill will be of immense value to the Australian economy, but it also places a tremendous strain on the company's financial resources and the steel making resources of the Port Kembla area. Mr. O'Halloran is deluding himself and the House when he says that the passing of the motion is the way to get a steel industry at Whyalla. Does he believe that South Australia is at present in a position to finance this industry as a State undertaking? I can assure him

that our cash resources are already in a difficult position, and this at a time when the Commonwealth Treasurer says we are enjoying a period of unprecedented prosperity. The Loan Estimates are now before the House and members will see that all the State Loan money available this year will be absorbed on necessary projects. I have not had one member coming forward and saying, "You can save £5,000,000 here and spend it on some steel venture." A steel industry will be established at Whyalla only as the result of private enterprise. The procedure undertaken by the State to procure money from the Loan Council will never enable it to have sufficient money to undertake even a modest steel venture. Assuming that the motion had been carried and effect given to it, and that the B.H.P. Company's leases had been terminated and its equipment at Whyalla no longer belonged to it—

Mr. O'Halloran—That is not stated in the motion.

The Hon. T. PLAYFORD—I read it carefully. Let me quote what is in it so that Mr. O'Halloran will be acquainted with it. It contains the following:—

... the said leases should be terminated, the mining, transport and crushing plant operated by the Broken Hill Proprietary Company Limited in association with such leases should be acquired by the State . . .

Mr. O'Halloran—That does not mean anything in Whyalla.

Mr. Travers—And it doesn't mean much here, either.

The Hon. T. PLAYFORD—It means a lot at Whyalla, because these things already exist there. If the motion means anything it means that the State is to take over the company's interests in the Eyre Peninsula area.

Mr. O'Halloran—It does not mean any such thing.

The Hon. T. PLAYFORD—Mr. O'Halloran did not tell us which units it is proposed to allow the company to hold.

Mr. O'Halloran—Everything outside the leases.

The Hon. T. PLAYFORD—The motion does not say "on" the leases, only "in association with" the leases. Anyway, let us take the honourable member's interpretation of the motion, and say that the company's leases and the equipment on the leases are Government property. If the Government then went to a company in any part of the world and said that it had proved and developed leases with the necessary equipment—in fact, a going concern—and wanted the company to work them,

it would not doubt be said, "You are lucky people. How did you get the leases?" When we explained, would we be immune from the fate that befell Dr. Mossadeq in Persia? He took over the vested interests of the Anglo-Iranian oil company. He acted somewhat similarly to what is proposed in this Parliament now. Dr. Mossadeq found he could not do the same trick twice. He went everywhere, including the Balkan countries, but could find no-one willing to enter into oil agreements with him. His act did not mean the production of more oil, only that the works remained idle. Finally the Persian people got sick of the doctor and got rid of him. I am trying to save the Leader of the Opposition from a similar fate. I am trying to save him from the wrath that would come if we acted in accordance with his motion. I have a kindly feeling for him, but I point out seriously that South Australia has achieved much progress because of the stability to be found here, and I do not ascribe it to the Government but to the people and the general run of trade unions in this State. The Leader of the Opposition and his Party have assisted in all the negotiations that have led to the increased stability. If we are to have steelworks in South Australia they will not come by any act of repudiation. If we are to negotiate with the company, or any other company, in the future we must do it with clean hands. If there is the slightest taint of repudiation, particularly in the matter of steelworks, there will be no chance of success.

I put this to the Leader of the Opposition. Firstly, his decision to move the motion was an improper one, and secondly, if the proposal is put into effect it will be fatal for all the aspirations set out in the motion, which should be rejected unanimously. Any support for it must have harmful effects on the negotiations which I hope we will be able to conclude for the establishment of steelworks at Whyalla. In the strongest terms I have expressed to the directors of the company that they have a duty to this State. It does not arise from the Indenture Act but from the fact that we have always been friendly with the company, dealt with it honourably, and given it favourable conditions. As the result of all this the company is prosperous, strong and able to undertake developmental projects without having to borrow capital. The development has taken place on such a basis that the company will be able to compete efficiently in the future, and it all adds up to a goodwill, which the company should not ignore. We

have given it good conditions and consequently we are entitled to a fair share of its industrial activities. It is not too late for the company to take the Government more into its confidence in connection with its future plans. If it did so, many of the difficulties experienced today could be overcome. I have no authority for this statement, but as the result of my observations I believe the company went into the hot strip rolling mill project on the assumption that it would cost less than it eventually did, and that it could be put into operation fairly quickly. I think it believed that at Port Kembla production would be possible more quickly than in any other part of the Commonwealth, and that expansion there was possible more quickly than at either Whyalla or Newcastle. When the company approved the hot strip rolling mill project I do not think it believed the cost would be £40,000,000, or that it would take four times as long to install it as was originally estimated.

I further believe that the company finds itself with a hungry mill and no extra steel available to feed it. Of course, through the operation of the plant we will have more sheet steel but in order to feed this monster other steelworks will be starved. The Port Kembla works will take all the ingots produced for many years to come. As a consequence, the company will be compelled to produce an additional 3,000, 4,000 or 5,000 tons of steel in that area, which will probably take three or four years to accomplish.

Mr. O'Halloran—Is there any reason why some of that ingot steel could not be produced at Whyalla?

The Hon. T. PLAYFORD—We are now discussing matters upon which a close examination would be needed, but my opinion is that it would be very much more costly, and it would take much longer to bank up that production for the hot strip mill from Whyalla than from Port Kembla.

Mr. O'Halloran—But the company is taking ingots from New South Wales to Western Australia to be rolled there.

The Hon. T. PLAYFORD—I do not desire to deal with the Western Australian project now because it has not very much bearing on this matter. Even if it were 1960, or even 1961, before the company could start at Whyalla, I believe it would do a tremendous amount to satisfy the Opposition and the public if it was known that we would have some rightful place in the plan.

Mr. O'Halloran—What we want is some knowledge that we are in the plan at all.

The Hon. T. PLAYFORD—I looked at the works at Port Kembla quite critically in the hope that I could see a chance of South Australia saying, "We could do this in the big plan you have on your hands at present," but as a fair-minded person I could not see how the plan that has been entered into at Port Kembla could be deferred for something more favourable to us. As I have said to members of the company, in public and personally, it is no good the Government saying "We will supply water to a certain part of the country." The first thing we would be confronted with is "What is your plan, what is the rate of development and when will these things be?" I believe the Broken Hill Proprietary Company, because of the goodwill established between it and the State, should set out its ultimate plan so that we can know where we are in the plan. Secondly, we come up against another problem. The Government has been carrying out investigations close to the B.H.P. Company's leases at Iron Knob, and these are proceeding very satisfactorily. I have a map that might give members an idea of what is happening and I suggest that it be placed on the notice board. It shows the bore holes that have been established and, although it does not set out a lot of detail, it shows that six areas have been proved to have iron ore of high grade located in them. It is estimated that there is approximately 10,000,000 tons of ore in those six areas.

Mr. O'Halloran—Is that high-grade ore?

The Hon. T. PLAYFORD—Yes, and it has been found in the last few months, as the Leader knows. I realize that 10,000,000 tons is not sufficient to establish a steelworks if we have to go overseas to get people interested in it. I have seen samples from this area and I believe some of the ore is the richest that has ever been discovered in the world, some even richer than the Iron Monarch deposits. If members study the map and the estimate of the Director of Mines attached to it, I believe they will realize that this is the last time that there should be any suggestion of falling down on the strict letter of the agreements we have entered into because, if the B.H.P. Company is not prepared to establish steel works at Whyalla, it seems to me that the best solution to our problems lies in the discovery of iron ore deposits and the invitation of outside interests to establish a steel industry at Whyalla. I believe that is the only alternative if the company refuses to play along with

us. Under those circumstances I think members will see that any talk of abrogating the agreement at present is misplaced and ill-advised, and can only be harmful if carried out.

Portion of the resolution deals with the suggestion that we should force into consumption some of the low-grade ore and blend it with the high-grade ore at present being used by the company. The relevant portion is:—

... in view of the necessity of developing the low-grade ore deposits elsewhere on Eyre Peninsula in conjunction with the high-grade ore contained in those areas for the economic operation of such steel works and in order to ensure an adequate and continuous supply of ore thereto, ... a joint committee of both Houses, with equal representation of the Government and the Opposition, should be appointed ...

In 100 years time perhaps the low-grade ore deposits may be economically worked, but the cost of working them today would be prohibitive. Secondly, notwithstanding the investigational work that has been undertaken by the company, some of it in conjunction with the Mines Department, I have not yet seen any solution to some of the very costly processes that would be involved in separating waste material from this ore and sintering it to make it an economic proposition.

Mr. O'Halloran—I thought the Mines Department experts recommended that we do that.

The Hon. T. PLAYFORD—At present an investigation is being undertaken by the B.H.P. Company in conjunction with the Mines Department, and perhaps in years to come that will be possible, but if that were undertaken in Australia today the cost of steel would become exorbitant. The forced use of our low-grade iron ores would increase the price of steel enormously.

Mr. O'Halloran—So we shall use up all the high-grade ore in this generation and let future generations suffer for it?

The Hon. T. PLAYFORD—I do not suggest that we will use all the high-grade ore. I am fast coming to the belief that Australia is much richer in iron ore than we have ever previously considered. Some of our airborne surveys lead me to the view that the iron ore deposits of this State are much more extensive than we thought. Furthermore, the high-grade ores of Queensland have never been seriously examined, let alone contemplated as mining undertakings, and there are also high-grade deposits in Western Australia, so for the Leader to assume that the Iron Knob deposits are the only substantial ones in Australia is

not borne out by the facts. If Australia is to retain its prosperity we must not increase enormously the costs of our basic materials. Numerous overseas examples have shown that action of the sort contemplated in the motion has always ended badly, and for the reasons I have given I believe the motion should be voted out in no uncertain manner.

Mr. RICHES (Stuart)—I have never before heard the Premier labouring so much in an attempt to persuade the House to vote against a motion. I have never heard him try to make good material out of a weaker case. One statement towards the end of his speech gave members on this side of the House some satisfaction, but the remainder of his speech was the most disturbing address we have heard for a long time and a sorry commentary on the morals of business and industrial organizations, but I am not prepared to accept the position outlined by the Premier. I am sure Opposition members would agree with the Premier that the B.H.P. Company would render a service to Australia, and to Whyalla in particular, if it stated specifically whether it had any definite plan for the establishment of steelworks at Whyalla. The prolonged negotiations that have taken place have had a serious effect on the business outlook at Whyalla and in the northern part of South Australia. The prosperity that we hear so much about is not reflected in the areas adjacent to our rich iron ore deposits. Therefore, the announcement of any plans that the company has would be of great benefit.

The disturbing part of the Premier's speech was his insistence that the spoken word, given on oath in some instances, in evidence before a Select Committee and before the Public Works Committee on behalf of the company cannot be trusted or relied upon, and that this House must completely disregard it and accept from the company only its statements when signed and in the form of a legal document. I hope that the moral standard of our business world has not quite reached that low ebb, but that is what the Premier would have us understand. It was demonstrated during the debate on the Address in Reply that the B.H.P. Company's directors over and over again gave their pledged word that steelworks would be established following on the Indenture Agreement, and it was on that pledge that Parliament voted. The company's assurance was accepted by the then Premier, who said definitely that steelworks would be established, and he asked the House to vote for the Indenture Agreement on the strength of that

conviction. No-one has contended that the company has not carried out the terms of the legal document; indeed, the Leader of the Opposition made that abundantly clear, but even in these days we are entitled to expect the company to stand by its pledged word.

I emphasize that the motion does not amount to repudiation of the agreement with the company. It is the next step following upon repudiation by the company. The letter that was handed to the Premier and which concluded the last negotiations between the State and the company for the establishment of a steelworks was an act of arrogant, contemptuous repudiation, and it now devolves upon the people of South Australia to take the next step, and that is what the motion seeks to do. I was a member when this agreement was before the House and I feel concerned on this issue because I was one who cast a vote in favour of the Bill ratifying the agreement. I did so because of the conditions obtaining then and because I accepted the assurances of the then Premier and the company whose representatives appeared before the Select Committee and the Public Works Standing Committee. I would not have voted for the Bill had those assurances not been given. The whole of the negotiations envisaged the establishment of a steelworks and that was not merely implied, but specifically stated over and over again in the speeches on the Bill. Admittedly, the company was unable at that time to fix an exact date for the establishment of a steelworks, and we were told that that was the only reason why the proposal was not included in this document that was stated by the Premier in the Address in Reply debate to be so sacred. I consider, however, that it is a most peculiar document in more ways than one. Its preamble indicates either that the document includes much meaningless phraseology or that there is an unusual situation to be dealt with, because a tripartite agreement is signed by only two parties. The third party to the agreement is mentioned only by name.

Mr. O'Halloran—His Majesty's name was probably used to impress people.

Mr. RICHES—Apparently they were not particular whose name they used to impress people at that time, because the agreement, a copy of which is appended to the Act, states:—

This Indenture made on the fourth day of October, 1937, between His Most Gracious Majesty King George VI by the grace of God, of Great Britain, Ireland and the British Dominions beyond the Seas King, Defender of the Faith, Emperor of India, of the first part . . .

The Lieutenant-Governor, contracting for the State Government, not for His Majesty the King, was the second party and the B.H.P. Company was the third party. Then follows the agreement, but it is signed only by the Lieutenant-Governor, on behalf of the State Government, and representatives of the B.H.P. Company. Opposition members do not suggest that, merely because only two parties have signed a document purporting to be a tripartite agreement, the agreement is therefore nullified, but the inclusion of His Majesty's name shows the length to which some people will go to embellish a document and attach to it importance that is not rightly attachable to it. That is the document we are now asked by the Premier to regard as sacred; he says we must take no action to interfere in any way with the written terms of the agreement; he would have us disregard entirely the pledged word of the company leading up to the signing of the document and ignore the moral issue involved. If we may take the cheer-chasing that was indulged in by some Government members this afternoon while the Premier was speaking as an indication of their attitude in this matter, we may well believe that they would be willing to let the rights of all South Australians stand disregarded forever in the face of this legal document.

Mr. O'Halloran—They are concerned merely with the rights of the very best people.

Mr. RICHES—The Premier gave us his understanding of those rights when he quoted from the Bible of the B.H.P. Company this afternoon.

Mr. McAlees—Has the company a Bible?

Mr. RICHES—The Premier recited the company's creed and I have never heard a verse more aptly describe the attitude of the company in this matter. Parliament has a serious obligation to the people of this State. Last year the Premier received a letter stating that the company did not intend to consider the establishment of a steelworks in South Australia at least until 1960 and that even then any action taken would depend on its estimation of the iron ore resources then available. That letter resulted in the complete breakdown of negotiations that had been taking place with the company and represented the company's repudiation of the agreement. Indeed, I consider that that statement automatically terminated the agreement. The motion now before the House is a natural corollary to the company's failure to establish a steelworks in this State and, if any party to the

agreement is to be charged with repudiation, that charge may be fairly laid at the company's door. South Australians will not be content to let this situation continue until it is the pleasure of the company's directors to establish a steelworks at Whyalla. There are claims over and above those of the company which must be considered before we allow our iron ore resources to be seriously depleted.

In spite of the Premier's statement this afternoon, officers of the Mines Department have reported to Parliament that the life of the iron ore deposits at Iron Knob are limited and that there exists a real danger that procrastination in this matter will render uneconomic the establishment of a steelworks here. Various officers of the Mines Department, including the Director, as well as Dr. Miles and other investigators, have, in the strongest terms, warned Parliament that action must be taken immediately. Three years ago they urged the establishment of a steelworks within two years, firstly to ensure an adequate supply of high grade ore for the steelworks, and secondly, in the interests of Australian steel consumers, to ensure that the demand for steel products would be met. The Premier referred this afternoon again to the suggestion in the motion that the Government should insist that the low grade iron ore should be used in conjunction with the high grade ore. Are we to accept a casual statement in the course of an address by the Premier, delivered in the manner it was this afternoon, or should we place reliance upon the printed report of Dr. Miles who has conducted the investigations, and who is in duty bound to submit his report to this House? In his latest report to Parliament he urges that attention should be given to the utilization of the low grade iron ore in conjunction with the high grade ore because we could reach a stage in the economics of steel production when it would not be economically possible to use the low grade ore. In order to avoid an economic upset the effect should be cushioned by using the low grade ore with the high grade.

The Premier talks about deferring any action on these lines for, I think he said, another 50 or 60 years—certainly a disturbing statement in the light of the repeated warnings and the authenticated documents placed before this House by his officers. Does he completely disregard their advice, or does he know what ought to be done in the interests of South Australia but finds his hands tied by interests either sitting behind him or outside? I say

with some justification, because the Premier's own statements from time to time are so conflicting that I defy any member to understand them. He mentioned again this afternoon that finance would be one of the difficulties in establishing a steelworks and that if it was to be done it would have to be undertaken by private interests. It is less than three years ago that he announced that British finance was available to Governments of Dominions for the purpose of developing their natural resources, and that he was thinking of making representations to the Chancellor of the British Exchequer, Mr. Butler, for finance for a Government enterprise.

At a later stage, when a motion that all the aspects of the representations then being made for the establishment of steelworks should be submitted to a Select Committee for inquiry, he argued against it on the score that there would not be sufficient finance in Australia, or available in Australia, to finance the work. Members may recall that as recently as December last, in reply to a question of mine, the Premier said:—

The question of a further conference with the B.H.P. Company is about to be considered in a few days. As far as I know the project for Whyalla is going along satisfactorily. I do not know of any difficulty although the honourable member mentioned finance as such . . . So we are right back today where we started; it is a question of finance; the Broken Hill Proprietary Company has over-committed itself; it has spent too much at Port Kembla where the mill has cost a lot more than was expected and as a result of which they are unable to proceed with works at Whyalla. Last December finance was not an obstacle and, with great respect, I say that if any member takes the trouble to go through the announcements made by the Premier from time to time I defy him to get a clear picture of the negotiations that have taken place, or the actual situation between the State and the company.

The Premier, in the Address in Reply debate, admitted that he did not know what the situation really was; he did not know what could be done or where to go. We can sympathize with him in that because he had been negotiating for a long time and had every reason to believe that his representations would be sympathetically considered by the company. He had the strongest case to put to the company. He could quote their own executives in support of steel works here, and to be handed that document almost overnight, cutting off the negotiations, must have been most perturbing. That, I repeat, was an act of

repudiation in itself, leaving the Premier in the position that he did not know where he was going. As far as we know he has not heard a word from the company since then to indicate that the situation is any different.

South Australia deserves better at the hands of the company than it has received in the terms of the last letter the Premier placed before this House. The Premier was not approaching the company as an individual, but on behalf of the people of South Australia who have given the company everything it asked for and who are prepared to give the company stability and security of tenure. Provided it entered into an agreement and carried out the programme outlined no-one would interfere with it. The Indenture Act was passed, not for the purpose of giving security of tenure as such, but for the purpose of giving tenure as a basis for the establishment of steelworks. There will not be a more important issue before the House than this. No undertaking of the magnitude of a steelworks had ever been contemplated for South Australia, and I urge that the House should not treat this motion facetiously, as the Premier showed some indications of doing at the outset. He started by trying to imply that the motion was drafted by the member for Norwood (Mr. Dunstan) and to ridicule him because he thought it had some legal phraseology. I do not know whether the member for Norwood saw the motion before it was discussed—

Mr. O'Halloran—He did not see it until it was moved here.

Mr. RICHES—I know he had nothing to do with the drafting of it. The motion had the unanimous endorsement of every member of the Opposition before it was presented to Parliament, and it was moved by the Leader on their behalf. I regret that the first announcement of this motion was recorded in the *Advertiser* in a manner which tended to libel the Parliamentary Labor Party of South Australia. The report I read said, in effect, that it was interpreted to be an act of repudiation. We deny that at the outset. It continued by saying that it was interpreted also as a victory for the extreme Left wing of the Parliamentary Labor Party over the moderate section. The *Advertiser* is apparently unable to conceive of a Party which can work as a team. My Party is working as a team and this motion represents the unanimous decision of the Party. The Leader introduced the resolution on behalf of us all. There was no amendment, no discussion and no Right wing or Left wing considerations. It expresses the mind of a sub-

stantial section of this Parliament as well as the mind of a substantial majority of the people of South Australia. If there is some better way of meeting this problem, let us hear it, but do not let us hear any more mealy-mouthed speeches. So far as I am concerned the word of the company when pledged in evidence before a committee, as was done in this instance, has just as strong a moral bearing as the written document which forms the legal contract.

The Premier, after trying to imply that the motion was the product of one of the members of my Party, attempted to ridicule us and referred to Dr. Mossadeq. He is the last person who should try to draw an analogy with Dr. Mossadeq, because the sacred rights he speaks of as being abrogated in this motion are not nearly as sacred, to my mind, as the rights that Parliament has abrogated in the past in the interests of the people. The Premier has been forced into positions where he had to carry out other acts. The Adelaide Electric Supply Company was a good company and just as efficient in its sphere as the Broken Hill Proprietary Company. It performed a service to the people and never dishonoured any of its pledged words. It did nothing to warrant interference at any time except that it was not prepared to give the added service that the people were entitled to expect. It was necessary, in order to develop the Leigh Creek coalfield, to abrogate the rights of that company and this Parliament had no hesitation in so doing; but the author of that act had the effrontery this afternoon to compare us with Dr. Mossadeq. Only yesterday members of the Opposition spoke for householders whose land is to be acquired for a new railway line. What about their rights? Their homes will be confiscated in the interests of the State and I support the Government in providing this spur line.

Mr. Shannon—We do not propose confiscation. Those people will be compensated.

Mr. RICHES—The B.H.P. Company will be compensated under this motion. Those people will have their land compulsorily acquired and that will interfere with their rights. Part of the terms of contract for land purchase is that a person is entitled to peaceful occupation of it until he disposes of it. These land-holders will have their rights abrogated and will have no right of appeal. There is no suggestion that they have not honoured their agreements, but because it is in the interests of the State and necessary for the establishment of a new

industry, their land will be acquired. South Australia's development can be held back for a century and we can be denied our fair share of the industrialisation of Australia which should follow the exploitation of our natural resources because, according to the Premier, we should not interfere with an agreement because it is above the signatures of the directors of the B.H.P. Company. When things are different they are not the same and repudiation cannot be read into this motion. There is sufficient in the preamble to make it abundantly clear that an act of repudiation has already taken place, and because of that the House should take steps to terminate the leases. We do not propose to interfere with the company's undertakings at Whyalla. We contend that a select committee representing both Houses of Parliament should be established to inquire into the future of the leases and that all interests should be fully considered, including the interests of the company. We recognise that it must have ore in order to maintain its industries in the eastern States. This indenture agreement was entered into in good faith in order to ensure that the company was supplied continuously with ore to maintain those industries. We believe that the company should be fully compensated for the crushing plant if it becomes necessary to take it over.

The Premier said that if sufficient ore could be discovered outside the existing leases we might attract other interests. If another 40,000,000 to 50,000,000 tons are discovered in addition to the 10,000,000 tons he claims has been discovered outside the company's leases, what will he do with them? If the only hindrance to extending an invitation to other interests to establish a steel industry in South Australia is the lack of ore available to the Government, we should heed the reports and recommendations of Government officers, and not delay for another two or three years. We should ensure that the necessary ore is available for the establishment of a steelworks right now. At the same time we say that ore should be available to the company for a continuation of its operations for the full term envisaged in the indenture. That is what the motion sets out and is reasonable, and I hope the House will carry it.

Mr. TRAVERS (Torrens)—I am a very firm believer in the enforcement of legal rights. The process attached to the enforcement of legal rights is one with which I am not entirely unfamiliar, and one which provides me with a not unwelcome pastime from

time to time, and has been hinted as one which at times enables me occasionally to look the Taxation Commissioner in the face. While I favour the enforcement of legal rights and while I think if the State of South Australia has any legal rights against the B.H.P. Company in this matter it should take steps to enforce them and take them in the proper and constitutional way, namely, through the courts, I have searched in vain to see anything which even resembles a legal right; and strongly as I believe in the enforcement of legal rights, conversely, I equally strongly resent and refuse to be a party to any repudiation of legal obligations.

This motion is nothing more nor less than a completely unwarranted attempt to repudiate a solemn and binding agreement. It has nothing to be said for it. There is no merit that can be put forward, and indeed least of all can a case be presented by Mr. Riches, whose speeches in 1937 when the Act was before Parliament I have just had the privilege of reading. We must first ask ourselves, "Does anyone suggest that we have any legal right to do what we are being invited by the Opposition to do?" Does anyone suggest that we have any legal right to repudiate, or is it just a plain, blatant piece of dishonest repudiation we are asked to give our sanction to? If anyone has suggested it, and I imagine no-one can, because the law is too clear and the document all too clear for any serious question upon them, then what is the suggestion? Are we being asked upon some imagined moral ground to repudiate legal obligations that we have solemnly accepted? Are we being asked to say that the two Houses of Parliament in 1937, when this Act was before them, were negligent in the interests of the State in not stipulating for some rights they should have stipulated for? Is Mr. Riches saying that in making his speech in 1937 his failure to make any reference to any desire to bind the B.H.P. Company to do anything on the question of a time limit he himself was negligent? I notice that in one of his speeches he invited all members to read and consider the draft indenture before them carefully. Presumably he did so himself; but there is no suggestion anywhere of the company being bound to time in respect of anything that was to be done. I agree with Mr. Riches when he said:—

There will not be a more important issue before this House than the issue raised by this motion.

I agree because I have never, in the short term I have been in this House, been previously invited to be a party to a blatant,

open and, I suggest, dishonest act of repudiation. It is therefore a most important motion if we are to be asked as public men to be a party to this kind of conduct. My friend even spoke of moral issues. I would have thought he would have kept very clear of that word. I was interested to hear him say that the motion "expressed the unanimous opinion of members on this side of the House." It may be that the motion has served some useful purpose if that statement is correct—the laying bare of the Socialistic confiscatory policy and the Socialistic aim to lay hands upon private property. It is of some interest to hear that this had the unanimous support of members opposite. I must say I was surprised to hear it.

Let us suppose for a moment that some evidence was available that in 1937 Parliament—and when I speak of Parliament I am speaking of both sides of this House and of both Houses—was so grossly unmindful of its duty that it allowed the B.H.P. Company in effect to pull the wool over its eyes. Let us accept that absurd theory for a moment, and let us suppose that Parliament was so criminally negligent that it accepted the Bill and passed it into law, leaving out the all-important provisions which my friends opposite are now contending are implied in some mysterious way in the agreement. Let us suppose all that; what then? Is it going to be said that because of Parliament's neglect of its duty that gives it some justification for filching rights that were solemnly given to certain private citizens? Is it to be supposed that there is to be no morality in public dealings? Is it to be supposed that this in some way justifies Parliament saying to the people to whom it gave these rights, "Ah, we were so negligent that we did not stipulate something that we thought we should have stipulated and we are now going to take the whole thing away from you, notwithstanding the solemn agreement we entered into?" Beyond saying that, I do not propose to enter into discussion on what happened in 1937.

I have perused the reports, the indenture, and the Act of Parliament, and there is no basis legally for any suggestion that in the point of time the company is bound to anything beyond what it has done. There is no suggestion to be found in the course of discussions of any breach of moral duty which would justify a solemn agreement that was entered into being abrogated. Even if that were the position, it is the duty of every public man to behave honourably in these things and not

be a party to the type of conduct being suggested to us today. I want to examine what we are being asked to do. It makes interesting reading and I think a brief examination of the proposal ought to make the heads of men who claim to be public men hang in shame if they support it. The motion says that "the said leases should be terminated." That is to say, we are asked to pass an Act of Parliament to terminate the leasehold tenure of land, and by Act of Parliament to interfere with the processes of law by cancelling rights that exist under leases. The agreement is included as a schedule to the Broken Hill Proprietary Company's Indenture Act of 1937, and clause 3 says:—

The term of all the leases described in the schedule to this Indenture shall be extended so that every such lease shall expire upon the expiration of 50 years from the commencement of this Indenture: and the Government will cause to be executed such endorsements or instruments as are necessary to give effect to this covenant.

It refers to 50 years from the commencement of the Indenture, which was deemed to commence from the date of assent of the Act, which was December 1, 1937. The leases are set out in another schedule to the Act. By solemn contract they were agreed to be leases that would continue for 50 years, which would be 1987. Clause 4 of the Indenture says:—

Upon the expiration of the term of this Indenture the company shall have a right to the renewal of the said leases from time to time for periods of 21 years and the renewal shall be on the terms and conditions prescribed in that behalf by the laws of the State in force at the commencement of this Indenture. . . .

So we are being asked to repudiate the leases for the balance of the term of 50 years, or 71 years if renewed. It does not stop there when we consider the magnitude of the act of repudiation we are asked to perpetrate. The recital at the commencement of the agreement is not without interest for it says:—

This Indenture made on the fourth day of October, 1937, between His Most Gracious Majesty King George VI . . . of the first part, His Excellency the Lieutenant-Governor of the State of South Australia . . . of the second part, and the Broken Hill Proprietary Company Limited . . . of the third part.

We are asked to repudiate an act by the late Chief Justice, Sir George Murray, of revered memory. We are asked to repudiate the agreement.

Mr. Riches—The King did not sign the agreement.

Mr. TRAVERS—There is a discovery by the honourable member. He is rather bright. I did not think he was capable of it. The King,

through his Ministers, did sign, as he does in connection with other Acts. We are asked to repudiate an agreement, to which His Majesty, King George VI, was a party. It ill becomes any legal member of the Opposition to lightly treat the suggested repudiation of an act by the late Chief Justice, to say nothing of repudiation of an act by His Majesty King George VI. Section 2 of the Act says:—

The Indenture set out in the schedule to this Act is hereby authorized and ratified, and, subject to the other sections of this Act, shall, notwithstanding any other enactment, be carried out by the parties thereto and take effect as though the obligations, duties, liabilities, rights, powers, exemptions and privileges therein provided for had been expressly imposed and granted by an Act of the Parliament of the State.

Every one of those words is deleted by the motion, yet they were deliberately chosen and purposely put in to guard, no doubt, against a future generation of repudiationists. They are to be taken out and the agreement rendered meaningless. These are the things given to the company by the late King through his Ministers, and by the late Chief Justice, and agreed to by both Houses of Parliament. There was a solemn assurance.

Mr. Davis—They robbed the people.

Mr. TRAVERS—It ill becomes the honourable member to say that. The section refers to “obligations, duties, liabilities, rights, powers, exemptions and privileges.” We are asked to say that there are no obligations, no duties, no liabilities and no rights, and the company that thought it was getting powers was wrong. On what basis is all this sought? We are being asked to repudiate.

Mr. Riches—Cancel leases.

Mr. TRAVERS—One can cancel existing leases only by repudiation. While we are on the subject of cancelling leases it may be interesting to mention something that is basic and fundamental in our property law. Section 69 of the Real Property Act provides that the title of every registered proprietor of land shall, subject to certain things that I shall not worry about, be absolute and indefeasible. That is what the B.H.P. Company was told, that its title was absolute and indefeasible. To show how fundamental this provision is in our law, I point out that that Act contains a section that I think every Act in the Statute Book contains. I refer to section 6 which provides:—

No law, so far as inconsistent with this Act, shall apply to land subject to the provisions of this Act, nor shall any future law, so far as inconsistent with this Act, so apply unless it shall be expressly enacted that it

shall so apply “notwithstanding the provisions of ‘The Real Property Act, 1886’.”

All that is to go by the board. We have these bright new ideas of repudiation, these bright socialistic acquisition schemes such as we had yesterday about the direction of a person as to how he could use his property. Are private property interests no longer to be secure? Are they to be taken at will? It would appear so.

Mr. Davis—What about the spur line? Did the Government consider the people? Your side of the House did that.

Mr. TRAVERS—I shall never cease to admire the relevant approach of the honourable member for Port Pirie. He always keeps right to the point of the discussion. To summarize, we are being asked to terminate the leases; in other words, to repudiate them, notwithstanding the agreement solemnly entered into and the Act of Parliament passed presumably with the full understanding of all members at that time, including Mr. Riches, who spoke on the subject, notwithstanding the Real Property Act as to the sanctity of title and notwithstanding that the Leader of the Opposition in his speech agreed that there were no legal rights to do what he is claiming to do. We are being asked by a mere stroke of the pen to dishonour ourselves. Let us look fairly at what would be the consequences. South Australia could never again be trusted. It would rightfully win the reputation of having thrown away all sense of morality in its public duties, and all its citizens would hang their heads in shame because of the repudiation of a solemn agreement. How could we ever hope to gain the confidence of anyone?

Mr. Jennings—This is more like Dr. Mossadeq than anyone else.

Mr. TRAVERS—It is not like Dr. Evatt, but the motion does seem to have come from a Party which I shall not say is an anti-Communist Party because it is too much like the technique of the Communists to seize private property. There are other matters to which I wish to refer, so I must ask leave to continue.

Leave granted; debate adjourned.

ADJOURNMENT OF HOUSE.

The Hon. T. PLAYFORD moved—

That the House at its rising do adjourn until Tuesday, September 20, at 2 p.m.

Motion carried.

At 4.44 p.m. the House adjourned until Tuesday, September 20, at 2 p.m.