HOUSE OF ASSEMBLY.

Wednesday, September 17, 1958.

The SPEAKER (Hon. B. H. Teusner) took the Chair at 2 p.m. and read prayers.

QUESTIONS.

RIVER TORRENS IMPROVEMENT.

Mr. COUMBE—An article in this morning's *Advertiser* refers to improvements to the banks of the River Torrens as it passes through the suburbs of Adelaide. I understand that some time ago a joint approach was made by the councils of St. Peters and Walkerville with a view to having certain improvements made to the River Torrens in their municipalities, particularly the creation of certain playing arenas, which would involve a partial diversion of the River Torrens and reclamation of certain parts of its banks. Can the Premier say whether this matter has been considered by the Government? If it has not, will he have it investigated and bring down a report?

The Hon. Sir THOMAS PLAYFORD—I will bring down a report for the honourable member.

DISALLOWANCE OF TAXICAB REGULATIONS.

Mr. STOTT—I have closely studied the regulations made by the Metropolitan Taxicab Board and have had talks concerning them with some friends in the legal profession, who believe that the disallowance of some of the taxicab regulations may have certain effects. Can the Premier say whether the Government has approached the Crown Law authorities to find out what effects the disallowance would have? Would it create a state of confusion and chaos, and what is the legal position on the matter?

The Hon. Sir THOMAS PLAYFORD—This question was raised in debate by the member for Mitcham, who made certain assertions on the matter. I had not looked at the question before, but I now have a report from the Crown Solicitor which is available for any member who desires to read it.

WATER SURVEY AT MANOORA.

Mr. HAMBOUR—When the Attorney-General was acting Minister of Works he arranged for a survey of water supplies in the district of Manoora, and subsequently for the Mines Department to sink a bore at Manoora. Reports indicate that good quality water exists there. Can the Minister of Works indicate the results of the survey?

The Hon. G. G. PEARSON—My memory on this matter is not quite clear, and I think it would be better if I obtained a report for the honourable member and made it available, perhaps tomorrow.

VICTORIA ROAD.

Mr. TAPPING—Some weeks ago I asked the Minister of Works a question about the completion of the Victoria Road to Outer Harbour. Has he an answer to my question today?

The Hon. G. G. PEARSON—My colleague, the Hon. Minister of Roads, has now furnished me with the following information:—

The Commissioner of Highways reports that following completion of the up track from Osborne Road to Rann Street, it was intended to continue along the Outer Harbour Main Road to Outer Harbour. As recent traffic counts showed a very marked increase in traffic between Rann Street and Osborne Road, consideration will now be given to completing the down track of this section before reconstructing to the Outer Harbour. No provision has been made on the current year's programme for the construction of the down track, but the work will be undertaken as soon as finance can be made available.

KIMBA WATER SUPPLY.

Mr. BOCKELBERG—I understand that the Minister of Works has a reply to my question of September 2 regarding the water supply at Kimba.

The Hon. G. G. PEARSON—This matter was investigated and I have asked the Engineer-in-Chief to provide an estimate of the cost of repairing the bank of the Bascomb Reservoir, which broke through following heavy rains some little while ago. The dam is still capable of taking water, although only up to surface level. That is considered unsatisfactory and it is proposed to repair the breach in the bank. The method to be used for that purpose is under consideration. It is not considered desirable merely to push earth back into the bank because probably that would break again, so some more permanent method of repair is under consideration. Plans and estimates of cost for the amount of earth required are being investigated and it is expected that tenders will be called for the work shortly.

BULK HANDLING FACILITIES.

Mr. HEASLIP—In the last month or so a complete change has taken place as regards the possible amount of grain that will be harvested during the coming season. Last year's wheat has been stored in the Wallaroo terminal and until recently had not been

moved. I understand that a ship went in to be loaded recently, although I do not know whether or not it was successfully loaded. Does the Minister of Agriculture feel confident that the facilities installed in the terminal at Wallaroo will be adequate to remove the grain as it is received during the coming harvest?

The Hon. D. N. BROOKMAN—I do not know the exact position at the terminal at Wallaroo at the moment, although I understand that there was some slight technical difficulty that postponed the loading of ships the other day. Some ships are due to come in shortly and I know of no important difficulty that would prevent their clearing the terminal. I will get a full report from the Wheat Board and let the honourable member have a forecast of the situation in view of the favourable prospects this season.

HEATHFIELD HIGH SCHOOL.

Mr. SHANNON—As the Minister of Education knows, for a long time negotiations have been carried out for the acquisition of certain land for a high school in the Mount Lofty district, and the site the Education Department has selected is portion of the Heathfield Reserve. An agreement entered into with the Heathfield community for a lease of portion of that reserve from the District Council was the main problem. The difficulty can now be resolved if the Minister of Education is prepared to enter into an agreement with the Stirling District Council concerning the oval, which has to be transferred to him for sporting activities for the school children, so that it will be made available to the Heathfield community or other people in the area, when not required by school children?

The Hon. B. PATTINSON—I shall be pleased to enter into negotiations, at any rate, with the Stirling District Council for the purpose mentioned by the honourable member. In 1947 Parliament passed the Recreation Grounds (Joint Schemes) Act which authorized the Minister of Education to enter into agreements jointly with a local government body for the purchase of land for recreation purposes for the use of juveniles on week days and Saturday mornings, and for adults on Saturday afternoons and other occasions when the grounds are not required for the use of juveniles. Two or three years ago I was informed that the Act did not apply where the land was already owned by the local government body, but the Crown Solicitor could not see anything that precluded me as Minister of Education from entering into a mutually satisfactory agreement with a local government body in such circumstances. I have already entered into agreements on two or three occasions, and I think this is an ideal situation for me to enter into a further agreement. I shall be pleased to negotiate with the Stirling District Council, and, if satisfactory to both parties, enter into an agreement with it.

RIVER MURRAY LEVELS.

Mr. KING—Has the Minister of Works any further information on the expected river levels at Renmark? Can he give particulars of steps being taken to keep open the road between Paringa and Renmark, particularly at the Berri and Kingston ferries? If he has not the latter information will he obtain a report?

The Hon. G. G. PEARSON—Just prior to the Royal Show adjournment I received information on river levels which, I think, led the House to believe that the level at Renmark and towns lower down the river would not reach dangerous proportions. I have not made continual inquiries but I understand that the expected peak level at Renmark is about 22 feet 6 inches. However, I will confirm that and obtain a report on the position as it affects the roads to the punts and so on in the upper reaches of the river.

ASSISTANCE TO INDUSTRIES.

Mr. LAUCKE—When finance is made available to industry on the recommendation of the Industries Development Committee, I take it the purpose of assistance so given is not only to provide working capital and create employment in that particular industry but indirectly to assist ancillary industries through the creation of demands for goods and services. With this in mind I am concerned to learn that a certain industry that has received major support is giving contracts to an interstate firm, although the goods and services could be supplied at competitive prices locally. Will consideration be given to writing into future arrangements with recipients of Government assistance an obligation to purchase locally produced goods and give preference to services locally available whenever they are offered at rates not in excess of those offering in other States?

The Hon. Sir THOMAS PLAYFORD—When the Government gives major assistance to an industry it frequently, on the recommendation of the committee, appoints a person to the board of that industry. I do not know

whether the case the honourable member has in mind is one of those industries.

Mr. Riches—He does not believe in interference with private enterprise!

Mr. Laucke—Be rational.

The Hon. Sir THOMAS PLAYFORD—Usually the Government has a director on the board. If the honourable member will give me particulars of the case he has in mind I will have it investigated.

METROPOLITAN WATER SUPPLIES.

Mr. DUNNAGE—I understand from the press that the metropolitan reservoirs are now full and will be able to meet requirements during the next few months. As I understand the South Para reservoir is nearly three-quarters full, can the Minister of Works say whether there will be any need to pump water from the Murray next summer which is expensive for the metropolitan area?

The Hon. G. G. PEARSON—It is difficult at the moment to say categorically whether pumping will or will not be required before the end of the summer, though it is correct that the reservoirs serving the metropolitan area are full. I have not seen the South Para figures in the last day or two, but it is expected that it will be nearly half full by the week-end. It will then probably hold about 4,000,000,000 gallons as a result of continued intakes and it has a capacity of between 9,000,000,000 and 10,000,000,000 gallons. That water can be used either in the metropolitan area or in the country, and it is certain that the department will utilize water that is impounded and will gravitate to the metropolitan area in preference to pumping. However, if we have a long, hot summer with little relief in the form of rain we may have to do some pumping towards the end of the summer. It is pleasing to know that at this stage our storage reservoirs are full and that any pumping will be of a minimum.

ELIZABETH ARMSTRONG LIBRARY.

Mr. JENKINS—I understand the old Exhibition Building will soon be demolished. That building houses the Elizabeth Armstrong Library, so-called because Elizabeth Armstrong's relatives contributed generously towards it. They are anxious to know what will happen to the library when the old building is demolished. Can the Premier give me any information?

The Hon. Sir THOMAS PLAYFORD—The honourable member asked a question on this matter some time ago and I have obtained the following report:—

The Elizabeth Armstrong Library consists of a very large carved book case with books provided by the relatives of Elizabeth Armstrong. Later the Carnegie Foundation provided other books on art which were incorporated in the original library. When the Art School moves to new quarters, it is assumed that the Elizabeth Armstrong Library, including the Carnegie books, will move to the new quarters as the book case is transportable.

NARACOORTE POLICE STATION AND COURT HOUSE.

Mr. HARDING—Has the Premier a reply to my recent question regarding the proposed new single men's quarters and court house at Naracoorte?

The Hon. Sir THOMAS PLAYFORD—Plans have been completed for the erection of single men's quarters adjacent to the proposed new court house and I have been advised by the Architect-in-Chief that tenders were to be called on September 15.

BLANCHETOWN BRIDGE.

Mr. STOTT—Provision was made on the Loan Estimates for £100,000 to start preliminary work on the proposed bridge at Blanchetown. Has the Premier any further information whether plans are in progress?

The Hon. Sir THOMAS PLAYFORD—The Commissioner of Highways reports that a preliminary design only of the Blanchetown Bridge has been prepared for estimating purposes, but before the detailed design can proceed a complete investigation of foundation conditions will be necessary. The money on the Estimates will be spent mainly on approaches to the bridge which can go on while the designing work is proceeding.

VOLUNTARY OAT POOL.

Mr. HAMBOUR—Some time ago I asked the Minister of Education if he would ascertain from the Attorney-General details of the voluntary oat pool in South Australia. The constituents concerned have again asked me if I could get a balance-sheet showing the state of affairs of the company because they are very concerned about the payments received up to the present. Has the Minister a reply?

The Hon. B. PATTINSON—I regret that I have not yet received the information from my colleague. I understand this is somewhat in the nature of a private arrangement. I do not know that the Attorney-General has any right as a matter of course to obtain any information, and that probably accounts for the

delay in supplying it to me. The matter having again been raised by the honourable member, I will personally discuss it with the Attorney-General and ask if he can give me a considered reply one way or the other.

REGISTRATION OF STATION WAGGONS.

Mr. KING—Has the Premier a reply to my question asked some time ago regarding the registration of station waggons and estate cars?

The Hon. Sir THOMAS PLAYFORD—The Registrar of Motor Vehicles reports as follows:—

Station waggons, or estate cars, are not vehicles constructed or adapted solely or mainly for the carriage of goods, and cannot, therefore, be classed as "commercial motor vehicles" as defined under section 4 (1) of the Road Traffic Act. In view of this opinion registration of station waggons or estate cars is accepted at the fees applicable to passenger vehicles which are less than those prescribed for commercial vehicles.

Station waggons, or estate cars, are constructed primarily for use as a passenger vehicle. The fact that they can be used for both passenger and goods carrying has resulted in their increased use in both city and country areas. If, however, a person desired a vehicle solely or mainly to carry goods he would probably choose a utility and not the elaborately appointed station waggon.

Having accepted station waggons and estate cars as passenger vehicles and allowing registration at the lesser fees, the Registrar is unable to accept them as commercial vehicles to enable primary producer owners to receive the rebate allowed with respect to commercial vehicles under the Act.

Parliament has seen fit to allow a rebate to primary producers with respect to vehicles used solely or mainly in connection with their business of primary production, but the Registrar is of the opinion that the concession should not be extended to a vehicle mainly used for private purposes.

ACTION ON ACCIDENTS.

Mr. DUNNAGE—According to recent press reports there have been a number of accidents where motorists have either run into or been hit by trains at level crossings at which there are "stop" signs or flashing warning lights. Another report referred to an accident involving traffic constables who were sitting on their motor cycles near a "stop" sign and who were run into by a motor car. One constable was injured. Can the Premier indicate whether the Government receives reports concerning such accidents and what action is taken against people who, for no apparent reason, cause what appear to be "deliberate" accidents? Something drastic should be done to the people responsible.

The Hon. Sir THOMAS PLAYFORD—Under the Road Traffic Act all accidents involving injury to persons must be reported to the Police Department and an investigation is made into the cause. In every instance the department studies the accident reports to determine whether an offence has been committed against the Act and what action should be taken. If an accident of the type mentioned by the honourable member results in a death it becomes subject to a coronial inquiry. There is no doubt that accidents are thoroughly investigated and action taken where necessary. True, there are an increasing number of accidents, too many of which have resulted in serious injury or death, but up to the present no country has seemed able to evolve a code of traffic laws to prevent these occurrences. I am sure the State Traffic Committee will at all times be willing to consider any suggestion to improve the present position.

APPRENTICES ACT AMENDMENT BILL.

Mr. O'HALLORAN (Leader of the Opposition), having obtained leave, introduced a Bill for an Act to amend the Apprentices Act, 1950. Read a first time.

METROPOLITAN MILK SUPPLY ACT REGULATIONS.

Mr. DUNSTAN (Norwood)—I move:—

That the regulations under the Metropolitan Milk Supply Act, 1946-1957, varying the price of milk, made on November 18, 1957, and laid on the table of this House on June 19, 1958, be disallowed.

The purpose of the motion is not in itself to effect a reform because unfortunately this House cannot, by disallowing the regulations, effect the reform which I believe it would want to effect. The purpose is to make it clear to the Milk Board that what it has done under its regulations relating to differential rates for milk in the hills area is contrary to the wishes of this House, and that it should take further action to remedy the situation. The reasons given by the board for the regulations were:—

The "Milk Prices Regulations 1957" provide that the price to be paid by retail vendors to wholesalers for milk to be consumed in area No. 2 will be one penny per gallon higher than for milk to be consumed in area No. 1. The increased price was to meet the added costs involved in delivering the milk to the hills area. At the time the regulations were made a depot operated at Blackwood and retail vendors obtained their supplies from this depot. This depot has now been closed and retail vendors

collect their requirements at depots in area No. 1. This position was not apparent at the time the regulation was made. At present when the milk is consumed in area No. 2 vendors pay the same price at the depots in area No. 1 as when they have their supplies delivered to area No. 2. As the wholesaler is not now delivering milk to Blackwood he is not incurring the expense for which the penny per gallon was allowed and the amended price regulation will permit the vendor to obtain the benefit of the penny per gallon when he obtains the milk from a depot in area No. 1.

I can only conclude from an investigation of the facts and the reading of the evidence given to the Joint Committee on Subordinate Legislation that in framing the reasons the chairman of the board was being somewhat disingenuous. What was the situation that existed at Blackwood? A semi-wholesaler named Read was in business. When the board was established there were 16 semi-wholesalers; today there are only six. It is clear that the board's policy is to get these men out of business. In his evidence before the committee Mr. Gale made it clear that there is no need for them in the business. The situation was that Mr. Read obtained milk from the Myponga Milk Supply Company under an agreement at 4s. 2d. a gallon. His selling price was 4s. 4d., and the 2d. margin was to cover his costs of transport to Blackwood and the operation of his refrigeration plant there. The milk was supplied to vendors in the district. A number of them sent a letter to the committee supporting Mr. Read's representations. The board subsequently fixed the price of milk to the retailers, who under the Metropolitan Milk Supply Act include semi-wholesalers. The fixed price was 4s. 5d. a gallon. The price was increased by a penny because of the extra cost of transport. By making that fixation under section 42 of the Act the board wiped out Mr. Read's contract because when it fixes a price there is no maximum or minimum. It is the price and no-one can sell at less or more than that price. The fixation under section 42 over-rides any price fixed in a private contract. The section states:—

> Where any prices or charges payable pursuant to a contract for the supply of milk or cream are inconsistent with any regulation made by the board under this Act, the contract shall be deemed to be varied so far as is necessary to make it consistent with the regulation.

That meant that Mr. Read's contract for the supply of milk to him at 4s. 2d. a gallon was gone, and the company, although giving no further service, was getting 4s. 5d. instead of 4s. 2d. It is obvious from Mr. Gale's evidence that the board wanted to squeeze these people out of business, and were prepared to give control of the business to an everlessening group of wholesalers. We on this side of the House, and I believe certain members opposite, do not believe in the concentration of capital control. We believe in the maintenance of different businesses and competitive conditions, and that it is a bad thing to have control of capital or supplies concentrated more and more into fewer hands; but that is obviously the board's policy. The following is an extract from the evidence tendered to the committee by Mr. Gale:—

By the Chairman—They are semi-wholesalers?—Yes. Probably a few small ones are doing it. Semi-wholesalers are not required in the business.

By the Hon. W. W. Robinson—There is not sufficient margin?—It all depends on the wholesaler. We say the public should not have to pay more just because the semi-wholesaler is in the business. We sell 44,000 gallons of milk a day and we say the business could go on effectively if there were no semi-wholesalers.

The business could go on very well if the semi-wholesalers were giving a service to the public, which is not now being given because it is uneconomic for a wholesaler in Blackwood to keep his plant going just for refrigeration purposes and without getting a return.

Mr. Bywaters—He is a retailer as well.

Mr. DUNSTAN—Yes, for his own purposes.

Mr. Bywaters—What does he do with the plant?

Mr. DUNSTAN—He keeps it going for his own milk, but why keep it going for all the vendors in Blackwood without getting any remuneration? Now the wholesaler drops the milk on the roadside and leaves it there for the vendors to collect without there being any refrigeration, or the vendors go to Edwardstown and collect the milk, for which they pay 1d. a gallon less. They do not want to do that: they want the previous service.

Mr. Shannon—If Mr. Read has the plant to deal with the whole of the Blackwood area he could become a wholesaler.

Mr. DUNSTAN—On my information it is difficult to get into the wholesale business.

Mr. Shannon—He has only to get the producers to agree, and if he cannot get that there is something wrong with him.

Mr. DUNSTAN—I do not think so. After all, the producers themselves in many cases are tied by agreements with wholesalers.

Mr. Shannon—No; the producer is not tied up. Apparently, the honourable member does not know about that.

Mr. DUNSTAN—The honourable member for Onkaparinga knows more about it than I do.

Mr. Shannon—I know something about these things. The producers can change their wholesalers once a year; they can do it every year if they like. That gives a man ample opportunity to get into the wholesale business if he wishes to.

Mr. DUNSTAN—The honourable member may be able to convince me but I have been instructed that getting into the wholesale business is a difficult operation, calling for more capital than this man had. He was able to act under the previously existing position as a semi-wholesaler giving a service to the public that is not now given. He has been squeezed out by these regulations, and the margin he had for the service he was then giving is now being given to the Myponga Milk Company without their giving the service he was giving. If that is not the situation, I am open to correction, but that would appear to be so, both from the evidence before the committee and from the documents produced to me relating to the agreements concerned. It is wrong. It is also wrong that semi-wholesalers should be squeezed out of the business in which they have invested capital if they are giving service to the public. I think this is the whole crux of the matter. It is perfectly clear that the board's previous regulation has over-ridden the contract that existed, which was a fair one.

Mr. King—Have you seen that?

Mr. DUNSTAN—Yes.

Mr. King—Was it in writing?

Mr. DUNSTAN—It was a letter from the Myponga Milk Company, which I have seen and read right through. The contract was over-ridden by section 42 of the Act, on the making of that particular device by the board for milk supplies to the local consumers.

Mr. King—What changed the situation?

Mr. DUNSTAN—As far as I can see by the questions that were put, the contract was not specifically asked for. I have not noticed that it was asked for. At any rate, it was discussed in some detail by Mr. Read before the Joint Committee on Subordinate Legislation, but I have seen it and am satisfied that it existed. When it was shown to me I wanted to know why it could not be enforced. The answer was section 42 of the Act, which made the contract useless because it varied the price from 4s. 2d. to 4s. 9d. That means, in effect, that this man was being extremely harshly dealt with, and it is a bad thing to deal with people in that way. He was a small business man giving service. Small business men are people for whom we should have some regard because they are valuable to the community. I feel that the board, by taking away this man's margin and giving it to the Myponga Milk Company, has done a grievous wrong, something that it should not have done. The board should regulate prices fairly in the interests of the producers and the consumers; it should not engage in any activity that is clearly designed to squeeze people out of business. There is no doubt that that is what has been done here. Therefore, I ask the House to disallow these regulations and make it perfectly clear to the board what the purpose of this House is—that the whole situation should be re-examined so that this man may be given a fair go, which is not what he is being given at the moment.

Mr. FRANK WALSH (Edwardstown)—First, I want it to be understood that part of the milk that should be going to the Blackwood depot would serve some of my constituents, particularly in and around the Shepherd's Hill area. My information indicates a position existing similar to that referred to by the honourable member for Norwood (Mr. Dunstan), in that Mr. Read is the person involved, that he was a wholesaler and also he has a licence for vending milk.

Mr. Shannon—When you say he was a wholesaler, do you say he was getting milk from producers?

Mr. FRANK WALSH—No.

Mr. Shannon—Then he was not a wholesaler.

Mr. FRANK WALSH—The term, as I understand it was used, meant there was a depot that was carried on for some time; it still exists; it stores milk and he used to call at the depot in that particular hills area. I was under the impression that he could be considered a wholesaler as he supplied these vendors.

Mr. Shannon—The term "wholesaler" applies only to a person or company collecting from a producer. I think the honourable member who moved the motion understood it. He was arguing about a semi-wholesaler, which was correct. This man was an intermediary between the wholesaler and the distributor.

Mr. FRANK WALSH—I agree with that. I asked Mr. Read whether he was collecting milk and treating milk for suppliers, and he said "No." So we are in agreement about "semi-wholesaler." Further, it is a business that has been established over a 20

year period. Until recently, there had been no breakaway from the original agreement. It has all arisen because of the extra money the vendors in Blackwood were receiving for supplying milk in that area. They received, on retail, 2d. a gallon more than the city price. The Myponga Milk Company are still supplying a certain gallonage to Mr. Read, and I am entirely in agreement with the honourable member for Norwood on this point that the milk is not delivered on the platform in this depot at Blackwood. I understand that the first reason is that the height of the conveyances used by the Myponga Depot is a little greater than the clearance of the entrance into the depot itself. Consequently there is a need of rush and hurry so that Read can pick up the milk at some places other than the platform that was originally provided for him. Some vendors are still going to Edwardstown, where they pay the city price of 4s. 4d., and they endeavour to cart their full quotas to Blackwood. If they run short of milk because their conveyances are not big enough, they prevail upon Mr. Read to make up their shortages. This area is growing almost daily as a residential area, so it can be expected that more consumers will be supplied by this company. I am not concerned about who should supply the Blackwood area—whether the Farmers' Union or Amscol; all I know is that Amscol, for some reason or other, can still prevail on the Education Department to allow it to send a special lorry to Belair with milk for school children. I doubt whether the profit on this would compensate the company for the trouble it goes to, and the milk is not chilled sufficiently.

Mr. Shannon—Amscol has the contract with the department; the honourable member knows that.

Mr. FRANK WALSH—My only point on this matter is that the milk is not treated properly for the children. Only two companies, Farmers' Union and Amscol, supply milk to schools, but at some future time I think the Myponga company may try to enter this field. If it does, and uses its existing depot at Edwardstown, some of my constituents will be employed there. I have been assured by Mr. Read that he would be prepared to go from Blackwood to Edwardstown to purchase milk at 4s. 2d. a gallon and to charge vendors in the Blackwood area 4s. 5d. a gallon. He would be making only 3d. a gallon for providing all the necessary services. The vendors provide a service in that they must keep their milk cans clean and do all the things required by the Act. If the Government does not agree to this motion Read will have no guarantee from the Metropolitan Milk Board that he will be able to do what he desires to do, and I will ask the Government to consider amending the legislation so that people delivering milk will be able to carry out their obligations to the public. I am concerned to have a fair supply of milk and the best possible method of distributing it.

Mr. Shannon—And the cheapest possible milk to the consumer?

Mr. FRANK WALSH—What else? Vendors at Blackwood cannot provide suitable conveyances to take milk from the Edwardstown depot to the hills area *via* Shepherd's Hill and sell it at 4s. 4d. a gallon. Mr. Read has the right to purchase milk there at 4s. 2d. a gallon and is in a position to supply the necessary conveyance, storage, and steam for cleaning cans, if he can dispose of the milk as a semi-wholesaler at 4s. 5d. at Blackwood. Vendors at Blackwood are charging 6s. a gallon compared with 5s. 10d. in the city. I support the motion.

The Hon. D. N. BROOKMAN (Minister of Agriculture)—The chairman of the Metropolitan Milk Board (Mr. S. A. Gale) has reported on the regulations as follows:—

The object of the regulations is to enable retail milk vendors who sell milk for human consumption in area No. 2 (Blackwood and adjacent areas) and who take delivery of this milk in area No. 1 (metropolitan area, excluding Blackwood and adjacent areas), to obtain this milk at the same price as vendors who take delivery of and sell this milk in area No. 1. Where delivery is taken in area No. 1, the price payable to vendors other than holders of milk producers' licences by retail vendors for bulk milk to be delivered by them direct to customers' premises irrespective of where the milk is consumed will be 4s. 4d. a gallon and if delivery is taken in area No. 2, 4s. 5d. a gallon.

That provides that if a vendor wishes to collect his milk from the Edwardstown depot, as many do, he shall be allowed to have it at 4s. 4d. a gallon, and the extra penny is regarded as the cost of transporting milk to area No. 2. I cannot see what is wrong with that regulation; indeed, it seems to be a sensible arrangement. It is perfectly logical and it was made under an Act passed some years ago after lengthy debate. It has not been severely criticized since, but it seems that there is no provision in the Act for a semi-wholesaler as such. It makes provision for wholesalers and vendors, and the member for

Edwardstown (Mr. Frank Walsh) asked, "Why not put semi-wholesalers in?" However, the mover (Mr. Dunstan) did not ask for that, and the question requires much consideration. At any rate, why does not the member for Edwardstown bring down a Bill to do it himself?

Mr. Shannon—Every step in the handling of milk pushes the price up.

Mr. Dunstan—Not necessarily. What we asked for was being done before, but without any added price to the consumer.

The Hon. D. N. BROOKMAN—We have the licensed milk producers on the farms, the wholesalers in the middle, and the retailers at the other end. The member for Edwardstown seems to want someone else between the wholesaler and the retailer, someone usually described as a semi-wholesaler. Broadly speaking, I am strongly opposed to any interference with the regulations in question. If a retailer wishes to pick up his milk from the Edwardstown depot he may do so for a penny less because he goes to the trouble of getting it there instead of having it delivered for him at Blackwood. Most of the vendors in the Blackwood area are doing that now, and are happy with the arrangement, but there seems to be one complaint from a semi-wholesaler who was getting milk delivered to him at one stage from the factory. There is nothing to stop this man going to the Edwardstown depot himself and getting his milk for 4s. 4d. a gallon. The member for Edwardstown said the price should be 4s. 2d.

Mr. Frank Walsh—Would you check one thing for me?

The Hon. D. N. BROOKMAN—The honourable member has given a well-prepared dissertation on this subject and wants to come in again, but Standing Orders do not permit that, though I should be happy to let him ask me a question later. I was not impressed with the remarks of the mover (Mr. Dunstan), but I should like further time to consider everything that was said, particularly regarding any amending legislation, and I ask leave to continue my remarks.

Leave granted; debate adjourned.

ELECTORAL BOUNDARIES.

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

That in the opinion of this House a Royal Commission should be appointed—

(*a*) to recommend to the House during the current session new boundaries for electoral districts for the House of Assembly to give substantial effect to the principle of one-vote-one-value; and

(*b*) to consider in the preparation of such electoral boundaries the advisability of providing for multiple member districts.

(Continued from September 3. Page 680.)

The Hon. Sir THOMAS PLAYFORD (Premier and Treasurer)—Last week I pointed out that if the motion is to be accepted it must be accepted forthwith, and I have now been reliably informed that even then it would be impossible to give effect to the motion. It would be impossible for a Royal Commission to obtain the necessary information and bring down recommendations in time for acceptance by the House this session. Even if that were possible, there would be great problems over the electoral rolls, unless the Leader is anxious to avoid an election early next year.

Mr. O'Halloran—Not a bit.

The Hon. Sir THOMAS PLAYFORD—The motion should be rejected even on the time element alone. We should not consider altering the Constitution overnight; we should have reasonable regard to the consequences. The motion reverses the procedure that has operated in this State continuously since the inception of responsible government. There has always been a measure of preference—if members want me to express it that way—to country electorates.

Mr. Dunstan—Only since 1902.

The Hon. Sir THOMAS PLAYFORD—That is not correct. Further, that is the case in other States and in the Federal Parliament, particularly in the Senate. The Leader of the Opposition said there were anomalies in the electoral boundaries in this State, but they are insignificant compared with those of Western Australia. It is an accepted principle that we must give people away from the centre of government additional representation to compensate them for distance and sparse population. It is also accepted that to develop outlying areas we must give the people there additional representation. The Leader knows that to be the case and that the sacred principle of one vote one value he has mentioned is not, in point of fact, a principle at all. It does not exist even in his own Party. In those circumstances how can he say it is necessary for us to change completely the whole course of history and the procedure that has been accepted in, I was going to say, every country of the world—certainly in the

United States of America, one of the great democracies? In their Senate the small States have exactly the same ultimate say in the passing of the laws as the wealthy and populous States like New York.

There has not been the slightest pressure to alter our present system. Honourable members opposite know there is no suggestion that we should take away the representation of the State in our Senate. Why, then, is there this move for an alteration in South Australia as suggested by the Leader of the Opposition? Over a number of years resolutions have been introduced on this subject. Proportional representation has often been advocated and it has been suggested that the Federal boundaries should be accepted for this purpose. Honourable members on both sides know that what the Leader is looking for is some way for his Party to get a majority in this House.

Mr. John Clark—That's nonsense.

Members interjecting.

The Hon. Sir THOMAS PLAYFORD—Honourable members opposite show by their reaction to my statement that it is correct. Unless honourable members opposite propound a policy in accordance with the wishes of the people, no Royal Commission will ever be able to ensure them a majority in the House. I suggest they do not really want a Royal Commission at all, but an acceptable policy. There is no need for a motion on the matter. What honourable members opposite want is a new system—any sort of system at all that will give them the desired result. No system will give them that without their own efforts and without their policy being completely changed. The facts are that there is a great diversity in the internal policy of my friends opposite, and while that position continues is it possible for any Royal Commission to give the results they desire? The member for Norwood, by interjection, said that our present system had been operating only since 1902, but I think it is longer. The facts are that South Australia, by any measurement has progressed more rapidly than any other State in the Commonwealth. I know that, for political purposes, my friends opposite will always decry this State and run it down, look for something to criticize and endeavour to overlook anything that deserves praise. Anyone would think they were not citizens of South Australia, the way they sometimes carry on. The fact remains that the Commonwealth Statistician produces figures which are available to everyone, and that by any comparison honourable members opposite may make, provided it is not actuated by the desire to create a calamity atmosphere for politicial purposes, this State is going ahead better than any other, our standard of living is higher, the people are more prosperous, there is less unemployment and above all there is more political stability. Those are facts which honourable members opposite cannot deny and cannot wipe away. That position is not due to the action of the Government or this Parliament.

Mr. Jennings—Due to the action of the Premier.

The Hon. Sir. THOMAS PLAYFORD—Not due even to the honourable member for Enfield, but I think rather despite the honourable member. In South Australia we have been able to develop a system whereby enterprise and initiative have enabled people to get their just reward, and that is a system entirely opposite to the one that Mr. Jennings would like to create, because under it everybody tends to improve his position; and if a person seeks to improve he does not want the honourable member for Enfield to assist him. He would like it the other way round, and I am certain about that.

Mr. Jennings—Have you called nominations for the Enfield district?

The Hon. Sir. THOMAS PLAYFORD—The honourable member need not be nervous. In due course nominations will be called and we shall give him something to think about in that regard. Seriously now, and returning to the motion, there are two things in it with which I do not agree. Firstly, because of the time factor, the suggestion of the Leader is completely impossible. If he stops to consider the implications of his motion he must know that to be a fact. If we are to develop this State, we on this side believe the same weight of representation must be given to the outlying sparsely populated areas like—

Mr. Lawn—Like Gumeracha?

The Hon. Sir THOMAS PLAYFORD—I think that is necessary. Running right through the Leader of the Opposition's speech was an undertone—it was not directly voiced as a proposition—that our present electoral boundaries were extremely favourable to my Party. The Leader will no doubt admit that I have expressed the undertone of his remarks.

Mr. O'Halloran—It was not an undertone.

The Hon. Sir THOMAS PLAYFORD—There was a definite feeling that the electoral districts were—

Mr. O'Halloran—Gerrymandered.

The Hon. Sir THOMAS PLAYFORD—Apparently I have interpreted the Leader correctly. The present electoral districts were recommended by a committee appointed under Act of Parliament to investigate the situation. It comprised three eminent and honourable men who brought down their recommendations to Parliament.

Mr. Dunstan—They were told what they had to do.

Mr. Jennings—They were handcuffed before they started.

The Hon. Sir THOMAS PLAYFORD—Members opposite seem to anticipate some catastrophe because they do not want me to continue what I am saying. The facts are that when the recommendations were published there was much rejoicing and the press gave great prominence to the belief that the new districts would bring about the defeat of the Government.

Mr. Fred Walsh—Who said that?

The Hon. Sir THOMAS PLAYFORD—Almost every member opposite. We were told that a number of Liberal-held electoral districts were wiped out.

Mr. Lawn—Who said that?

The Hon. Sir THOMAS PLAYFORD—The honourable member's memory is short, for he is one who did.

Mr. Lawn—That is not true.

The Hon. Sir THOMAS PLAYFORD—In a few moments I will produce for the honourable member the record in *Hansard*.

Mr. Hambour—And in the newspapers?

The Hon. Sir THOMAS PLAYFORD—No, because the newspapers may be inaccurate but *Hansard* truly states the position and records the debate when the House considered the committee's recommendations. Every member opposite supported it. There were no divisions. In fact, the only member who expressed any reluctance was my colleague, the late Sir George Jenkins, who regretted that the honourable name of "Newcastle" would be wiped out. When a vote was taken he said "No," but on being informed by the Speaker that a call of "No" would necessitate a division, he hastily withdrew his objection and the electoral boundaries which members opposite today claim are gerrymandered were adopted. It is no good members opposite looking dumb, because they voted for it, as the *Hansard* records prove. Why did they vote for it? Because they firmly believed it would give them an electoral majority. They accepted it as a baby accepts milk, because it was just what they wanted. However, the position is that the Government has provided a progressive policy and the people of South Australia realize it.

Mr. Jennings—Why do a majority of them vote against you?

The Hon. Sir THOMAS PLAYFORD—The honourable member supports me against his goodwill. I believe last session he supported every Bill the Government introduced. That was not because of any dereliction of support for his own Party but because our legislation was proper. This resolution would not achieve anything. Indeed, I believe it would have a bad effect on the community and not improve the State's development. It would increase the centralization which every member desires to avoid. Under those circumstances I ask that it be rejected.

Mr. JOHN CLARK (Gawler)—Following the Premier's words of wisdom, I rise with a degree of shyness and trepidation.

Mr. O'Halloran—You have nothing to be afraid of.

Mr. JOHN CLARK—I hope the Leader's interjection will prove prophetic and not pathetic. I realize, after hearing the Premier, that I am kicking against the wind because once the oracle has spoken his fellows blindly follow what he says, whether they believe him or not.

Mr. Hambour—You have a few hopefuls on your side, too.

Mr. JOHN CLARK—I thank the honourable member for his kindly remark and for the remarks I hope he will make during the remainder of my speech.

Mr. Hambour—You will get value for what you are worth.

Mr. JOHN CLARK—I remember a few years ago a legal friend of mine in Gawler—a prominent L.C.L. man—asking whether I ever got sick of fighting for lost and hopeless causes. I do not believe that any just cause is hopeless, but that ultimately it will receive the treatment it deserves. Opposition members are fighting for what they believe in and what, despite the Premier's words, they know is right. I am confident that if some members opposite were free to say what they really thought they would agree with me. I cannot believe that all Government members are totally lacking in moral courage.

Mr. Jennings—Surely some must be a bit decent.

Mr. JOHN CLARK—I know some are.

The Hon. D. N. Brookman—Are you imputing a lack of sincerity in our cause?

Mr. JOHN CLARK—Yes, I am. The Premier has said that we supported the last re-distribution and I am not going to try to argue my way out of that. I did, and I intend to tell the House why.

Mr. O'Halloran—We opposed the first Bill.

Mr. JOHN CLARK—Yes. For years the Labor Party in South Australia has been winning a majority of the votes but a minority of the seats in Parliament. When I saw something that I thought might be a little better in connection with electoral reform I grabbed it with both hands, not because I thought it was good but because I believed that even a microscopic bit better would be an improvement on the filthy system we have now. I think I heard the member for Chaffey interject "You ought to talk." If he means that as a personal reflection on me I would like it withdrawn. Apparently he made the interjection *sotto voce* so that no-one could pick it up except the man sitting next to him, and then he will go back to his district and say that he gave the member for Gawler something, without mentioning that only his neighbour heard it.

The SPEAKER—I did not hear the remark. Does the honourable member for Gawler ask for it to be withdrawn?

Mr. JOHN CLARK—Yes.

The SPEAKER—What does the honourable member say the member for Chaffey said?

Mr. JOHN CLARK—I think he said, "You ought to talk." I think that imputed filthy things to me.

The SPEAKER—What did the honourable member for Chaffey say?

Mr. KING—I was merely referring to the general tenor of the remarks about voting systems.

The SPEAKER—There is no point of order in that. The word "filthy" was used on the left side of the Chair and I did not object to it.

Mr. JOHN CLARK—I accept that, Mr. Speaker. It may be wise if I briefly set out what is sought in this motion. Sometimes, quite inadvertently, the Premier obscures the purpose of an Opposition motion and I believe that has been done in respect of this motion. Our purpose should be plain to all members, and it is not the purpose imputed by the Premier. The Opposition seeks a Royal Commission to recommend during this session new electoral boundaries. I agree with only one thing the Premier said, which was that the motion must be dealt with promptly because, if not, it would be a waste of time to discuss it. I do not think it is impossible to have something done this session. Anything can be done if we set out to do it, but if we do not desire it then it is impossible.

Mr. Hambour—That's it. Do you expect me to support that motion?

Mr. JOHN CLARK—No. I have always found the honourable member, despite his political failings, a fair minded man and for that reason I should expect him to support the motion, but I don't. The Opposition wants just electoral boundaries recommended this session by a Royal Commission. It also wants the commission to give consideration to worthwhile and necessary multiple-member districts. The primary purpose of the motion, as all members know, is to get rid of the objectionable, odious and evil gerrymander that is poisoning the political life of the State. The results of the gerrymander are the causes of most of the State's troubles. Since 1938 metropolitan electoral enrolments have increased by 89,700, or 42.3 per cent and country enrolments by 24,700, or 16.1 per cent. We have heard the Premier and others talk about the two to one country versus metropolitan ratio, but figures show it is 3.4 to one. As the country population grows a little and the metropolitan population grows a lot, the ratio will become higher and higher, and give the country vote still more value than the city vote. This ratio would have some value if it were doing good for the State but it is not: in fact, it is doing harm. I will not take up much time referring to the Premier's remarks because they are not worth mentioning. He made two points but neither was of much account. I agree with only one of his statements—that this matter should be dealt with promptly.

The Hon. Sir. Thomas Playford—The Opposition has asked for the debate to be adjourned.

Mr. JOHN CLARK—I have not asked for that. I want the matter dealt with promptly.

The Hon. Sir. Thomas Playford—The Opposition has asked that we on this side adjourn the debate when the honourable member has concluded his remarks, but we are prepared to go on.

Mr. CLARK—I want it dealt with as quickly as possible, and so does the Premier. Earlier I said that although we appear to be insisting on multiple electorates we are not. I would like to see multiple electorates under a proportional representation system but there is no insistance on that in the motion. Last week I was interested to hear Mr. Shannon indicate what this proposal would do for

splinter groups. He said it would give splinter groups representation. I do not like splinter groups any more than the member for Onkaparinga does, in fact possibly less; but if any splinter group can muster enough supporters to rightfully get a member elected to Parliament under this system, then that group has a right to be represented in this Parliament. Minorities, if they are large enough, should be represented in the political life of the State in this House, and even—although it seems as far away as the moon—in the other place.

The Hon. D. N. Brookman—Are you trying to provide for proportional representation?

Mr. JOHN CLARK—No.

The Hon. Sir Thomas Playford—Would the honourable member like to move an amendment to provide for that?

Mr. JOHN CLARK—I should be happy to have it, but this motion does not allow that. We simply suggest that one thing the Royal Commission would be well advised to look at is the matter of multiple-member districts. Personally, I should like to see proportional representation, and I think the Government knows my views on that because I have advocated it on a number of occasions. I believe that if splinter groups have enough people supporting them they should have just as much right to be represented here as members of the Liberal and Country League or the Australian Labor Party. I do not want them, but on ethical grounds they should have that right.

The Premier accused members on this side of changing their policy from time to time on this matter. When a slight amendment was made to the Act a couple of years ago we thought it was perhaps a millionth of an improvement. When people have been starved of political justice for so long, even a little looks a lot. It does not take much to satisfy a starving man. We found ourselves put in the position that in an endeavour to obtain some sort of a compromise agreement suggested by the more democratic Government members we reluctantly altered our measures a little in the hope once more of getting some slight improvement. We did it reluctantly because we thought that anything was better than the system we had and still have. I do not think we will be doing it again. During the course of debate on each occasion we have brought the matter forward we have found more novel and increasingly fallacious arguments advanced by way of opposition. Therefore I think the wisest thing to do in future is to stick to plain simple policy, the thing we believe in, without any watering down at all.

Mr. Coumbe—Have you a policy?

Mr. JOHN CLARK—The honourable member should be the last one to talk about "policy."

Mr. O'Halloran—Admittedly, the Government has pinched a lot of it.

Mr. JOHN CLARK—When the Premier has an objection to something he can work up some really novel objections; it does not matter much whether they hold water or not, because apparently they do not have to. When a person is fortunate enough to have a foolproof system that puts his Party into power, it does not matter whether it gets a majority or a minority of votes outside. He can get up and say almost anything, especially if he has followers that trot along after him, meekly listening to the oracle. The man that is holding four aces does not need a new deal, and the Premier over the years has been holding five aces with another up his sleeve.

Mr. Jennings—He may be caught for cheating in the long run.

Mr. JOHN CLARK—Yes, and if that time has not come, it is at least approaching rapidly. The Premier this afternoon talked about giving special representation to sparsely settled and remote areas, but he forgot to mention that some seats getting this special representation because they are sparsely and remotely settled are within 50 miles of the city of Adelaide. The Premier has suggested over and over again—and it would be a good suggestion if it were valid—that what we are trying to do is to take away the very thing that is helping develop country areas. He has said this many times during the short period I have been in this House, and since the battle of Mount Gambier I have noticed that other members opposite have been popping up with it regularly, too. Some quick-witted gentleman on the other side has thought to himself: apparently the Labor Party is winning increasing support in country areas (which, of course, it is) so we will have to try to work up a story by which we can attempt to show that the Labor Party is being deliberately unfair to country areas. Of course, it is not.

Mr. Lawn—The people in the country know differently.

Mr. JOHN CLARK—Yes, that was proved recently, and there was another famous victory a few months earlier at Wallaroo. I suggest that these famous victories are going to end

up like Marlborough's, one after the other, and all for the same reason. Let us remember that in the battle of Mount Gambier, for the first time (to my knowledge at any rate), the Government not only employed mercenaries but sent its own members down to help in the campaign. Some of them worked very effectively. I am glad they went down there.

Mr. King—Why do you want a Royal Commission?

Mr. JOHN CLARK—Not to inquire into the by-election at Mount Gambier, because that was fought and won fairly and squarely. I am telling the honourable member why we want a Royal Commission, and if he cannot understand me he may read about it in *Hansard.*

Mr. Lawn—He can't read either.

Mr. JOHN CLARK—That may be so. The Premier has suggested that we want to take away the very thing that is helping develop country areas. That is a mis-statement, and nothing could be further from the truth. In fact, the reverse is true: we are trying to help the country areas, and that is the main reason we are seeking this Royal Commission. We want to give the country areas a chance they have been denied—a chance to be decentralized. They want it and so do we. Under the present Government, members opposite just cannot afford to admit that the lack of decentralization in the country is caused by the present iniquitous electoral system. They cannot afford to jeopardize their skins by decentralization. There is no doubt that this electoral injustice is the most effective barrier possible against any real decentralization. Government members can produce no figures or facts to prove anything else. No amount of glib "tongue-in-cheek" talk can prove otherwise.

Mr. Jenkins—What are we getting now?

Mr. JOHN CLARK—You are getting a few excellent words of advice on this matter. Let me enlarge on this a little. Most honourable members, especially those who happen to live in country electorates or travel in the country, realize that a flood of country criticism and feeling exists, and is increasing, about the particular negation of democracy I am discussing. That matters little because we must realize that, to a large extent anyhow, public opinion is denied a voice in this place, which is different from most Parliaments at least on this side of the Iron Curtain. Big majorities outside do not mean anything inside the House. A big majority of people do not like this juggling with the electorates or "rigging" them. The best word to describe it is the old word "gerrymander."

We Australians like to think we are admirers of fair play. Therefore, most of us do not like this. Also, many Government supporters do not like the idea of their members obtaining seats to which they are not entitled. Members opposite must sometimes have disquieting feelings when they realize that, but for a particular system that they are bound to support, they would not be sitting here at all. That is rather a discomforting thought for a moral individual—and I say with no cynicism or sarcasm that my friends on the Government benches are all highly moral individuals.

The Hon. D. N. Brookman—You have just accused us of insincerity.

Mr. JOHN CLARK—I am afraid I shall have to alter my tone of voice, but I am sincere on this occasion. In this motion we seek only a democratic right for the people, the elementary right to elect the Government they want and to dismiss it if they do not want it. At the moment they have not that right in South Australia. In other words, we want to throw out the gerrymander.

When the Premier was speaking today, it seemed as though he was a little uncertain just what a gerrymander was. He should know what the word means but, as there is some doubt and some members opposite may be in doubt about it, I took the trouble to consult an excellent book on political theory called *Theory and Practice of Modern Government* by Dr. Herman Finer of Chicago University, who gives this most illuminating and interesting definition of the word:—

> "Gerrymander" is to arrange the shape of constituencies so that your own Party's majorities, however small, are spread over the largest number of constituencies, and your opponents' majorities are made as large as they can be in each constituency certain to be won by them, but restricted to as few constituencies as possible.

I do not know whether Dr. Finer has ever had the pleasure of visiting South Australia, but certainly that description aptly describes our electoral system. It is obvious that, if he has not visited us, he must have read about our system somewhere.

Mr. Jennings—He may have visited South Australia and called it a "Tommymander."

Mr. Hambour—Have you ever been in Queensland and Western Australia?

Mr. JOHN CLARK—As a matter of fact, I have been to Queensland and like the climate there. I was born in Western Australia and I like that very much. The honourable member must try again! I saw no signs of a

political gerrymander in Queensland. I have not seen many signs of the present temporary Government in Queensland doing much to alter the electoral system, either.

Mr. Hambour—You wait and see!

Mr. JOHN CLARK—It will not be there long enough to do much about it. We know that we have in our midst such a gerrymander as mentioned by Dr. Finer. Why does the Government have such a gerrymander? Why does it insist on continuing it? It is a so-called two-to-one system but, of course, it is much worse than that: it is about 3.4, or 3.4 and a bit, to one. The Premier has told us continually over the last few years, and again this afternoon, that the system will continue. He has often re-affirmed it and he has said that this is the principle that will continue until country amenities are as good as city amenities. That appears to me to be utter hypocrisy—I cannot describe it in any other way.

It might have some validity if this Government made any serious attempt to decentralize. As I have suggested, they cannot do that for it would upset their balance of power if they did. The annoying thing is that they continue to pay lip service (you cannot call it anything else) to decentralization. Just what the people think of their lip service to decentralization was shown plainly in the recent by-election at Mount Gambier. The real theory of the Government, if the Premier could give a real reason for the gerrymander, would possibly be what I think could most aptly be described as the Playford theory of power through gerrymander. It works all right for the Government at any rate, but not for anyone else. The Playford theory of power through gerrymander might read something like this—and this is the theory on which this Government's political life is based:—

We will not alter boundaries for electoral purposes until South Australia's population is decentralized. We will not make any real attempt to decentralize, and therefore the electoral boundaries will remain the same. We will amend the boundaries (perhaps) when the State is decentralized, but we do not really intend to try to decentralize. Therefore, the electoral boundaries remain the same for ever and ever.

Mr. Coumbe—Have you a copyright of that?

Mr. JOHN CLARK—No. I shall be pleased to give the honourable member two dozen copies, prepared by my own fair hands. The sad thing about it is that some Government members (I know this to be so) hypnotize themselves into thinking that this theory is is good. The Premier does not hypnotize himself over this but he seems to have a certain hypnotic influence over his followers. I believe this theory can lead only to Liberal domination and the decay of country areas. I know other members will mention towns that have had increases in population, but they will not give us the long list of towns in which young people are forced almost immediately on leaving school to go from their homes and seek work in other places. That is becoming increasingly common in this State.

Mr. Hambour—You would not be very welcome in country towns, telling them they are decaying.

Mr. JOHN CLARK—The facts that I have given this afternoon I have given in a number of country towns, and will continue to do so.

Mr. Hambour—Your words are very ill-chosen.

Mr. JOHN CLARK—All I am concerned about is that they are not underdone. Dr. Finer also said:—

To obtain democratic electorates, constituencies must be sized according to convenience and equity, they must not be too large to provent personal contact between members and electors and they must be as nearly equal in population as possible.

The Hon. D. N. Brookman—Do you think you are providing for that in this motion?

Mr. JOHN CLARK—The motion does not provide for anything except that a Royal Commission will investigate the matter of providing just electorates. I will not be doing that, nor will my colleagues—we are prepared to leave it to a Royal Commission. I think all members will agree that what Dr. Finer said would constitute electoral justice, although some will say "That is lovely, but anywhere except in South Australia."

Mr. Hambour—But you would allow the Royal Commission in Grote Street to govern if you were in power.

Mr. JOHN CLARK—The Royal Commission would be set up by this Chamber, and neither a Royal Commission in Grote Street nor one in North Terrace would have anything to do with it. The quotations I have given from Dr. Finer's book constitute electoral justice, and that is all we are seeking in this motion. We want boundaries to be drawn up simply, without any management at all. Surely it is axiomatic that no advantage or disadvantage should be acquired by any Party; we do not want any advantage for our Party. As a matter of fact, we believe that the time has come at last when we can win the State elections even under the present pernicious

system, but even so there is no reason for denying electoral justice to so many thousands of people. We believe the voice of the electors should be heard plainly and unequivocally throughout the State—and I mean the voice of every elector. We do not think it could ever be right for one Party to have a majority of 47,000 votes in the State and yet a minority of votes in this House. Such a thing should not be excused or glossed over. Dr. Finer, in his very interesting book, asked:—

Are politicians so unfair as deliberately to produce or maintain inequitable election districts?

That sounds a very innocent query and I am afraid we must regretfully reply that unfortunately some are. We had ample proof of that this afternoon in the remarks of the member who preceded me. When I entered this House after the 1953 elections I was younger and more enthusiastic, and after the disappointment I felt at the result of the elections I went to the trouble of taking out figures. I was so disgusted that I have never attempted to do so since. I will now give some figures of the results of that election to prove my point. I analysed the votes cast for both Parties, and I believe they provide a striking example of the inequality of the system we have. The Australian Labor Party won 10 seats, with an aggregate vote of 166,526, the average number of votes required by a Labor member to win a seat being 16,600. In districts with a total enrolment of 51,485 four Labor members were elected unopposed. The Liberal and Country League won 16 seats with an aggregate vote of 119,003, and the average number of votes needed to return each Government member was 7,400. In districts with a total enrolment 43,877 five Government members were elected unopposed. It is obvious from those figures that more than twice the number of votes were required to elect a Labor member as a Government member. The Labor Party contested 22 seats and gained an over-all majority of 47,523 votes. As we have had two by-election victories since then, I think the figures would now be much better—or worse, depending on one's political thought. In most people's books a majority of over 47,000 in a State with the population South Australia has would entitle the Party with the majority to win.

Mr. Hambour—How did we win the last Senate elections?

Mr. JOHN CLARK—I am not talking about the Senate or the system of voting for it; I am simply trying to ensure that we will get some measure of electoral justice in State elections.

Mr. O'Halloran—The member for Light would not know that a few years earlier Labor won the Senate with a record majority, yet we could not win the State election.

Mr. JOHN CLARK—That is a good point. I do not think the figures I have quoted are much better than those for other years, except possibly 1956, but the two recent by-election victories would make up for that. Surely such a big majority as I have quoted proves conclusively which Party the people want to govern them. In most countries that Party would govern, but under the rules here it is possible to win a fight on a knock-out and watch the man lying flat on his back on the canvas being proclaimed the victor. It seems that we shall have a system like that until we have complete decentralization.

I read recently that the last 20 years could be described as the Playford era, but a more suitable term would be the gerrymander era. Whether we have had a good Government or not is not the point at issue: it is whether members opposite are satisfied to continue to support the Government that has retained office under unjust methods. In 1938 the percentage of country population to metropolitan population was about 8 per cent higher than it is today, and that is one result of this much vaunted Playford era. If that trend continues we shall have 77 per cent of our population in the metropolitan area and only 23 per cent in the country in another 12 years. Members with a mathematical bent can work out how long it will be before all the people live in the metropolitan area. That is not as illogical as it may seem; it is more tragic than illogical. Any reform that people desire for their own interests will always be regarded by many as ridiculous.

The Hon D. N. Brookman—You seem to doubt that our country population has gone up sharply.

Mr. JOHN CLARK—I do not doubt it. It would take a plague of enormous proportions to stop natural increase in population, but compared with the growth of the metropolitan population the country population has slipped by eight per cent, and that cannot be denied.

Mr. Hambour—It is only two per cent.

Mr. JOHN CLARK—The honourable member must be working under a different system from mine.

Mr. Hambour—The increase in the metropolitan area's population has been 38 per cent, and the country's 36 per cent.

Mr. JOHN CLARK—I disagree with that.

Mr. Hambour—Let us call yours the "Clark system."

Mr. JOHN CLARK—Yes, and we shall call yours the "Light system," but I am sure which one is correct. Despite all I have said, we still find Liberal and Country League supporters mouthing inane remarks about decentralization. If the metropolitan population continued to increase greatly and the country population to decrease greatly they would still insist on having 26 country and 13 metropolitan seats in the House of Assembly. I could bear with the Playford gerrymander more easily if it did the job it is alleged to be doing for our country areas.

The Hon. D. N. Brookman—Do you realize that the country population has increased by 36 per cent in the last 10 years?

Mr. JOHN CLARK—It could have, but the population of the State has increased considerably. If the Minister's figures are correct the population of the metropolitan area has probably increased by about 44 per cent. The member for Light will have to give me his figures on paper before he can convince me he is right. The figures given by Dr. Finer are most illuminating, and his concluding remarks give heart to members on this side of the House. He said:—

However, the gerrymander system promotes retaliation and public contempt.

That is already apparent in South Australia. I have found much evidence of it during the two recent by-elections, for right-thinking people with a sense of justice do not like to see a Government kept in power by a system weighted against any Party. Some people seem to think that the present Government will continue in office indefinitely, but no Government can exist for long in the face of public contempt. The electoral subterfuge we have in South Australia would not convince even a Russian, who is not allowed to open his mouth. He is told how he has to vote, but at least he knows what effect his vote will have.

Many of our people cannot get the effect they want from their votes. The main reason we are seeking an alteration of electoral boundaries is not that we hope it will give our Party permanent control of the Treasury benches. It will do no such thing. We believe that decentralization and the present electoral rig-up are tied together. It does not matter whether a Government is a good one or not or whether the people think that the present Government is an excellent one. I am not saying for one moment that everything the present Government has done has been bad. The point is not whether it has been good or bad, but whether it is what the people want. If they desire to get rid of the Government because they are not happy with it, they should have the right to do so and elect another in its place. However, this has been denied them and I believe that public opinion is so strong that it could defeat the present Government at the next election. How much better it would be for the honour of those supporting the Government if they voted for the motion to enable a Royal Commission to establish boundaries that were equitable to all concerned! If they were prepared to support a move to place on the Statute Book legislation for this purpose it would be the most important legislation passed during the long period the Government has held office. All that my Party wants—and this was made obvious by the Leader of the Opposition when introducing his motion—is electoral justice. Those words are not mine, but were uttered by the Leader in 1954 when he introduced a Bill for electoral justice. He then said—and members of his Party are still 100 per cent behind his remarks:—

It is not our intention to perpetrate a gerrymander in favour of the Labor Party in South Australia.

That is the last thing we want to do. If at times it resulted in a Labor Government being elected we would be happy, and if at times it resulted in a Conservative Government being returned although we would not be so happy we would realize it was the voice of the people and democracy in action. I support the motion.

Mr. COUMBE secured the adjournment of the debate.

HIRE-PURCHASE AGREEMENTS ACT AMENDMENT BILL.

Second reading.

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

That this Bill be now read a second time.

This is the third Bill I have introduced on behalf of the Labor Party in an effort to amend the Hire-Purchase Agreements Act. The first was introduced in 1954 and the second in 1955. This Bill contains some of the provisions of both the previous measures, together with other provisions which I have thought desirable. At the outset I should like to refer briefly to the apparent complexity of the provisions contained in the Bill and to say

that, for various reasons, a certain degree of complexity is unavoidable in legislation of this nature. However, I am hopeful that, as a result of my explanation of the clauses and the purposes they are intended to achieve, members will not find the Bill as difficult to follow as they at first thought it might be. I propose to deal at some length—although not exhaustively—with the principles underlying hire-purchase and the circumstances associated with it because the subject itself is of very great importance and because I feel that some, at least, of the ideas expressed in the Bill could well be accepted as the basis of hire-purchase legislation having general application.

In recent years the principle of hire-purchase, as it is generally known, has come to be applied to the purchase of all manner of commodities, and, in particular, domestic appliances and personal goods. This extension has inevitably brought in its train complications which were not contemplated when hire-purchase was first introduced. For one thing, hire-purchase has become "big business," as indicated by the enormous and rapidly increasing amount of hire-purchase debt outstanding at the present time (over £300,000,000 in Australia), by the formation of many large, powerful companies specializing in hire-purchase finance and, incidentally, by the huge profits they are making, some of them being materially assisted by funds invested in them by the banks.

There appear to be three important aspects of the problem now presented by the volume and variety of hire-purchase transactions. They may be classified as legal, social and economic. Early hire-purchase legislation was passed mainly with a view to establishing and emphasizing purely legal rights in a type of transaction, which, I understand, had been formerly unknown to the law and which started off as a kind of legal subterfuge. For that reason, perhaps, hire-purchase legislation, when first passed, expressed too narrow a concept. At any rate, almost everywhere in recent years Parliaments have been attempting to modernize, improve and broaden their legislation so that it will be in keeping with the practices and circumstances that are now associated with hire-purchase. Our own Act, passed in 1931, and no doubt greatly influenced by the depression, has not been amended since; and that fact alone, in view of the developments that have taken place during the last 10 years or so, is sufficient to warrant the consideration of fundamental amendments.

On the social side there is a widespread and justifiable conviction that hire-purchase companies are in a position to exploit hirers, and do exploit them. Many of the recent amendments of hire-purchase legislation elsewhere in Australia and in other parts of the world have been directed towards combating this exploitation. Then, again, there is the tendency, all too common, to commit the family budget over-much to payments on hire-purchase. We may not be able to inquire too deeply into this aspect, but I think we should try to assist families, perhaps by education through legislation, to avoid becoming too involved financially through over-indulgence in hire-purchase.

From an economic point of view, we are all aware that, without hire-purchase finance, the wheels of industry—and particularly the wheels of secondary industry—would not turn as efficiently and as cheaply as they do. Large-scale production is the basic factor in keeping costs down, even if it does not keep prices down proportionately, but production would be greatly impeded if there were no means of financing the sale of the commodity to the ultimate consumer. Without consumer finance the average standard of living would undoubtedly be much lower than it is. On the other hand, however, hire-purchase finance should not loom so large in the economic scheme of things as to threaten its stability. To the nation, as well as to the individual, hire-purchase can be like fire—a good servant but a bad master.

It may be contended that purely economic forces, which are understood to operate in connection with such things as value and price, can be relied upon to hold the balance: that if the trader or the hire-purchase company charges too much for the privilege of making goods available on hire-purchase, the consumer will offer "buyer resistance," which will, at least eventually, result in a reduction in charges. But while this buyer resistance has some influence, circumstances prevent it from being really effective. Economic principles, if not moderated in some way by political action, may induce boom conditions followed by depression, the consequences of which we know only too well. For this reason we should try to keep hire-purchase within proper bounds and at the same time protect the consumer from exploitation.

It has been suggested that the Commonwealth Government should take the initiative in this matter and introduce legislation having

uniform application throughout Australia; and this, in my opinion, is the only real solution of the problem. But the Prime Minister has stated that the control of hire-purchase is beyond the existing powers of the Commonwealth Parliament, and he is no doubt right. The Constitution gives the Commonwealth power to legislate for banking, and there are some who contend that hire-purchase companies are virtually banks, specializing in one particular kind of banking. However that may be, the power to control hire-purchase generally would have to be specifically conferred upon the Commonwealth Parliament if that Parliament is to be competent to pass valid legislation on the subject.

Another suggestion is that the State Parliaments should pass identical legislation—or at least identical in principle—and while it may be too much to expect that all the State Governments would see eye to eye on this matter, most of the Premiers agree that something should be done and have expressed a willingness to meet for the purpose of considering the advisability of taking some uniform legislative action. In this connection, if the present Bill serves no other purpose, it might well provide South Australia's representative at any such conference with useful suggestions.

The control of hire-purchase finance is, of course, intimately associated with the control of interest rates, which is certainly the province of the Commonwealth Parliament. Thus if legislation passed by the States is to be effective, it must not only be uniform in its essentials but it must depend on whatever co-operation the Commonwealth Government may be prepared to offer in controlling overdraft rates.

The average individual inevitably associates hire-purchase finance with interest. The charge which the trader or finance company makes is the additional amount which the hirer has to pay for an article because he cannot pay cash. So the hirer naturally regards this charge as interest, and he is to some extent justified in doing so by the fact that the charge itself is calculated as a flat percentage per annum of the amount outstanding at the commencement of the hiring—as if it were the simple interest on that amount for the term of the contract. The hirer thus considers it to be fundamentally unjust that he should not be entitled to some allowance for the gradual and regular liquidation of the original debt during the period in which he is making payments. The hirer, of course, enters into this kind of transaction with a view to becoming the owner of the goods concerned and may even believe that he is, in effect, purchasing them, or even that he has purchased them, under a scheme of deferred payments, although that is not strictly the legal position. The owner, trader or finance company, on the other hand, may contend, with legalistic support, that the whole of each periodical payment, and not just the proportion of the charge it includes, is purely and simply a hire charge. From this point of view, whatever flat rate the charge might bear to the value of the goods is entirely irrelevant.

Everyone knows, however, that the ultimate result of the great majority of hire-purchase agreements is that the property in the goods passes to the hirer when he makes the final payment. At that moment the total hire paid becomes the deferred purchase price of the goods, and that consummation of the agreement has been the real intention of the parties thereto.

It is with the normal hire-purchase agreement, which runs its agreed course and ends in the passing of the ownership of the goods to the hirer, that this Bill is concerned. The Act already provides for what is to happen if the hirer defaults. The principles expressed in the relevant provisions are (1) that during the hiring the property in the goods resides in the trader or the finance company, as the case may be, and the goods may therefore be re-possessed; and (2) that the trader or the finance company is entitled to compensation for any loss incurred as a result of the hirer's default, with the qualification that if the proceeds of the sale of the re-possessed goods exceed the hirer's liability in this respect, the hirer is entitled to the difference. The Bill does not propose to make any changes in these provisions, and I mention them merely to emphasize that the qualification referred to is a tacit admission of the contention that the hirer does gradually establish an equity in the goods hired.

The trader has adopted the flat rate method partly because it is much simpler than trying to make adjustments according to some hypothetical descending balance of debt. It also involves only one calculation—at the time the transaction is entered into. In effect, the trader says to the hirer, "The goods are worth £100 to me in terms of a cash sale, but if you want to hire them for a year with a view to becoming the owner at the end of that time, they will cost you £108. If you

pay the hire monthly, it will be £9 a month (that is, one-twelfth of £108), or if you pay it fortnightly, it will be £4 3s. 1d. a fortnight (that is, one-twentysixth of £108). If you pay the hire regularly, the goods become yours with the final payment. If you don't pay regularly, I can and might take the goods back."

In this case, hire at £9 a month, or £4 3s. 1d. a fortnight, would be extortionate but for the provision that the hirer would eventually become the owner of the goods, and we maintain that it is still too high even with this provision. One of the objects of the Bill is to limit the effective charges on hire-purchase by prescribing a maximum flat rate and providing for deductions from the periodical payments having the effect of converting the flat rate to the approximate credit foncier rate. I will deal with the details of these proposals in a moment.

The flat rate method has suited the trader, or financier, because he knows what the average hire-purchaser does not know, that, in terms of interest, the hire-purchaser is paying almost double the nominal or stated rate at which the accommodation charge is calculated. In this connection we contend that, in view of all the circumstances associated with hire-purchase, the trader or financier would still do very well if he were restricted within a narrower margin, and an appropriate margin has been prescribed in this Bill by the provision that the flat rate must not be more than 2 per cent above the maximum bank overdraft rate, with the qualification that if the hirer pays a periodical payment before the due date he must be allowed a deduction calculated according to simple formulae which are set out in the first schedule to the Bill.

It might well be argued that a much simpler provision could have been proposed to protect the hirer. For example, the flat rate could have been limited to a percentage which would have had the direct effect of reducing the present return to hire-purchase companies. Thus, if we felt they were making too much profit at, say, 8 per cent flat, we could have prescribed, say, 6 per cent flat and left it at that. This alternative has much to commend it and could be the solution of this particular problem if we had uniform legislation throughout Australia. Under the circumstances, however, the selection of any particular rate is a difficult one to make. It is not quite as simple as one might think. Members might well ask why we should prescribe a maximum rate at all, and the answer is that if we provided for reducing payments (or what, in effect, amounts to reducing payments) and did not prescribe a maximum rate financiers would naturally raise current rates in order to secure the same return as they are receiving now. On the other hand, if we prescribe a maximum flat rate which would in itself give hirers in this State the desired benefit, some subterfuge, such as, for example, conducting business from another State, might be resorted to in order to evade the prescribed maximum rate.

As I have said, if we could rely on the Commonwealth or the States to pass uniform legislation on hire-purchase, the prescription of a maximum rate which would in itself protect hirers from the exploitation would be the best solution, but, having regard to the constitutional difficulty I have mentioned, and the failure so far of the States to take joint action, we thought it better to proceed as we have and fix a maximum rate 2 per cent above the maximum overdraft rate, which at the moment is 6 per cent, and provide for the concessional deductions mentioned. This principle seems to have the best chance of being generally accepted and observed in the commercial world.

The flat rate method of calculating hire-purchase charges, and money-lenders' interest, is, as everyone knows, universally adopted by traders and financiers; and we have no desire to interfere with a method of procedure which is familiar to those concerned in negotiating and preparing hire-purchase agreements. All three of our Bills have provided that the procedure to be followed is to be just as it is now, that is, to use the flat rate principle in determining the amount of the accommodation charge and divide the total of the debt and charge by the number of periodical payments to be made. We have decided not to interfere with this procedure also, because there is no simple alternative. The credit foncier system, under which the mortgagor pays equal instalments, as under hire-purchase, but receives the benefit of interest on reducing balances, cannot be readily applied to hire-purchase transactions owing to the variety in percentage charges, terms and periodicity of payments associated with such transactions.

As I have said, the Bill provides that if the hirer makes any periodical payment before the due date of that payment, he is to benefit from the reduction of that payment by an amount which has the approximate effect of converting whatever flat rate has been used to the corresponding credit foncier rate. The

deduction is to be calculated according to quite simple formulae, which, incidentally, are practically the same as those provided in the 1954 Bill. Arithmetically they have been made even simpler than they were in that Bill, and, in addition, I have adjusted two of them to give a closer approximation to the desired result than they would have given in the 1954 form. As this matter is somewhat technical, and unavoidably so, and there is not much difference between the 1954 formulae and the present formulae, I desire to answer the criticism which the Premier levelled at the former when speaking on the 1954 Bill. On that occasion he said:—

> The provisions in the Bill do not provide for a clear statement of interest; they provide for a statement of interest and then nullify that by a formula that the Leader has worked out, which must be *viewed with caution* because its meaning is not clear to me and I have tried to obtain expert views on it . . . With regard to the actual merit of the formula by which the reduction is to be made, it is a somewhat difficult mathematical problem to determine its virtue. The Public Actuary has had a look at it, but so far he has not been able to discover its full implications.

In making these and other statements about the formulae in the 1954 Bill, the Premier of course wished to convey the impression that they were not sound. I pass over his warning that they should be "viewed with caution" because he did not understand them. It is extremely unlikely that the Premier would be qualified to make a pronouncement on the matter. I suggest that very few of us would be able to understand the mathematical basis of the formulae. I will deal with the Premier's reference to the Public Actuary in a moment.

I have referred to the credit foncier system, and I will take a simple example of that system in order to demonstrate how it differs from the flat rate system. Suppose we had to pay off a house mortgage of £1,000 in 30 years, with "interest" at 4 per cent per annum, quarterly instalments. If the flat rate procedure for determining the amount of the instalment were used in this transaction, the accommodation charge would be £1,200, equivalent to the simple interest on £1,000 for 30 years at 4 per cent per annum. This would be added to the principal, to make a total of £2,200, and the instalment would be calculated by dividing that amount by 120, the number of instalments. The instalment would be £18 6s. 8d.

Under the credit foncier system, however, which applies to mortgage transactions of this kind, the quarterly instalment would not be calculated in this way, and it would be £14 6s. 11d., or £3 19s. 9d. less than the flat rate instalment. The lending institution would give us the benefit of quarterly reductions of principal and therefore of interest. The first instalment would be £10 interest—one quarter of a year's interest on £1,000 at 4 per cent per annum—and £4 6s. 11d. reduction of principal. The second quarter's interest would thus be slightly less than £10 and therefore a little more than £4 6s. 11d. would go towards reducing the principal. With each instalment the proportion needed to meet interest would become smaller, and the proportion devoted to reduction of principal would become greater. Of the last instalment of £14 6s. 11d., interest would be approximately 2s. 10d. and principal reduction £14 4s. 1d. It is not difficult to understand that the difference between the flat rate instalment and the credit foncier instalment is due to the fact that diminishing indebtedness is taken into consideration in the latter but not in the former. The credit foncier instalment is derived mathematically by actuaries and, as I have said could not be applied directly to hire-purchase transactions.

The formulae included in the present Bill are intended to make it simple to convert the flat rate instalment of a hire-purchase agreement to an instalment approximately equal to the corresponding credit foncier instalment; and I can assure honourable members that for this purpose they are quite reliable. You will remember that in 1954 the Premier quoted the Public Actuary as saying that he had "so far been unable to discover their full implications." But apparently the Premier did not give the Public Actuary sufficient time in which to test them, and perhaps the Premier will give the House the benefit of his more mature consideration on this occasion. If the Public Actuary can supply simpler and equally reliable formulae, I would be quite prepared to accept them.

I took an example of mortgage reduction on the credit foncier system firstly to demonstrate how it actually works and secondly to emphasize that it could not possibly be applied in the same way to the general run of hire-purchase transactions. It would be impracticable to construct the corresponding tables to accommodate the great variety in amount, term, rate of charge and periodicity of payment encountered in hire-purchase agreements. It appears that if we are to make it possible for hirers to benefit from the credit foncier principle, we must proceed on the assumption that instalments are calculated as they are now—on the flat rate principle—and then apply the appropriate formula.

The formulae proposed are simple. They use the figures which the trader or financier has already used in calculating the flat rate instalment, and the deduction, which is the same amount for all instalments of any given agreement, can be calculated at the time the instalment is calculated. I submit for the information of honourable members a few examples to show how the formulae are applied. The amounts, rates, etc., used in the examples are purely for purposes of illustration. The expressions "Net Credit Price" and "Gross Credit Price" are used in the Bill and mean respectively the amount on which the accommodation charge is calculated, and the amount including the accommodation charge. I have four sample tables which I wish to use to illustrate this point. I see no virtue in reading them to the House.

Mr. Shannon—Is there any virtue in them at all?

Mr. O'HALLORAN—Yes, because they completely illustrate the effectiveness of the formulae. I seek leave to have those four examples inserted in *Hansard* without reading them.

Leave granted.

The examples were as follows:—

Example 1: Weekly instalments; term, 26 weeks (half a year); net credit price, £100; accommodation charge, 8 per cent flat.

	£	s.	d.	
Net credit price	100	0	0	
Accommodation charge	4	0	0	(8 per cent on £100 for ½ year)
Gross credit price	104	0	0	
Weekly instalment	4	0	0	(1/26 of £104)
Deduction as per formula	0	1	4	(100 x 8/50 pence)
Net weekly instalment	3	18	8	
(Credit foncier instalment	3	18	6)	

If the hirer pays each instalment before the due date, he will save £1 14s. 8d. Instead of paying the full flat rate charge of £4, he will pay £2 5s. 4d. This represents about 4½ per cent flat.

Example 2: Fortnightly instalments; term 26 fortnights (1 year); net credit price, £100; accommodation charge, 8 per cent flat.

	£	s.	d.	
Net credit price	100	0	0	
Accommodation charge	8	0	0	(8 per cent on £100 for 1 year)
Gross credit price	108	0	0	
Fortnightly instalment	4	3	1	(1/26 of £108)
Deduction as per formula	0	2	8	(100 x 8/25 pence)
Net fortnightly instalment	4	0	5	
(Credit foncier instalment	4	0	2)	

If the hirer pays each instalment before the due date, he will save £3 9s. 4d. Instead of paying the full flat rate charge of £8, he will pay £4 10s. 8d. This represents about 4½ per cent flat.

Example 3: Monthly instalments; term, 12 months (1 year); net credit price, £100; accommodation charge, 8 per cent flat.

	£	s.	d.	
Net credit price	100	0	0	
Accommodation charge	8	0	0	(8 per cent on £100 for 1 year)
Gross credit price	108	0	0	
Monthly instalment	9	0	0	(1/12 of £108)
Deduction as per formula	0	5	6	(100 x 8/12 pence)
Net monthly instalment	8	14	6	
(Credit foncier instalment	8	14	0)	

If the hirer pays each instalment before the due date, he will save £3 6s. Instead of paying the full flat rate charge of £8, he will pay £4 14s. This represents 4.7 per cent flat.

Example 4: Quarterly instalments; term, 3 years; net credit price, £100; accommodation charge, 8 per cent flat.

	£	s.	d.	
Net credit price	100	0	0	
Accommodation charge	24	0	0	(8 per cent on £100 for 3 years)
Gross credit price	124	0	0	
Quarterly instalment	10	6	8	(1/12 of £124)
Deduction as per formula	0	16	8	(100 x 8/4 pence)
Net quarterly instalment	9	10	0	
(Credit foncier instalment	9	9	0)	

If the hirer pays each instalment before the due date, he will save £10. Instead of paying the full flat rate charge of £24, he will pay £14. This represents about 4.7 per cent flat.

Mr. O'HALLORAN—As to the soundness of the formulae, I think members will be convinced from a study of the examples I have given, and, as to the form in which they are expressed, they are even simpler than as expressed in the 1954 Bill. They were originally designed to give the required deduction in terms of shillings, whereas in this Bill they give it in terms of pence. Two of the formulae have been slightly modified in order to make them simpler, and, I believe, they now give a more accurate result.

The reason for working in terms of pence instead of shillings is that a single deduction might be considerably less than one shilling, but in the aggregate the deductions could still be worthwhile to the hirer. For the same reason I have not on this occasion prescribed a minimum deduction but provided that it is to be calculated to the nearest complete (lowest) penny. I would point out in this connection that if a minimum were prescribed, the person responsible would still have to calculate the deduction in order to ascertain whether it was less than the minimum, so that not much would be gained thereby.

To complete this part of the subject, I submit that, although we propose to legislate for a reduction in the hire-purchase financier's profits, there are one or two compensations in our proposal. We are making the benefit which the hirer may enjoy under this provision dependent on his paying his instalments some time before the due date. In other words, we are placing upon him the responsibility of ensuring such prompt payment if he wishes to benefit from the provision. While there is no compulsion—and, no doubt, some hirers will not consider the proposed benefit sufficient to warrant making the effort—I feel sure the great majority of hirers will be eager to do so and make their payments before the due date. If this is so, it could also be of considerable benefit to the trader, whose costs, I understand, are increased, under existing circumstances, because he has to spend money on ensuring prompt payment.

The introduction of this provision, moreover, has enabled me to overcome certain drafting difficulties encountered in my first Bill, to which I have already referred. I have also mentioned the fact that, in general, legislation of this kind is unavoidably complicated. I am convinced, however—especially after studying the various hire-purchase Acts passed in the other States and elsewhere—that it is most important to express the relevant principles as fully as possible. Some of these apparently cannot be expressed simply. For example, it would be quite wrong to speak about interest (as most people do) when referring to the charge made by the owner in respect of a hire-purchase agreement. For that reason I have thought it desirable to use the expression "accommodation charge," meaning the amount actually charged, however it might be calculated, although we all know that it is calculated as a flat percentage per anum on the net credit price of the goods. The accommodation charge is the amount by which the gross credit price exceeds the net credit price. The gross credit price, in addition to being the total of the net credit price and the accommodation charge, is, of course, the total of the periodical payments to be made under the agreement. That is how it is expressed in paragraph II of subclause (1) of the proposed new section 3a, set out at the top of page 2 of the Bill. Besides avoiding the fallacy of calling the charge interest, I believe that, in expressing the position as I have and providing for the separate setting out of the amounts and other particulars of hire-purchase transactions (paragraph (*b*), pages 2 and 3), I have made reasonable provision against certain abuses and evasions characteristic of some hire-purchase transactions.

As the main purpose of the Bill is to protect hirers from exploitation, it provides for a maximum percentage that the accommodation charge may bear to the net credit price. It would have been relatively simple to prescribe some particular percentage—and in some Acts this has been done, with different percentages prescribed for different classes of goods. I am convinced that there is no justification for differential percentages, and am inclined to think that the high percentage charged in respect of secondhand motor vehicles is a special form of exploitation: the risk that the owner takes is measured by credit-worthiness of the hirer not the fact that the vehicle is secondhand. However, I do not propose to go into this aspect more deeply than to mention that some fixed percentage or percentages can be and have been prescribed in legislation.

The Bill proposes that there shall be one maximum percentage—2 per cent above the prevailing maximum overdraft rate as determined in accordance with the provisions of the Commonwealth Banking Act. At the moment, the maximum overdraft rate is 6 per cent, so that the Bill would allow the accommodation charge on hire-purchase to be as

much as 8 per cent per annum flat. I know that, in fixing any maximum, we run the risk of making it the minimum, and I also know that in certain hire-purchase transactions (according to the class of goods) the accommodation charge represents less than 8 per cent per annum of the net credit price. In this matter, however, we ought to be able to rely on some degree of competition among traders and finance companies and, in any case, under the deduction provision I have described, even if the accommodation charge is calculated at 8 per cent flat, the hirer will have the right under the Bill to avail himself of hire-purchase at a little more than 4½ per cent flat.

Some of the details which the Bill requires to be set out in hire-purchase agreements are, of course, set out in most agreements now. It is only common sense that they should be; but there is no obligation on the part of the trader or finance company to set them out, and there is no uniformity. In view of all the circumstances associated with hire-purchase, however, I think traders and hire-purchase companies should be obliged to set out clearly and uniformly details such as are itemized in the second schedule to the Bill. Quite apart from an attempt to protect hirers, we should also give traders and finance companies a lead in this respect in the interests of uniformity.

I now refer to other provisions of the Bill that I have not yet specifically dealt with. Clause 3 provides that the Act shall come into operation on a date to be fixed by proclamation. The purpose of this provision is to give all concerned an opportunity to become familiar with the requirements and to enable traders and finance companies to have the necessary forms prepared.

The Bill prescribes certain conditions which must be fulfilled if a hire-purchase agreement is to be enforceable. I have thought it desirable to express the matter in this way in order to place the onus on the trader or finance company of ensuring that the requirements are observed. In this type of legislation it is, I think, not much good providing the hirer with a legal remedy that experience has shown he is reluctant to enforce through the courts.

Among the requirements prescribed is that the agreement must be in writing and a free copy supplied to the hirer. This particular provision is drafted especially with a view to preventing an evasion of the requirement that the accommodation charge shall not exceed the maximum allowable. It has not been unknown for an unscrupulous financier to impose an exorbitant charge for making available a copy of the agreement.

Paragraph (*d*) on page 3 provides that periodical payments made under a hire-purchase agreement must be weekly or fortnightly or monthly or quarterly. I do not know that hire-purchase agreements make provision for any other periods but, as we are proposing to place certain obligations on traders and finance companies, I felt it was necessary to make explicit reference to the periodicity of payments in case one form of evasion should be the introduction of periodical payments such as, for example, the second and fourth Mondays in the month. In any case, for the purpose of carrying out other provisions of the Bill it is necessary to prescribe one particular period for any given agreement.

Paragraph (*d*) also provides that, if the periodical payment cannot be calculated exactly in terms of pence, all but the last payment are to be approximated to the next penny above the average and the last adjusted accordingly. This procedure is a practice commonly adopted and the provision merely makes it standard practice.

Paragraph (*f*) (page 4) provides that, where the hirer is married, both husband and wife must, in effect, be parties to the hire-purchase agreement, unless the hirer makes a statutory declaration as to separation or desertion. This provision was included in our first Bill, and it may be remembered that the Premier strongly opposed it as being the means of causing dissension in the home. However, I think it has much merit. It could be the means of moderating the family's commitments on hire-purchase and is likely to reduce the dissension which the Premier was so concerned about and which could very easily be caused by the husband or the wife entering into a hire-purchase agreement without the other's knowledge.

Sub-clause (2) (proposed new sub-section (2), p. 4) provides that, where the goods are required by law or by the owner to be insured, the hirer may nominate the insurer if he desires to do so. This provision is designed to protect the hirer from whatever disadvantage he may suffer through being compelled, as he is now, to accept the insurer nominated by the owner. This particular provision has special application to hire-purchase agreements concerning motor vehicles in respect of which certain minimum requirements are prescribed by law and the premiums may be considerable.

The reference to this provision in paragraph (*g*) earlier in the Bill is merely in connection with providing proof that the hirer has been given the option to nominate the insurer.

Proposed new sub-section (2) also provides that any rebate, bonus, etc., allowable in respect of an insurance policy shall be payable to the hirer if he has paid the premiums or if he has to indemnify the owner in respect thereof. This again has special application to motor vehicles the subject of hire-purchase agreements. In many instances, the premiums for the whole period of the hiring—up to three years—are included in the net credit priee, and the hirer should be entitled to benefit from the no claim bonus which is usually made by insurance companies and which, I understand, the hirer does not enjoy under the existing arrangement between insurers and hire-purchase companies. The final provision in the Bill, contained in proposed new subsection (3), is to the effect that agreements for the purchase and sale of goods under a deferred payment scheme which, of course, would not be hire-purchase agreements and could possibly be resorted to as an evasion of the provisions of the Bill, are to be regarded as hire-purchase agreements for the purposes of those provisions.

This constitutes the complete explanation of the Bill. It has necessarily been rather lengthy. As I said before, the subject of hire-purchase is an extremely important one and something about which some action must be taken in the near future. If members are not disposed to agree with all the proposed amendments contained in the Bill, I would point out that it is so drafted that those provisions which meet with the approval of the majority could be retained with advantage even if others are struck out. I commend the Bill to the House and hope the second reading will be passed so that there will be an opportunity to debate the actual provisions in committee. For the information of members, I point out that two small errors were missed in the proof reading of the Bill. One is in the first schedule—the word "purchase" in the next to last line should read "credit." The other is in the second schedule—the amount opposite "deduction allowable" should be 2s. 2d. not 2s. 4d. I commend the Bill to the House. I believe it will not unduly impede hire-purchase business as we know it today, which is of great value to the community; rather, it will regularize it, make it more stable and more permanent and thus of greater benefit to the community, and ensure that it will operate without the exploitation that is characteristic of it in some respects today.

The Hon. G. G. PEARSON secured the adjournment of the debate.

METROPOLITAN TAXICAB ACT REGULATIONS.

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

That the regulations under the Metropolitan Taxicab Act, 1956-1957, made on March 27, 1958, and laid on the table of this House on June 17, 1958, be disallowed.

(Continued from September 3. Page 681.)

Mr. LAWN (Adelaide)—I did not intend to speak on this motion until I heard the speech of the member for Onkaparinga (Mr. Shannon), who I felt was arguing the case on wrong premises. For instance, early in his speech he said:—

In section 35, subsection (1) of the Act, Parliament gave a direction regarding the kind or grade of licence to be issued.

It was obvious that he was arguing against the very things he argued for previously; as there were certain provisions in the Act, he said Parliament had deliberately put them there as a direction to the board. While he was speaking, I obtained the 1956 *Hansard* and referred to the discussion on this matter then, with the result that I decided to participate in the debate. If I had not then I would have so decided after hearing the member for Mitcham (Mr. Millhouse). Not long ago at a wedding I heard the bridegroom, replying to a toast, say, "Yesterday there were only two who knew what I was going to say—God and myself. Now God only knows." It was obvious that, whatever Mr. Millhouse had in mind when he rose, he soon forgot all about it.

Mr. Hambour—That isn't fair.

Mr. LAWN—Of course it is, and I think Mr. Millhouse would agree that it was one of his worst speeches. Both Mr. Shannon and Mr. Millhouse completely somersaulted from their statements of 1956, so I was forced to the conclusion that the master had spoken and they had to speak against the motion whether they approved of it or not. This afternoon the member for Gawler (Mr. John Clark) said that the master hypnotized his supporters, but I think the member for Enfield (Mr. Jennings) was more correct when he interjected, "He whipnotizes them," because when he cracks the whip all members opposite jump to attention. Not only in 1956 but on previous

occasions when this matter has been before the House members opposite have expressed themselves much against what has happened in the taxi industry. Although I support the motion, I did not intend to say anything about any individual member of the board until two members referred to the actions of the chairman. The member for Enfield (Mr. Jennings) referred to an incident in which the chairman commissioned a taxi driver to commit an offence against the very regulations drafted by the board of which the chairman is a member.

Mr. Coumbe—Are you sure of that?

Mr. LAWN—Yes. The driver was fined £10.

Mr. Coumbe—Are you sure of that?

Mr. LAWN—Yes. Mr. Shannon said:—

If I believed what the honourable member said about those people I would want to get rid of them.

He was referring to the incident I have just mentioned, which was mentioned by Mr. Jennings. In practically every other instance where a person commissions someone to commit an offence he can be proceeded against. A person who commissions someone to commit murder would be charged by the Crown as an accessory before the fact, yet the chairman of the board induced a taxi driver to break the regulations.

Mr. Hambour—You should check that statement.

Mr. LAWN—It was made here.

Mr. Hambour—You say the chairman induced the man to break the regulations?

Mr. LAWN—Yes. He knew that a person who did not have a city plate could not pick up fares in the city, yet he hired this man in the city and asked to be taken home and then to take his baby-sitter home afterwards. That amounts to asking that driver to breach the regulations, and he was prosecuted and fined £10. I believe that driver has a legal right to take action against the person who induced him to commit that offence, but he would be involved in legal expenses, whereas the chairman was not. I did not intend to refer to any member of the board. I do not know the chairman personally, but many members of the City Council who know him have spoken well of him, and I was surprised that any man occupying the position of chairman of this board would induce a driver to commit an offence. The member for Onkaparinga also said:—

In section 35, subsection (1), of the Act, Parliament gave a direction regarding the kind or grade of licence to be issued.

He implied that Parliament desired city and suburban licences to be continued, but Parliament did not intend that. When the Premier explained the Bill in 1956 he said:—

Clause 32 gives the board a discretion in the issue of licences. It also provides that a transfer, lease, or other dealing in a licence must have the consent of the board. This matter is one of some importance and it is most desirable that there should be a check on unrestricted dealing in licences. Subclause (3) of clause 32 provides that if a taxicab licence in respect of a taxicab is issued to a person other than the owner of the taxi, or if the board consents to the licence being transferred or leased to such a person, it must report to the Minister its reasons for so doing, and the report is to be laid before Parliament. In general, it is expected that a licence for a taxicab will be held by the owner of the taxi and the clause therefore provides that, where there is a departure from this rule, the reasons for so doing must be made public.

The Premier clearly indicated that the holder of a licence must be the owner of a cab, yet the member for Onkaparinga said that Parliament directed the board to issue licences as in the past. He quoted the first half of section 33, but I shall quote all of it, and I hope members will see why he omitted reading the last half. Section 33 states:—

(1) The granting or refusal of a licence or of the renewal of a licence shall be at the discretion of the board.

(2) The granting or renewal of a licence may be made subject to such conditions in any particular case as the board thinks fit.

(3) A licence shall not be transferred, leased, or otherwise dealt with except with the consent of the board, and the board may, in giving any such consent, impose any conditions which it thinks fit.

I ask members to take particular note of the next subsection, which states:—

(4) If—

(*a*) a taxicab licence is issued in respect of a taxicab which is not owned by the licensee; or

(*b*) a taxicab licence is transferred to a person who is not the owner of the taxicab; or

(*c*) consent is given by the board to the leasing of a taxicab licence,

the board shall forthwith report to the Minister that it has issued the licence or, as the case may be, consented to the transfer or lease, and shall in the report state its reasons for issuing the licence or giving the consent as aforesaid and state what steps are being taken by it to ensure that there shall not be trafficking in licences to the detriment of licensees and the public. Every such report shall be laid before Parliament by the Minister.

No such report has yet been laid before Parliament, yet licences are still held by companies, though that practice was condemned

by many members when the legislation was being debated.

Mr. Jennings—By members on both sides on innumerable occasions.

Mr. LAWN—Yes. It must have been obvious to the Government that most members had strong feelings on this issue, and the Premier said:—

In general, it is expected that a licence for a taxicab will be held by the owner of the taxi and clause 32 therefore provides that, where there is a departure from this rule, the reasons for so doing must be made public.

It was obvious that this intention could not be put into effect the day the board took over, and it was also obvious that Parliament condemned the issuing of licences to companies or persons not owning cabs. The member for Onkaparinga referred to a petition to which the member for Enfield had referred, consisting of some 255 signatures, and he said:—

I do not think that such a small number as 250 represents a great demand.

The honourable member could not even remember something that had been said only a few minutes before, for just prior to Mr. Jennings' speaking the Premier said, "I have received a petition signed by 255 taxicab operators." The two petitions were in conflict. Mr. Shannon condemned one petition because it was signed by only 250 and forgot the fact that the Premier, in opposing the motion, had also referred to a petition which, he said, was signed by 255. I shall leave it to the House to decide whether Mr. Shannon's remarks were relevant to the motion.

The member for Mitcham (Mr. Millhouse) made it clear that he opposed the regulations, yet he is game enough to vote against the motion. I leave it to members to work out why. If he is opposed to the regulations why does he not vote to disallow them? He said they were not good or perfect, and yet said he would support their continuance. What he actually said was:—

I make this point, which apparently the honourable member for Gawler has not noticed, that, if we disallow these regulations today or next week, during the interim there will be nothing at all to replace them.

That was said on September 3 and today it is September 17. I am opposed to the regulations, but do not want to be personal and condemn the board. In effect, Mr. Millhouse said that the board members were incompetent and suggested that they were waiting to see what Parliament did, and if the regulations were disallowed they would be caught unprepared and there would be chaos in the industry. I give the board members more credit than that. They have been down here listening to the debate and I have sufficient confidence in them to think that they have already had another set of regulations drafted eliminating those portions to which exception has been taken by the House. If the motion is carried, the following day the board will be ready with another set. They were here the day the Leader of the Opposition moved the motion and also subsequently, and therefore know the grounds on which the Leader based his objections. In view of what the member for Mitcham said on September 3 he may agree with what I am saying today. While he was speaking Mr. Quirke interjected, "Are you suggesting that these regulations are right as they stand?" to which he replied, "No." He made it quite clear that he did not agree with the present regulations, but his whole argument was against the motion on the ground that chaos would occur between the time the regulations were disallowed and the time a new set was drafted. He quoted from the evidence given before the Joint Committee on Subordinate Legislation by the chairman of the board, who said that the regulations were not perfect.

Although the Act provides that the board in certain circumstances must report immediately to the Minister, who in turn shall place the report before Parliament, so far this has not been done. We cannot justify the continuance of bad regulations simply on the ground that chaos will follow until new ones are framed. A vote on the motion will possibly not be taken for a fortnight or three weeks. At least I have more confidence in the board than Mr. Millhouse, because I feel certain that another set of regulations has already been drafted, awaiting the vote of Parliament. I do not wish to elaborate on the points made by the Leader and the member for Enfield, but I support the motion and hope that members will vote according to their consciences.

During the 1956 debate I commended the member for Burnside (Mr. Geoffrey Clarke) for the thought and care he had put into preparing his speech. It revealed a careful study of the chaotic conditions of the taxi industry and he, like members of my Party, was anxious to remedy the situation. We all desired better conditions for passengers and for applicants for licences. There were cases of large sums of money changing hands for licences—and this still happens today—and members then were agreed that we should do something. I ask them to support this motion and have sufficient faith in the board's ability

to issue within 24 hours a new set of regulations governing the industry but not containing those the House opposes.

Mr. HAMBOUR (Light)—I oppose the motion, but only rise to speak because so much that is not true has been said by members who have been misinformed. I am certain the member for Burra (Mr. Quirke) was misinformed.

Mr. Lawn—I have a letter from a company comfirming all he said.

Mr. HAMBOUR—The honourable member has made his speech. I was prepared to excuse the member for Enfield (Mr. Jennings) for the statements he made on which he was obviously misinformed, but I am not prepared to excuse him for his intemperance. Some of his remarks were most objectionable. He used the term "blood money," and said that the board was "impudently and arrogantly trying to get around the Act" and was using "intimidatory tactics." I do not think such expressions should be used in this Chamber. I know that members have the right to relate the position as they believe it—

Mr. O'Halloran—Aren't you doing that?

Mr. HAMBOUR—Yes, and if the Leader listens he will realize that I am telling the truth. I give members credit for saying what they believe to be the truth, but on this motion there has been much propaganda. I think it highly improper for interested parties to come within the precincts of this House and virtually perjure themselves and have their untruths repeated in this Chamber by members who have accepted their statements. The member for Enfield said he could appoint a better board. Looking across the Chamber I pride myself that I could choose a better Parliament on that side, but would that be democratic? The board was appointed so as to give wide representation to interested bodies. I have Mr. Jennings' speech and I intend dealing with his statements.

Mr. John Clark—Will you deal with the member who followed him, too?

Mr. HAMBOUR—Yes. The member for Mitcham (Mr. Millhouse) made one statement somewhat off the beam. He said 99 per cent of the white plates were owned by the drivers, whereas the true percentage is about 70. I am sure he made that statement in all honesty. I understand that 71 licences are controlled by partnerships and 169 by owner-drivers. Mr. Jennings said the Transport Workers' Union wanted one plate only, and reference was made to Melbourne and Sydney, where one plate operated. If we do have the one plate system here, are they prepared to have zoning as in other States? Would the drivers be better off?

Mr. Hutchens—What is the position in Perth?

Mr. HAMBOUR—I am sorry I cannot go for a trip around the world, but I am dealing with the position in South Australia.

Mr John Clark—Are Melbourne and Sydney in South Australia?

Mr. HAMBOUR—They were mentioned. There are in South Australia about 250 white plates and 550 green. It has been stated that white plates are worth between £800 and £1,000 because the owners have had to pay such amounts. If we capitalized the value of the white plates we would have a total valuation of about £200,000. I suggest to members opposite—and they can take it back to the Transport Workers Union—that if we decide on only one plate the 800 drivers engaged in the industry pay £250 each for a plate, reimbursing those who have expended the greater sum. Would the drivers be prepared to do that? I doubt whether such a proposal would be acceptable to the union because it wants the plates equalized free of charge. I do not dispute that 71 white plates are owned by companies. The 169 paid for their plates and if we take them away are we prepared to compensate them?

Mr. O'Halloran—The plates were issued only in April.

Mr. HAMBOUR—They were sold before April.

Mr. O'Halloran—They were issued in April.

Mr. HAMBOUR—There was trading in plates before April.

Mr. O'Halloran—Parliament passed the Bill to stop that.

Mr. HAMBOUR—If members think I am incorrect, let them work it out themselves. What compensation will the white plate holders get if the plates are taken from them? Mr. Jennings also said that plates were doled out to doctors and lawyers. I believe one lawyer and two medical students have plates.

Mr. Jennings—Is there any justification for that?

Mr. HAMBOUR—I do not know how they got them but there is some justification for the honourable member making sure of his statements. The Yellow Cab Company was taken to task by him. I will say no more about that for I think the company is strong enough to look after itself. The Prices Commissioner dealt with one matter mentioned by Mr. Jennings and said that some taxi men

were paying £6 10s. a week and getting nothing for it except a telephone call now and again. When I asked whether they got a radio service Mr. Jennings said "Not as far as I know, although I may be wrong." The honourable member is definitely wrong because they do get a service.

Mr. Jennings—It is not necessarily a service.

Mr. HAMBOUR—The service costs money to supply and the net receipt by the Yellow Cab Company is £2 15s. The St. Georges Cab Company charges its men £3 15s., and they have their own plates.

Mr. Quirke—That is a voluntary business, whereas the Yellow Cab Company is not.

Mr. HAMBOUR—The Yellow Cab men pay £2 15s. for the same service as the St. Georges men get for £3 15s.

Mr. QUIRKE—Every St. Georges man owns his cab, whereas the Yellow Cab men do not.

Mr. HAMBOUR—I think the honourable member has been misinformed.

Mr. Quirke—The St. Georges business is a voluntary one. There the man owns his plate, whereas the Yellow Cab man gets his from the company.

Mr. HAMBOUR—Yes.

Mr. Quirke—Is it right for a company to issue a plate?

The SPEAKER—Order!

Mr. HAMBOUR—The St. Georges men own their cabs and plates but despite that they pay £3 15s. a week for a service.

Mr. Quirke—It is still a voluntary business.

Mr. HAMBOUR—Whether or not it is a voluntary business the men pay more for the service than men pay under what is said to be a compulsory arrangement. That should be clear to all members. The Prices Commissioner does not allow anybody to make excess profits.

Mr. Shannon—What did they pay before Mr. Murphy investigated?

Mr. HAMBOUR—They paid £8 10s. but he said £6 10s. was fair compensation for the service and the plate.

Mr. Quirke—You speak feelingly about Mr. Murphy.

Mr. HAMBOUR—I have reason to do so. I do not speak disrespectfully of him. It was wrong for Mr. Jennings to get so far off the mark as he did. He took the chairman of the board to task and virtually accused him of being a pimp and catching a green plate man for doing something he should not have done. I said earlier that I would excuse Mr. Jennings, who possibly had not been in a position to check his statements, but this afternoon Mr. Lawn repeated word for word the charge made by Mr. Jennings against Mr. Bonnin. I ask leave to continue my remarks.

Leave granted and debate adjourned.

[*Sitting suspended from 6 to 7.30 p.m.*]

METROPOLITAN AND EXPORT ABATTOIRS ACT AMENDMENT BILL.

Read a third time and passed.

FIRE BRIGADES ACT AMENDMENT BILL.

Read a third time and passed.

ADVANCES FOR HOMES ACT AMENDMENT BILL.

Second reading.

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

That this Bill be now read a second time.

The principal effect of this Bill will be to extend to a substantial degree the benefits that prospective home purchasers may obtain under the Advances for Homes Act. Under that Act the State Bank of South Australia is authorized to make advances to home purchasers, the funds used for this purpose being made available from the loan funds of the Government. The Act, at present, provides for a maximum advance of £2,250 and the amount advanced is not to exceed 90 per centum of the value of the security, that is, the value of the dwellinghouse in question and its allotment of land. The Government considers that, in the light of present-day building costs and the current cost of building allotments, the present provisions of the Act should be liberalized.

It is proposed by the Bill that, where the advance does not exceed £3,000, it may be an amount not exceeding 95 per centum of the value of dwellinghouse and land. Thus, not only is the amount of the maximum advance increased but the minimum amount which the applicant must find as a deposit is decreased from 10 per cent to 5 per cent. It follows that, if an applicant has a block of land valued at £160 (and most blocks now have a much greater value) and the house to be erected is valued at £3,000, making the total value of the security £3,160, he could be made an advance of up to £3,000. Where the advance exceeds £3,000, it is provided that the advance is to be limited to 85 per centum of the value of the house and land. It is considered that, as the

maximum advance increases, the amount required as deposit should be increased.

It is provided that the maximum advance which may be made is to be £3,500 compared with the existing maximum of £2,250. It will be for the State Bank to decide what amount will be required as a deposit in a particular instance.

These alterations of the law are made by clause 3, which amends section 22 of the Advances for Homes Act. That section lays down the conditions under which an applicant may receive an advance to enable him to erect or purchase a house, extend an existing house or discharge an existing mortgage.

Clause 2 makes similar amendments to section 18 of the Act, which is the section which lays down the conditions under which the State Bank may sell a house to an applicant. That section now provides that a purchaser of a house from the State Bank is to pay the deposit fixed by the bank. In general the section provides that the deposit to be paid by the purchaser is to be not less than 10 per centum of the purchase price and, if the purchase price exceeds £2,250, the deposit is to be not less than 10 per centum of the purchase price or the amount by which it exceeds £2,250, whichever is the greater.

Clause 2 provides that the deposit under section 18 is to be fixed by the bank but that, if the balance of the purchase money remaining after payment of the deposit does not exceed £3,000, the minimum deposit is to be 5 per cent of the purchase money instead of the existing 10 per cent and, if the balance of purchase money exceeds £3,000, the minimum deposit is to be 15 per cent of the purchase money. Thus, the amendments proposed by clause 2 for the sale of houses follow the same pattern as that proposed by clause 3 for the making of advances.

Clauses 4 and 5 make amendments to the Act consequential upon the amendments proposed by clauses 2 and 3. Apart from the amendments made by clauses 2 and 3, no alteration is made to the existing provisions of the Act relating to the conditions upon which advances may be made. The remaining clauses make amendments relating to other matters.

Clause 6 repeals parts IV and V of the principal Act. Part IV enables the State Bank to expend for housing purposes advances made to it by the Commonwealth under the Commonwealth Housing Act, 1927, whilst part V authorizes the bank to enter into an arrangement with the War Service Homes Commission for the purposes of the War Service Homes Act, 1918. Parts IV and V are not now operative and the State Bank has suggested that they be repealed.

The remaining clauses of the Bill amend Part VI of the Act. Part VI was enacted during the 1914-1918 war and it provides that the State Bank could erect houses, which were not to cost more than £700, for the purpose of being sold or let to widows and widowed mothers of members of the armed forces who died as the result of service in that war. Of the houses built under this scheme some were sold, but 49 houses still remain, which are let to these widows.

Section 72 fixes the maximum rent at 7s. 6d. per week, and this is the rent now being charged. However, section 69 provides that a widow who is a tenant must undertake the maintenance of the house and provides that the tenancy agreement is to contain a covenant to this effect. The State Bank has pointed out that all the houses concerned were built before 1917 and, in instances, are up to 70 years old and that the maintenance liability is beyond the means of the tenants. The bank points out that the houses have appreciated in capital value and that, if the maintenance liability were undertaken by the bank, any outgoings would be more than recouped by the appreciation of the capital value of the houses.

Accordingly, clause 7 deletes subsection (3) of section 69, which provides that the widows who are tenants of these houses are to undertake the liability for maintenance, and provides that the consent to this effect in any tenancy agreement is to cease to have effect. Clause 9 redrafts section 74 and provides that the bank will, in the future, undertake the liability for maintenance of these houses and that the cost is to be borne from the Advances for Homes Loan Account.

Section 74 in its present form provides that, at the request of the tenant, the bank may carry out repairs and recover the cost from the tenant by weekly payments. In a number of cases widows who are tenants are liable to the bank for such repairs carried out before the passing of the Bill. It is considered that, consistent with the proposals for future maintenance, these existing obligations should be extinguished and clause 9 provides accordingly.

Clause 8 amends section 70. This section, among other things, provides that the bank may sell any house erected under Part VI if the bank is satisfied that it is no longer required for the purposes of the Part. The

bank has pointed out that, in instances, there have come back into its hands houses which were in very bad state of repair where it would be better to sell the houses instead of effecting repairs. Clause 8 extends the power of sale to include a house which is unfit for the purpose of Part VI.

Honourable members will see that this Bill and another Bill, the provisions of which will be explained in a few moments, are a big departure from the policy provided for in existing legislation in South Australia. They greatly liberalize that legislation. This legislation must be regarded as somewhat experimental, because no doubt many applications will be made under it, and it remains to be seen whether they can be met even with the additional money provided. Because of the liberalized provisions we could easily be flooded with applications that it would be beyond the capacity of the bank to meet. The policy of the State Bank must be to see that every applicant provides as much deposit as he can afford. I think that is necessary in the interests of other lenders, because it is not the purpose of this legislation to make money available for housing from the State Bank at the expense of other lenders to enable some unnecessary expenditure to be undertaken in some other way, so the administration of the Act must be closely watched. If the House accepts this Bill, I will undoubtedly have to tell the bank that we expect the legislation to be used to provide initial amounts where they are really required and not to make money available for other purposes that may not be so necessary.

Secondly, I think we must consider that the money should be made available for new houses, because the mere change of ownership does not solve any housing problems. It is only by building new houses that we can improve the housing situation. Again, it will be the policy of the Government to see that the funds provided are used to build new houses rather than merely to change the ownership from one person to another. However desirable it may be in some instances to purchase an existing home, unless we insist that the money made available by the State for housing is appropriated to build more houses, we shall not help solve the general problem.

Thirdly, I hope it will be possible under this legislation for the Housing Trust largely to discontinue issuing second mortgages which it has been doing to enable people to purchase houses. Some second mortgages may still be necessary, but I hope it will be possible to greatly reduce their number because, if we provide £3,000 or £3,500 to any particular applicant, I do not think other applicants' possibilities of obtaining a house should be prejudiced by making further advances.

I believe the financing of this legislation, which is a radical departure, will need our utmost efforts. It is true that we have made additional money available to the State Bank each year, and I believe it will be possible for other lending institutions to make additional amounts available under the Homes Act, but if we find that meritorious cases are coming forward in excess of the amount we can provide under this Act, the fairest possible thing to do is to make the money go as far as possible to provide assistance to as many deserving cases as we can. I make these comments because the increase from £2,250 to a maximum of £3,500 will mean a much heavier drain on the resources of the Government.

Mr. Riches—You are just raising the maximum?

The Hon. Sir THOMAS PLAYFORD—Yes, but also in the case of a loan not exceeding £3,000, lowering the amount of deposit necessary, so that under normal conditions a block of land will be all that is necessary as a deposit to purchase a property worth £3,200. Incidentally, this legislation is much more liberal than the Commonwealth War Service Homes legislation. If we have a big influx of applicants who would normally be eligible under the Commonwealth legislation we shall obviously have to examine the position because, instead of getting more houses built under the provisions of this Bill, we may only be using State funds for purposes that would normally be met by the Commonwealth. I think members will agree that this legislation is desirable, and it is non-controversial except that there could be some differences of opinion on whether we have gone too far. In every other sense, I think members will approve of the legislation.

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

HOMES ACT AMENDMENT BILL.

Second reading.

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

That this Bill be now read a second time.

It is to a large extent complementary to the Advances for Homes Act Amendment Bill just introduced, and its purpose is to increase substantially the maximum housing loans which

may be made under the Homes Act. The scheme of the Homes Act, which was first enacted in 1941, is as follows.

The Treasurer is authorized by the Act to guarantee housing loans made by various institutions, including the Savings Bank of South Australia, the Superannuation Fund, and a number of building societies and friendly societies. The full list of the institutions in question is set out in section 2 of the Act. The guarantee given by the Treasurer relates to that part of the loan which is in excess of 70 per cent of the value of the property mortgaged but it is not to exceed 20 per cent of that value. Thus, the guarantee applies to the last 20 per cent of the mortgage loan, that is, the part which represents from 70 to 90 per cent of the loan. It is provided by section 7, among other things, that the maximum loan is not to exceed £2,250 and the effect of section 4 is that a loan is limited to an amount which does not exceed 90 per cent of the value of the dwelling and the land on which it is situated. As members will see, the maximum advance that could be made under this Act was previously fixed on exactly the same basis as the amount under the Advances for Homes Act—£2,250 with a 10 per cent deposit.

However, this legislation differed from the Advances for Homes Act because the Government did not find the money advanced; it only guaranteed advances. It has never been tied directly to new houses, and when houses already erected were purchased a change of ownership was involved. The amounts that could be advanced and the deposits required were the same as under the Advances for Homes Act. Section 5 provides that every institution to which a guarantee is given is, in each quarter, to pay to the Treasurer for the purposes of a fund called the Home Purchase Guarantee Fund, an amount equal to ¼ per cent of the part of every loan made by the institution and for which the Treasurer is liable under the guarantee. Those amounts have been paid to the Treasury as a commission, and they have been placed in a fund as an insurance against losses incurred as a result of the guarantees given.

Mr. Frank Walsh—What is the amount of the fund now?

The Hon. Sir THOMAS PLAYFORD—Between £75,000 and £80,000. This legislation has not cost the State anything, and I believe the fund is now sufficiently substantial to cushion the effects of any losses incurred. Thus, the scheme of the Act is to provide that, by virtue of the guarantee of the Treasurer, the lending institution will make housing loans to a greater extent than they would normally do, as it is not the general practice of lending institutions to advance money on mortgage up to 90 per cent of the security. As a consequence, the legislation encourages these lending institutions to advance money and the money so advanced is, of course, provided from sources other than the State's loan programme, as is the case with advances made by the State Bank under the Advances for Homes Act. The Homes Act has proved an extremely beneficial piece of legislation and has been the means of enabling a large number of people to purchase their own homes. Since 1941, and up to June 30, 1958, 8,625 applications for guarantees have been approved. The mortgages guaranteed have totalled £11,772,090 and the portion subject to guarantee £2,249,899. So far £76,319 has been paid into the Home Purchase Guarantee Fund, and as yet, there have been no claims on the fund.

The Government considers that, under the existing conditions of increased building and land costs, the present loan maximum should be raised and greater assistance provided for prospective home purchasers. It is therefore proposed by the Bill that the maximum loan which may be guaranteed is to be £3,500 instead of the present amount of £2,250. It is provided that where the loan does not exceed £3,000 the loan may be guaranteed up to 95 per cent of the value of the house and land. Thus, as regards loans in this category there will be an increase from 90 per cent to 95 per cent of the value and a corresponding increase in the loan which may be made whilst the purchaser's deposit may be as low as 5 per cent. The Treasurer's guarantee will, as now, apply to the part of the loan which is in excess of 70 per cent of the value and will thus, in the case of a loan up to the maximum value, apply to 25 per cent of that value instead of 20 per cent. As regards a housing loan in excess of £3,000 it is provided that the guarantee will apply to 85 per cent of the value. It is considered that in the case of housing loans of these larger amounts, the deposit should be greater. The amendments increasing the limits to which housing loans may be made are included in clause 3.

Clause 2 amends section 4 of the Act and provides that the Treasurer's guarantee may apply to one-quarter of the value of the house and land instead of one-fifth. It is already

provided in the section that the guarantee is to apply to the part of the loan in excess of 70 per cent of the value so that the effect of the amendment to section 4 is that the Treasurer's guarantee will, in the appropriate case, apply to the part of loan representing between 70 and 95 per cent of the value of the house and land in question. The existing provision of the Act providing that the rate of interest on guaranteed mortgage loans, if paid within 14 days of the due date, is not to exceed 6 per cent is unaltered and will, of course, continue to apply. Thus, the result of the Bill will be to provide that housing loans to an amount of £3,500 may be guaranteed by the Treasurer and that, in the case of loans of £3,000 and less, the deposit of the house purchaser can be as low as 5 per cent of the value of the property. These amendments are strictly in accordance with the proposed amendments to the Advances for Homes Act.

Mr. FRANK WALSH secured the adjournment of the debate.

LANDLORD AND TENANT (CONTROL OF RENTS) ACT AMENDMENT BILL.

Second reading.

The Hon. Sir THOMAS PLAYFORD (Premier and Treasurer)—I move:—

That this Bill be now read a second time.

Its main purpose is to extend the operation of the Landlord and Tenant (Control of Rents) Act for another year. Whilst the housing position is improving and is substantially better than it was some years ago, the demand for rental housing is still considerably in excess of the supply. The applications made to the Housing Trust provide evidence as to this demand. During 1957-1958 the trust received 4,828 applications for permanent rental accommodation as compared with 5,417 in the preceding year. There were 1,938 applications during 1957-1958 for emergency houses compared with 1,720 in 1956-1957 although, in many cases, these applicants also applied for permanent housing.

During 1957-1958 there were also 2,750 applications to purchase houses as compared with 2,547 during the previous year.

It is estimated by the trust that it holds approximately 7,000 active applications for rental accommodation and in most cases the applicants are living under unsatisfactory housing conditions. As early as 1953, the Act was amended to provide that it would not apply to new houses. Consequently, the owners of new houses are not subject to any control either as to the rents which can be charged or as to the recovery of possession from the tenants. It was thought in some quarters that, as a result of freeing new houses from control, private building of houses for letting would take place but the fact is that, apart from rental houses built by the Housing Trust, virtually no houses have been built for the purpose of letting although, of course, many houses have been built for home ownership.

The building of flats by private enterprise is being carried on in the metropolitan area. Whereas in some degree these flats will ease the building position for certain categories of people, they are unsuited to the needs of workers with families for the reasons that the rents are invariably much higher than the average worker can afford and that the flats are usually designed to accommodate only the smallest of families. The Government is therefore of opinion that, in view of the rental housing position, it is desirable to extend the operation of the Act and clause 4 provides that the operation of the Act is to be extended for a further year, that is, until December 31, 1959.

The only other amendment proposed by the Government is contained in clause 3. Subsection (2) and (2*a*) of section 6 provides that the provisions of the Act are not to apply to certain leases such as the lease of a new dwellinghouse or where the lease is in writing and is for a term of two years or more. Some doubts have arisen as to what is the position when a lessee under, say, a two years' lease, remains in possession of the premises at the expiration of his lease and the lessor wishes to recover possession of the premises. The question then arises whether or not proceedings by the lessor to recover possession are governed by the provisions of the Act or by the general law relating to these matters. There is little doubt that the intention of Parliament was that the Act should not apply to rights arising out of these leases and it is probable that the correct view of the law is to that effect but, in view of there being some uncertainty in the matter, clause 3 is proposed to clear up any doubt. A similar state of affairs arose where a lessee of premises subject to an exclusion certificate held over after the expiration of his lease when section 69 was enacted in 1951 to meet the position.

Two categories of leases are involved. In the first place there are leases of new premises

and premises which have never been previously let and the clear intention of paragraphs (*a*) and (*b*) of subsection (2) of section 6, is that these premises should never come under control. In the second place, paragraphs (*c*), (*d*) and (*e*) of subsection (2) and subsection (2*a*) exempt from the Act certain leases, such as leases for two years which leases are intended to be free from control but where the premises could subsequently be let under conditions, for example, an oral letting from week to week, where the subsequent letting would be subject to the Act.

Clause 3 is similar in principle to section 69, but distinguishes between the two categories previously mentioned. As regards the second category, that is, such as where a tenant for two years holds over after the expiration of his term, the clause provides that the lessor may, within one month, give notice to quit and may, within three months after the expiration of the period of the notice to quit, commence proceedings for recovery of possession. The Act will not apply to the proceedings. As regards the first category, that is, such as where new premises are let, it is provided that the Act is not to apply to the notice to quit or to any subsequent proceedings. The amendments this year are not very substantial and mainly arise out of the need for a continuation of the Act.

Mr. DUNSTAN secured the adjournment of the debate.

LIBRARIES (SUBSIDIES) ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from August 26. Page 524.)

Mr. DUNSTAN (Norwood)—I rise to support the Bill and am delighted that the Government at last is introducing in the legislation something which the member for Gawler (Mr. John Clark) and I have suggested should be included. However, I am sorry it has taken as long as this to convince the Government to make establishment grants to free libraries. Apparently, it was necessary to convince the board. I can remember for a period of two years after the original Bill was passed correspondence appearing in the press from, among others, the chairman of the board to the effect that time would show that the existing legislation was all right and that we would get the libraries we wanted under the Act. We did not get them. The chairman's remarks were quoted from time to time against me by the Minister, who said he accepted the remarks as being those of an authority upon whom he could rely. Nevertheless, the chairman's prognostications were not fulfilled.

Today we have one library which can have any sort of claim to come under the Libraries (Subsidies) Act. I cannot imagine how the Elizabeth Library comes under the Act, because as far as I can see it is not a library conducted by a council or an approved authority. It seems to be an extension of the operations of the Libraries Board. Although we have had over a period of some 12 months or more announcements from the Minister that there would be more free libraries, I can see no signs of more than existed 12 months ago. At that time the only two libraries that seemed to be in the offing were libraries at Elizabeth and Marion. I do not know of anything else in prospect at the moment. I think the Bill will go a long way toward removing defects in the legislation itself, but I question whether it will clear up some of the difficulties which undoubtedly have occurred in the administration of the Act.

Not only the question of legislation must concern honourable members, but also that of the administration of free libraries. With the provision of establishment grants the difficulties in the way of councils establishing free libraries are largely removed, provided the administration is prepared to carry out the intention of the legislation. It must be emphasized that the Act itself still does not provide that the libraries shall be free, but I think that must be inferred from the announcements of the Minister and the Libraries Board, and I think we can take it that the aim of the Act was the establishment of free libraries. We now have to consider how these are to be achieved under the legislation. After about two years I got a reply from the chairman of the board on October 1 last that if the lack of establishment grants was an obstacle to the establishment of free libraries the board would consider recommending the amendment of the legislation to provide for establishment grants.

Last October the Henley and Grange Corporation wrote to the Libraries Board asking that a subsidy be made available for the purchase of a building for a free library under the scheme. Apart from a formal acknowledgment of the letter there has been no further information from the Libraries Board about its intentions. This seems extraordinary in view of announcements concerning

the development of free libraries in South Australia. I understand that inquiries from the Hindmarsh Corporation met with a cool reception from the Chief Librarian and from inquiries I have made it would seem that the Chief Librarian's policy is that free libraries, when established, should be extensions of the existing Public Library. In other words, they are to be staffed only with fully trained staff from that library. This is causing considerable concern to members of the free library movement in South Australia. Obviously we will not get an extensive free library system if the board is going to insist that before it recommends a scheme that scheme must be staffed solely with people who have had complete library training at North Terrace.

The scheme suggested on many occasions by the previous Chief Librarian was that where a library is established in an institute, the person operating that library or any other person whom it is intended should be employed as a librarian should go into the Public Library for some training over a period and that for the initial period the library be staffed from the Public Library. This would enable the new library, after a period, to have its own local officer who is acquainted with the administration and general practice of the Libraries Board. This would fit in perfectly with the extension service of permitting these local libraries to draw on the Public Library in special circumstances and would be a satisfactory method of developing libraries and giving a service to the public.

It appears that the Chief Librarian, before a scheme is recommended for a library to operate under the Act, requires of a local authority that it will provide an entirely new building. As far as I can see, it is not intended that a scheme should be recommended if an existing institute building is to be taken over. This would be a fantastic waste of available assets. Certainly many institute buildings are not suitable for modern library requirements but they could be utilized to give a service to the public. In Great Britain they are not so much concerned with establishing a library under perfect conditions as with giving a service to the public. At present in South Australia we are operating an extremely expensive library service because, according to the Grants Commission, we are spending more *per capita* on such a service than any other State, though we are not getting a comparable service for our money. If we are not going to utilize existing institute facilities our library services are going to be more expensive. This is a most unsatisfactory outlook. Surely we should be inviting local councils to co-operate with their institute authorities in handing over the institute facilities to the councils so that they can be utilized in providing schemes under the Act. That was the general scheme envisaged originally for free libraries in this State and I cannot see how we are going to operate any other scheme in the foreseeable future that will provide such an adequate service to the public.

I hope the Minister will take this matter up because it is causing grave concern. I believe he wants to see free libraries in South Australia but I fear that he is being provided with views on this issue that are not borne out by the apparent intentions of the adminstration. The Minister recently announced that more free libraries would operate, but those mentioned were referred to 12 months ago and only one is operating.

The Hon. B. Pattinson—About a fortnight ago I referred to institutes being used as free libraries. That was my personal opinion and I do not know whether it coincides with the viewpoint of the Libraries Board or the Chief Librarian. I expressed an opinion substantially the same as the honourable member's.

Mr. DUNSTAN—I am grateful for the interjection and I hope that the board falls in with the Minister's views on this subject, because I believe it is the only way we will get anything effective from this legislation. However, from what I have been able to gather that view is not shared by those administering the Public Library and I think that is most unsatisfactory. If we are to get free libraries we must use the existing institutes. Under the Institutes Act institutes can transfer their facilities to local councils. I realize that in many cases councils do not want to take over facilities which would, in some instances, represent a liability. If they were able to come in under the Libraries Subsidies Act on a scheme that could be operated in the way the scheme has been operating in the other States, they would not be faced with a liability because they would get a substantially bigger subsidy than they would under the institutes scheme. In those circumstances we can look forward to something being done. I hope there will be some change in attitude towards the approaches that have so far been made to the board on this particular matter. With those few words I support the Bill.

Mr. GEOFFREY CLARKE secured the adjournment of the debate.

WEIGHTS AND MEASURES ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from September 3. Page 694.)

Mr. FRANK WALSH (Edwardstown)—I support the second reading. I agree that inspectors should have the right to review the type of machine used in measuring. Certain hides are measured and others are sold by weight, particularly those sold as leather.

Bill read a second time and taken through Committee; Committee's report adopted.

BROKEN HILL PROPRIETARY COMPANY'S STEELWORKS INDENTURE BILL.

Adjourned debate on second reading.

(Continued from September 16. Page 722.)

Mr. FRANK WALSH (Edwardstown)—I appreciate that this Bill will require the attention of a Select Committee, and it is therefore not my intention to go into its pros and cons at this stage. The Opposition has always argued in favour of the establishment of a steelworks in South Australia, and has long drawn attention to the losses sustained by the State in delays in carrying into effect the undertakings given by implication and by legal obligation by the Broken Hill Proprietary Company in return for valuable concessions given under the 1937 agreement. The announcement that a steelworks may be expected within the next ten years and that the actual erection of such a plant is now the subject of an agreement between the company and the Government is welcome news. The Labor Party is proud of the stand it has taken in the interests of the State on this matter in the past and lends support to the Bill to enable an early reference to the Select Committee for investigation. We regret that the investigation must be limited both as to time and scope, but it is recognized that the procedure is necessary and desirable. Without committing ourselves to give complete support to the proposals in every detail, we are prepared to facilitate the reference to the Select Committee and to embark on any necessary debate after the report has been presented.

The Bill provides that it is necessary to secure rights over all the remaining iron ore deposits in the State for all time. According to information available on the 1937 Act it would appear that the company had all the leases over iron ore that were necessary. I have reason to believe that were it not for the efforts and the information compiled by the Ex-Director of Mines, Mr. S. B. Dickinson, it probably would not now be seeking the further leases and it creates the doubt: is this in order to keep any other interests out? After all, the tying up of these deposits in perpetuity is a tall order and should be very carefully examined as to its necessity. We do not agree with the Premier's statement that the deposits discovered by the Mines Department at Iron Knob are worthless to anyone but the B.H.P., and indeed this statement is in marked contrast with the assessment placed on these finds by the Premier in earlier references. I believe these deposits should be determined before they are given away. I support the second reading to enable the Bill to go before the Committee to be appointed.

Bill read a second time and referred to a Select Committee consisting of Sir Thomas Playford and Messrs. O'Halloran, Loveday, Millhouse and Laucke; the committee to have power to send for persons, papers and records, and to report on Tuesday, October 14.

KINGSTON AND NARACOORTE RAILWAY ALTERATION BILL.

Second reading.

The Hon. G. G. PEARSON (Minister of Works)—I move:—

That this Bill be now read a second time.

Section 60 of the South Australian Railways Commissioner's Act 1936-1957 prohibits the Commissioner from altering the terminus of any line of railway authorized to be constructed. The railway between Kingston and Naracoorte was authorized by the South-Eastern Railway Act, 1871, and the main purpose of this Bill is to authorize the re-location of the passenger station and goods yards at Kingston from the present site to a new site east of East Terrace, Kingston. The proposed alteration has been recommended by the district council of Lacepede and agreed to by the Commissioner of Railways. The portion of the old route to be discontinued and the proposed terminus is shown in detail on the plan which has been deposited with the Surveyor-General, copies of which are available for inspection by honourable members. In accordance with usual practice I have placed on the blackboard in this Chamber a map showing the proposed new site of the railway terminus. The explanation of the various clauses of the Bill is as follows.

Clause 3 contains some definitions which are of a drafting nature only. Clause 4 authorizes

the Commissioner to alter the terminus at the same time as the gauge of the railway is being widened, which work is in progress at the present time. Clause 5 is a drafting amendment. Clause 6 authorizes the Commissioner to discontinue the use of the portion of the line no longer required, to take up and remove the old tracks, etc., and to dispose of any surplus materials.

Clause 7 will allow the Commissioner to use the general powers contained in part IV of the South Australian Railways Commissioner's Act for the purpose of making the alteration, as if such alteration were the construction of a new railway. The reference to section 55 of the principal Act is necessary to answer any argument that that section applies to the introduction of this Bill. Section 55, which deals with the introduction of any Bill authorizing the construction of a new railway, requires the Minister to lay upon the table of the House of Assembly a statement under the seal of the Commissioner of Railways showing his estimate of the cost of constructing the railway and of the traffic and other returns likely to be received from it. Clause 8 provides that the money required by the Commissioner to alter the terminus shall be paid out of money provided by Parliament for the purpose. The plan shows that it is proposed that the terminus shall not be on the port side of the town, as was previously necessary because of Kingston being a shipping port, but at a point completely convenient for the traffic that will go on the new line when the broadening of the gauge is complete.

Mr. FRANK WALSH secured the adjournment of the debate.

LAW OF PROPERTY ACT AMENDMENT BILL.

Second reading.

The Hon. B. PATTINSON (Minister of Education)—I move:—

That this Bill be now read a second time.

The Bill relates to a technical matter, namely the application of the law known as the rule against perpetuities to funds established for the purpose of providing pensions and other benefits for employees. The rule against perpetuities is an old rule of English law based upon consideration of public policy. Its object is to discourage dispositions of property under which the vesting of the property in ascertained persons is postponed for an unreasonably long time. The rule is usually explained as laying it down that every future estate or interest in property must be such that at the time when the instrument creating it comes into operation it can be predicted that the estate or interest must necessarily vest during the life time of a person in existence at the time of the creation of the estate or interest, or within twenty-one years thereafter. For the purpose of the rule an interest is not regarded as having become vested unless the person entitled to it is ascertained and in existence, and the amount of the interest is ascertained, and all conditions precedent to the person's claim have been fulfilled.

It is apparent that many of the interests created by employees benefit schemes do not comply with the rule against perpetuities. Numerous schemes provide for future employees some of whom perhaps are not born when the scheme commences. It therefore often happens that neither the identity of the persons entitled to benefits nor the amount of the benefit for particular individuals will be ascertained during the period allowed by the rule against perpetuities. The result of violating the rule against perpetuities is that the interest sought to be created is void and unenforceable.

Section 401 of the Companies Act deals with this difficulty so far as it arises in benefit schemes for employees of companies formed and registered under the South Australian Companies Act. The section, however, does not apply to overseas or interstate companies operating in South Australia nor does it apply to schemes created by individuals or partnerships. Experience has shown that it is desirable to have a general law exempting employees' benefit schemes from the operation of the rule against perpetuities and the Government has, after considering the legal position and requests made to it, decided to bring down a Bill on the subject.

In 1927 an English Act was passed for the same purpose, but it also provided for the registration of employees' benefit schemes and only granted exemption from the rule against perpetuities for registered schemes. There does not appear to be any need for registering schemes in this State nor for limiting this Bill to registered schemes. The Bill applies generally to all employees' benefit schemes falling within the definition in clause 3. It will be seen that the definition of "benefit scheme" is wide and includes not only schemes for pensions and retiring allowances, but to schemes for long service leave and payments based on service and schemes for scholarships and payments on death, sickness or incapacity.

In addition to dealing with the rule against perpetuities, the Bill also exempts benefit schemes from the laws restricting accumulations of income. These laws, often called The Thelusson Act, were passed in England in 1800 and became part of our law on the foundation of South Australia. They are now set out in section 60 of the Law of Property Act. Their effect is to prohibit settlors and testators from creating trust for the accumulation of income for a longer period than one of the four periods mentioned in the Act, namely—(*a*) the lifetime of the settlor; (*b*) twenty-one years from the death of the settlor; (*c*) the minority of any person living or *en ventre sa mere* at the death of the settlor; or (*d*) the minority of any persons who would if of full age be entitled to the income if accumulated.

If the accumulation of income is directed for any other period, the direction is void. It is possible that some employees benefit schemes may contravene the accumulation laws, but it appears desirable that they should not be void for this reason. The Bill accordingly provides that such schemes shall also be exempt from the laws restricting accumulations of income.

Mr. DUNSTAN secured the adjournment of the debate.

MARINE STORES ACT AMENDMENT BILL.

Second reading.

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

That this Bill be now read a second time.

The Marine Stores Act provides that marine store collectors and dealers are to be licensed.

Part II of the Act provides that every dealer—that is, a person engaged in buying and selling marine stores is to be licensed by a local court to carry on his business at the premises specified in the licence. Licences continue in force until the 31st December next after their issue. Section 10 provides that an applicant for the issue or transfer of a dealer's licence is to give notice in writing of his application to the clerk of the local court and to the Commissioner of Police. It is provided that the Commissioner or any person authorized by him may show cause to the court against the granting of the application. The Municipal Association has suggested that, in view of the fact that dealer's premises can cause unsatisfactory conditions in a neighbourhood, the council of the area in question should also be given notice of an application for a dealer's licence and should have the power to show cause to the court against the granting of the application.

Clause 2 of the Bill amends section 10 accordingly and provides that notice is to be given to the council by the applicant and gives the council the right to appear before the court and oppose the application.

A further drafting amendment is made by the clause. Section 10 now provides that the fee for a dealer's licence is to be £1 but in November, 1927, this fee was increased to £3 3s. by a regulation under the Fees Regulation Act. Clause 2 substitutes £3 3s. for £1 in section 10. This amendment does not alter the law but it is obviously desirable that the section in question should state the actual law on the subject and not that in force before 1927. Honourable members will see that the amendments are non-contentious.

Mr. FRED WALSH secured the adjournment of the debate.

SECOND-HAND DEALERS ACT AMENDMENT BILL.

Second reading.

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

That this Bill be now read a second time.

The amendments put forward in this Bill have been recommended by the Commissioner of Police with the intention of eliminating two difficulties which have arisen in the administration of the Act.

Clause 3 amends subsection (1) of section 6 and provides that an applicant for a second-hand dealers' licence shall submit a certificate of character in the prescribed form signed by two reputable householders residing in the city, town, township or district wherein the applicant resides or wherein he proposes to carry on business. Under the present section the applicant has to present a certificate signed by householders residing in the city, town or township wherein he proposes to carry on business. Experience has shown that this is sometimes impossible and often difficult to obtain because the applicant is not known in the district wherein he proposes to set up his business. The amendment will allow the certificate to be signed by persons who know the applicant's general reputation in the district wherein he resides, and should overcome the difficulties encountered in the past.

Clause 4 amends subsection (1) of section 21 and provides that a second-hand dealer must mark all goods bought or received with

a number corresponding to the entry in the purchases book relating to such goods. This will enable the dealer and the police to readily identify goods and will save all concerned a good deal of time and effort. Many dealers already mark their goods in the suggested manner and the amendment will enable the practice to be enforced throughout the second-hand dealing business. Honourable members will again see that the amendments are of an administrative nature. I commend them to the House.

Mr. HUTCHENS secured the adjournment of the debate.

ADJOURNMENT.

At 8.45 p.m. the House adjourned until Thursday, September 18, at 2 p.m.