

**HOUSE OF ASSEMBLY.**

Thursday, September 25, 1958.

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

**QUESTIONS.****BROKEN HILL ORE TRAFFIC.**

Mr. O'HALLORAN—Following on the announcement of the rather severe restrictions on the importation of lead and zinc into the U.S.A. I wonder whether the Railways Commissioner has had an opportunity to assess the effects, if any, that this will have on the ore traffic between Cockburn and Port Pirie, and particularly whether it will endanger the employment of railwaymen engaged on that line. Will the Minister of Works get the information from the Minister of Railways as soon as possible?

The Hon. G. G. PEARSON—I will get a report for the honourable member.

**CIVIL DEFENCE.**

Mr. COUMBE—For some years a senior member of the Lands Department, Mr. Johnson, acted as liaison officer between the South Australian Government and the Commonwealth authorities in connection with civil defence. Unfortunately he died a few months ago. Can the Premier announce whether a successor has been appointed and his name, and if no appointment has been made will Cabinet take up the question fairly promptly?

The Hon. Sir THOMAS PLAYFORD—An acting appointment was made almost immediately after Mr. Johnson's death. The question of a permanent appointment is being considered at present. In due course I will inform the honourable member of the position.

**TRAMWAYS TRUST TAXATION.**

Mr. FRANK WALSH—Has the Minister of Works a reply to the question I asked recently relating to the rating of land owned by the Tramways Trust on Adelaide Road in the Parkholme Estate?

The Hon. G. G. PEARSON—I have from the manager of the Tramways Trust a report of some length, in which he says that under its Act, as the honourable member is probably aware, the trust is not subject to special or local taxation, but that does not mean that it is unwilling to contribute to local rates, and the report suggests that the matter be considered. I have not had an opportunity to discuss this matter with Cabinet so I prefer to leave

the reply at that stage until Cabinet has considered the advisability or possibility of the trust making a contribution to local rates.

**HIRE-PURCHASE CONFERENCE.**

Mr. JENKINS—Has the Premier any further information to give the House on the proposed conference of State Premiers on hire-purchase business?

The Hon. Sir THOMAS PLAYFORD—No. I have had no further communications from the Premier of New South Wales since the one to which I replied in the affirmative.

**CANCER CURE.**

Mr. BYWATERS—The following is an extract from an article which appeared in the *Sunday Mail* of last week under the heading "Hopes in South Australian tests for drugs to cure Cancer":—

Adelaide scientists are taking part in world-wide research to find drugs to cure cancer by the simple method of injections or pills prescribed by the local doctor. Such cures may be only five years away, or they may be 25 years, but cancer research scientists firmly believe they are on the trail.

Further on the article points out that the South Australian toll of deaths from cancer last year was 1,129, but it does not say how many people are suffering from this dreaded complaint. Will the Premier ascertain whether cancer is a notifiable complaint for the purpose of keeping statistics to assist the research work generally, and does the Government consider that adequate finance is being provided for cancer research in view of the scientists' report that a cure may be found within the next few years?

The Hon. Sir THOMAS PLAYFORD—I ask the honourable member to put that question on the Notice Paper, as it deals with policy.

**URANIUM CONTRACTS.**

Mr. GOLDNEY—In yesterday's *Advertiser* appeared a comment by Senator Spooner on a report by Professor Oliphant that the over-supply of uranium throughout the world dimmed Australia's uranium future, and that Rum Jungle would close down in a year or so. Senator Spooner stated that the future of uranium production in Australia was governed, like the future of other commodities, by the world position of supply and demand, and that when contracts had been completed there would still be enough uranium in reserve to ensure Australia's future requirements for uranium until at least 1980. In view of the statements can the Premier say how long it

will be before South Australia's contracts with the United Kingdom and the U.S.A. for the supply of uranium oxide will be completed?

The Hon. Sir THOMAS PLAYFORD—The South Australian contracts were entered into for a period of seven years, which means that they have a little over four years to run. It was considered by the State Government, and I think that was confirmed by members generally, that it would not be a good thing to enter into contracts that would completely strip the State of its uranium resources, because in the future South Australia would probably require uranium. Under the seven-year contracts the cost of the establishment will be completely amortized. If we desired to sell our uranium then, we would be in a position to enter into strong competition with any country in the world, because the complete capital cost of establishment of the field would have been amortized. The next step in this State will probably be to put some additional work into the uranium treatment plant at Port Pirie to bring our fuel up to reactor standard, so that it would be capable of being used in a reactor without further treatment.

#### PETROL PRICE AT MOUNT GAMBIER.

Mr. RALSTON—For some time private car owners, people engaged in primary production and industrial works using petrol, power kerosene or distillate have been concerned at the prices permitted to be charged in Mount Gambier under price control, as fixed by the Prices Commissioner. I understand that in ascertaining a just price for these essential commodities the principle used is to take the landed cost at a freight free port—in this case Port Adelaide—and add the permitted margin of profit plus a freight differential, being the cost of delivery to country centres or towns based on the distance from Port Adelaide. I believe the freight differential to Mount Gambier, based on a distance of 300 miles from Port Adelaide, is 4½d. a gall. From my information, the main gallonage of these inflammable oils—between 80 and 90 per cent of the total—comes from Portland, Victoria, another freight free port approximately 70 miles from Mount Gambier. It would appear that under these circumstances the oil companies concerned would not use to any great degree the transport facilities provided by the South Australian Railways for the delivery of inflammable oils to Mount Gambier. I have made a comparison between prices permitted at Mount Gambier and at other towns within 100 miles

of Port Adelaide, which I understand is the only freight free port in this State. From these investigations it would appear that a reduction of at least 2d. a gallon in Mount Gambier is warranted for fuel consumed by people residing at or within a radius of 20 miles of Mount Gambier. On the figures supplied to me, which I believe to be reasonably accurate, this reduction would mean a saving of between £3,000 and £4,000 a month to these consumers. Will the Premier request the Prices Commissioner to fully investigate the freight differential applying in Mount Gambier and report to the House as soon as possible?

The Hon. Sir THOMAS PLAYFORD—Fuel coming from Victoria is not under price control, and its selling price is a matter that is determined by the seller. This Government has no control over petrol landed at Portland; the costs we are regulating are the costs for fuel that comes from Port Adelaide. However, I will have the matter investigated, and report to the honourable member.

#### MAIN NORTH ROAD TRAFFIC BOTTLENECKS.

Mr. HEASLIP—On the Main North Road, in the towns of Clare and Gawler, there are two bottlenecks. Vehicles are virtually slowed to a walking pace at some times during the day, and at others stopped altogether. As a result, a great deal of the traffic has been diverted to the Port Wakefield-Snowtown Road, but these two bottlenecks still remain. Will the Minister of Works ask the Minister of Highways whether anything can be done to bring about ranking of motor vehicles in these two towns, which would give more room for traffic to go through, or divert traffic from the main streets to allow a flow of traffic through those areas?

The Hon. G. G. PEARSON—I will refer the matter to my colleague and get his advice thereon.

#### SEWERAGE REGULATIONS.

Mr. LOVEDAY—Can the Minister of Works give a reply to a question I asked recently regarding the printing of sewerage regulations?

The Hon. G. G. PEARSON—The Engineer-in-Chief has informed me that the sewerage regulations have not been printed because, through various difficulties in the department, mainly pressure of work and staff difficulties, it has been impossible to finalize their re-drafting, and it will be at least another eight to 10 weeks before the final draft can be completed.

**DIESEL RAILCAR RUNNING COSTS.**

Mr. HUGHES—Will the Minister of Works ascertain from the Minister of Railways the cost per mile of fuel and the cost per mile of maintenance in the normal running of a diesel 250-class railcar?

The Hon. G. G. PEARSON—I shall try to get the information.

**REDUCED RELIEF PAYMENTS.**

Mr. HUTCHENS—It has come to my notice that some payments made by the Children's Welfare and Public Relief Department have been reduced. An officer of the department told me that the reduced payments, of up to 17s. 6d., were the result of a new scale brought out by the department. Can the Premier give particulars of the new scale, or obtain them?

The Hon. Sir THOMAS PLAYFORD—Yes. This matter has been causing the Government considerable thought. Senior officers have advised the Government that many payments that should not have been made have been made, and numerous mistakes have occurred because of the various methods of giving relief by Commonwealth and State Departments. The matter has been receiving considerable attention, but I am not sure that we have the answers to all the questions yet because, where a number of authorities give various types of relief, it is difficult to keep a constant check to see that there are no duplications. However, I will endeavour to obtain the information the honourable member desires. The Government does not provide unemployment relief; it provides relief for necessitous cases, and that is a much more difficult problem. Whereas the Commonwealth has a rule that before obtaining relief a person must be unemployed for a certain period, and must be registered, which enables a check to be made, the State, which provides urgent assistance, finds it more difficult to make a check.

**SCHOOL BROADCASTING EQUIPMENT.**

Mr. FRED WALSH—My attention has been drawn to the following notice published in the *Education Gazette* of April last, headed "Subsidies for School Broadcast—receiving equipment":—

The only wireless or amplifying equipment that the department will subsidize is that which complies with specifications officially prepared.

Then there is a long list without mentioning the specifications. I think the department should supply specifications, as I am led to

believe that there is now only one make of set, namely, Philips, which complies with the original specifications laid down by the department. It is considered that these regulations are now much out of date. Will the Minister of Education have the regulations reviewed and brought up to date if necessary so as to conform to present-day circumstances and have the changed conditions, if any, published in the *Education Gazette* as early as possible?

The Hon. B. PATTINSON—Yes.

**BRAKES ON RAILCARS.**

Mr. O'HALLORAN—Last Sunday an unfortunate accident occurred at a level crossing near Strathalbyn, and one part of the report in the *Advertiser* stated:—

The railcar, the braking system of which was damaged in the smash, travelled for another two miles before stopping.

Is it a peculiarity of railcars that when the primary braking system is damaged they have to roll on until coming to rest naturally? As these railcars are used frequently on various lines, will the Premier ascertain whether that assumption is correct or whether there were any peculiar circumstances associated with the accident last Sunday?

The Hon. Sir THOMAS PLAYFORD—I agree with the Leader that if this report is correct it is a matter that should receive urgent attention. I will see that it is taken up with the Railways Commissioner forthwith and get a report.

Mr. Quirke—Will the Premier investigate the possibility of fitting diesel railcars with exhaust brakes?

The Hon. Sir THOMAS PLAYFORD—I will get a full report.

**SOLDIER SETTLEMENT.**

Mr. GOLDNEY—Can the Minister of Repatriation say how many soldier settlers have been placed on the land in South Australia under war service land settlement since the end of World War II?

The Hon. C. S. HINCKS—By about the middle of this month 1,000 settlers had been placed on the land, and I should say the total now would be about 1,005. Over 1,200 have been assisted financially to get on the land, and over 90 per cent of the land that has been developed was either virgin or semi-virgin country, so this settlement is a great asset to the State.

### STEEL SUPPLIES.

Mr. BYWATERS—A man in Murray Bridge recently started making steel springs for motor cars and trucks, and he has been of great help to people working on reclaimed lands because he is prepared to work during weekends to make springs for them when they have break-ages so that they can keep on working during the week, but he is finding great difficulty in getting steel. He has only just started this work and I suppose he has not the right connections. He requires autoflex steel. I ask the Premier to ascertain whether there are any means of his getting steel to assist a country industry.

The Hon. Sir THOMAS PLAYFORD—I think the reason given by the honourable member is substantially correct. In the past three or four years a number of firms have approached me for assistance to get autoflex steel, and I had much difficulty on one or two occasions in getting certain sizes. If the honourable member will give me the name of the person concerned and the sizes of the steel required, I will see whether it is possible to find where supplies can be obtained. That type of steel is only rolled infrequently and it is not always possible to get a full range of sizes. I should also like to know the name of this man's normal supplier because, when we have found the stocks, they will probably have to go through him.

### BUILDING CONTRACTOR'S BANKRUPTCY.

Mr. STOTT—One of my constituents engaged a contractor to build for him, but after two rooms of the home had been erected he was afraid the bank would not advance money because of poor workmanship and the building was stopped for this reason. Subsequently the court brought in a verdict against the contractor and in favour of my constituent to the extent of I believe about £700. The contractor had sublet portion of the contract to another man involved in this case, and the subcontractor obtained a verdict against my constituent for about £600. The trouble is that the contractor, against whom this man secured a judgment, has gone bankrupt and as a result my constituent is in a most embarrassing and invidious position because he is unable to meet the claim the court awarded against him to the subcontractor. Almost any individual could be embarrassed if caught in such circumstances. I know that a question of law is involved, but will the Premier ascertain from the Crown Law Department whether

there is any means, in such unusual circumstances, of obviating hardship to a person because of the bankruptcy of another?

The Hon. Sir THOMAS PLAYFORD—I think the honourable member will realize, on reflection, that it would be impossible for the Crown Law Office to advise on all cases involving legal problems because it is not sufficiently large nor is it fitted to undertake such work. If he could supply me with the names of the persons concerned and the date of the case I will ascertain whether there is any fundamental weakness in our present laws requiring action by this Parliament. I cannot undertake to advise people on their personal legal problems.

Mr. Stott—I am asking whether we can amend the law to prevent such hardships as I have outlined.

The Hon. Sir THOMAS PLAYFORD—If the honourable member will supply me with the relevant information I will have it examined to ascertain whether it is necessary to amend the law or, if none exists at present, to introduce a law.

### LINES ON ROADS.

Mr. FRANK WALSH—Has the Minister of Works a reply to my recent question concerning line markings on certain roads?

The Hon. G. G. PEARSON—The Minister of Roads reports that the piece of road mentioned by the honourable member is under the jurisdiction of the Adelaide City Council and he suggests that the honourable member's inquiries in the first instance be addressed to that body. I think the honourable member might adopt that suggestion.

### AUDITOR-GENERAL'S REPORT.

The SPEAKER laid on the table the Auditor-General's report for the year ended June, 30, 1958.

Ordered to be printed.

### OIL REFINERY (HUNDRED OF NOAR- LUNGA) INDENTURE BILL.

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

That the Speaker do now leave the Chair and the House resolve itself into a committee of the whole for the purpose of considering the Oil Refinery (Hundred of Noarlunga) Indenture Bill.

Motion carried.

In Committee.

Clauses 1 and 2 passed.

Clause 3—“Ratification of Indenture.”

Mr. O'HALLORAN—This is a hybrid Bill which was referred to a Select Committee. That committee considered the Bill and took evidence from many witnesses whose interests may or may not be affected. It has reported to the House that in its opinion the establishment of the oil refinery will be advantageous to and will benefit the economy of the State and recommends that the Bill for the ratification of the Indenture be passed without amendment. I accept the committee's recommendation but would like clarification of two points. Firstly, clause 5 (d) of the Indenture provides that the State shall—

construct and maintain a railway connecting the refinery with the South Australian railway system;

There has been some difference of opinion as to the route such railway should take and the committee has recommended that it be referred to the Public Works Committee for determination. I would like the Premier's assurance that that is not likely to involve us in any argument with the Standard-Vacuum Oil Company, which may desire a route different from that recommended by the Public Works Committee.

I understand that certain oil companies were concerned at the preference expressed in clause 13 of the Indenture, which states:—

The State in purchasing stores for use by the Government and Governmental authorities shall in accordance with the policy of the Government to give preference to goods manufactured within the State give preference to products of the refinery offered for sale by Vacuum Oil Company Proprietary Limited.

I believe the Vacuum Oil Company Proprietary Limited is, in fact, associated with the Standard-Vacuum Oil Company. Big international companies often have different names in different countries. The Opposition does not disagree with preference being given to local industries because that has been the practice of Governments for many years. Can the Premier enumerate the principle that is applied in determining the measure of preference to be given, and indicate whether there is any possibility of a further disagreement because of the distributing company having a different name from that of the refining company?

The Hon. Sir THOMAS PLAYFORD (Premier and Treasurer)—Regarding the first question, when the negotiations were in progress the company expressed a desire for rail communications because of the large number of by-products that would go to the country, and it was a way in which we could assist the

Railways Department to maintain its valuable trade. Two routes were possible. Route No. 2 was less costly to construct, although more costly to run on a per annum basis. When representatives of the company were before the Select Committee they were shown the report of the Railways Commissioner on this matter, and on being asked whether they had any preference they mentioned route No. 1, which incidentally is the one recommended by the Railways Commissioner, and which the Select Committee feels should be referred to the Public Works Committee. It was never intended under the Indenture that public works would be undertaken without being reported on by that committee. It has been suggested that the matter be considered by the committee because that is the proper body to inquire into public works. The suggestions are acceptable to the oil company, and they are better from the company's point of view than those originally discussed, because they involve it in less costly transportation.

Regarding the second question, the establishment of an oil refinery in South Australia has been held up because oil consumption has not been sufficient to cope with the production of a refinery. The State is only now reaching the stage where it can economically make use of that production. At various times more than one company has negotiated for the establishment of an oil refinery in South Australia, and one of the first questions asked is, “What will be the policy of the Government in getting its fuel supplies?” I was not instrumental in introducing the policy—it was introduced when times were difficult—but the Supply and Tender Board gives a preference in cash in connection with tenders from firms which produce locally. I would not recommend that in this matter we give a cash preference because in connection with electricity undertakings it would mean a greater electricity cost and there could be many repercussions. It was made clear to the company that we would give a preference to the distributing company provided all things were equal. If tenders were called for fuel oil and two companies tendered at price of £6 10s. a ton, and quality, distribution and service were the same, the Vacuum Oil Company, because it supplied from a South Australian refinery, would get preference. This does not go as far as we go with other commodities manufactured in South Australia, where a cash benefit is given. It is only when things are equal that a preference will be given in connection with the oil refinery. The preference will apply to the completely-owned

subsidiary company operating the refinery. The Select Committee obtained from Sir Edgar Bean a statement of the legal obligations associated with the preference. In association with the legal advisers of the company Sir Edgar framed the Indenture, and he is therefore highly qualified to say what is involved in it. The evidence tendered to the Select Committee has not been printed, although the report has. From the statement by Sir Edgar members will see that we are not involved in any legal commitments.

Mr. Stott—What do you mean by legal commitments?

The Hon. Sir THOMAS PLAYFORD—Exactly what I said. Sir Edgar's statement was as follows:—

Clause 13 of the Oil Refinery Agreement says:—

The State in purchasing stores for use by the Government and Governmental authorities shall in accordance with the policy of the Government to give preference to goods manufactured within the State give preference to products of the refinery offered for sale by Vacuum Oil Company Pty. Ltd.

This clause is based on the assumption that the Government has a policy of giving preference to goods manufactured within the State, and says, in effect, that for the purpose of that policy, products of the refinery will be treated as goods manufactured within the State, and will get preference. The clause negatives any suggestion that refining imported oil in the State is not a local manufacture.

The question may arise whether the clause means that the products of the refinery must get preference in accordance with the policy existing at the time of the Indenture, or in accordance with whatever policy may be adopted from time to time. In my opinion it means the policy existing at the time when the products of the refinery are offered for sale. In other words, if the Government of the day has a policy of preference, that policy should apply in accordance with this clause.

Members will see that in this respect the Government has not given any concession to the company that it would not normally give to any company existing in South Australia: in fact, it has not given as much preference as it has given to every other company operating in this State for the last 40 years. I think that will clear up any problem that may arise in this matter. As the Leader of the Opposition, whose job it normally is to criticise Government policy if he feels it is wrong, said that we have a right to protect our own workmen, I do not propose to debate that matter here today. The select committee went very fully into this matter, and unanimously recom-

mended that this clause is not unreasonable, and should be accepted.

Mr. STOTT—I think the explanation given by the Treasurer on the matter of preference should be accepted. I think it means that if the product is satisfactory at the time of sale, preference shall apply, and the company will then supply about 25 per cent of the State's oil requirements, which is a considerable percentage. I do not know how this will affect other companies. Has the committee considered that point, and was it satisfied that other companies will not be unduly affected? Clause 5 (e) of the Indenture provides that the State shall provide, on fair and reasonable terms, electricity up to a maximum load of 10,000 kilowatts and steam not exceeding 150,000 lb. an hour; section 5 (f) provides that the State shall arrange for a supply of fresh water not exceeding 2,000 gallons a minute on terms and conditions fixed under the Waterworks Act. Can the Premier state what the electricity charge and the water rate will be? Is there any concession?

The Hon. Sir THOMAS PLAYFORD—The rate for electricity will be the current rate charged to every consumer of this size in the State; there is no preference or reduction. As members know, under the schedule of electricity charges the cost per unit decreases as consumption increases. There is no concession in the price to be charged for water, which is fixed on the same basis as for every consumer in the metropolitan area. From the evidence given by the Engineer-in-Chief, it appears that this will be one of the few undertakings from which the State will make a profit in supplying water. No concessions will be granted in the supply of water or power or in any other way.

Mr. SHANNON—I have listened to the explanation that the distributing company, as well as the manufacturing company, will enjoy benefits. I want it clearly understood that the concession is granted, not to the oil refinery as such, but to a subsidiary—Vacuum Oil Co. Pty. Limited. It could be argued that for all practical purposes they are one and the same, but I have some doubts whether that argument could be justified. The companies distributing fuel for local consumption will draw supplies from the refinery, because it will be the cheapest possible source. Obviously, if they brought in refined oil, the transport cost would make it dearer than the locally refined product. This committee is invited to grant to one distributing agent approximately

25 per cent of the South Australian market as its first source of deliveries. That is a big advantage to give to the Vacuum Oil Company. Australia had an interest in C.O.R., which I now believe is known as British Petroleum, and that company is operating in this State.

Mr. O'Halloran—We had an interest in it until your Federal Government sold it.

Mr. SHANNON—I have still some patriotic interest in British Petroleum, which distributes fuel in South Australia. I believe this company will be buying fuel from the Standard-Vacuum refinery.

Mr. Hambour—That is only an assumption.

Mr. SHANNON—I think it is a pretty fair one. As a rule, an assumption is based on some evidence, on some other cases of like nature. Refineries have been established in other States and fuel is delivered to other companies distributing fuel, for that is cheaper than getting it from other sources. The Bill proposes giving preference in Government contracts to Standard-Vacuum, but other companies have invested millions of pounds in establishing their industries in this State. This problem arose in Western Australia, and I understand that refined fuel was brought into the State to the detriment of the local refinery at Kwinana. I believe the Bill will have the result of establishing a set of circumstances that will encourage companies other than Standard-Vacuum to seek other sources of refined fuel, for they will be denied 25 per cent of the South Australian market. That will result in less fuel being refined in our own refinery. We are not giving preference to the oil refinery, but to a subsidiary of it, though I realize that it is difficult to alter an Indenture once it has been agreed to by the parties. It would be wise to delete "Vacuum Oil Company Proprietary Limited" from clause 13 of the Indenture and insert "Standard-Vacuum Refining Company (Australia) Proprietary Limited." In clause 14 we should delete "Vacuum Oil Company Proprietary Limited" and insert "it." Then we would not be giving preference to one distributing company, but to supplies from the Persian Gulf. Our chief concern is to get a refinery established to deliver fuel for local consumption and also to have by-products available for the establishment of big subsidiary industries. Government preference should be given to companies taking oil from the refinery, not to the firm delivering it.

The Hon. Sir THOMAS PLAYFORD—The honourable member's suggestion was

placed before the Select Committee by certain oil interests, so it has been considered by the Select Committee. The first point to consider is whether it is fair and reasonable to give oil company A preference despite the fact that great capital expenditure will be incurred by oil company B, and the Select Committee did not think it was. South Australia's main concern undoubtedly is to get the refinery established, and clause 2 of the Indenture says that if the Bill is not passed before January 1, 1959, the Indenture will not come into operation. The suggestions put forward by the member for Onkaparinga would negative a signed agreement.

Mr. O'Halloran—We might as well reject the Bill.

The Hon. Sir THOMAS PLAYFORD—The proposal of the member for Onkaparinga would mean a complete rejection of the proposal. Standard-Vacuum was far from being the first company to consider establishing an oil refinery here. The Indenture does not give as much preference to this company for Government contracts as all other manufacturing companies in this State have enjoyed for years. Standard-Vacuum has never been a distributing company in South Australia. It markets its fuel through its own distributing company, which is Vacuum Oil Company Pty. Ltd., and through Atlantic Oil Co. Ltd., in other States. I understand the question of what will be the controlling authority of the refinery has not yet been determined. Another South Australian company may be established to control it, or it may be merged with the Victorian company that controls Altona. Provision is made in the Bill for the agreement to be carried out by some other party, though Standard-Vacuum will be responsible for its performance. The Indenture contains a provision whereby this agreement can be taken over by another subsidiary of the company. The Standard-Vacuum Oil Co. is not relieved of the responsibility of doing the job. I do not know which authority will control this, but that is of little importance. The main thing is that we get a refinery. Mr. Riches personally examined the situation in Western Australia and he secured a written document from the member for Fremantle, in whose district Kwinana is situated, setting out the advantages that would accrue under our agreement as compared with the Western Australian agreement.

Mr. HAMBOUR—Clause 13 of the Indenture indicates that the company concerned with the

establishment of the refinery seeks the profit on manufacturing and on distribution in return for that refinery. They are the conditions it is laying down and which we are accepting. Mr. Shannon suggests the company should be given the manufacturing profits and that the distribution should be handled by various oil companies. I think it is understandable that the company which invests its money should have some say as to who shall derive the fruits of that investment and I can see no fault in it wanting the manufacturing and distributing profits. The question of bringing petrol into this State from other countries was answered by the member himself when he said that the other companies would prefer to buy their products here because it would be more economic. I only rose to speak to let Mr. Shannon know that I do understand the meaning of clause 13.

Mr. STOTT—It is essential that members should have a clear understanding of the meaning of the Indenture. Clause 11 of the Indenture states:—

11. (1) Petroleum products produced at the refinery and transported by sea to Port Adelaide will not be chargeable with inward wharfage at that port unless harbour works and facilities additional to those in existence at the time of the execution of this Indenture are provided at that port by The South Australian Harbors Board and are used for unshipping or landing such products.

If such facilities are so used, wharfage charges appropriate to the amount expended by the said Harbors Board on the provision of such additional facilities will be payable.

(2) Petroleum products produced at the refinery and transported by sea to Port Pirie, Port Lincoln or any other South Australian port (except Port Adelaide) shall be chargeable with inward wharfage at that port at the rate for the time being in force (7s. 6d. per ton at each port at the time of the execution of this Indenture).

I do not know whether the company has its own bulk facilities at Port Pirie and Port Lincoln. If not, will it use the bulk facilities provided by other companies? Apparently residents on Eyre Peninsula will have to pay 7s. 6d. a ton for wharfage for petrol from this refinery, whereas residents of the metropolitan area will not. Can the Premier indicate why there are additional charges at Port Lincoln, Port Pirie and other outports?

The Hon. Sir THOMAS PLAYFORD—This clause is designed to retain a strict equality with existing conditions. There is provision in the Indenture that in the event of the Birkenhead depot being closed the company will have to pay an additional 3d. wharfage.

The companies that decide not to use this refinery will not be at a disadvantage compared with the companies that do. Treasury officials carefully considered this matter and the balance has been maintained. I assure the honourable member that it does not alter the existing rates for outports or in any way interfere with existing installations at outports.

Mr. RICHES—As a member of the Select Committee I went to Western Australia, taking with me a copy of this Bill and Indenture. I asked for comment from members of Parliament who had a knowledge of the Western Australian agreement and I returned with a written statement, which has been incorporated in the minutes of evidence of the Select Committee, from the Hon. Joseph Sleeman, member for Fremantle, in whose district the Kwinana oil refinery has been constructed. It is as follows:—

The Oil Refinery Act of South Australia seems a very reasonable agreement. South Australia certainly did not have to buy it while Western Australia paid dearly for Kwinana which provided no charges for wharfage or port dues for tankers coming and leaving Cockburn Sound. The Government loses a lot of this. The Government also has to provide pilots free for tankers entering and leaving. A big charge on the Government.

South Australia. Although the port will be established and maintained by the company it will still pay port dues for using it. The Government collects wharfage on imported petrol and if no wharfage were charged on imported crude oil the establishment of a refinery would result in a large loss to the Government. This is what happened in Western Australia. Pilotage costs South Australia nothing as they having exempted tankers coming and going to the refinery from having to have pilots aboard. South Australia does not give the company any easement over private land. If these are required company will buy them. The company will be liable for up to £10,000 for rates. While Western Australia gave them the land for a song and they will only be liable for rating purposes on the unimproved value. Western Australia. And through a mistake in the drawing of the agreement Kwinana people can bring in refined cargoes without any charge the same as they do for crude oil cargoes. I cannot see any reason to regret the agreement South Australia has made with the company.

In Western Australia Kwinana was bringing in refined products under the agreement and refusing to pay wharfage charges. Mr. Shannon is correct in drawing attention to the preference given under clause 13. I believe preference should be given to the Vacuum Oil Company if prices and qualities are equal. If the companies continue to operate as they have in the past, when the price of their products



was apparently determined among themselves, then some preference must be given under the terms of the agreement to the Vacuum Oil Company. That, as far as I can determine, is the price South Australia is paying for the refinery. It is not going to cost the people anything. I consider the agreement is a good one and propose to vote for the Indenture. However, there are one or two matters which should be examined. In any legislation of this nature I do not like provisions which are to operate in perpetuity. Whilst at present the company has agreed to pay the District Council of Noarlunga £10,000 annually as rating, which seems to be a large amount, currency values can alter and it could well be that in 20 years this amount would be regarded as less than reasonable. I would hesitate to insert a provision that is to stand for all time without any possibility of review.

Mr. Fred Walsh—It was done as the result of negotiation with the council.

Mr. RICHES—I understand it was a matter between the Government and the company.

The Hon. Sir Thomas Playford—The council was consulted.

Mr. RICHES—On present-day values it would appear that the £10,000 is a generous contribution, but there would be no harm in providing for a review after a number of years. In future we ought to avoid asking members to vote on a matter without having the minutes of evidence available. It does not give them an opportunity to determine the effect on the people. There will be no time to give this matter the necessary examination, because it is being rushed through. I do not like the Indenture having to be agreed to by both Houses before the end of the year and to be told that if it is not agreed to it will not operate. That may be the way big business is conducted but it does not appeal to me. The other oil companies take strong exception to clause 13 of the Indenture. They told the Select Committee they would withdraw their business from the railways and they made strong recommendations of which members should have full knowledge. As it is, members will have to take the word of the Select Committee members, who feel that all companies had the same opportunity as the Vacuum Oil Company and that it is a preference normally given by the Government when dealing with tenders. The agreement is a good one and I support it.

Mr. SHANNON—If what I suggested were adopted it would not be detrimental to this

State in the establishment of a refinery. Mr. Riches said that the price South Australia has to pay for its establishment is the giving of a preference to one firm, and that may not be too high a price. Mr. Riches admitted that the other companies complained that the preference was not justified and I am inclined to believe that, but it is a South Australian refinery, and although the company is finding the money for its establishment it is a big thing to say that in consequence the company should get a concession.

At present the Public Works Committee is examining a proposal for improving facilities for shipping oil through Port Lincoln. The Shell Company is the only company taking bulk oil into that port, but not the only company distributing oil there. All the white oil goes to Port Lincoln in Shell tankers. About eight tankers half-loaded go to the port each year. There is a reciprocity between the oil companies. If that were not so and we had three times that number of tankers, each carrying only a third of the quantity, costs would increase tremendously. If we start a war between the distributing companies it may be a good thing for a time, but in the wash-up the distributors generally are worse off than when they started. I agree with Mr. Riches that big financial concerns know how to run their businesses. He also referred to the danger associated with changing money values and the fixing of charges in perpetuity. We have had to vary the royalty on iron ore obtained by the B.H.P. Company at Whyalla, mainly because of changing money values. We could move to the point where the fixed charges in the Indenture could be onerous and unfair and then Parliament would be asked to alter them, but if the boot were on the other foot I do not think we would hear about it. I want members to know that we give a definite preference in a restricted field. I will not move an amendment because I favour the establishment of a refinery in this State, and other members hold the same view. I think Mr. Riches had the same reaction to the preference as I did.

Mr. HEASLIP—I mainly support Mr. Riches' remarks. A thorough investigation was made by the Select Committee in connection with the establishment of the refinery and everybody had the opportunity to give evidence. Some people came twice and others three times. This is an Indenture between two parties and if we alter it in any way we shall not get a refinery. For years we have been trying to

get one here. Western Australia got one and Mr. Riches mentioned what was paid for it, but he did not refer to the many disadvantages associated with it. We will get a refinery free of cost to the State. The land on which it will be established is now worth about £100 in rates, but for it the company will pay £10,000 a year for all time. Naturally land values in the area will increase after the establishment of the refinery and subsidiary industries. Assessments will go far higher than they ever would if the refinery were not to be established, so we are not giving anything away. Practically all the other oil companies complained about the preference provided to this company by clause 13 of the Indenture, but that relates only to one-quarter of the total fuel sales to Government instrumentalities, provided the fuel is sold at the same price as other companies would sell it. This does not preclude another company from selling fuel to Government instrumentalities if it can do so at even a penny a gallon cheaper than this company. The Indenture is a good one, the benefits to the State will be immense, and the difficulties raised are small compared with the benefits that will be conferred.

Clause passed.

Remaining clauses (4 to 8), schedule and title passed.

Bill read a third time and passed.

#### BUDGET DEBATE.

In Committee of Supply.

(Continued from September 24. Page 907.)

Grand total, £73,413,000.

Mr. STOTT (Ridley)—Although I do not intend to speak at length, I wish to refer to one or two local matters, as the Budget debate provides an opportunity to put such matters before Ministers. The time table of railway services in my area makes it inconvenient for some producers to load stock on goods trains to meet the abattoirs markets. The goods train leaves far too early, and I know of one settler who has to load his stock by 6 a.m. If a farmer lives 10 or 12 miles from a siding, he must bring in his sheep the night before, with the result that they are an extra day in transit and not at the peak of bloom when they reach the abattoirs. I ask whether it would be possible for the Minister of Railways to alter time tables so that sheep could be loaded the same day as they depart, although I realize this could not be done at every siding over a long distance.

I am pleased that £100,000 is provided for a start to be made on the long-awaited Blanchetown bridge. I am also pleased that I have the support of the member for Murray on a matter that I raised in this Chamber many years ago—the bottlenecks on North Terrace near Bank Street. As some of the older members will remember, I suggested that instead of having the alignment of Bank Street further back, we construct a subway under North Terrace to the railway station. There is already a bottleneck in Bank Street, and this will become worse unless a subway is provided. The city is increasing tremendously in size, particularly with the growth of Elizabeth and other places in the north. Another highway through Elizabeth will be constructed, and that is necessary, but I have yet to learn of any plan to relieve congestion due to having only one north-south road—King William Street—through the city. This is wrong. We must have two separate north-south entrances to the city. I mentioned this several years ago, and although I do not know whether it has been considered, I have not seen any reports about it. I then suggested using Morphet Street as another north-south road, taking out the bridge, widening the road and making a deviation near Colonel Light's statue, using Ward Street, which is very wide, to take the traffic. This road could continue the other way through the Square, along Brown Street and diagonally through the park lands to Glenelg. The diagonal road through the park lands was mentioned in the overall plan submitted by the Town Clerk of Adelaide, but I would like to know whether he would like the road to go north over Morphet Street bridge in the way I have suggested, and so provide two north-south highways to meet the requirements of northern traffic. I urge the Government to give serious consideration to this problem before it becomes so great that it is difficult to deal with it.

When considering an alteration to the bridge at Morphet Street we must decide what to do with the railways. Judging by population increases, we must visualize an underground transport system, because it is obvious that the probable increase in population in 10 to 15 years' time will make the congestion so much worse that the streets will not be adequate for the traffic. I once suggested an underground electrical railway, but since then the Government has decided to use diesel electric railway cars, and has abandoned the idea of electrification. There was a proposal to electrify the Henley

Beach, Port Adelaide and Glenelg lines, and if an underground system were introduced the locomotives used would probably be diesel electrics. The extraction of fumes from the tubes would present a problem, but it would probably not be insuperable. If the problem could not be solved the railways would have to use electric locomotives.

Traffic on the South Road is increasing rapidly, and it will increase further when the oil refinery is established at Halletts Cove. The Highways Department has recommended cutting a tunnel through the hills near Darlington and providing another highway to Noarlunga. That is an excellent proposal, but no-one has provided a solution of the problem of getting rid of the traffic once it gets into Adelaide. Most traffic from the Main North Road and the South Road comes into King William Street, which will become a bottleneck in a few years. If Morphett Street bridge were replaced with a modern, wide bridge there would be an alternative highway through Adelaide. Traffic bound for the eastern suburbs could turn off at Waymouth Street, and traffic bound for the western suburbs would not have to pass through the centre of the city. I doubt whether the city council's proposal to extend Kintore Avenue to provide another outlet north of the city will be of much benefit, for traffic will still have to go along the Main North Road. Frome Road does not offer a solution of providing another main highway through the city because it cannot be continued south.

When the Adelaide railway station was built many years ago one member of Parliament likened it to the pearly gates of Heaven, but it does not meet present-day requirements. Elderly people have difficulty in walking up the steps or the ramp, and escalators such as those at Wynyard Station, in Sydney, should be installed. The Electricity Trust proposes taking its mains from Murbko south through Blanchetown and provide power for settlers along the river. The main will be taken through Swan Reach and further south towards Nildottie. This will encourage further irrigation settlement in areas with excellent soil. I hope the Engineering and Water Supply Department will soon examine the proposal to extend water mains from Bowhill towards Karoonda, thence south to Peake and Coonalpyn.

Mr. Bywaters—It was first put forward in 1924, and it would open up much country.

Mr. STOTT—Yes, and I hope the Minister will get his officers to examine the scheme.

I am worried about the scheme to supply water to Moorook. I understand the department proposes to bring water from the Woolpunda main, which serves a wide area south of Moorook, but in the summer the settlers there cannot get an adequate supply now. If Moorook is supplied from this source the farmers will be in even greater difficulties. The Moorook pumping station now supplies water to surrounding irrigation areas, and the Minister of Lands said it could not provide additional water for those on higher land. Why not increase the capacity of the Moorook pumping station and thus supply the Moorook township?

Recently the Minister, in reply to a question from me, said that the department was examining the question of providing additional permits to get water to Waikerie and Moorook settlers on the high lands. I have been hammering this question for a long time, and I hope the department will come to a decision soon and enable settlers on the high land to get a supply so that they can carry out their plantings. Some years ago it did not seem wise to increase production of citrus fruits and grapes, but New Australians are teaching us the value of the navel orange, particularly its excellent juices. Irrigation authorities agree that South Australia is the State best suited for the production of citrus fruits, and that was confirmed recently by the Bureau of Agricultural Economics. The main road from Callington to Alawoona needs attention. The East Murray District Council is not getting money spent within its area to maintain the road because the Highways Department proposes to put down a road following the railway line, but that may not be done for many years. The road from Loxton to Alawoona is being bituminized and the Highways Department should consider improving the road running through the areas under the control of the Karoonda and East Murray District Councils.

Is the Government aware that when a man is committed to prison and his wife is unable to care for his children, the children are committed to children's homes to which the Government pays no money for their support? Whilst the children are in the care of their mother, some form of relief is paid but as soon as they are committed to children's homes all relief ceases and the cost is met by charity. Why is it that whilst old folks' homes receive subsidies, no provision whatever is made by the Government to assist those homes that are catering for needy children and orphans? Is

the Government aware that frequently when the fathers are released from prison they are re-arrested for not keeping up payments for their children during their term of imprisonment and, in many instances, are returned to prison? It is a vicious circle and must have an effect on these men, who are not given an opportunity of working and earning money to maintain their children. Will the Government take steps to seek Commonwealth assistance for children's homes on the same basis as homes for the aged? Children are the citizens of the future. There is no provision for a pension for a needy child.

I understand that the West Australian Government is endeavouring to introduce legislation to provide that if a father neglects maintaining his children for two years the court may deprive him of his rights and permit the adoption of his children by other people. Will the Government examine that proposed legislation to see whether we could not adopt it here? There are other matters to which I would refer, but unfortunately I must depart immediately for Loxton. I will reserve further comments until we consider the individual lines.

Mr. RICHES (Stuart)—I thoroughly endorse Mr. Stott's representations about Government assistance to children's homes. On the face of it it seems anomalous that the Government should be prepared to give some measure of assistance to older people in necessitous circumstances, but not to those organizations which are working to maintain homes and provide shelter for children who have no possibility of making such provision for themselves.

We are considering the Treasurer's twentieth consecutive Budget and I suppose it is a matter of satisfaction to him. I think he is to be congratulated on retaining the confidence of his Party long enough to be able to present 20 Budgets. However, I am concerned that this year he is budgeting for what I believe is an all-time high deficit of about £1,000,000. The Treasurer has explained that this could be serious, but expressed the hope that within two years the State might be compensated somewhat by additional grants from the Commonwealth Grants Commission. Doubts have been expressed by members of the Legislative Council, one of whom referred to the past few years as a honeymoon period. He said that the honeymoon of high prices for wool and base metals was over and that we must recast our thinking. He belongs to the Treasurer's Party, but from his reported remarks I would judge

that he does not share the Treasurer's optimism for the future.

As a result of the defeat of Labor Governments in Victoria and Queensland the new Governments in those States have announced their intention of becoming applicants to the Grants Commission for financial assistance. I wonder whether the publicity we have been giving ourselves has not worked to our detriment, because I do not think the Governments of Victoria and Queensland can be blamed for a change in their attitude in this respect. The relationship between the Commonwealth and the States must be overhauled, and overhauled soon. We will read with interest the findings of the special committee the Federal Parliament established to investigate this matter. Our entire financial destiny is wrapped up not in decisions made here so much as in those made in Canberra.

During the days of the Chifley Government the relationship under uniform taxation worked fairly smoothly, but since 1951 the situation that has developed is that whereas the States' public debt has been increased by over £1,000,000,000, the Commonwealth public debt has been reduced by £200,000,000. It seems to me that the Commonwealth Government, which handles the purse strings of the nation, is not paying due attention to the States' requirements and is gradually throttling the States, with the result that they are no longer sovereign States in respect of high decisions. The need for an overhaul of the financial relationships with the Commonwealth is more urgent today than ever before.

This Budget also demonstrates that we are passing from the stage where government is by Parliament to the stage where we are governed by executive. In this session, perhaps more than in any other I have attended, we see signs of executive control benefits, and Parliament as such has its powers limited. Two measures to be brought before us which will have far-reaching effects on the people and bind the State in some respects in perpetuity are presented to us as agreements completed and signed and which Parliament cannot in any way alter or amend, but must accept or reject. It demonstrates the increasing power of the Executive and every member of Parliament must know that any right he has to speak for the people in his district in connection with steelworks or oil refineries is limited in scope and without much application.

When we examine the Budget we find ourselves in the same position. There was a time

when Parliament had to shoulder the responsibility of raising money from taxation. In those days Parliament was supreme and members knew how the State's finances were being handled. Today the money needed for State services is not determined by Parliament but as the result of discussions between the Executive and the Commonwealth Government. The Budget only sets out the apportionment of the money available. If a member wants work done in his district it can be done only at the expense of another district. This Budget demonstrates executive control more than any other Budget has done.

In this debate we have had several thoughtful speeches. I was particularly interested in Mr. O'Halloran's remarks. In discussing matters affecting the people as a whole, and in particular the need for hire-purchase legislation, he suggested that Parliament agree to the granting of personal loans, which practice has been adopted by private banks in England, and banks in New South Wales and Western Australia where Labor Governments are in office. I was pleased to read in this afternoon's *News* a report that our Government is to consider Mr. O'Halloran's suggestion. Public opinion is behind it and I hope the Government will give effect to the demand for the loans. Mr. Coumbe derived much satisfaction from the fact that we are not wholly a primary producing State and that there is a better balance between primary and secondary industries than there was some years ago. I agree, but we need not only a balance between primary and secondary industries but a better balance between metropolitan and country areas. I do not get any satisfaction from reading in the *Statistician's Year Book* year after year that the population of the State is growing in the metropolitan area and decreasing in the country.

Mr. Geoffrey Clarke—It is increasing in the country. The population there has gone up substantially.

Mr. RICHES—I should hope there has been some increase but I am talking about the percentage, and how unbalanced the position is becoming each year. Over 60 per cent of the State's population is in the metropolitan area and it is a matter to which we should pay more attention. We must examine the position closely when we give away rights and principles in our feverish search for industries. They are being established in the metropolitan area but I do not think there is much advantage in getting new industries if the industrial position in the metropolitan area becomes too great.

Mr. Hambour—The steelworks and the oil refinery are to be established in the country.

Mr. RICHES—We shall wait and see what happens. Experience has shown in other places that when an oil refinery has been established close to the city it is the city that grows. It has been suggested that a cigarette-making industry will come to South Australia. Why do new industries come to the metropolitan area? Whose duty is it to place before people wanting to establish industries here the advantages of going to the country? If I wanted to establish an industry in South Australia the city would appeal to me because of the convenience, but a case should be put to me in favour of the country. Where freight costs are not a major factor it ought to be possible to have industries established in the country. I know I shall be told that freight charges come into the matter. In all the speeches in this debate it has been said that we must produce more because our markets are in the eastern States. We are also told that industries established in Adelaide are at a freight disadvantage in respect of those markets, but I point out that Holden motor car bodies are made in Adelaide; and the whole market for them is not here. Every member knows that the transport problem has to be overcome and in connection with Holden motor car bodies it has been overcome to the advantage of the State. If we applied ourselves to the question of creating a better balance between city and country the transport difficulties of industries could be overcome, and I am not sure that the cigarette-making industry is not one of them. It should be the duty of someone to put forward the advantages of establishing in the country. Mr. Hambour says that it is the duty of country members to do it, but about the worst thing we could do would be to leave the matter in the hands of country members because they are not in the position to know what is happening.

Mr. Geoffrey Clarke—If it were put to an industry that it should go to the country and it refused, would you make it go?

Mr. RICHES—I did not suggest that, but there should be someone to put the case for the country. If an industry said it had a transport problem or some other difficulty we should try to overcome it. If we could not, then of necessity the industry must be established in the metropolitan area.

Mr. Coumbe—Are you suggesting that is not done at present?

Mr. RICHES—Yes. I have a great respect for the work that was done by Mr. Colin Branson when associated with the Industries Assistance Committee, and now as secretary of the Chamber of Manufactures he is still able to work along those lines. I do not write down in any way what he is trying to do, but it is not enough.

Mr. Hambour—Would you grant concessions to an industry to go to the country?

Mr. RICHES—It is a matter that should be inquired into and Mr. O'Halloran moved for the appointment of a Select Committee so that such inquiries could be made. Earlier today I pointed out that the State was giving a concession to a company to establish an industry, and I supported it because I thought it was a fair price to pay. Although I supported the Bill I am still of the opinion that the House was not given a full opportunity to examine such an important proposal. I do not think the House should have agreed to a suspension of Standing Orders to enable the third reading of such an important Bill to follow immediately on the Committee stages. If I had stood up the Premier could not have succeeded in suspending Standing Orders.

Mr. Hambour—I asked you whether you would be prepared to grant concessions, and you said you would.

Mr. RICHES—Yes, I would be prepared to do so. In the debate on the Loan Estimates I said that the Electricity Trust called for tenders for poles to be used on a transmission line between Port Augusta and Woomera, and the successful tenderer submitted two tenders, one using Broken Hill Proprietary Company steel and the other Italian steel. The latter tender was £50,000 less, but the tender for Broken Hill Proprietary Company steel was accepted.

Mr. Coumbe—The Italian steel would be under subsidy by the Government of that country.

Mr. RICHES—It was £50,000 less, yet the other contract was accepted.

Mr. Laucke—Where were the poles to be fabricated?

Mr. RICHES—I do not know. However, a £50,000 concession was given in this matter, and I have not heard anyone object to any concession to enable an Australian industry to be established. Nobody has suggested that it is unfair, so what is wrong with granting concessions to industries to establish in the country if in the long run it is to the advantage of the State?

Mr. Laucke—Was it that local steel was cheaper than Italian, but fabrication made the Italian product cheaper?

Mr. RICHES—I do not know; all I know is what I have said, and nobody has objected to what occurred. The member for Light (Mr. Hambour) does not object to the granting of concessions to industries anywhere, provided they are big enough and the concessions are big enough.

Mr. Hambour—I did not say that. I think industries throughout Australia are overbolstered.

Mr. Frank Walsh—You are a free trader.

Mr. Hambour—I admit that.

Mr. RICHES—I agree that the State is advanced by the better degree of balance between secondary and primary production, but I suggest we now need a better balance between the metropolitan area and the country, and most important, a balancing of the budget of the little man, the workman. The effect of the State and Federal Budgets on the budgets of these people is all important. We shall not achieve anything if in planning the State Budget we bring about a State of unbalance in every home.

The Commonwealth Government is very much concerned at the action of the American Government in placing an embargo on the importation of lead and zinc because of the effect it will have on the Commonwealth Budget, having in mind that lead and zinc ores are amongst our greatest dollar earning exports. This will affect every Australian as well as the national Budget. The Premier said that the exportation of our mineral resources is growing every year and assuming a more important part in balancing our Budget, so this matter is very important to us, as it is to those engaged in the industry whose future would seem to be threatened. We want to see that the home budgets of people in Port Pirie and Broken Hill and those engaged in handling the ore are balanced. This is a serious matter for them, and being so, is of concern to us.

I was interested to hear the Premier state yesterday that, following on his visit to America, as far as he was able to assess the situation, the recession that has been a feature of that country's economy for a considerable time is on the way out and there are signs of improvement, so this situation may be short lived. We all hope he is right, because he has already drawn our attention in this debate to the unemployment situation, although he watered it down as much as he could. He

said that unemployment is greater than it has been for a considerable period, and is undoubtedly more than we could contemplate without serious concern. He said that it is 1½ per cent of those available for employment. In America, of course, it has been higher than that. We can take figures too literally and say that, as only 1½ per cent is unemployed, it does not affect us very much; but it affects those out of work. This threat has come, of course, since the preparation of the Budget, so the percentage the Premier quoted could be increased. The Government should do as much public work as it can in the areas affected. We all hope this recession will be short lived and that there will be no long term threat to the base metal industry. This situation could be aggravated by what is happening overseas, so I urge the Government to give full consideration to planning public works now so that they could be implemented immediately any recession takes place. The Government should also give unemployed people in these towns other employment. There is nothing sadder to people than to see a town in which they have spent all their lives dying before their eyes.

Mr. Hambour—What towns are you talking about?

Mr. RICHES—There are towns in the north that have died.

Mr. Hambour—The honourable member knows that some towns, such as mining towns, must go out of existence. What towns are you talking about?

Mr. RICHES—If the honourable member liked to come on a trip with me I could show him, or if he cared to come into the library I could show him places on a map there that were towns when I first came into the House, but are no longer in existence, and they are not mining towns.

Mr. Hambour—What towns are you referring to? You must know their names.

Mr. RICHES—Has the honourable member ever heard of Gordon, Wilson, Pichi Richi or Quorn?

Mr. Hambour—Is this where we should take the industries?

Mr. RICHES—The honourable member has had a sleep; he wants to wake up. I have seen these towns, and there is nothing sadder than to see the disappearance of a town that was once flourishing, with a proud community.

Mr. Hambour—On what account?

Mr. RICHES—It may be due to adverse seasons, or perhaps they are mining towns, or have disappeared because of railway policy—there are many reasons over which the individual has no control. We should strain all our energy to see that where possible this does not happen again. I ask for a plan to be prepared right now to absorb any people who might be adversely affected by decisions made overseas over which they have no control, so that employment can be found for them somewhere near the places in which they have spent their lifetime building homes. I do not want the Government to wait until a calamity situation occurs and then try to do something about this: planning should be embarked on now.

The member for Torrens (Mr. Coumbe) spoke about the necessity of reducing costs, and I agree. Everyone knows it is an advantage to the whole State and to the populace as a whole to produce a product cheaply. It is a practice throughout industry to make goods available at the lowest possible price, but when members opposite start talking about costs they think only in terms of the cost of labour, which is a very small percentage of the cost of production. The member for Torrens went a little further and drew attention to the cost of management and the effect of continuing to use worn-out machinery. He should carry his thinking a little further and examine the costs of selling. Why does it cost as much, or more, to sell an article as to produce it?

Mr. Hambour—Haven't you heard of Mr. Murphy?

Mr. RICHES—He has to fix prices on conditions as he finds them. We shall not achieve anything by reducing costs of production unless we reduce selling costs. I have not been able to find anyone making excessive profits. I am not laying charges against anyone, but selling costs must be reduced. That applies to the selling of apples and other primary commodities as well as to manufactured articles. I have watched the handling of apples from the time they leave the orchard until they reach the consumer, and I do not know of anyone who is making too much money out of it, but distribution should be examined carefully. It should not cost as much to transport apples from an orchard to the consumer as it does the producer to grow them.

Mr. Hambour—Yesterday you supported the member for Norwood's proposal for an intermediate milk vendor.

Mr. RICHES—That is completely irrelevant. The honourable member has often told us one way to reduce costs is to have healthy competition, but he did not vote for competition yesterday. The member for Adelaide read some parts of the Constitution of the Liberal and Country League. Apparently one policy of that Party is to bring down legislation of a humanitarian nature, but the main burden of the member for Light's speech was that hospital charges should be increased. Many people are scared to go to hospital because they cannot pay the charges. We should do our utmost to reduce these charges, for I believe that many people would not become seriously ill if they received hospital treatment at the right time.

Mr. Hambour—What is stopping that?

Mr. RICHES—Heavy hospital charges.

Mr. Hambour—Rubbish! People get free treatment if they cannot pay the charges.

Mr. RICHES—Many doctors have told me that whereas a few years ago they would send a patient to hospital, now they do not because the patient's worry over heavy charges would do more harm than the treatment would do good. The more worthy the citizen the more he will worry over his hospital charges. The member for Light said he was responsible for raising hospital charges previously, and now he makes a further appeal to the Government to increase charges from 35s. to 45s. a day. That makes lovely reading for the worker!

Mr. Hambour—Accounts totalling £300,000 remain unpaid.

Mr. RICHES—Yes, because the patients are not in a position to pay. If what the honourable member has said is the Liberal Party's interpretation of humanitarian legislation he can have it. He said that we on this side of the House were dictated to by Grote Street. He stated:—

I have never been asked to sign anything as a member of the Liberal Party nor have I ever been told what I have to do. I feel that I am responsible to the electors of Light, whom I will serve. I am not dictated to as members of the Party opposite are. They have caucus meetings at which matters are decided by the majority.

We know, and the honourable member knows, that the Liberal Party holds meetings, and when a non-controversial Bill was introduced a few weeks ago the Minister made a point of saying that Government members were free to vote on it as they liked. Every member sitting behind the Government is pledged to support the Government.

Mr. Geoffrey Clarke—We are not.

Mr. RICHES—Will the Premier go out next March and tell the people, "If the Liberal Party is returned we will do so and so, but my members can please themselves whether they honour this pledge"?

The Hon. G. G. Pearson—The Premier bases his policy on what members on this side of the House believe themselves.

Mr. RICHES—If members opposite are not pledged to honour the promises of their leader it is a sorry state for South Australia. If the Leader of the Opposition makes a promise to the electors next March I will consider myself bound to honour it. The Government could assist the establishment of industries in country districts by offering to build factories wherever they were prepared to go. That is being done at Elizabeth now. As a result, the company concerned does not have to raise as much capital. The Government erects the building and rents it to the company with an option to purchase. Northern Ireland has attracted industries to that country by this means, and the practice is being taken up in America, too. In the *Economist*, a magazine that can be obtained from the Parliamentary Library, appears an advertisement which shows what purports to be a board of directors discussing the possibility of industrial expansion. The wording of the advertisement is as follows:—

If your firm is planning expansion you need a first-hand report on the possibilities in Northern Ireland. Everywhere else in the United Kingdom expansion plans are bedevilled by one or more of three great shortages—not enough money; not enough men; not enough space. Only Northern Ireland can offer you all three. Money—to cut the need for investment funds. Outright grants of 25 per cent and/or loans for plant, machinery and buildings are available, also removal and training grants.

Manpower—first class and plenty of it. Over 9 per cent of the labour force—over 30,000 of the men—are looking for jobs. They are hardworking and loyal; absenteeism and labour turnover are low; output is high and shift working is practicable. Production space in modern factories ready now. If you employ mostly men you can rent a standard Government factory for about 9d. per square foot per annum—room for at least 100 per cent expansion. Or the Government might build you a special purpose factory on amortization terms. Sites of all sizes available. Excellent services. Ample water, gas, electricity and housing.

Apparently this Government is following that pattern, for similar offers are being made to industries in other States to attract them to



Elizabeth. That policy should be extended. If the Government is prepared to provide housing, water and factory sites at Elizabeth it should be prepared to do the same in any country centre where an industry is prepared to establish itself. Until that is done what chance has any country centre of ever getting industries in competition with Elizabeth or other centres that can provide inducements? I support the first line.

Progress reported; Committee to sit again.

PUBLIC PURPOSES LOAN BILL.

Returned from the Legislative Council without amendment.

MINING (PETROLEUM) ACT AMENDMENT BILL.

Received from the Legislative Council and read a first time.

ADJOURNMENT.

At 5.20 p.m. the House adjourned until Tuesday, September 30, at 2 p.m.