

HOUSE OF ASSEMBLY.

Thursday, October 16, 1958.

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

ASSENT TO ACTS.

His Excellency the Governor, by message, intimated his assent to the following Acts:—Fire Brigades Act Amendment, Fruit Fly (Compensation), Kingston and Naracoorte Railway Alteration, Metropolitan and Export Abattoirs Act Amendment, and Weights and Measures Act Amendment.

QUESTIONS.**DANGER OF CELLULOID TOYS.**

Mr. O'HALLORAN—Has the Premier any information in response to a question I asked on October 9 relating to the danger of celluloid toys?

The Hon. Sir THOMAS PLAYFORD—Not yet. The report on this matter will have to come from the Department of Health, and that may take some little time, but I am making inquiries for the Leader.

REFUNDS OF MOTOR REGISTRATION FEES.

Mr. FRANK WALSH—Has the Premier a reply to my recent question regarding the refund of motor registration fees on motor vehicles in respect of the period when they are being repaired or the owners are otherwise unable to use them through sickness or extended absence?

The Hon. Sir THOMAS PLAYFORD—As promised, I obtained a report from the Registrar of Motor Vehicles and this was subsequently placed before Cabinet for consideration. Cabinet's opinion was that it would be undesirable from an administrative point of view to try to make the change. At present there is fairly ample scope for refunds, and Cabinet considered that the administrative work involved would be very heavy.

ANNUAL INSPECTION OF MOTOR VEHICLES.

Mr. LAUCKE—Reference has been made by the Australian Automobile Chamber of Commerce to the desirability of compulsory annual inspections of all motor vehicles in the interests of road safety, and I believe there is much to commend that suggestion. Unroadworthiness of motor vehicles; particularly in

the steering and braking components and in dangerously worn tyres, is a prime cause of road fatalities. Will the Government consider making it obligatory on all motorists to furnish a certificate of roadworthiness of vehicles from approved garages, such as those approved by the Royal Automobile Association, when application is made for registration?

The Hon. Sir THOMAS PLAYFORD—No. The Government would not consider that suggestion. In the first place, it could mean that a vehicle that was roadworthy today might be unroadworthy tomorrow. The fact that at that moment it was in a roadworthy condition would not mean that it would be maintained in such a condition. Any person who at present drives an unroadworthy vehicle on the roads is committing an offence and is subject to a heavy penalty. The duty is on every motorist to keep his vehicle constantly in proper repair and if it has any of the defects mentioned he is committing a breach of the Act and is subject to prosecution.

ROAD VERSUS RAIL TRANSPORT OF GOODS.

Mr. LOVEDAY—Some time ago I raised the question of seven cartons of goods going from Adelaide to Melbourne by rail at a cost of 44s. and for the distance of three-quarters of a mile from the railway terminus in Melbourne to the point of delivery the cost was 38s. by private carrier, whereas the cost of transporting the same goods by road from Adelaide to Melbourne was 1s. 6d. less than the sum of those two figures. In view of the tremendous amount of freight that must be lost to the railways through that form of unfair competition, can the Premier say whether the Government has ever investigated that loss of freight, and if not, will it consider doing so?

The Hon. Sir THOMAS PLAYFORD—The Railways Commissioner is continually studying the position, particularly where freight is being diverted to the road, and he is taking action to counter such losses. The Government has no power to prohibit road transport, nor would it consider doing so because South Australian factories depend largely upon exports to other States for maintaining their output. Transport is a major concern for established industries and those to be established. The reasons why road transport is normally used are, firstly, convenience and, secondly, there is less necessity to provide for packaging.

Mr. Loveday—I was not suggesting prohibition, but an investigation to counter the losses.

The Hon. Sir THOMAS PLAYFORD—I assure the honourable member that the Railways Department is fully alive to the problem and is continually investigating all possible means of winning back lost business. I congratulate the Commissioner on the fact that he has been able to retain business and also win additional business in competition with interstate road transport. The railways are not down and out. They are fulfilling a useful purpose and are holding their own.

VICTORIAN CLAIM FOR FEDERAL ASSISTANCE.

Mr. COUMBE—It was reported in yesterday's press that the Victorian Premier, Mr. Bolte, had applied to the Commonwealth Government for a special grant to assist Victoria in overcoming a deficit. Can the Premier say whether, if such an application were successful, it would affect the claims South Australia makes annually to the Grants Commission? What would be the general effect of the application on this State?

The Hon. Sir THOMAS PLAYFORD—I understand that Victoria and Queensland have both applied to the Commonwealth for financial assistance. I think Queensland's application was made under section 96, but I fancy it was requested that it be not considered by the Grants Commission, but be the subject of discussion with the Prime Minister and the Federal Treasury. The principles upon which the Grants Commission considers grants for South Australia, Western Australia and Tasmania are well established and I do not think any application by any other State would affect them.

ATTACK ON POLICE CONSTABLE.

Mr. LAWN—Yesterday's *News* and this morning's *Advertiser* contain reports of an attack by a man with a knife upon a constable named Carroll near the Adelaide railway station. The reports state that a member of the public (a Mr. Doulton) went to the constable's assistance, but that he and the constable were both subsequently admitted to the Royal Adelaide Hospital with injuries. I believe that the constable will not suffer loss of wages and I assume that all his hospital and medical expenses will be paid by the Government. Mr. Doulton, a married man with six children, is to be commended for his action. We expect the public at all times to assist in such circumstances. According to the first report Mr. Doulton was seriously injured and although it seems now

that the injury is not as serious as was at first thought, it can be taken for granted that he will lose some employment and incur expenses. Can the Premier make a statement assuring the public, and particularly Mr. Doulton's wife, that he will suffer no loss of wages during his period of incapacity and that the Government will undertake to pay all his medical and hospital expenses?

The Hon. Sir THOMAS PLAYFORD—Let me at the outset say that I greatly appreciate the assistance that the police in this State invariably receive from members of the public. It reflects great credit not only upon the public but also upon the police force, because it shows that the police force has the confidence and support of the public. I assure the honourable member that the Chief Secretary has already taken action. He brought this matter before Cabinet this morning and he will go into the very matters the honourable member mentioned to see that this gentleman is not out of pocket from assisting in the maintenance of law and order. The Government desires that this gentleman shall not be out of pocket because of his action.

SEEING-EYE DOGS.

Mr. MILLHOUSE—On October 1 I asked the Minister of Works a question for transmission to his colleague, the Minister of Railways, concerning seeing-eye dogs being carried on the railways. Has the Minister a full reply?

The Hon. G. G. PEARSON—My colleague informs me that, following on an interchange of views between the various railway systems in Australia, instructions as under are now being issued in respect of seeing-eye dogs:—

Seeing-eye dogs will be carried free in South Australia as follows:—

- (a) For travel in South Australia a guide dog is permitted to accompany a blind person in the passenger compartment on country and suburban trains at any time without being muzzled. Alternatively, a blind person and guide dog may be permitted to occupy a seat in the baggage van or perambulator compartment of the baggage van on suburban trains.
- (b) For travel interstate, guide dogs are permitted to accompany a blind person in first-class individual roomette compartments or twinette compartments where the owner is accompanied by a friend or wife who certifies as to his or her agreement to the arrangement. For sitting up travel in either first or second class passenger coaches, guide dogs may travel with their owners in such compartments provided the dog is muzzled.

**SUPREME COURT ACT AMENDMENT
BILL.**

The Hon. Sir THOMAS PLAYFORD (Premier and Treasurer) introduced a Bill for an Act to amend the Supreme Court Act, 1935-1955.

Read a first time.

The Hon. Sir THOMAS PLAYFORD—I move—

That Standing Orders be so far suspended as to enable me to give the second reading explanation of the Bill forthwith.

Mr. O'Halloran—This is question time. It is not as urgent as that.

The Hon. Sir THOMAS PLAYFORD—It would only take a few minutes.

The SPEAKER—I have counted the House and there being present an absolute majority of the whole number of members of the House I accept the motion.

On the motion being put:—

Mr. O'Halloran—No.

The SPEAKER—There being a dissentient voice there must be a division on the motion.

The House divided:—

Ayes (18).—Messrs. Bockelberg, Brookman, Geoffrey Clarke, Coumbe, Goldney, Hambour, Heaslip, Hincks, Jenkins, King, Laucke, Millhouse, Pattinson, Pearson, Sir Thomas Playford (teller), Messrs. Quirke, Shannon, and Stott.

Noes (14).—Messrs. Bywaters, John Clark, Corcoran, Dunstan, Hughes, Hutchens, Jennings, Lawn, Loveday, O'Halloran (teller), Ralston, Stephens, Frank Walsh, and Fred Walsh.

The SPEAKER—There are 18 Ayes and 14 Noes. As the motion was not carried by an absolute majority of the whole number of members of the House in pursuance of the Standing Orders, it lapses.

The Hon. Sir THOMAS PLAYFORD—On a point of order, Mr. Speaker, I submit that the motion does not lapse. I contend that it was carried in the negative.

The SPEAKER—As it was carried in the negative the Treasurer cannot proceed.

The Hon. Sir THOMAS PLAYFORD—Yes, but you announced, Mr. Speaker, that the motion lapsed. A vote was taken on it so it could not have lapsed. It was carried in the negative.

The SPEAKER—The matter passes in the negative.

The Hon. Sir THOMAS PLAYFORD—Thank you, Sir. I move that the second

reading be made an order of the day for Tuesday next, October 21.

Motion carried.

QUESTIONS (Resumed).

METROPOLITAN EXPORT ABATTOIRS.

Mr. STOTT—I asked a question yesterday concerning the Metropolitan Abattoirs, and whether, in view of the coming lamb season, the recent legislation would be put into operation shortly. Has the Minister of Agriculture a reply?

The Hon. D. N. BROOKMAN—The general manager of the Metropolitan and Export Abattoirs Board has advised that slaughtering of lambs and sheep is right up-to-date and there is no carry-over. Up to October 14 inclusive the comparative figures are as follows:—

	This year.	Last year.
Lambs	195,208	211,870
Sheep	41,674	10,312

The Metropolitan and Export Abattoirs Act Amendment Act, 1958, was assented to today. For the information of honourable members, the manager of William Angliss & Co. Ltd. informed me that his company would take advantage of the legislation and would slaughter a limited number of lambs this season with its existing facilities. It will also proceed with plans to increase its facilities to make use of the legislation in future years.

EYRE HIGHWAY.

Mr. BOCKELBERG—On September 16 I asked the Minister representing the Minister of Roads a question regarding Eyre Highway. Has he a reply?

The Hon. G. G. PEARSON—The Minister of Roads has advised me that the stated Government policy with respect to roads on Eyre Peninsula is that the Lincoln Highway will be completed before the bituminizing of Eyre Highway will be considered. In the meantime, however, a survey is in hand, and plans will be prepared so that construction can commence on Eyre Highway when the Lincoln Highway has been completed, and when funds are available.

**DERAILMENT ON ADELAIDE-MOONTA
LINE.**

Mr. HUGHES—On Tuesday of last week a derailment occurred at the Hummocks on the Adelaide-Moonta line. It was not at a set of points, but on the main line. Can the Minister representing the Minister of Railways

obtain a report on the circumstances of the derailment, the type of truck derailed, whether that type of truck has been concerned in other derailments, and how many trucks of that type operate in this State?

The Hon. G. G. PEARSON—I will refer the question to the Minister of Railways who no doubt will obtain a report from the Commissioner.

SOUTHERN CARRIAGEWAY OF BURBRIDGE ROAD.

Mr. FRED WALSH—On September 16 I asked a question concerning the Highways Department's plans for the southern carriage-way of Burbridge Road. Has the Minister representing the Minister of Roads a report on that matter?

The Hon. G. G. PEARSON—I have given a preliminary reply on this matter. I have not received any further information, but will obtain it for the honourable member.

CARRIERS' ROAD PERMIT FEES.

Mr. HAMBOUR—Some time ago I asked a question regarding permit fees charged by the Transport Control Board in respect of the transport of stock. In the absence of the Premier, has the Minister of Lands any information on this matter?

The Hon. C. S. HINCKS—I have the following report:—

My colleague the Minister of Roads has informed me that the Transport Control Board has given consideration to the suggestion of the honourable member that fees for the transport of livestock should be on a fixed rather than fluctuating basis. It is appreciated that persons not fully conversant with the board's policy might be at a loss to understand the varying rates. To overcome this position it has been decided that as from November 1, 1958 a fixed fee of five per cent will apply for special permits where road transport is justified for the movement of livestock.

BUTTER FOR MIDDLE EAST.

Mr. HUTCHENS—I have noticed that a South Australian member of the Commonwealth Parliament asked the appropriate Minister to consider the packing of some primary products, particularly butter, into quarter pound packs, or less amounts, to be made available to people on limited income in the Middle East, so as to increase sales and improve markets there. Can the Minister of Agriculture say whether the matter was discussed at the recent Agricultural Council meeting, and, if so, with what result?

The Hon. D. N. BROOKMAN—The matter of marketing Australian butter overseas was not discussed at the Agricultural Council meeting, nor was there any reference to the matter referred to by the honourable member. I will ask the dairying expert in the Department of Agriculture for his opinion on the matter. I cannot give much information on this question except to say that the selling of butter is naturally of great interest to Australia at present, and if there should be any merit in the proposal I will see that it is referred to the Commonwealth authorities, if necessary.

BIRD ISLAND IN LAKE BONNEY.

Mr. CORCORAN—Prior to the excavation of the channel from Lake Bonney to the sea there was a bird sanctuary on an island in the lake. Since the channel has functioned so satisfactorily the lake has been drained from 40 square miles in area to about 30 square miles, and this island no longer exists, because the area is now connected with the mainland. I am told that the water level is below the 1914 level. In this sanctuary ibis and other birds have nested and reared their young. The ibis is an important bird in connection with the destruction of vermin. To meet the desires of a number of Millicent people, including the chairman and other members of the local council, I ask whether the Minister of Agriculture could arrange for Mr. Moorhouse, the Chief Inspector of Fisheries and Game, to get a report from the inspector living at Millicent on providing protection by fencing the area. If something is not done soon the land will be subject to the ravages of foxes, and there will be other means of destruction. I am ashamed to say that vandals in the locality have already broken hundred of eggs in the sanctuary. We do not want these birds destroyed because of their value. The member for Mount Gambier is also concerned about this matter, which is urgent and needs to be dealt with as early as possible. Will the Minister of Agriculture get a report as to the amount of fencing, etc., needed to make the sanctuary, if possible, fox and vandal proof?

The Hon. D. N. BROOKMAN—The honourable member spoke to me about this matter earlier and I have asked the Chief Inspector of Fisheries and Game to get a report from the inspector who lives at Millicent. We take a serious view of the matter and there is no danger of its being ignored. The islands in Lake Bonney or what were islands are actually

closed areas under the Animals and Birds Protection Act. Mr. Moorhouse will visit the locality shortly to investigate the matter. He will also consider the possibility of establishing a boathaven there, although there is a problem with the reef outside.

Mr. Corcoran—The island I referred to is near the northern end of the lake.

The Hon. D. N. BROOKMAN—I have all the details and Mr. Moorhouse will inspect the island which is at the northern end of the lake. I assure the honourable member that the matter is being taken up seriously.

BROKEN HILL PROPRIETARY COMPANY'S STEEL WORKS INDENTURE BILL.

Mr. RICHES—Can the Minister of Lands say when the report of the Select Committee on the Broken Hill Proprietary Company's Steel Works Indenture Bill will be printed and available to members, and will he request the Premier not to proceed with the Bill until members have had an opportunity to read the report and minutes of evidence?

The Hon. C. S. HINCKS—I understand that the report will be printed and will be available to members next Tuesday. I will mention the other matter to the Premier.

SUPERANNUATION FUND HOUSE INSURANCE.

Mr. HUTCHENS—On September 30 last I asked the Treasurer whether the South Australian Superannuation Fund compels people who borrow for home building to insure with a certain company. Has the Minister of Lands a reply?

The Hon. C. S. HINCKS—I have a report from the president of the South Australian Superannuation Fund Board as follows:—

Since the inception of the Superannuation Fund the board has maintained the policy of insurances with one company only—the Mercantile Mutual Insurance Company Ltd., which is a sound tariff company operating entirely in Australia. This policy has well defined advantages from the points of view of both protection and low administration costs, while mortgagors have been generously treated in settlement of claims, particularly those arising as a result of the earthquake in 1954. Mortgagors, moreover, also receive the benefit of the reduced premium rates as charged to the board, i.e., normal tariff rates less 20 per cent. The present policy, under which the board has direct control of insurances of properties mortgaged to it, has proved beneficial to both the board and mortgagors, and the board prefers to continue the present practice.

MAGILL REFORMATORY.

Mr. FRANK WALSH—Will the Minister of Lands obtain a further report from the Chief Secretary on whether it is necessary to have more attendants at the Magill Reformatory with a view to preventing recurrences of the recent break-out? My information indicates that the principal officer of the home has been doing relieving work.

The Hon. C. S. HINCKS—I will obtain a report.

RED SCALE AT LOXTON.

Mr. STOTT—Has the Minister of Agriculture received a report following on a deputation to him relating to the outbreak of red scale at Loxton?

The Hon. D. N. BROOKMAN—No.

WELFARE OFFICER FOR ABORIGINES.

Mr. RICHES—Can the Minister of Works give any information regarding the appointment of an aborigines' welfare officer at Port Augusta?

The Hon. G. G. PEARSON—As I intimated before, applications were called for the position and, as far as I knew, the matter had proceeded. Now that this has been raised again, I will ask the Protector of Aborigines for further advice, and inform the honourable member on Tuesday next.

PERSONAL EXPLANATION: HIRE-PURCHASE.

Mr. HAMBOUR—I ask leave to make a personal explanation.

Leave granted.

Mr. HAMBOUR—In today's *Advertiser*, under the heading "Flat Hire-Purchase Interest Rate Urged," appeared an article which said, among other things, "but he felt a flat interest rate should be charged." Never at any stage during my remarks did I advocate a flat interest rate for hire-purchase. The relevant part of my remarks, dealing with trading banks, read:—

I am sure that if they set up hire-purchase departments and a rate of interest were charged on overdraft balances . . .

I used the term "simple interest on balances," but at no stage did I advocate that a flat interest rate be charged on hire-purchase. The article completely misrepresents my attitude on hire-purchase, and I should like that to be known to honourable members.

SUPERANNUATION ACT AMENDMENT
BILL.

The Hon. C. S. Hincks for 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 following resolution:—That it is desirable to introduce a Bill for an Act to amend the Superannuation Act, 1926-1956.

Motion carried.

Resolution agreed to in Committee and adopted by the House.

WHEAT INDUSTRY STABILIZATION
BILL.

Adjourned debate on second reading.

(Continued from October 8. Page 1130.)

Mr. FRANK WALSH (Deputy Leader of the Opposition)—This Bill, which re-enacts the previous legislation which has expired (or is about to expire), accords with the Labor Party's policy on the orderly marketing of wheat. In other words, it ensures a return to the growers of cost of production plus a reasonable margin. The basis of this legislation is that 100,000,000 bushels will be exported and 60,000,000 bushels consumed in Australia, so the guarantee applies to 160,000,000 bushels. The guaranteed price for the 1958-59 harvest is 14s. 6d. a bushel, but there is a special levy for Tasmania and an export differential for Western Australia. I understand that many complications are involved in the latter arrangement.

The Minister of Agriculture may be able to indicate whether, because of the operations of the Commonwealth shipping line, freight rates to Tasmania have been reduced and whether that may have some bearing on the wheat shipped to that State.

The guaranteed price for subsequent seasons will be determined on the existing formula, as previously. If the price exceeds the 14s. 6d., the excess will be transferred to a fund to support a guaranteed minimum, but it must not exceed 1s. 6d. a bushel. I understand that the fund is not to accumulate above £20,000,000 and any excess above that amount will be refunded to growers. I believe that the fund now totals about £9,000,000 and that if the export price is less than the guaranteed price growers will be paid the difference from the fund. That seems to be reasonable.

In the event of the overseas price falling I understand there is a further provision that the Commonwealth Government will make up any

difference. The Australian Wheat Board will have complete power over the purchase and disposal of the wheat. However, no provision seems to have been made to protect the Australian milling industry. Normally it would buy on the market paying the export price. This price could fluctuate and, if it bought on a high market and the price was then reduced, the milling industry would have to use what it had already bought at the higher price.

The Bill does not provide for any guaranteed price for other primary producers who use wheat, such as poultry keepers. Naturally, the price of wheat affects the cost of production of eggs. Those selling wheat for use as stock feed will receive the price guaranteed them under the Bill. I support the second reading.

Mr. STOTT (Ridley)—Following upon a conference of the Australian Agricultural Council, agreement was reached for the renewal of the wheat stabilization legislation for a further five years. Uniform State legislation was introduced in 1945 establishing the principle of a guaranteed wheat price to producers. I shall give some of the early history of the establishment of the principle of a home consumption price for wheat, which provided that producers should receive a payable price for wheat sold in Australia. I want to link my remarks with the economy of the nation and show how the well being of every individual is affected.

In 1936 the industry, in consultation with the State Governments, agreed that a price should be established for wheat sold internally. That was known as the flour tax legislation. However, that did not take care of the wheat exported. The industry then had taken the first step to establish an overall price. Until then the wheatgrower was in the grip of overseas speculators and had to accept whatever price was offered on world markets, and a payable price operated only internally in Australia. Notwithstanding violent fluctuations in the world wheat market, the wheatgrower was compelled, under tariff legislation, to pay high prices for his machinery and other commodities. So it became accepted that he was entitled to receive a payable price for his product sold internally.

The next step was to obtain a payable price for wheat sold overseas. That was much more difficult. At that time the industry advocated that as a nation we should explore the possibility of establishing a minimum price for wheat sold on the world's markets. In

1937 an exploratory conference indicated that some nations favoured the principle and were prepared to talk about it. When a final conference was held in 1938 Argentina pulled out and wrecked the proposal. However, it was not forgotten and was subsequently pursued; consequently, the major importing and all exporting nations accepted the principle of a minimum price for wheat fixed on a quota basis.

Since 1945, when this legislation was first incorporated in our Statutes, the principle has been that while wheat prices overseas are above the determined cost of production price, which is established annually, the wheatgrower shall contribute to a reserve fund out of his advances from the Wheat Board. The grower has been contributing since 1945. In the event of overseas prices falling below the determined cost of production price the reserve fund is drawn upon to make the overseas price up to the determined cost of production price. This has established the principle that the wheatgrower should not be expected to sell wheat in the national interest for less than it costs him to grow. Practically all wheat produced by the grower is subject to a guaranteed price. There are limitations in this Bill in that the Commonwealth Government's guarantee only applies to 100,000,000 bushels of export wheat.

This season has been bountiful for all States and it is extremely likely that the Australian Wheat Board will have to find sales for more than 140,000,000 bushels, and for the surplus of over 100,000,000 bushels the grower will receive only the price it brings. If the reserve fund, into which growers have been paying up to 1s. 6d. a bushel, were exhausted, the Commonwealth Government's guarantee would apply. The Commonwealth has never been required to meet any guarantee to the industry under this legislation because the growers' own contributions have established a fund to guarantee a price to meet the cost of production price. The legislation, which was for five years, expired on September 30 last. During that period the overseas price fell and the grower could not contribute to the reserve fund, but at present, notwithstanding the inability of growers to contribute to it, it amounts to £9,300,000. Although the legislation governing the growers' contributions has expired, the industry, through the Australian Wheatgrowers Federation of which I have the honour to be secretary, has agreed that that sum shall carry forward with this legislation. In other words this legislation will commence operating with a credit of £9,300,000 provided

by the growers. That clearly reveals that the industry is keen on the legislation.

During the last 12 months the Bureau of Agricultural Economics, in accordance with the principles of this legislation, carried out a field survey to ascertain the economic and other changes in costs that had been incurred by the wheat industry during the past five years. That survey produced some amazing facts. It revealed that 70 per cent of commercial wheat-growers in Australia received most of their income from sources other than wheat and in order to get a realistic survey of the industry those growers could not be considered and the formula had to be altered. The survey also revealed, following a report of the Wheat Index Committee, that the cost of production of wheat today is 14s. 6d. a bushel. The guaranteed cost of production of wheat is also 14s. 6d. and the average price received overseas for wheat is 14s. 6d. If the overseas price falls slightly, then the £9,300,000 will be drawn upon to guarantee the growers a price of 14s. 6d.

This scheme is for five years and Treasury and other Government officials are taking a much keener interest in it than hitherto because of the tremendous wheat surplus. The United States of America has a surplus of 1,200,000,000 bushels; Red China will harvest 1,400,000,000 bushels this season; and Soviet Russia is producing the greatest crop it has ever known. It is quite possible that if the International Wheat Agreement is not renewed—and it expires on July 31, 1959—the Commonwealth Government will have to provide some money for the growers in order to make up the guaranteed price during the term of this legislation.

The Department of Trade in Canberra and the Department of Primary Industry have some extremely smart officers, to whom I take off my hat. They are right on the ball all the time. I now pay a tribute also to the Minister for Trade, the Hon. J. McEwen, who has seen to it that, because of the likely trend of wheat prices overseas, the Federal Treasury will make up out of its funds some of this guaranteed price of 14s. 6d. per bushel. He has been alert and active and has made favourable bilateral agreements with Ceylon, Malaya, Japan and the United Kingdom to provide a payable price for much of the wheat sold to those countries.

What are the reasons for this enthusiastic action of the Department of Trade? They are twofold: first, because it is in the interests of the nation to get favourable trade balances with those countries; and, secondly—and this

is the main reason; I am a little biased in saying this, but it is my opinion—because there is a likelihood or danger that the Treasury may have to honour this guarantee. That is all to the good of the wheat industry and the nation. It means that we have a responsible Commonwealth Government in Canberra, a responsible Department of Trade, and a responsible Department of Primary Industry taking more than a cursory interest in the wheat industry because of its trade relations overseas and the Treasury being involved in the guaranteed price.

When we first advocated this wheat stabilization legislation, many wheat growers, members of Parliament (not in this State only, but in others), and other people who had an interest in the wheat industry, although not as growers, held their hands to heaven in horror, telling us that it was Government interference, it was Government-controlled legislation and, therefore, it would be no good and the growers should have nothing to do with it. Events since that statement was made have proved that it is in the interests of the growers and the nation that the Government should interest itself in establishing markets overseas for the wheat industry.

Mr. Loveday—And give a fixed price to the grower.

Mr. STOTT—Yes. That is a complete answer to the charge of Government control. If I may be permitted at this stage to veer away from the Bill and to return to it later, I should like to refer to the wool industry, which is now in the doldrums because of the depressed prices for wool. Many growers, as is quite proper, are becoming anxious at the further drop in wool prices. At the Adelaide sales yesterday there was a rise of 2½ per cent, but it still means that the present price is more than five per cent below that ruling at the September sales. In view of this continued drop in wool prices, it is clearly understandable why the growers are becoming more and more anxious that inquiries should be made into the present wool-selling system, not that there is anything radically wrong with it, but it needs a reserve minimum price to safeguard the grower and to get a payable price for it. The last time we advocated a reserve minimum price for wool, and the legislation was agreed to, we heard the same old cry—"It is Government control; it is no good." The growers became fearful of this red herring dragged across the trail and, unfortunately, voted out that legislation.

I advocated it at that time in Western Australia and New South Wales, advocating it. I was told "It is Government control; we will not have it." My words are on record. I said that if the growers voted out this legislation they would live to regret the day they refused it, and today that is true. The time has arrived.

The Hon. D. N. Brookman—Are you going to talk about wheat or wool?

Mr. STOTT—My point is Government control. We can see the advantages of having, not so much Government control but Government interest in legislation of this character, which I have proved to be good. When there is a possibility of the Government having to provide money to make up guaranteed prices, it alerts itself to establish these markets at a favourable price, thus avoiding the danger of having to provide a guaranteed price. That, in principle, is sound and wise.

Concluding these few remarks about wool, I say it is all to the good if we can get agreement to a satisfactory scheme for a fair minimum price, where, if desired, the present wool auction system can be retained. If prices fell, the Departments of Trade and of Primary Industry would alert themselves to establish favourable markets overseas for wool as they have done for wheat. So I pay tribute to the Minister who has made some forthright statements. Knowing him as I have for many years, I know that he is the driving force behind his department in establishing these markets overseas for primary industries.

Let there be no shadow of doubt that this class of legislation introduces stability into the wheat industry. It follows from that as a natural corollary that it is good for the nation to have money in the pockets of wheat-growers who, in turn, require such things as machinery, oil, fuel, corn sacks, etc. Consequently, it means much employment and buoyancy in trade. Thus, a stabilized wheat industry is good for the whole nation.

I mentioned Red China, which has harvested 1,400,000,000 bushels of wheat. The latest news from Soviet Russia, in the Ukraine and the Caucasus, is that they have put into their wheat granaries the highest volume of wheat ever known in Soviet Russia. Further south, in the Urals, there are reports that virgin land is now producing in Russia some record crops of wheat. The Minister for Trade mentioned a few days ago that we should trade with Red China. I have no doubt he had in mind that we could sell wool to Red China, which would help the price of wool. I do

not know whether the department has any idea of opening up trade channels in Red China for selling wheat. I am not optimistic about it at the moment, but the Government has not restricted the Australian Wheat Board's selling wheat to Red China. In fact, we have already sold some to Red China, though not a great quantity. A few months ago we received inquiries from Red China about a parcel of wheat, but unfortunately the contract never came firm because, when the representatives of Red China were asked to provide their letters of credit, they could not do so in order to allow the cargo of wheat to go forward, so the deal fell through. The United States of America and Canada will have tremendous surpluses of wheat, but for the wheat year commenced on August 1 India will require over 300,000,000 bushels. Therefore, there is a tremendous market in India, which is traditionally Australia's. We should try to sell to that country some of the surplus wheat that we shall have after the coming bountiful harvest.

I believe that Australia will harvest nearly 200,000,000 bushels of wheat this year. We require about 60,000,000 for home consumption, leaving 140,000,000 for sale overseas. As a result of the bilateral agreements made overseas by the Commonwealth Minister for Trade it seems that it will be difficult for us to find markets overseas for 40,000,000 bushels. Australia is the nearest wheat-producing country to India, so we should be able to compete successfully there against other nations, but our chances are not bright. The Canadian Government has told the Canadian Wheat Board it will pay the board the full purchase price as soon as a wheat ship leaves Canada for India, and the Canadian Government will allow India credit for seven years. India has millions of under-nourished, poor people, so it will be forced to deal with any country giving extended credit. I fear that Australia has no chance of competing with Canada unless we ask the Commonwealth Government to provide credit to the Indian Government for seven years for wheat bought from Australia. I urge members to support such representations so that we may gain valuable markets in India.

The original wheat stabilization legislation was introduced in about 1945, and it was necessary to hold a referendum of growers before it became law. Slightly over 60 per cent voted in favour of the legislation at the time, and when another referendum was held about

five years ago over 90 per cent supported the continuation of the legislation. Therefore, it has been considered unnecessary to hold another referendum for the renewal of the legislation, and there is no provision in the Bill for another poll to be held. Any grower who did not favour a continuation of the legislation would not be in his right mind. Recently, the Australian Agricultural Council asked the Australian Wheatgrowers' Federation whether it thought a referendum was necessary, and the federation told the council and the Commonwealth Government that it was not. The federation accepted the responsibility for expressing that view, and I am pleased that it has been endorsed by wheatgrowers' organizations throughout Australia.

This Bill is not precisely the same as the previous legislation, but there is nothing controversial in it. It has been accepted by the industry on the understanding that the Australian Agricultural Council in 12 months will examine the question of a margin of profit for growers. Two conferences were held with the council on this question, but those present were divided in their opinions. They could not agree on the items in the wheat index formula that should carry a margin of profit. Some Ministers took the view that the industry was not entitled to a profit on the freight of wheat from the siding to the port. Surely, if the industry is asking for a profit margin, the grower should not get a profit on rail freight, and that principle has been accepted. Another point at issue was the remuneration of the owner-operator. For working and managing his own farm he is allowed £1,040 a year, which is £20 a week. Previously it was £976 a year. We were able to get the wheat index committee to recognize that the various rises in costs and wages in other industries were about equal with those of an owner-operator on a wheat farm, who has to carry the managerial responsibility; have a knowledge of chemistry in relation to hormone sprays, and work on Sundays to care for his stock. The committee agreed that he should be allowed in his operating costs the equivalent of £1,040 per year.

The member for Chaffey will no doubt be interested in this point, because we have been trying to establish a stabilization scheme for the dried fruits industry. The Bureau of Agricultural Economics in 1956 came out with a figure for that industry of £976. I believe that the figures allowed for the owner-operator under the proposed dried fruits stabilization scheme should now be increased to £1,040, the

same as we have established for the wheat industry. The sum of £1,040 has virtually been written into the legislation we are considering this afternoon.

Regarding the margin of profit, some Ministers queried, in effect, whether the industry was entitled to a margin of profit over and above the capital allowance the grower received in his cost of production. We average each farm at 2,036 acres; we take the average value of the farm and sheds on it, depreciate that in accordance with the accepted rates and principles of depreciation, with allowances for dams, fencing and so on, and arrive at a figure for the land. Then the grower is allowed an interest charge on that capital value. The point then arises whether the industry is entitled to a profit margin over and above the capital allowances. Members in this Chamber who are accountants or who understand accountancy will agree that we can hardly make out a strong argument in favour of allowing a profit on that item in the index, but that does not vitiate the principle that the industry is entitled to a profit on the rest of the items in the index. In fact, the industry is entitled to a profit on the balance.

I think that the Australian Agricultural Council should indicate to the Wheatgrowers Federation, before next year's conference is held, exactly what it is arguing about. The Council says we are not entitled to a margin of profit, but it should tell us why we are not entitled to the margin of profit on the balance of the items in the index; then we will find the answer. If that is what is troubling the Australian Agricultural Council, and they do not think we are entitled to a margin of profit on every item, it should say so. However, it has never said that; it has merely made a broad statement that it does not believe that the industry is entitled to a margin of profit, but that it will look at it again in 12 months' time.

During that time the Australian Agricultural Council should investigate the matter. It can come down with the queries and we will provide the submissions and submit a good case as to why the industry is entitled to a margin of profit over the 14s. 6d., taking out those items in the regimen that I have mentioned.

I do not intend to delay the House very long because I do not think it is sound policy for a person to stonewall a Bill in which he is vitally interested. I feel, with much pride, that this legislation is mine. I was an architect in its formation many years ago; I have always been keenly interested in

it and have taken an active part in its renewal every time it has come up. I commend the Legislation to members hoping that, having convinced them of the importance to the wheat industry of the principles of stabilization and a guaranteed price, they will investigate the stabilizing of prices in other primary industries and not be so fearful of the Government's having an interest in an industry. If we can get Governments interested in guaranteed prices, they will be alive to the need to establish markets overseas so that the danger of the Treasury having to provide a guarantee will not be so real.

I commend the legislation to the House, because it is good legislation. I pay a tribute to the Government and the Minister of Agriculture, who came into the negotiations at a very awkward time. He has had the pleasure and responsibility of introducing this Bill, and has therefore received some of the glory due to his predecessor who was right in the middle of these negotiations when he vacated office. Mr. Brookman came into the negotiations on the eve of his being appointed. He was not very well briefed but he came through with flying colours, and I hope that next time we discuss this matter he will have a much better knowledge, gathered from experience of an approach to this question, and will see how important such legislation is, not only to the State but to the nation and to the community as a whole.

A point may be raised later in this debate regarding the industry's contribution to the national economy over the years. During the operation of this legislation the guaranteed cost of production price in the early stages was well below the average overseas wheat price. The Federation agreed not to charge Australians the high price for locally consumed wheat, and consequently the bread eaters of Australia were not charged the high export price, but received their bread at a lower price. The total difference between the lower price during that period and the high price received for export wheat up to 1950, when the price of wheat started to fall, amounted to £198,000,000.

Mr. Hambour—They have forgotten about that.

Mr. STOTT—They have. We do not want people to forget about it. The wheat industry is not moaning about that now; it contributed £198,000,000 to the national economy over that period. That fact completely refutes the argument that the wheat industry is not now entitled to receive a margin of profit from

the Australian community. I commend this legislation and hope that it will be carried without dissent.

Mr. LAUCKE (Barossa)—I heartily endorse the sentiments expressed by the member for Ridley in relation to the renewal of this legislation, which has been of inestimable value to the wheat industry and to the economy of Australia generally.

During the past 10 years growers have enjoyed conditions which have ensured to them costs of production on the 60,000,000 bushels of wheat consumed in Australia and the 100,000,000 bushels exported. With the confidence that comes from a knowledge of the price to expect, farmers have been able to plan and budget ahead, which they could not do without the system of disposal available under the legislation. The Bill contains the framework of a scheme similar to the one that has operated.

There has never been a more urgent need for this legislation than at present; there are huge wheat surpluses in overseas countries. This year American farmers have produced 1,500,000,000 bushels of wheat, a 58 per cent increase on last year. At least 500,000,000 bushels will be added to America's enormous stocks. The Assistant Secretary of the Department of Agriculture in the United States of America said on Sunday last:—

If not one bushel of wheat were grown in America in 1959 our carry-over would be enough to meet all requirements until July, 1960, and still leave us a surplus of 300,000,000 bushels. America, Canada, Argentine and Australia are the four largest exporting countries, but because of adverse conditions last year Australia has no worries about a carry-over. Underlying this Bill is an appreciation of the fact that at present the world is adequately supplied with wheat. The Bill will operate for five years and this I support for it gives a stability for a period. The scheme will end with the 1962-63 harvest. The Commonwealth guarantee is 14s. 6d. a bushel on about 160,000,000 bushels, and the price is of great importance to the growers.

A stabilization fund has been operating. When the overseas price rises above the guaranteed price, payments are made into that fund. The first calls on the fund were made in connection with pool No. 18 in 1954-55 and pool No. 19 in 1955-56. The withdrawals from the fund to raise the average export returns to the guaranteed level were .476d. per bushel for pool No. 18, which involved £188,482. For pool No. 19 the guaranteed price was 13s. 1d.

and the average realization price was 12s. 10.514d. a difference of 2.486d. a bushel. The disbursement from the fund amounted to £1,035,833. Payments into the fund have now been resumed with the No. 20 pool, 1956-57 season. So far the fund has been credited with £9,300,000. This is a good nucleus for the period ahead.

The Wheat Board is to be the sole authority to receive and sell wheat and flour. From personal experience I know that it is a very efficient organization in this State, and its administration throughout Australia has been most efficient. If ever I were an admirer of a board for its efficiency, forthrightness and ability to care for the interests of the growers, it is the Australian Wheat Board. I pay a tribute to its zeal and efficiency in conducting its affairs at a cost to the benefit of the growers. The home consumption price of 14s. 6d. was fixed after a generous viewing of the components which form the price. The growers now receive the benefit of the current value for land, current improvements and stock values, and depreciation on existing plant. Land values are based somewhere near present valuations, whereas previously they were based on security values. The allowance to the farmer-proprietor for his labour is £1,040, and wages at basic rates are credited for family assistance. All these factors add up to a fairer assessment of the position and provide a price that is regarded as satisfactory to the growers generally, apart from two important aspects. One concerns the fixing of the division figure of 15.5 bushels. The growers felt it should have been 14.8.

Any formula used to arrive at a result should be rigid so as to give a proper basis of approach. There should be a set period so as to avoid any suggestion that the figure has been picked out of a hat. I have no doubt that under the conditions that operated previously 15.5 bushels could be a reasonable and fair assessment, but at the same time it is always good to have a firm foundation in a formula from which there can be no deviation without agreement. Also, this would prevent any suggestion that there are ulterior motives in achieving a given result. I feel that, as a matter of principle, the farmer is entitled to a margin of profit, and I hope this will be reflected in future home consumption prices. I note that there is to be a continuation of the loading of 2d. a bushel on all mainland wheat consumption to provide wheat at a better figure to Tasmania. This will enable wheat to be placed there at about the same

price as we enjoy on the mainland, and I think it is a reasonable provision. The whole nation carries this assistance to Tasmania, which is a good thing, and I hope it will be continued. The allowance of 3d. a bushel to Western Australia by way of premium owing to its natural geographical advantage is a fair thing, and I am pleased to see that that also is to be continued.

One of the most worrying conditions applicable to the recent year's trading in wheat and flour has been the unfair trading practices of a number of overseas producing and exporting countries. I have in mind the loss of Australian flour markets to France, Italy and West Germany because of a price cut of £5 a ton under the keenest price possible from the very efficient milling industry in Australia. We can produce flour as cheaply as any country in the world, but we are placed at an unfair disadvantage because of the unfair subsidies granted in other countries. The implications of these unfair trading practices have been detrimental to the milling industry, and although I am not here with any brief for it, I regard it as particularly important in disposing of Australian production. Our flour exports dispose of one third to one half of our production, so milling is really a major avenue of disposal of the crop, and as much of our wheat is sold as flour in essentially flour markets such as Ceylon, the price cutting by the countries I mentioned means that we are missing out in disposing of our wheat. Wheat can be sold either as wheat or flour and I am pleased that representations have been made by the Commonwealth Government to the Intersessional Congress of the General Agreement on Trade and Tariffs, which met in Geneva in April of this year, about the French subsidies, and a panel is now studying the complaint brought forward by the Commonwealth Minister for Trade. Given decent competition, we can compete anywhere in the world with our flour. Reference was made by the Deputy Leader of the Opposition to the milling industry. I should say that all the industry seeks is to have wheat offered to it from week to week at the price at which it is being disposed of in overseas markets at the time, the price to be calculated at the rate of freight ruling of berth tonnage as the medium of export of flour is mainly berth tonnage freights, not cargo freight.

Mr. Frank Walsh—But you have no guarantee of that today.

Mr. LAUCKE—No, and it is essential to have it. We cannot have any foreign miller

buying wheat at a better price than that at which the local industry buys it. All the local industry asks is to have wheat available at a price not in excess of that charged to overseas buyers.

Mr. Frank Walsh—Is it possible that you could be caught with wheat on hand?

Mr. LAUCKE—No, we cannot buy ahead, as there is no ability to move into any future speculation. We can obtain wheat only to cover flour that we sell, so we cannot be caught under the present arrangement.

Mr. Riches—Do you charge Australia more than Ceylon for flour?

Mr. LAUCKE—Yes, the local price is generally higher than the export price, because most of the export business in recent years has been conducted at a loss. The local price is a fair one and varies between States; in fact, the variations have been marked last year because of the costs involved in supplying wheat from Western Australia and South Australia to New South Wales and Queensland. The export price is fixed on a non-profit basis as we are looking towards a brighter future without unfair overseas competition.

Mr. Frank Walsh—At what price would you have to sell to compete with the countries you mention?

Mr. LAUCKE—The difference of £5 a ton is so great that we would need about 2s. a bushel allowance. The price of bread is increased by a half-penny a loaf for every 1s. 2½d. a bushel increase in wheat, and an increase of this amount to the milling industry over the whole of Australia could be a really important contribution towards meeting the competition.

Mr. Frank Walsh—You have a guaranteed price of 14s. 6d. now. What are the overseas prices?

Mr. LAUCKE—The present f.o.b. price of Australian wheat is 14s. 6d., and it is actually higher than a year ago. The work of the Minister for Trade and his department generally in seeking markets for our wheat and flour has been excellent. I hope I shall not be misunderstood if I mention flour. I have not mentioned it since my entry to this place, but I feel I can do so now because flour is integrally tied up with wheat, and it is only right that I should mention the importance of the flour milling industry as an adjunct to the wheat industry in assisting in the disposal of our crop. Reverting to the work of the Minister for Trade, it is good to see that we now have a guarantee of 28,000,000 bushels of wheat or flour to be taken by the United Kingdom and

Japan will buy 7,500,000 bushels under agreement. Malaya is to import annually 18,000 tons of flour and 14,000 tons of wheat. Ceylon at present is taking 11,000 tons of flour and I understand that up to the end of the year the total will be 28,000 tons and next year and in 1960 it will take 100,000 tons. Those agreements are of real importance to our economy, because as a nation we are vitally concerned with the prosperity of the wheat industry. It is one of our major sources of income, and with the reduction in wool prices it is only natural to look more to the growing of wheat. I have made no mention of price in the figures I have given, and there could be a hitch there. So far growers have been lucky in not having to make a call on their fund to meet commitments. At present the fund totals a little more than £9,000,000. The incidence of price could be very important when we come to look closely at our success in the quantities of wheat and flour contracted for ahead.

Mr. Quirke—Is there any difference between the wheat sold to Asian countries and that used in Australia?

Mr. LAUCKE—In Australia we have flour of 72 per cent extraction and flour of 85 per cent extraction. Most of our flour is sold as straight Australian ordinary 72 per cent extraction and the higher extraction goes to certain Asiatic countries. South Australia has the peculiar ability to grow two types of wheat effectively—semi-hards and softs. The local branch of the Australian Wheat Board has done very good work in conjunction with growers in segregating these types. A few years ago I was concerned about the very idea of segregation, because in so doing we would have a lot of semi-hard wheat of acknowledged quality and also a residual quantity of soft wheat which admittedly would be inferior to semi-hard wheat. Now we have certain markets overseas desiring our soft wheats and so segregation can be done for the benefit of our semi-hard buyers who do not want a mixture of hard and soft wheats. They would rather buy them separately and blend them themselves. Under the new arrangement in bulk handling centres, if the silos are vertical the wheat is easy to separate, but if they are horizontal divisions must be made in the silo building. However, it is possible to segregate them and then we can supply soft wheat to Japan, which it desires and semi-hard wheats to those countries wishing to buy them.

Mr. Quirke—Does that operate to any extent?

Mr. LAUCKE—Yes. Last year it operated very well and millers appreciate that because they can buy in separate parcels.

Mr. Quirke—Is there any differentiation in the price overseas?

Mr. LAUCKE—Roughly, the price is about the same—the farmer receives the same for semi-hard wheats as for soft wheats, although millers offer a premium for some of the semi-hard wheats. I can see nothing but good emanating from this legislation, and I congratulate the Minister of Agriculture on its introduction, the Agricultural Council, the wheatgrowers' organizations and the Federal Minister for Primary Industry on their producing a system that is doing so much good for the wheat-growers of Australia and for our overall economy. I have much pleasure in supporting the Bill.

Mr. HEASLIP (Rocky River)—I also support the Bill. I shall not cover the ground already covered by other speakers, but I will mention that in company with Mr. Stott I was also present at the Canberra meeting 10 years ago when the wheat stabilization scheme was evolved as the result of conferences between wheatgrowers' organizations and the Agricultural Council. I congratulate Mr. Frank Walsh who this afternoon was placed in a rather awkward position because of the absence of his Leader and had to speak on the Bill at short notice. He was frank enough to admit that he had no wheatgrowers in his district and did not know much about the subject, but in the short time he was on his feet I consider he made a useful contribution to the debate. He did say that the Bill provided no protection for the milling industry or for other primary producers who used wheat. The position is that no one apart from the wheat-growers themselves has made any contribution to the fund to guarantee a price for wheat. No Government, or any other section of the community, has contributed towards the stabilization of the industry. Had it not been for stabilization, in conjunction with the International Wheat Agreement, I shudder to think where the wheat industry and South Australia's economy would be today. Stabilization has provided for the orderly marketing of wheat and it has contributed to the milling industry by producing, without Government subsidy, wheat economically and more cheaply than in any other country. Wheat has been milled in Australia and made available to poultry breeders in the form of bran and pollard. Indirectly, wheatgrowers have assisted

the milling industry, poultry breeders and also many employees in the State. It does not matter to the growers whether their product is exported as wheat or flour, but it means much to the milling industry and poultry breeders.

The wheat industry has made a great contribution—not less than £200,000,000—to Australia's economy in accepting a much lower price when wheat was fetching high prices overseas. The producers realized that if they wanted a Government guarantee they should also contribute to a reserve fund. Pools 18 and 19 have been slightly reduced, but that fund is again being built up. The whole stability of the industry has been carried by the growers.

Mr. Stott referred to woolgrowers, but they missed the bus because they refused to have an orderly marketing plan when wool prices were high and they were in a position to contribute to a reserve fund. Today wool prices have almost reached a stage when woolgrowing is not profitable and growers could not contribute to the stabilization of their industry. I do not desire to touch on the clauses that have been mentioned by other speakers, except to refer to clause 11 (7) (a) which states:—

A number equal to the number of bushels of wheat of the season exported by the Board or sold by the Board for export.

Under the Bill a guaranteed price will be given to up to 100,000,000 bushels of wheat exported, but this clause reads almost as though, unless the wheat is exported or sold during the year, 14s. 6d. a bushel will not be guaranteed. Last year we did not have wheat for export, but the previous year we had more than 100,000,000 bushels. If we produced 150,000,000 bushels we would only get a guarantee on 100,000,000, and if the surplus of 50,000,000 were held over until the next year it would not be regarded as being exported in the previous season and would not receive the benefit of that guarantee. Each season we have to carry over a certain quantity of wheat to ensure having sufficient to maintain the bread supply until the next harvest. The growers do not get payment for that wheat until the whole of the pool is wound up. Consequently, growers are financing the consumers of Australia by holding over a quantity of wheat each season. Although I do not object to the clauses relating to the guarantee, I intend to ask questions of the Minister in Committee.

I congratulate the Minister for Trade on the wonderful work he has done, not only for the

wheat industry but for all primary producers, in obtaining overseas sales. Primary producers owe much to him. I was pleased to hear Mr. Laucke refer to the results of wheat segregation from the millers' point of view. At the beginning of the season wheatgrowers were asked to nominate whether they had semi-hard or hard wheat. They were requested to keep these types separate in the paddock and to deliver them separately to the bins. Some growers were sceptical as to the results that would be obtained and I am pleased to hear that the millers appreciated the board's segregating these types. Some overseas buyers desire semi-hard wheat and it is of advantage to the board to have it segregated from the hard wheat. Sales have been obtained overseas through this segregation.

I congratulate our own Minister of Agriculture on the part he has played on the Agricultural Council. Like the member for Edwardstown this afternoon, he came in at short notice, not knowing what had happened previously. We should be proud of the part he took in that council meeting. He was a new man to the council but was not afraid to say what he thought and to put the point of view of South Australia. I congratulate him on the part he has played in wheat, and support the Bill.

Mr. HAMBOUR (Light)—This House is indeed fortunate in having men of the calibre of the member for Barossa (Mr. Laucke) and the member for Ridley (Mr. Stott). I am not casting reflections on the member for Rocky River (Mr. Heaslip) when I say that, but these two men have devoted some of their lives to the study of wheat and can give us a dissertation on wheat equal to any that could be given in Australia. They have covered the subject fully and I shall not deal with those matters. I add my congratulations to those responsible for the presentation of this Bill, which is necessary and will be well received. As wheat is an important item of production in my district, I want to comment on the attitude of some people towards it.

Strange as it may seem, the Agricultural Council decided at its last meeting not to give the wheatgrower a margin of profit. I have no doubt where our Government stood in this matter but I am concerned that other Governments can hide their light under another State's bushel, the wheatgrowers of other States not knowing whether their Minister supported the profit on wheat or not.

Mr. O'Halloran—It is not long ago since the Minister of Agriculture in New South Wales was criticized in this House for doing so.

Mr. HAMBOUR—The Leader of the Opposition will probably say something about this later. The Minister in New South Wales this time said he supported a profit margin on wheat and we heard much controversy about the Minister for Primary Production. I do not know what he said but I am confident where this Government stood. How could any responsible Parliamentarian, let alone Minister, or Government deny the wheatgrower a profit? The Tariff Board, a body constituted by our Commonwealth Parliament, investigated costs and allowed a profit. Can any industry function without a profit? It seems a reasonable request that any industry shall be given a margin of profit, no matter how small. You cannot sell for cost.

Mr. Heaslip—But you are getting it.

Mr. HAMBOUR—I think I can analyse costs as well as the honourable member for Rocky River can. What he is referring to as a profit is interest on capital and wages. It is not a profit because those two things need never be subject to the vagaries of climate and weather. A man can get an assured wage working anywhere. He can get an interest on his capital by investing it in many projects without risk. In primary production he has to risk whether he will get a return on his capital and labour. I am not quibbling about the divisor; that is fixed at 15.5.

Mr. Heaslip—That is what you should worry about.

Mr. HAMBOUR—The honourable member has spoken his piece. I venture to say that, when the divisor is decided upon in five years' time, it will be increased owing to scientific application. Wheatgrowers generally do not quibble about the divisor of 15.5 average because those who ought to know have fixed it and it has been accepted. Whether or not they are wrong only time will tell but, on economic facts, there is no profit.

Mr. Shannon—They will be wrong this year.

Mr. HAMBOUR—The price has been too low for the last 10 years. I think the honourable members for Rocky River and Onkaparinga admit that.

Mr. Shannon—I am not admitting anything; I am merely stating it.

Mr. HAMBOUR—The honourable member can make a speech directly. I accept the fact that when the divisor was 13.8—

Mr. Heaslip—You mean 14.8.

Mr. HAMBOUR—That is what the primary producer wants it to be fixed at but previously it was 13 point something. Today it is 15.5. I am not quibbling about that, but how can any body of people justify a refusal to give a profit? Either 14s. 6d. is a false cost or the growers are being told, "You grow wheat and we will give you the money it costs you, and that is all." That is unjust when every other industry protected by the Government is allowed a margin of profit. Even our State Prices Commissioner and Commonwealth Tariff Board allow a margin of profit. How can any Government justify the disallowance of a profit margin? I say this so that our Minister can hear me. I sincerely hope and trust that at the next conference he will not be a party, if he can possibly avoid it, to clouding the responsibility. Let it be known publicly which States favour a margin of profit and which oppose it; and let the wheatgrowers in each State know where their Government stands in the matter, for it is important and should be dealt with.

As the honourable member for Rocky River (Mr. Heaslip) said, we guaranteed a price for up to 160,000,000 bushels, which is the total of home consumption and export. I do not mind if Australia produces 260,000,000 bushels. I do not think the Wheat Board has done a bad job. I do not know that they have sold much wheat overseas at below production cost, but we have to produce wheat and other food and I hope the chairman of the Wheat Board does not make another statement like the one he made two years ago telling the people not to grow wheat. I hope politicians do not tell the wheatgrower whether or not to grow wheat. Let the wheatgrower himself in his wisdom decide whether he will.

Mr. Laucke—Nature will help him in that decision.

Mr. HAMBOUR—Yes. There was the unfortunate situation last year when New South Wales had to import wheat into a wheatgrowing country like Australia.

I am still vague about premiums on wheat. I have the honour to represent the district that has won the State Competition for wheat for the last two years. That does not mean that most of the wheat grown in my district is better than that grown in other districts. The honourable member for Gouger (Mr. Goldney) smiles. I know he has good wheat in his district also. In my district there are marginal areas that take the risk of wheatgrowing. When they get wheat, it is really good wheat but the yield is

low. Those who are prepared to grow good-quality wheat in areas that have not an assured rainfall should get a higher price. I have such areas in my district, and when the growers there get a good crop it is of top quality.

Mr. Laucke—The quality is excellent.

Mr. HAMBOUR—I believe in paying for quality.

Mr. Shannon—Those growers usually get a little more for their wheat.

Mr. HAMBOUR—In New South Wales they are paid a premium of up to 3s. 9d. a bushel.

Mr. Laucke—Up to 6s.

Mr. HAMBOUR—I am pleased to hear that. That shows that the premium in this State is far too low.

Mr. Stott—Are you advocating that the flour millers in South Australia follow the lead of flour millers in New South Wales?

Mr. HAMBOUR—I am not saying what the flour millers here should do. They are under price control in this State, so they cannot afford to pay a big premium.

Mr. Heaslip—Where did the flour millers make their profits—here or overseas?

Mr. HAMBOUR—I am not grilling the flour millers. They can mind their own business. I am only trying to mind the wheat growers' business. The member for Ridley (Mr. Stott) said that Australian wheatgrowers have contributed £198,000,000 for the benefit of the economy of this country, but that has been forgotten by most people, and I am sorry that the growers producing high-quality wheat are forgotten. Their wheat is so good that it can be used to great advantage for blending purposes, and they should get much more for it. This legislation will only guarantee to them cost of production, and the Prices Commissioner should consider that fact. I support the Bill, but I regret that the farmer who gets low yields of high-quality wheat gets about the same price as the farmer who gets high yields of low-quality wheat.

Mr. Heaslip—South Australia works under the f.a.q. system.

Mr. HAMBOUR—The honourable member must know that high-yielding wheats are not worth as much as the hard wheats, and he is not prepared to say that the difference in price is only about 4d. a bushel. Wheatgrowers are entitled to all the consideration it is possible to give them. They are entitled to a margin of profit, for every other industry gets it, and I hope that the Agricultural Council will go thoroughly into this question at its next meeting.

Mr. QUIRKE (Burra)—I support the Bill and join with other speakers in congratulating the member for Ridley (Mr. Stott) on the magnificent part he has played in bringing this legislation to fruition. If he did nothing else in his lifetime it would stand as a monumental work of which he could be proud. It is always a great pleasure for members to listen to people who thoroughly understand their industry, and I am sure we all agree that the member for Barossa (Mr. Laucke) has a thorough knowledge of his. What he told us this afternoon was most enlightening. I endorse the remarks of the member for Light (Mr. Hambour) that farmers should be encouraged to grow high-quality wheats. The member for Barossa told us that soft, inferior wheats have a market in Japan, and there they fetch about the same price as the harder, high-protein wheats. However, we should encourage farmers to grow the strongest and best wheats for home consumption, and they should be paid much more for the stronger wheats than for the lower-grade wheat.

Protein is the element of human nutrition which replaces wastage and enables the body to maintain its capacity for work. Carbohydrates are needed for energy, but they are of no use without protein, therefore the f.a.q. system is not satisfactory. I am glad that under bulk handling the various types of wheat will be segregated. To mix the various grades into a hotch-potch known as f.a.q. does only one thing—it reduces the standard of the whole sample. It is wrong to claim the highest price for a reduced standard, and that applies in any line of business. I congratulate the wheatgrowers themselves on their co-operation and generosity in agreeing to the continuance of this legislation.

I support what other speakers have said about the marketing of wool. The member for Rocky River (Mr. Heaslip) said the woolgrowers had missed the bus. Although they have delayed action they have not necessarily missed the bus. Any time is a good time to enter upon a scheme for the stabilization of primary produce, whether it be wheat or wool. Today is just as good a time as any to examine the wool industry, particularly because of falls in the price structure and the realizations by growers.

The woolgrower, firstly, will have to come out of his ivory tower. Many woolgrowers, because of their experiences over the last few years, think that nothing can happen to their industry and that there is no necessity for them

to unite. However, the fall can be so calamitous that there will be a universal lamentation over the lost opportunity that presented itself much earlier to do what the wheatgrowers have done. The cost would not have hurt them. They have had a unique product in the high quality Australian wool; but I can remember the time when wool was 8d. a pound, and it was only at the outbreak of the war that the price was stabilized at 1s. 2d. a pound, which was thought to be marvellous. Then prices went up, and the illusion came that the demand for this product was so great and everlasting that nothing could happen to it. They thought they were not as a race of men, but were trading in something that would always be the gold mine that it was. The result is inevitable.

I do not agree with the member for Rocky River that they have completely lost their opportunity. If the lesson is brought home to them today, they can start now in an endeavour to achieve what the wheatgrowers can present as a positive achievement. The sooner they set about it the sooner their position will improve. I have much pleasure in supporting this measure.

Mr. KING (Chaffey)—I support the Bill. I add my congratulations to all who have contributed to the introduction of this measure, particularly the Minister of Agriculture whose onerous job it was to participate in the negotiations. This stabilization legislation touches upon a principle that will become vital to other primary industries. We must therefore pay particular attention to the nature of this Bill, its effect, and the reasons for its introduction.

The Bill will help South Australia, as a wheat-producing State, and will also assist in the decentralization of industry. I refer to the milling industry. In other words, it will help us with our industries which are soundly based when they are based on the production of a district. In a scheme such as this the first thing is to produce the wheat; when it has been produced it must be sold. No wheat stabilization scheme can last indefinitely unless a stable price is obtained. We say in the formula that the owner-operator or the wheat-grower is entitled to £1,040 per annum, but that does not mean that he is certain to get it. He first must produce the wheat, and he will only receive that allowance so long as the Wheat Board's funds remain stable. The wheatgrowers have been fortunate in that up to the present they have not had to make any contribution, and the Commonwealth Government has not been unduly embarrassed by the scheme.

I believe we are entering into a new phase in the marketing of our primary products, and that the Commonwealth must take notice of what is happening. Practically all our costs in primary production are based upon internal costs. We have to sell our products; and a big percentage of them have to be exported at world parity prices which have no relationship whatsoever to our costs. The U.S.A. has had a series of farm product price support programmes; people have been encouraged to produce, and the production of certain lines of primary produce has been over-stimulated until the country has had unmarketable surpluses which they have at times unloaded at uneconomic prices, sometimes for political reasons and at other times merely to get the product out of the way. The surpluses are sometimes stored and probably deteriorate. The American taxpayer is keeping up the internal price by taxation. The primary producer is encouraged to produce, and is receiving a price which enables him to enjoy the same standard of living as everyone else in the country.

That is the position Australia is getting into now with the stabilization of wheat, for the farmer, provided that he has produced his wheat and the scheme recognizes certain basic principles, can enjoy a certain standard. The same principles are applied when industrial awards are being formulated; provided the work is available, the principle applies that a man is entitled to the full provisions of the award under which he works. Indirectly, and perhaps directly, a scheme such as this means that the farmer, provided his crop is an average one, will contribute to the national income a practically equal amount each year, which means that all the other industries which are based on the exchange of the national income between one section of the community and another will share in this income, and the general level of prosperity in the country will be evenly maintained.

The wide variations and swings we have had owing to the tremendous fluctuations in the prices of primary products some 20 odd years ago will be damped down by schemes such as this one, and we hope we shall never again suffer the chaos that existed in the 1930's when we had to introduce debt adjustments, Farmers' Assistance Boards and the like. While the price for the product is related to internal cost and the price received by the farmer, we shall indeed have stabilization not only for the farmers concerned but for the country as well. It is well to remember that the

Commonwealth Government has restricted its guarantee to 100,000,000 bushels, and with the fall in wool prices that has just been drawn to our attention there may well be in the next few years a diversion of farmers' effort to the production of wheat at the expense of sheep and wool. In that case the amount of wheat to be handled by the wheat pools under this legislation may become a burden on the scheme, and produce a situation not altogether to the satisfaction of the growers or the Commonwealth Government.

The principle of the owner-operator receiving a living allowance of £1,040 a year is one that was applied when the dried fruit growers were negotiating a stabilization scheme for themselves, although the figure allowed was a slightly lower one. I think the principle is a good one, and that it should be applied to soldier settlers on the River Murray when their cost of living allowances for production are being reviewed. The wheat stabilization scheme is setting up a series of standards which undoubtedly will be followed in other industries. For 30 years the dried fruits industry has had its own internally operated stabilization scheme. It has had assistance under legislation in connection with control, but it has had no Government subsidy or assistance, except in a few minor instances. So far it has been able to conduct its own pools, very much along the lines of the wheat pools. Recently a dried fruits stabilization scheme was produced after co-operation between growers' representatives and the staff of the Department of Commerce and Industry, but when it was submitted to the growers at a poll the voting was not sufficient for the scheme to be adopted, so the growers will continue with their private scheme until a further agreement is reached. Whilst prices are buoyant the industry is very happy and the demand for a stabilization scheme is not likely to arise. Stabilization schemes are usually socialistic measures and the products of hard times, and when they have been in operation for a period the benefits have been found to be so great that their continuance has been justified. This has occurred in connection with wheat production. Goods must be sold if a scheme is to work satisfactorily and if the internal price structure is to be maintained there must be the support of the people.

It is necessary for us to produce to the utmost of our capacity whilst the world is hungry. If the day is to come when all countries will have huge surpluses of wheat and problems arise, it should not be beyond the wit of man to devise means of getting food to

people who need it in such a way that it will not cause any loss of dignity on their part, and in a way that nations will not be able to take advantage of it for political purposes. The operation of this wheat stabilization scheme will be watched closely by the fruitgrowers in South Australia, and, in fact, by all primary producers, who will be anxious to see how it works out in the next few years.

Mr. RICHES (Stuart)—I support the Bill and join with members who have congratulated the architects of the legislation, paid a tribute to the way the scheme has worked over the last 10 years, and expressed the hope that it will continue to serve Australia for the next five years. As mentioned by Mr. Laucke, the speeches of members this afternoon have come as a breath of fresh air. I remember that when I first came into this House wheat stabilization was a plank of the Labor Party's platform and I recall how we advocated it from one end of the State to the other, but those who believed in free private enterprise viewed Government interference with abhorrence and alarm. I believe that of all the socialistic legislation I have read this Bill takes top place. To have such a Bill introduced by the present Minister of Agriculture and enthusiastically supported by Government members is a tribute to the system Labor advocates as the only way to deal with State-wide problems, and it is an indication of the readiness of members opposite to accept Socialism when it suits their ends.

Mr. O'Halloran—And completely forget private enterprise in the interests of big industry.

Mr. RICHES—Yes. Let us look at the provisions of the Bill. The board will be able to demand that all wheat grown in Australia shall be delivered to it. Of course, growers may voluntarily deliver some of their wheat to the board, but under the Bill the board can demand that all wheat shall be delivered to it, and whether they like it or not the growers must agree. The board will be able to do as it likes with the wheat. The Commonwealth Minister will be able to direct the board as to its functions. Subclause (2) of clause 7 states:—

The Commonwealth Minister may give directions to the board concerning the performance of its functions and the exercise of its powers, and the board shall comply with those directions.

The Commonwealth Minister concerned has just returned from a visit overseas and he advocates strongly trade with Red China. Under the Bill he will be able to direct the sale of

wheat to that country, if he so desires. This is the kind of Socialism that members opposite are prepared to accept when it suits their ends. The stabilization scheme has worked under an efficient board to the advantage of the growers. The Opposition has always believed that the labourer is worthy of his hire and that there should be a fair return to the growers of wheat. Labor has played an important part, firstly in bringing about this stabilization scheme and, secondly, in drafting the legislation. There is provision for similar legislation being passed simultaneously in all State Parliaments, with complementary legislation being passed by the Commonwealth Parliament. In States where there are Labor Governments this principle has been endorsed.

This afternoon the Government speakers here have indicated their enthusiastic support for the measure, although usually they say there should be no Government interference in private enterprise. They have supported this socialistic measure and testified to the way that it has worked. They appreciate the efficacy of the scheme and have been climbing over one another to claim credit for the introduction of the Bill. When we reach the Committee stage I hope that either Mr. Stott or the Minister will explain clearly the meaning of clause 5. Mr. Stott claimed that he was an architect of this Bill, but the Labor Party was in the vanguard in advocating wheat stabilization. The wheatgrowers of South Australia, and indeed of Australia as a whole, owe a great debt of gratitude to the Labor Party and all those who assisted to bring this socialistic legislation to successful fruition.

This supplants the practice of days when merchants made as much out of wheatgrowing as did farmers, when farmers would sell their wheat the day before prices rose, and those who were batting on the backs of farmers would get more than the farmers. It is the policy we advocate and it can be applied, not only to wheatgrowing, but to other primary industries, as advocated by the member for Chaffey (Mr. King). As the Leader of the Opposition correctly informed him, he should have come over to this side of the House to advocate that because it was out of character, out of place, and definitely out of step with the objectives of the Liberal and Country League as shown in its pamphlet. It was like a breath of fresh air to hear a member opposite champion this type of legislation for co-operative effort, and it gave us no end of encouragement. I assure

the House that this Bill has our blessing; I hope it will be carried and that the clauses will be explained to us in Committee.

The Hon. D. N. BROOKMAN (Minister of Agriculture)—I thank members for their attention to this Bill. I wish to comment briefly on some points raised. In general, the speeches were particularly thoughtful and informative because, as we all know, if there is one subject in which the South Australian legislature is strong it is agriculture and other primary production, particularly wheatgrowing. We have the strongest possible representation of experts on this subject in this Chamber. The member for Stuart (Mr. Riches) was a little politically inclined, which was rather a pity; he made a speech which was not intended to further the legislation, but simply to try to gain some political profit. He used a number of ready phrases such as "Those who suffer the heat and burden of the day" which sound all right, but really do not contribute much to the debate. He suggested that the Liberal and Country League was not in favour of marketing schemes such as this. I have heard that ridiculous argument on and off for years, and I thought that a member with his length of service in this House would not keep on using it.

Several members mentioned the wool industry, but as it is completely separate from wheat I do not wish to go into it in detail, except to say that a few years ago woolgrowers voted on whether they would have some form of marketing organization, and very definitely declined. I draw three main observations from the very strong vote—firstly, they disliked the idea of having the Government involved in their industry; secondly, they were satisfied with the auction system of marketing; and thirdly, they showed no confidence in the effectiveness of a stabilization scheme. I may not be correct in those observations, but that is how I interpreted the vote, and I respect their views.

The flour industry was mentioned by several speakers, including the Deputy Leader of the Opposition. This has exercised the mind of the Government, because it is undoubtedly an important factor in the wheat industry of Australia. The flour industry has not been thriving like other industries dependent on primary production, but over the last few years has been in some difficulties, most of which have been well beyond the scope of South Australia, as they relate to overseas marketing of the produce. As is well known to many members,

in the last few years markets that had been considered for some time to be Australian markets, because they had shown a strong preference for our flour, were lost to the Australian milling industry principally through the actions of European countries—Germany, France and Italy in particular—in selling heavily subsidized flours in those markets. Colombo and Malaya are two examples. This has been the main cause of the difficulties of the flour industry.

It was mentioned that the Minister for Trade (The Hon. Mr. McEwin) had been overseas, had made strenuous efforts to regain these markets by negotiations both with the countries where we want to sell flour and with those under-selling us, and had achieved considerable success. Broadly speaking, we use 60,000,000 bushels of wheat annually in Australia, of which 35,000,000 bushels is milled into flour. That quantity represents one shift and is for local consumption, but to put the milling industry on a sound footing it should be able to work two shifts. A few months ago it appeared that only about 13,000,000 bushels of flour would be sold overseas, but that quantity has been greatly increased by the actions of the Federal Minister for Trade. The Government is anxious to see that when millers are engaged in the export industry they are not charged more for their wheat than the f.o.b. weekly sales price.

I rang the Wheat Board on one occasion and asked for an assurance that it would not charge more than that price for wheat to be used for export flour, but was not given such an assurance, although at one stage during the negotiations I was informed that the board's policy was not to charge the millers more than that amount. In fact, it charged below that figure at different times. All I asked was an assurance that it would not charge more than the f.o.b. weekly sales price. So far I have been unable to get a firm assurance, but the board has not charged more. I have asked to be consulted before it alters that practice. I cannot exercise a direct influence over the board and indeed I do not want to, but I am anxious to see that it does not harm any industry allied to the wheat industry, of which it is the guardian. If possible, I want to be sure that at no time will the millers pay a higher price than the export wheat price when they are engaged in supplying an export market. That is only reasonable, because the flour markets overseas will

undoubtedly be supplied by other countries, and often with flour made from Australian wheat. Therefore, it is only reasonable that our industry should have the same opportunity to mill wheat as the overseas countries that buy our wheat.

The problem of the flour industry is bound up mainly in the question of subsidized flour from other countries, but the outlook has been much brighter in the last few months owing to the activities of the Minister of Trade. I am anxious that those industries dependent upon wheat shall not suffer while the wheat industry itself is on a sound basis as a result of the operation of this legislation.

Several honourable members criticized the deliberations of the Agricultural Council. The attitude of individual members of the council is not normally made public and I do not intend to depart from the practice. We cannot have satisfactory conferences of the council if members are quoted as expressing contrary views. That perhaps is a handicap in the consideration of such legislation as this, but I remind members that there are not many organizations like it. In such a Federal system as we enjoy, we depend largely on the trust and goodwill of our opposite numbers in the other States. At the few meetings of the council I have attended, I have been impressed with the responsible approach of members to the various problems. Their views may differ widely on practically every subject, but generally there is a strong desire that the council should be maintained. With the existence of this council and with its standing committee consisting of the permanent heads of Departments of Agriculture in the various States, when a new question arises or an old question needs further attention these matters can be fully discussed at a council meeting. We should have a sense of proportion in considering the benefits of such an organization, although at times its actions may be criticized. I thank honourable members for their close attention to the Bill.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Progress reported; Committee to sit again.

ADJOURNMENT.

At 5.21 p.m. the House adjourned until Tuesday, October 21, at 2 p.m.