

**HOUSE OF ASSEMBLY.**

Thursday, July 23, 1959.

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

**QUESTIONS.****MOUNT WOODROFFE OBSERVATORY.**

Mr. LOVEDAY—In view of the report in the *Advertiser* of June 21 that the Premier had suggested to the Director of the National University's school of physical sciences (Professor Sir Marcus Oliphant) that Mount Stromlo astronomers might examine Mount Woodroffe as the site for a new observatory, can the Premier say whether he made such a statement and, if so, whether the Premier had given consideration to the fact that the construction of such an observatory would be a further intrusion into the aboriginal reserve in that part of the State?

The Hon. Sir THOMAS PLAYFORD—The statement is substantially correct. I received a letter from Sir Marcus Oliphant stating that an important observatory had to be established in Australia and that he was examining various sites. I forwarded the letter to the Surveyor-General for information regarding the possibility of a site in South Australia. Obviously, it would have to be in an area where clear nights prevailed. The Surveyor-General's report was forwarded to Sir Marcus Oliphant and as a result Mount Woodroffe has been placed high on the list of possible sites. I think two other sites were also mentioned by the Surveyor-General. In respect of the second part of the question, I have been to the reserve, know its conditions and the number of aborigines on it and I am quite sure they would not suffer in any way from an observatory being erected on top of the mount. It would in no way impair their rights or their freedom: in fact, it would probably result in certain advantages to them. I point out that already the rocket range authorities are moving across the reserve and a mining company has been operating for a number of years in the north-west corner of the State. Commonwealth and Western Australian officers are exploring the area for mining possibilities. This is all well controlled by the Protector of Aborigines and I am sure has been of advantage rather than disadvantage to the aborigines.

**SALES TAX ON BUSES.**

Mr. FRANK WALSH—Has the Premier received a reply from the Commonwealth Government concerning the question I asked

about removing sales tax on the cost of buses licensed under the Tramways Trust for private operation?

The Hon. Sir THOMAS PLAYFORD—No.

**SPEECH TRAINING FOR HARD OF HEARING CHILDREN.**

Mr. CUMBE—Last year I accompanied the Minister of Education to the opening of the new North Adelaide school for speech for hard of hearing children. The Minister then propounded a new method of teaching for these unfortunate children. I understand a report has been prepared on this matter and referred to the British Medical Association and other authorities. Can the Minister of Education indicate whether the report has been concluded and when it is likely to be made public and implemented?

The Hon. B. PATTINSON—With very great respect to the honourable member, I did not propound the new idea but merely gave publicity to a report presented to me by an expert committee. I undertook to publicize it and to send it to all interested parties so that it could be thoroughly examined by them. It has been studied by a wide variety of persons and bodies, who have all sent their reports to me. Apparently it is like the curate's egg; they all agree with it in parts and violently oppose other parts, but they all seem to be different parts. I have received no degree of unanimity on the subject at all. I recently had conferences with interested parties and with the heads of the Education Department and I hope to finally obtain some order out of the chaos so that some modified system will be introduced within a short time. I can take it no further than that because it is still in the exploratory stages.

**TELEVISION SET SALES.**

Mr. HUTCHENS—When television sets were first available in South Australia retailers were warned that action would be taken against them if they opened their shops or showrooms after the prescribed closing time. I subscribe to this, but have noticed that a Glenelg firm is advertising that it is open until 9 o'clock every evening from Monday to Saturday inclusive, and this seems to constitute unfair competition. Can the Premier say whether action will be taken to compel all persons and firms subject to the provisions of the Early Closing Act to observe the law?

The Hon. Sir THOMAS PLAYFORD—The honourable member has not mentioned any names but I think I can identify the firm concerned and if my assumption is correct the

Crown Solicitor is taking action in respect of it. Although I signed approval for action to be taken I am not happy about the proceedings because I have heard over the air other firms who are not trading through shops advertising to this effect: "If you ring us you can have a set in your house in ten minutes."

*A Member*—What is wrong with that?

The Hon. Sir THOMAS PLAYFORD—I think we are taking a rather peculiar view, when we are prosecuting one person for doing it openly yet allowing other firms, who are obviously doing it, although not actually from licensed premises, to go free. In my opinion the firm concerned is breaking the law, and action will be taken against it, but I am not at all happy about the general effect of the law which allows one person to sell after hours but prohibits another person from doing so.

#### PRINCES HIGHWAY CROSSING.

Mr. HARDING—Will the Minister of Works obtain a report from the Minister of Roads in relation to a dangerous part of No. 1 highway situated approximately one mile south of Glencoe East, particularly at the junction of the Glencoe-Kalangadoo Road and Princes Highway?

The Hon. G. G. PEARSON—Yes.

#### HOUSING TRUST RENTAL HOMES.

Mr. RYAN—Will the Premier ascertain from the Housing Trust the number of homes it expects to build for letting in the metropolitan area electoral districts for the year ending June 30, 1960?

The Hon. Sir THOMAS PLAYFORD—I have not seen this information, but the trust probably has a programme that it could outline in some detail. I will see whether I can obtain the information.

#### EFFECT OF LERP BEETLES ON RED GUMS.

Mr. LAUCKE—My question concerns the disastrous effects of Lerp infestation on red gum trees. It is pitiful to see the havoc wrought on the foliage of these trees by these insects; magnificent specimens in my district appear as though a blow lamp has passed over them. Can the Minister of Agriculture state whether any effective means of eradication has yet been devised?

The Hon. D. N. BROOKMAN—Last year I made a statement to Parliament about Lerp insects in which the knowledge we have about them was fairly thoroughly set out in a statement from the entomologist at the Waite

Agricultural Research Institute. I believe it was to the effect that this insect ravages trees, particularly during the dry autumn period, that it defoliates them but rarely kills them unless they are weakened through some other cause, and that a healthy tree recovers when the wet season comes. It will be realized that this season is a particularly favourable one for the spread of this insect. In travelling about the State I have noticed the heavy damage they have caused, not only in the honourable member's district, but throughout the Upper South-East. However, on the information I was given last year, the effect will not be as disastrous as may appear; in other words, the trees will not be killed. I will inquire whether any eradication or control measures can be taken, but it is hard to imagine any measures we could take to deal with the insect unless by some biological control—in other words, something that practically works itself. It is difficult to imagine any programme to deal with the insect in any other way. As the matter has been raised I will refer it back to the Waite Institute for full information on the insect and whether there is any possible means of limiting its ravages.

#### THIRD PARTY INSURANCE.

Mr. TAPPING—Has the Premier a reply to a question I asked on June 11 regarding the possibility of extending the "No claim" bonus to third party insurance?

The Hon. Sir THOMAS PLAYFORD—I am obtaining a report on this matter, which is not yet available, but I will let the honourable member have it as soon as it is.

#### LONG FLAT BRIDGE.

Mr. BYWATERS—Some two or three years ago a request came from people at Long Flat, near Murray Bridge, for a bridge to go over the railway line to enable their stock and vehicles to travel to and from various parts of their properties. The existing bridge is not suitable, and the former Minister of Works made a move to replace it. A good deal of representation took place on that occasion. I understand estimates were called, but they were too high, and there has been some disagreement with the Mobilong Council as to the price and what is intended to be done. Will the Minister of Works refer this matter to the Minister of Roads to see whether fresh estimates can be taken with a view to obtaining another price so that these people can have the bridge they require?

The Hon. G. G. PEARSON—Yes.

## WATER RATE ASSESSMENTS.

Mr. O'HALLORAN—Has the Minister of Works a reply to a question I asked yesterday relating to the effect of the new water rates assessments published in last week's *Government Gazette*?

The Hon. G. G. PEARSON—Yes. The new assessment is the usual assessment that has to be published each year over the signature of the Minister of Works. It varies in few respects from the old assessment. The new one contains an adjustment to bring the rating on vacant lands into line with present values. Also included are new buildings being assessed for the first time, and there are increased valuations in respect to properties where alterations or additions that have improved the values have occurred. The effect on revenue will be relatively small; the estimate, which is only an estimate, is about £60,000.

## WHYALLA WEST SCHOOL TOILET FACILITIES.

Mr. LOVEDAY—Early in May I wrote to the Minister of Education pointing out that there is a great insufficiency of toilets at the Whyalla West Primary School and that the pupils must have the times at which they attend the toilets staggered to overcome the deficiency. The attendance then was 450, and it has since risen to 486. Also, houses are being built at the rate of 300 a year in the vicinity of that school. Will the Minister take steps to see that the provision of extra toilets is expedited?

The Hon. B. PATTINSON—I have already taken steps, and I shall be pleased to take further steps. However, I point out to the honourable member, to other members and to the public generally that there are tremendous and competing claims by large numbers of interested persons and institutions for works on new buildings, additions to existing buildings, and numerous amenities for schools, and it is physically impossible to comply with them all in a given period. During the whole of the time I have been Minister of Education the Premier, as the head of the Government and Treasurer, has been extremely generous in the provision of Loan funds for school works generally, and I am endeavouring to use those funds to the best advantage, but it is physically impossible to comply with nearly all the claims at a given time. The one to which the honourable member refers, and scores of others, are receiving earnest and anxious consideration.

## TELEVISION CONTROL.

Mr. DUNNAGE—Can the Premier say whether the State Government will control television when it comes to South Australia within the next few months and, if so, what will that control be? Will there be an opportunity to put a case to the authorities so that, as far as possible, talent in this State will be utilized? I noticed in the press that Actors' Equity in Victoria had complained bitterly about the way local artists were being treated, because 90 per cent of the live shows were being done by overseas artists.

The Hon. Sir THOMAS PLAYFORD—Neither TV nor radio were thought of when the Commonwealth Constitution was drawn up, but the High Court held that radio was associated with the Post Office and that the Commonwealth therefore controlled it. It has not been decided whether this will apply to TV also, but I imagine that the High Court would give a decision along those lines. The Commonwealth Parliament has legislated for TV control. It comes under the Broadcasting Commission, which is open to receive any suggestions regarding national programmes, and there are certain requirements in the legislation about commercial programmes. The State has no legislation dealing with these matters.

## PERSONAL EXPLANATION: FREE SCHOOL BOOKS.

Mr. O'HALLORAN—I ask leave to make a personal explanation.

Leave granted.

Mr. O'HALLORAN—In this morning's *Advertiser* I am reported as having said, "Free school books for all children attending South Australian public schools." What I did say was that free books should be provided for all children attending primary schools, and as my attitude on this matter is very well known—I have consistently advocated the provision of free books to all children attending primary schools—considerable misapprehension could arise if the report were not corrected, and I trust the paper will make the relevant correction.

## ADDRESS IN REPLY.

Adjourned debate on motion for adoption.

(Continued from July 22. Page 143.)

Mr. SHANNON (Onkaparinga)—Yesterday when I obtained leave to continue my remarks I was dealing with the question of whether or not S.A. Co-operative Bulk Handling Ltd. had

broken faith with this Parliament, after a charter had been given to it, in connection with providing country facilities for bulk handling. I think I made it clear that that was the case, as shown by the company's activities. The company has also broken faith with the farmers. I have been approached by some wheatgrowers complaining that they have no bulk handling facilities at sidings near them, and where they expected to get the facilities. They were informed by the canvassers who toured the State seeking signatures to what proved to be a binding document that they would become members of the company, and that they would have to give it all their grain and pay the levy assessed by the company for the facility. They were told, "You will be lucky. You will have bulk handling facilities at your present delivery points." Yesterday I gave members a list of bulk handling installations in the country portion of the division of Wallaroo.

I want to disclose why I have had these approaches and why there are still complaints about the matter. There are bulk-handling facilities at Nantawarra and Hoyleton. In the years from 1949 to 1954, prior to bulk handling, the annual average delivery of wheat at Kybunga was 282,957 bushels; at Nantawarra it was 146,691 bushels; at Hoyleton 157,531 bushels and at Moonta 476,166 bushels. Nantawarra and Hoyleton have bulk-handling facilities but not Kybunga and Moonta. Yesterday I charged the company with abrogating the agreement in not establishing bulk-handling facilities at places where 30,000 bushels or more were delivered. It has by-passed important sidings so that bulk-handling facilities may be established elsewhere. The matter should be placed before the directors of the company. They may have the answers and they may be able to say why they chose Nantawarra instead of Kybunga. The farmers who expected to have bulk-handling facilities established nearby are suffering a great disability.

Another matter will show the company's activities in its attempt to get its way. I refer to the selection of the site for the establishment of the transit silo at Wallaroo. When the Public Works Committee inquired into the matter of the site the company bitterly opposed the site considered by the Committee to be the most suitable. It went to no end of trouble to try to convince my committee that it was wrong in the choice of the site. They approached the Wallaroo Clothing Co. and Kentish Clothing Company, both of which are probably known to the member for Wallaroo and have an establishment not far

from the site of these existing silos. We had before us Bruce Harvey Sharpe, Director of the Wallaroo Clothing Company, Ernest Walter Burr, an industrial consultant (I am giving these people the publicity because I think they deserve it), William Devon Doble, mechanical engineer and lecturer at the University of Adelaide, and Keith Westhead Thomson, lecturer at the University of Adelaide. These people came along and tendered evidence on behalf of the clothing companies as to the unsuitability of this site for a bulk installation, and some of the things they said are very interesting. Mr. Sharpe said:—

I would like to make it quite clear from the outset that we are not opposed to the scheme coming to Wallaroo, but we are most strongly opposed to the installation being made at the site mentioned above, which is directly opposite our factory situated in Lydia Terrace, Wallaroo.

I will not quote the other gentlemen who gave evidence on various aspects, for instance, as to the hazard to health of the dust nuisance to the operatives in the clothing factory. They also gave evidence as to possible damage to the machines used in the clothing factory through those machines being blocked up with dust from this installation. They brought forward everything that one could think of in the way of disabilities to support their claim that this was the inappropriate site. Their conclusion, signed by Mr. Sharpe, was as follows:—

If the silo is built on the proposed site opposite our factory we shall have no alternative but to close the factory for the reasons enumerated herein, and as expressed by the gentlemen who have supported me in this submission.

What was the outcome? I understand these two associated factories still operate, so how does it come about that the company was able to secure the acquiescence of those clothing factories to the establishment of their bulk facility on the site to which at that stage they were so bitterly opposed? We can only draw our conclusions, and everyone is entitled to do that. The company was anticipating quite a liberal income, and it wanted to establish on this particular site because it discovered that the northern site was not suitable. In my opinion, it throws a little light on the methods this company has adopted to achieve its own ends.

I have been to some trouble to get information, being a "doubting Thomas" that this revolving finance was as good as it sounds. The member for Ridley (Mr. Stott) made it quite clear that any "doubting Thomas" was

an infant in this field of finance and could not understand plain financial arrangements, whereas there was no trouble about understanding it at all: the company was to collect its tolls from its members and at the end of a stated period, in this instance 12 years, start to return it. I thought it wise to see whether the company was providing for this return of tolls. I had to go to Mr. Sowden (Registrar of Companies) to secure extracts from the reports that are necessarily tabled by all companies annually with the Registrar. Those reports are not necessarily published but, thinking this was of sufficient importance to the members of the company to have this report published, if only in a country newspaper, I looked for a report of it but could find neither hide nor hair of it. The only place it was available for me was at the Registrar's office.

Mr. Heaslip—Well, it was published.

Mr. SHANNON—In that case I was unlucky, because I could not find it.

Mr. Heaslip—If you had been a member of the company you would have got one.

Mr. SHANNON—If it were private and confidential that is the only way I could have got one. I suggest it may have been private and confidential, and, having a look at some of the activities of this company, that might have been an instruction.

Mr. Heaslip—That's being nasty.

Mr. SHANNON—No, I think it is an intelligent guess at this stage. This evidence is now available to members. I now turn to the company's balance-sheet because, after all, that should disclose any provision made for contingent commitments. The chairman of directors admits that this question of tolls is a contingent liability, and he also names the dates on which they have to be met, so he obviously appreciates the issue. My only difficulty was discovering the line in the accounts that provided for this contingent liability. There is a line for sundry creditors. The Commonwealth Trading Bank of Australia is involved to the extent of £812,531 2s. 4d., and there is accrued interest due to the bank of £919 14s. Then there are contract deposits on silos, £2,237 6s. 9d.; five per cent redemption on completed silos £38,222; and sundry trade accounts £8,985 10s. 8d., making a total of £862,895 13s. 9d. That is where we find the only provisions for growers' toll advances, and those are as follows:—Season 1955-56, £212,713 16s. 10d.; 1956-57, £279,706 6s. 10d. and 1957-58, £174,855 12s. 2d., making a total of £667,275 15s. 10d. The accumulated funds

are apparently the last item on the liability side and amount to £11,050 in all. I then looked to see how these unfortunate farmers were going to be paid out.

Mr. Heaslip—Are you really worried about the farmers?

Mr. SHANNON—Yes, and I am going to give them some advice on finance. We then come to fixed assets. The member for Rocky River is apparently not at all worried about the farmer, but I point out to him that to me those assets are fixed and could not be fixed better, because they are in concrete and steel in the main, being £1,613,678 17s. 8d. Office furniture, fittings and machines at cost are stated at £2,311 3s. 10d.; engineers' equipment at cost, £1,152 5s. 7d.; and motor vehicles, two utilities and one truck, at cost, £2,153 4s. 8d. After allowing a provision of £123,432 12s. 2d. for depreciation there is a net asset of £1,495,862 19s. 7d. The company has some stock in hand: materials for silos under construction, at cost, are valued at £12,645 9s. 9d. and current assets—comprising sundry debtors £32,678 10s. 7d. and petty cash, £35—total, £32,713 10s. 7d.

The balance-sheet discloses the vital factor that the only method by which this company can meet its obligations to its constituent members when the time arrives for the return of tolls, is by approaching a financial institution and pledging its assets; that is, if it still has room to pledge as it has already secured 50 per cent advance on its own valuations—£800,000 as against £1,600,000, in round figures.

Mr. Quirke—Does the total amount of the tolls have to be paid in 12 years?

Mr. SHANNON—No, only the first year's toll. Provided tolls remain at the present basis and crops give the same annual return, and so long as the company enjoys the support of the same number of farmers, the tolls will return between £200,000 and £240,000 a year. The company is committed under its agreement with its constituent members to return the first year's toll in the thirteenth year, the second year's toll in the fourteenth year, and so on. It is a system of revolving finance. I fear that the company will have to resort to continuing the toll in the thirteenth year to repay the farmer his first year's toll and in the fourteenth year to repay the second year's toll, and so on *ad infinitum*, until by careful management the tolls can be repaid to the farmer from the profit made on the handling of grain. Obviously, money cannot be paid back from bricks and mortar or concrete and steel.

Mr. Riches—That was pointed out to the farmers when the Bill was before the House.

Mr. SHANNON—Yes, but unfortunately it was not understood.

Mr. Heaslip—The Government guaranteed it.

Mr. SHANNON—I do not think the Government had any finger in the pie. It was glad to wipe its hands of what looked like an unsavoury situation.

Mr. Quirke—Isn't the company operating under the principle that applies to all rotating reserves?

Mr. SHANNON—I do not know. I intend to suggest an alternative to the farmer whereby he may be no worse off annually but more certain of securing a return ultimately. On the expenditure side of the picture we find that the total for the year ended June 30, 1958, was £260,932. The major item was £75,813, for depreciation on buildings, plant and machinery. Salaries accounted for £29,156; directors' fees, which must be disclosed, amounted to £3,455 and directors' expenses £523; and payment to the Broken Hill Proprietary Company for hire of the use of the Ardrossan belt to the company was £46,932 for which the company can thank the Public Works Committee that it did not cost them at least half as much again. The Broken Hill Proprietary Company originally suggested a charge of 4d. a bushel for wheat moved over that belt, but as a result of negotiations suggested by the late Mr. Arthur Christian, when chairman of the Public Works Committee, the charge was reduced to 2½d. a bushel for a large volume of wheat and 2¼d. to a maximum of 3d. a bushel for a smaller quantity. The company's total expenditure of £260,932 discloses that in order to repay the tolls when they fall due, the company must have an income of double that amount from some source or another. In a statement accompanying the balance-sheet the chairman of directors stated, in effect, that the tolls would be repaid to members in accordance with the company's articles of association, and that when it was apparent that the toll income would be reduced owing to seasonal conditions an approach was made to the Commonwealth Trading Bank for a further advance of £130,000 to maintain the silo construction programme on Eyre Peninsula. The advice received from the bank indicated that the advance would be made and that the main advance of £1,000,000 was guaranteed. That is not cheerful reading. I said earlier that I could suggest an alternative

to the farmer. If he is not a member of the company and wants to deliver wheat in bulk, under the enabling legislation he is entitled to seek that service from the company on the payment of 3d. a bushel. He can deliver his wheat in bulk irrespective of whether or not he is a member of the company, whereas if he is a member he pays a toll of 6d. levied by the company. We need not worry about the 2d. a bushel for bagged wheat. That is a straight out levy upon the unfortunate farmer who has not had the bulk handling facility for four years and who is not likely to have it for another four years, but who joined the company on the assumption, or promise, that he would get it, whereas he still has to handle his wheat in bag and pay the cost of extra labour involved in sewing the bags and carting it to the siding. That is a good deal for someone, but I do not think the farmer is on the right side. He has also slipped on the 6d. toll. I will give you a simple arithmetical sum. If the farmer is not a member of the company and desires to put himself on the same footing as a member with regard to receipts into his current account in 12 months' time, he can do so. He must pay 3d. a bushel for handling charges, as he is obliged to do, and then if he puts 3d. in the bank or invests it, allowing it to accumulate at compound interest for 12 years, at the end of that time he has very nearly got his 6d. back, and has not taken any risk at all. His finances remain his; they are not in someone else's starry idea of rotary finance.

Mr. O'Halloran—Rolling finance!

Mr. SHANNON—I do not like that expression, because it rolls the wrong way. This is simple finance. The farmer who thinks it is wise to make some provision can do so. The man who pays his 6d. as a toll gets back his 6d. without having to pay another toll in the 13th year.

Mr. O'Halloran—Isn't that the whole basis of the scheme?

Mr. SHANNON—It appears to have been based on a mis-understanding by honest men who signed on the dotted line. If it were contested in court I think it would be taken to be false pretences. I know that is strong language.

Mr. Quirke—I think it is too strong.

Mr. SHANNON—I do not think it is an overstatement. Some years ago signatures of people were secured by sharp-shooting salesmen because they made all sorts of promises.

Then there was a depression, and the courts wiped out the contracts as being null and void because they had been secured under false pretences. If it can be shown that this company's accounts show an opportunity for repaying to the farmers the tolls they paid in the first 12 years (which I think is an impossibility) my charge of false pretences is ill-founded. When the Bill dealing with this matter was passed, I was not backward in saying what I thought about this system of revolving finance, as members who were here then will remember. We had it looked at by the best brains we could get, but it did not appeal to them, it did not appeal to me, and it would not appeal to anyone with a grain of common-sense, as it is a physical impossibility to do what was promised. If you promise an impossibility, obviously you have misled someone, and if you get someone to sign his name to a contract under these circumstances it should not be a binding contract.

Mr. Quirke—Does that mean that the Government's advisers haven't any commonsense?

Mr. SHANNON—I am not dealing with the Government, but with the Co-operative Bulk Handling Company. The company accounts show it is not interested in the possible asset of these accruing tolls for return to growers. The financial institutions that advanced money have one asset, the installations.

Mr. Quirke—What is the share-holding in this company?

Mr. SHANNON—There are no shareholders.

Mr. Quirke—Where do they get their money?

Mr. SHANNON—I think the honourable member is entitled to know the farmer was encouraged to come in with his 6d. or his 3d.; that is very important. Here again I charge the company with a practice that is far from proper business practice in securing the agreement of a farmer to join the company although he stood out perhaps until the last harvest and paid his 3d. It has come to my knowledge that farmers who had wheat that would and should normally be subject to a dock took it in some instances in bags, and the licensed receiver said it was subject to the 3d. dock. The farmers said they were not going to take it there and have it docked because they had only to go 10 miles down the road to the bulk installation, which would take it. The licensee was amazed until a number of these cases occurred, and then he found that he had been told the truth, that the bulk installation took inferior wheat as f.a.q. wheat if the farmers signed on the dotted line and became subject to the payment of a 6d. toll.

Mr. Hambour—You are saying the wheat was ungraded?

Mr. SHANNON—I am saying the wheat that should have been docked was not docked. I am making a serious charge—one that could be investigated—and I am not making it lightly. I could be shot to ribbons if it were not true, but unfortunately it is true. Some of this wheat has been shipped. One parcel went to New Zealand and another to the United Kingdom, but as it has not been unloaded the necessity for asking whether there was quality or not has not arisen. The wheat that went to the United Kingdom not only had foreign matter in it that would have caused it to be docked some pence a bushel, I am told, but also had live weevil. The Leader of the Opposition will remember that some years ago the Wheat Board asked for what was called a hospital plant at Port Lincoln to handle affected wheat. We have better than a hospital plant at Port Lincoln now: we have a complete unit for handling 1,250,000 bushels of wheat. Why didn't they treat this wheat before shipment? I have the answer to that question. We were so hungry for sixpences that we filled the port to its absolute capacity. We did not leave a vacant cell in order to turn the wheat. Every bushel of wheat that went in represented sixpence. At least one cell had to be emptied before there could be any treatment. I have evidence that that is not the only place where it happened. Installations throughout the country have been used to the limit to accommodate bulk wheat, despite the slow sales of wheat. I know a little about this matter and I may say some thing more about it later. Of course, we have an expert in this House who claims to know everything about selling wheat. Unfortunately he is not here this afternoon. The company used every piece of space in order to get the sixpences. That did not enable it to treat the wheat before it was shipped; consequently, the good name of South Australia suffered. We who are not wheatgrowers are vitally interested in this matter.

Mr. O'Halloran—Is it not one of the principles of the bulk storage system that at least one cell should be left clear?

Mr. SHANNON—Yes. It gives room for the hospitalization of the wheat. The problem was solved by accepting as f.a.q. wheat which should have been docked. This has had a greater impact on the commercial life of the State than anything else I know. I have correspondence on this matter and I will give

names if this matter ever reaches an inquiry. One letter, dated March, is as follows:—

Receiving your copy of statement of No. 20 Pool, season 1958-59, and why was it that I had to wait so long for payment and I note you have deducted 3d. per bushel charges as "tolls". I have paid the licensed receiver charges of 6d. per bushel as they demanded and now please if you will explain the two payments and what authority you had in stopping the payment tolls 3d. per bushel tolls. I was charged £107 1s. 8d. It appears to me that I have paid £107 1s. 8d. too much on tolls.

Under date April 2, 1959, came the following reply:—

We acknowledge receipt of your undated letter and whilst we regret that there has been any holdup in regard to the issue of the certificate covering delivery of wheat to the Rudall silo, we are unable to accept any responsibility as the certificate was issued by us within two days of the claim being lodged by the licensed receiver, the claim for payment being received on March 23 and the certificate issued on the 25th. In regard to the amount deducted for the bulk handling charge of 3d. per bushel, this rate per bushel and the amount was deducted in accordance with instructions issued by the Australian Wheat Board. If, as stated in your letter, you had already paid the licensed receivers' charges amounting to 6d. per bushel, we have no knowledge of this amount being paid and as is customary we complied with the Wheat Board's instructions regarding "tolls" and "charges" on wheat delivered to bulk silos. We have advised the Australian Wheat Board of your complaint and they no doubt will arrange with the licensed receiver to refund to you any amount that has been overpaid.

Regretting any inconvenience that you have been caused in regard to this payment but assuring you that we are not responsible for delay in settlement or for any wrongful deduction of "tolls" or "charges."

The following is a copy of a letter sent by a licensed receiver to the State Superintendent, Australian Wheat Board:—

We attach hereto a copy of letter received today from . . . of Port Lincoln in regard to certificate issued by us covering 4,283 bushels 18 lb. of wheat delivered to the licensed receiver at Rudall. The claim for payment dated January 20 was received by the licensed receiver on January 29 but the claim was not received by us until March 23 and the certificate for £2,091 6s. 5d. was issued on March 25. Clause 4 of the claim had been struck out by the grower and signed by him that he was not a member of the company. As the wheat in question had been delivered in bulk at Rudall we deducted the bulk handling charge of 3d. per bushel. The grower now claims that the licensed receiver had previously demanded a charge of 6d. per bushel which he had paid. If the grower's assertion is correct he has either overpaid 6d. per bushel if he is a non-member or is entitled

to a refund of 3d. per bushel if he has already paid tolls direct to the licensed receiver. We, however, think this is a case for investigation as there does appear to have been a serious delay in the issue of the certificate for which we can accept no responsibility as the certificate was issued within two days of lodgment at our office.

This is high pressure salesmanship. The poor devil's cash is held up until he signs. If he makes a complaint he is told that these things take time, but he could hurry things along if he would sign on the dotted line. Is this the way the State has built up a reputation for honest dealing? I think I have given members enough on this matter. Mr. Stott is not here this afternoon. I wish he were because he claims to be the wheatgrowers' main strength. He looks after their interests in season and out of season. He also looks after the woolgrowers. When he returned from the International Wheat Agreement Conference some years ago he said that he had looked after our interests but that the United Kingdom was unreasonable because it wanted to reduce the price from 18s. 3d. to 17s. 10d. a bushel. Mr. Stott would not have a bar of the United Kingdom. He said "We have the wheat and they will take it." I can see him on the rostrum saying that, and no doubt he did tell them that. He came back to Australia and said that the price would be 18s. 3d. a bushel, but the United Kingdom said it would withdraw from the Wheat Agreement. What a tragedy that was for this country! It was a tragedy that the major buyer of our wheat should not be a member of the International Wheat Agreement. We badly wanted to sell our wheat, but Mr. Stott gave away our major market. What a help that was to the farmers! I do not know how many millions of pounds have been paid for that.

Mr. Hambour—It isn't fair. It's not right for you to talk about him in his absence.

Mr. SHANNON—If this is not the right time to tell I do not know what is. I suggest to the honourable member that he read it all in *Hansard*. It was put there by Mr. Stott.

Mr. Hambour—I am not saying it isn't true.

Mr. SHANNON—The truth should not hurt anybody.

Mr. Hambour—You have had a decent hate session, why not knock off now?

Mr. SHANNON—I haven't started yet. I have a few more facts to tell members. Mr. Stott is now busily engaged in putting the wool industry on a sound basis. I should like to say a few words about the wool industry because this will probably be the only opportunity I shall have. If his efforts for the



wool industry are as successful as they were for the wheat industry, people in the wool industry will say that Mr. Stott was their biggest handicap, and that the seasons have nothing on him. The fact that the Lord has not given us rain this year is nothing compared to what Mr. Stott has done. He talks about a floor price for wool. Such a price would immediately encourage people to use synthetics. We have virtually a monopoly in wool but an obligation goes with that monopoly. We should meet the needs of the people who use the material. It should not be all one-way traffic. If we have a floor price, what is to stop Japan, which has only recently become interested in woollen clothing, from saying "We will not pay the wool price and will revert to our former habits and customs." That would mean the loss of a valuable market.

Mr. Quirke—I can see now why you are attacking Mr. Stott.

Mr. SHANNON—The member for Ridley is in my opinion a misguided enthusiast.

Mr. Quirke—Are you talking as a director of the Farmers' Union?

Mr. Lawn—It has taken the member for Burra a long time to wake up to that.

Mr. SHANNON—I do not mind admitting my interest, any more than do the directors of the various stock firms of the size of Elder Smith, Goldsbrough Mort and Company, Dalgety's and the like. The people in charge of those firms know something about them or they would not be there. Those pastoral companies have handled the affairs of the people who depend on wool as a means of livelihood, and had they not been well managed some of those growers would have been out of business during the hard times.

Mr. Quirke—We all agree on that.

Mr. SHANNON—Then why charge me with having an axe to grind?

Mr. Quirke—Why use the member for Ridley as a stalking horse?

Mr. SHANNON—I merely suggest that he is a super enthusiast for orderly marketing, as he calls it, but in my opinion it is disorderly marketing to fix a price and tell the buyer he will have to pay it and like it. If that is orderly marketing I do not understand the term, because surely the purchaser must have some say in the matter; surely there has to be an approach between the two parties concerned and an agreement reached on this matter, if it is to be orderly marketing.

That is why I attack the opinion given by Mr. Stott and other people who have joined him.

Mr. Quirke—Why don't you attack the movement without naming the member for Ridley? If you name him, why don't you name everyone else?

Mr. SHANNON—Their names are not known to me, but the member for Ridley happens to occupy a prominent position in the public life of this State. He has taken public action and I think he is entitled to get what credit he can, but I think that he also deserves what criticism is due. If he is prepared to accept not criticism, but only the plaudits of the crowd, I advise him to get out of public life. There are both sides to it, and I have had my turn on both sides.

Mr. Quirke—He has not said he is not prepared to accept criticism.

Mr. SHANNON—The honourable member for Burra is a supporter and staunch friend in standing up for him.

Mr. Quirke—I would support the member for Onkaparinga if it were necessary.

Mr. SHANNON—I do not think it is necessary to defend the member for Ridley. I am sure that when he comes back he will tell us that this is orderly marketing, but I disagree with him and I am saying why. He said that the International Wheat Agreement was orderly marketing, and where did that land us? If that were orderly marketing everyone would have been in agreement, and there would have been some concord in the industry, but there was no concord. I am suggesting that the member for Ridley is once more stepping into a field he would be well advised to keep out of, because he will not do the State any good. After all, I suppose the sheep are going to save our bacon this year, if it is to be saved. We will not save all our sheep, but we will save enough, and there will still be enough to return some income. We may not get very much from cereals this year, and the longer the dry weather conditions continue the less chance we have of getting anything in the way of cereals. I support the motion.

Mr. RYAN (Port Adelaide)—I support the motion. In so doing, I express my appreciation for the sterling service rendered, firstly to the district he represented, secondly to the State of South Australia, and thirdly to the Parliament, by my predecessor, Mr. J. E. Stephens. Mr. Stephens represented Port Adelaide for a period of 25 years, and no member, irrespective

of the Party he had the honour to represent, could spend such a long time in this Chamber unless he had the capabilities and the confidence of the people he served. I sincerely hope that my service to the district and the Party I represent will warrant at least a small percentage of the merit earned by my predecessor.

I congratulate the member for Burnside on the splendid manner in which the motion was moved. However, a stranger in this Chamber hearing Mrs. Steele's submissions would have thought she was a representative of this side of the House, because three of her main submissions were the very part and policy of the Party I represent. I refer firstly to price control. It has been advocated that the only way to control prices is the 100 per cent correct way, yet we read in this morning's press of two well-known authorities in the meat industry criticizing the exploitation of the retail public, and we fully realize that the present method of control is not price control as it should be.

The question of the Magill Reformatory is one that has been fairly well amplified by members on this side of the House. The most important matter put forward by the member for Burnside concerns female franchise, and this is one matter on which we on this side of the House agree with her. We have advocated that very thing over a long period, and I think that the member for Burnside's sincerity in this matter will soon be tested with regard to whether female franchise should exist, irrespective of which particular House women are voting for. If it is good enough to have female franchise for the House of Assembly it is good enough to have it in voting for the Legislative Council.

I also congratulate the member for Gouger on his effort in seconding the motion. I realize that it is not an easy matter to stand in this important Chamber and move or second a motion. I am probably in a more fortunate position, because others have spoken and I can accept the confidence put forward by the previous speaker, the member for Onkaparinga. I am rather pleased that he touched upon a subject with which I intend to deal, namely, the matter of bulk handling. In this connection, I intend to deal with automation and mechanization. The Governor's Speech disclosed what has been done in the past and what is to be done in the future. My contribution to this debate is going to be on the lines of what was not done in the past and what should be done in the future. I believe that one of the most important matters this House will be

called upon to debate soon is mechanisation and automation and their impact upon employment in industry today.

Unfortunately, this is not something new, as it has galloped in as far as industry in this State is concerned. No authoritative measures have been introduced to stop this modern invention which will definitely be to the detriment of the working people and have repercussions on the capitalists' revenue. I realize that many members on the other side of the House will be thinking to themselves that this is a matter that the administration of industry and the unions could work out for themselves, but the Government itself is either a direct employer or at least a body that has supplied that automation or mechanisation to some other employer who is making profits at the expense of the Government of this State.

I realize that it is no use coming into this Chamber and making wild statements unless those statements can be backed up by actual proof, and I have therefore obtained the necessary figures to support my statement. In 1958 the South Australian Harbors Board, as an employer, entered into the mechanisation field by contracting for the unloading of phosphate rock in Port Adelaide. Prior to the Board's receiving that contract, the work was done by manual labour, 60 men being employed for about 10 days to discharge that cargo. In addition, on the last two days an additional 120 men would be employed to complete that job. In all, that meant 840 men being employed on a daily basis and receiving about £4,340 in wages. The South Australian Government, through the Harbors Board, after it received that contract and unloaded this particular cargo by mechanisation, employed about 20 men for one day only and paid about £80 in wages. The savings to the importer in wages was £4,260.

When men in industry decide to use the only weapon at their command to secure what they consider to be their right and true justice, it is referred to as the strike method, and it is reported in the press that so many man-hours are lost. By utilizing mechanisation in unloading phosphate rock, 5,880 man-hours were saved.

Mr. Quirke—Over what period?

Mr. RYAN—One day. I am not opposed to automation because it relieves the employee of the hard work involved in manual loading, but I am opposed to a situation whereby the consumer does not benefit from the resultant savings from the use of mechanization. There has been no reduction in the price of superphosphate to the farmer from the saving of

£4,260 on each shipment of phosphate rock. As there was no objection to the mechanical loading and unloading of phosphate rock the employers went further and when the next shipment of steel arrived at Port Adelaide it was mechanically handled, to the employees' disadvantage. Prior to mechanization the *Ellaroo*—at present at Port Adelaide—took 10 days to discharge a cargo of steel and another 10 days to re-load with scrap steel to take back to either Newcastle or Port Kembla. With manual labour it cost £8,060 in wages to unload the steel and £10,540 to re-load with scrap steel—a total cost of £18,600. This manual system was not old-fashioned, but of recent origin. With mechanical handling this vessel can be unloaded in three days and re-loaded with scrap in three days for a total cost of £2,140 in wages—£1,860 to unload and £280 to re-load. In addition £900 must be paid for the hire of the mechanical equipment. The employer gains a direct saving of £15,000 on each shipment.

Mr. LAWN—Does he pass that saving on in reduced prices?

Mr. RYAN—Steel is one of our most important manufacturing items, and although £5,500 is saved in unloading it that amount is not passed on to the consumer through reduced prices. Before mechanization, 156 men were employed each day for 10 days to unload the ship and 204 men a day for 10 days to re-load it with scrap. In other words in the 20-day period the equivalent of 3,600 men were used. With mechanical handling, supplied by the Government, 120 men were engaged for three days in unloading and 18 men for three days in loading, the equivalent of 414 men—a saving on the complete job of 3,200 men.

I do not believe that the Government should have spent hundreds of thousands of pounds in supplying equipment that enables employers to make excessive profits. Before mechanization the Harbors Board received as revenue from the *Ellaroo* about £360 for the 20-day period. That was the normal wharfrage rate and not the wharfrage rate on individual cargoes. With mechanical handling the board receives £108 in wharfrage dues and about £870 from hire of the crane. In other words the board gains only £618 from supplying mechanization whereas the employers gain about £15,000 a shipment.

The Broken Hill Proprietary Company does not have charter expenses because it uses its own ships to transport its steel to the various ports of the Commonwealth and to back load scrap steel to Newcastle and Port Kembla. Before mechanization it would take about 25

days to unload and re-load the *Iron Baron* at a total cost of £23,374. With mechanization it costs £2,480 to unload and £465 to re-load with scrap metal. The company would pay the Harbors Board about £1,305 for hire of the equipment and its total cost would be £4,250 compared with £23,374 under the manual system. The saving on this ship is about £19,000 a shipment—£6,600 in unloading and £12,400 in re-loading. If full cargoes were available constantly, between 12 and 15 trips could be made annually and by a simple mathematical calculation one can appreciate the vast saving to the company. I will prove how mechanization and automation seriously affect employment in this State and, unfortunately, it will have repercussions in other industries. The number of men employed on the Broken Hill Proprietary Company's own ship for unloading purposes would be 156 a day for approximately 12 days, or 1,872 men on a daily basis. For loading purposes 204 men a day would be used for 13 days, which is 2,652 men on a daily basis. The grand total for loading and unloading it 4,524. Under the mechanized method, once again supplied at practically no expense but at a terrific charge against the taxpayers of South Australia, the ship can be unloaded in approximately four days by employing 120 men, or 480 men on a daily basis, and loaded by 18 men in five days, which is 90 men on a daily basis. The total under the mechanized method is 570 men compared with 4,524 men under the previous system. This means a saving of £19,000 in actual cash and of 3,900 men on a daily basis, or 27,300 man-hours on this particular ship. Under the previous method the Harbors Board would have received approximately £875 revenue from this ship, *Iron Baron*; with the new mechanized method the board receives £1,620. The gain to the board is £800, whereas the employer saves £19,000.

This method is not confined to one particular cargo, but goes on and on until ultimately all the cargo at this port will be handled by mechanization and automation. We went one further recently when Imperial Chemical Industries loaded soda ash into a ship's hold by a method that was not mechanization, but absolute automation. Someone merely had to press a button and the cargo finished in the ship's hold. Previously this arduous job needed approximately 180 men for one day, and the wages they earned were approximately £1,000 for loading 1,000 tons of cargo. This automation must have been authorized by someone in the Government, because

the machinery is built on property owned by the Harbors Board. Someone now presses a button and the cargo is loaded into the ship without any men being employed, so the employer saves £1,000 for each 1,000 tons loaded. This is a saving of 180 men on a daily basis, or 1,260 man hours.

This development has been extended to sugar, which is now brought to this and other States by the bulk method. Prior to mechanization the unloading of a shipment of sugar took 144 men three days, a total of 432 men on a daily basis, and they received £2,200 in wages. Also 63 storemen and packers were directly employed for three days, making a total of 189 men on a daily basis, and their wages totalled about £1,780. The grand total of men employed on a daily basis was 621, and they received wages of about £3,278. Under the mechanized method only 20 men are employed for three days, which is a daily total of 60 men, and the wages they receive amount to £930. This is a saving to the employer of £2,348 and of 561 men on a daily basis, or 3,927 man hours. It is expected that the Colonial Sugar Refinery will have 12 ships a year coming to South Australia with 50,000 tons of sugar, so the annual saving to the company by mechanization will be £28,176, or 6,732 men.

I have tried to illustrate the saving to the employer in both finance and manpower. As I said earlier, this innovation has a severe impact on the employment of labour, and to amplify that I will refer to the unemployment figures for a period of three months. I have taken this period so that no one can say that I have deliberately chosen a favourable month to prove my figures. In the first week of April, 37 men were unemployed, in the second week, 1,711, in the third week, 3,074, the fourth week, 3,947, and for the balance of the month, some two or three days, 750. Earlier in my remarks I said that many of the mechanization and automation methods had come into this port in this particular year, and members will see that as each week goes on the unemployment figure has grown. The total unemployed for April was 9,523, which is 25 per cent of the men for each working day, or a daily total of 462 men unemployed out of a total labour force of 1,850 men. In the month of May, in the first week 66 were unemployed, in the second week, 3,313, in the third week, 2,226, in the fourth week, 123, and for the balance of the month, 1,480, making a grand total of 7,208. This represents 18 per cent of the men unemployed for each working

day, or a daily total of 343 men. In June, the position was further aggravated. The grand total was 10,598 men unemployed, which represents 27½ per cent of the total labour force, or a daily total of 504.

I criticize the Government for the implementation of the scheme as a direct or indirect employer. Numerous representations were made to various authorities, pointing out the harmful effect on industry generally and suggesting that before any further implementation of this method there should be a conference of the interested parties. Everyone concerned was approached and asked to confer on this important port aspect, but not one was prepared to enter into negotiation and discuss it. This brings me to the question raised by Mr. Tapping in June, when he asked the Premier whether it would be possible to increase the personnel of the Harbors Board to at least five members so that representatives of employers and employees could be included. If that policy had been adopted we would not have been in the present predicament.

The Port Adelaide waterfront industry relies wholly on imports and exports. If methods are introduced that are not in the interests of employment in this area, I do not have to point out that it will have a very serious effect on all industries, especially as this scheme has been introduced into an industry known throughout Australia for its militancy. There is a danger of this method spreading to other industries if conferences cannot be held. When it was decided to introduce this method the argument was used that it was considered necessary to provide means for the quick turn-round of ships. We have found that since it was accepted at Port Adelaide the volume of shipping has dropped considerably. Whereas about 20 to 30 steel ships called yearly, the number has diminished owing to cargoes not being available. Possibly during the life of this Parliament this may prove to be a matter of the utmost importance, because it will become a direct charge against the Government if vast unemployment is caused in this State.

Despite the terrific unemployment in the waterfront industry, not one of the persons concerned is shown on the official unemployed list, because actually they are unemployed on a daily basis. They receive appearance money when unemployed, but under the law they are not entitled to social service payments. Thus the official figures are actually false.

A pressing housing problem exists in the Port Adelaide district. In his speech the Governor said that the Housing Trust expected to

build 3,012 homes during the current financial year and to increase that number to 3,230 during next year. I shall now refer to a pamphlet issued by the Adelaide Cement Company last year which stated that in 1950 the number of homes built was 6,775 and that the number increased yearly, but then started to decrease until in 1958 it was only 5,475, a drop of 1,300. That is rather unusual, because in 1950 there was shortage of manpower and an acute shortage of materials, whereas in 1958 there was no shortage of either; and the population in 1958 was far in excess of that of 1950, and still more people are coming to the State each year. They will be in a sorry plight because sufficient homes are not being built to house them. In Port Adelaide 803 homes were built in 1951, but the number has been decreasing until in 1958 there were only 231. In Woodville, which is part of my district, 1,090 homes were built in 1950 and the number decreased yearly until in 1958 there were only 544. That is amazing considering that prior to the election on March 7 it was freely advertised in the press and in pamphlets that under the Liberal and Country League Government more homes had been built. Figures prove that the number of houses built in each year from 1950 to 1958 has decreased. That gives the lie to the advertisements and the misleading statements that were made at the time. I have a copy of a letter from the Housing Trust of recent date. It said that the trust has never been in the position of building sufficient homes for rent in the metropolitan area to keep pace with the demand, with the result that there is now a long waiting list of applicants. I can see no reason for such a statement. In my electorate housing is the No. 1 problem. The present housing position is the reverse of the decentralization policy advocated by the Labor Party. The Housing Trust is not building homes where there are industries. If a man has to get rid of his house in an industrial area he may be lucky to get one in another industrial area, and I refer particularly to Elizabeth. I cannot see why people in Port Adelaide, Woodville or any other industrial area should be given the opportunity to get houses in places like Elizabeth. As I said before, it seems like decentralization in reverse.

Yesterday I asked the Premier to indicate the Government's policy this year on long service leave for casual workers in industry and he said the Government did not intend to introduce legislation providing such leave. I believe that wherever criticism is justified that

criticism should be offered. This long service leave was a piece of electioneering propaganda by the Government, which introduced legislation to satisfy a percentage of the workers in industry but for the remainder will do nothing. In other States where Governments are of a different political colour from the Government in South Australia they are introducing legislation to cover long service leave for casual workers, who are entitled to the same benefits as other workers in industry, yet our State Government will not legislate to help them. The Government should be negotiating along the lines followed in other States. Whilst I am a member of this place I will offer criticism whenever I think something should be done for the betterment of workers. I will not hesitate to criticize the Government and point out what I think should be done. Earlier I said that the Governor's Speech set out what had been done and what was proposed for the future. I think it would be much better if it set out what should be done.

Mr. HAMBOUR (Light)—I congratulate the mover and seconder of the motion and commend Mr. Ryan for his remarks. I think he will become an interesting opponent and be able to put on the gloves with the best of us. I assure him and the new member for Port Pirie that my hand of friendship will extend beyond this Chamber.

Mr. Lawn—Aren't you going to congratulate Mr. Shannon?

Mr. HAMBOUR—When I was about 17 I attended a class where the students were taught something about psychology. I am not sure of the subject but it had something to do with character reading. I learned to read a person's mind but when I try to read the honourable member's mind I draw a complete blank. I congratulate the Speaker on his re-election to his high office, and I am pleased that it was a unanimous re-election. The nomination was seconded by the Leader of the Opposition, who admitted the impartiality shown by the Speaker last session.

Mr. O'Halloran—I did not admit it. I said it.

Mr. HAMBOUR—I am grateful to Sir Robert and Lady George for their visit to my district some weeks ago and their proposed visit next month to another part of my district. I want them to know how much my constituents enjoyed having them in their midst and being able to fraternize with the representatives of the Queen. I hope other districts will be able to enjoy the same privilege. In the

debate so far it has been possible to tell from the speeches the type of district that each speaker represents. I will confine my remarks to my district. I represent a rural area that is dependent almost entirely upon primary production. I endorse some of the remarks expressed by the Leader of the Opposition. He said:—

The price of productive land in this State is too high. I would not like to start on a block with little or no capital and try to meet my commitments in view of the high price of land and the state of world markets.

That is true of the position in primary production areas. He said that his Party would do what it could to keep men on the land and I was interested in his proposed method of valuing land. He said that he would compulsorily acquire it under just terms if land were held in unduly large areas. I find no fault with his remark about compulsory acquisition because we have legislation dealing with that matter. I asked, "Who would set the terms?" and he said, "I would permit the owner of the land to set the terms." They are dangerous words because if the owner of the land sets the terms the prospective purchaser will not be able to buy.

He went on to say:—

I said that the market value of the land was too high, but I do not think taxation is based on the market value.

If he was referring to land tax I point out it is based on low values that I am sure even the Opposition would admit would not be fair values for sale. I think he probably implied that the value for estate duties or probate duties could be used as a basis. It is not only the purchase price of the land that is important. Any person with little or no finance would be in a hopeless position because of the cost of equipment. Whatever the liability will be, I am sure that with present-day prices it is not a handsome proposition for any young man to move out there. I am pleased with a small paragraph in the Governor's Speech, which I hope will be implemented:—

The Government is considering a scheme under the Crown Lands Development Act by which it would assist in the early development of blocks by arranging for adequate clearing.

People on the land are born to it and do not want to leave it. If this proposal is carried out and the Government opens up some of its land, partially clears it, and submits it to the sons of landowners who today could help their sons with equipment, labour and finance, that will be a step in the right direction. Assuming the land was cut up into 1,000

acre blocks and the Government cleared 300 or 400 acres, took it as far as being ready for the first planting, and then leased it to the prospective occupier, I am sure that would meet the requirement of many people in the country who want to go on the land and want their sons to stay on the land. I hope sincerely that the Government proceeds with that proposition and submits it to the sons of farmers who will be in a position to find some money, equipment and time to do the work necessary to bring that land into fruitful production.

Mr. King—That is a way of decentralization?

Mr. HAMBOUR—Yes, but I do not know that decentralization comes into it. These people are in the country and are not in a position to buy fully developed land because the capital cost is too high. It is admitted by everybody, I think, that primary production and its expansion are essential to the development of Australia. That is obvious and has been brought home to us more than ever before by the recent decline in export prices. It has placed us in a situation where we cannot bring into Australia all our requirements for the future development and expansion of the industries we hope to promote. The recent rapid growth of secondary industries has not been matched in any way by exports. We have developed secondary industries in the hope that they will reduce our import requirements, but it has been found that just the opposite obtains: where a secondary industry is established, it means a step-up in our overseas requirements.

It has been estimated that for every head of population we require £800 additional import quota. I believe—and I think the House will agree with me on this—that the only way we can establish that exchange is through the export of primary production. Our requirements as they come into Australia today can be divided into two sections: 75 per cent of the goods that come into Australia—capital goods, raw materials or semi-processed goods—are used by secondary industries; the other 25 per cent being consumer goods. So any further development and extension of our secondary industries will require more and more imports. I am afraid we shall have to look to our primary production to find those imports.

Secondary industries have developed out of all proportion to primary industries. In the past 20 years our rural output has increased

by 30 per cent and our factory output by 140 per cent, but we find that our secondary industries are eroding our farm income. I will amplify that statement a little later by giving the House the figures of what is happening. Let us look at the cost squeeze and the deterioration in prices since 1952. The impact of this squeeze varies from industry to industry. Unfortunately, in looking at rural industries, the authorities are apt to use the pastoral industry as a guide to the general agricultural economy of the State. That is not true. We all know it varies from industry to industry, whether it be agricultural, cereal growing, dairying or what have you. Thinking along those lines is detrimental to the small man. When I say "detrimental," it could put him out of business if we allowed it to continue.

The factors responsible for the cost squeeze—I know honourable members opposite will immediately attack me on the question of wage fixation—are, first, the great rise in overseas freights (which have to be paid for by the primary producer) and secondly, the wage-fixing machinery for the purpose of distributing income. At this stage, I am not denying the man who is worthy of his hire wage-distributing machinery. If one looks at the share columns one sees the buoyant state of industry and says "Yes, they are entitled to their increase." The share market in recent months shows that industrials are particularly buoyant.

Mr. Fred Walsh—The honourable member has already admitted there is an increase in productivity.

Mr. HAMBOUR—In secondary industries.

Mr. Fred Walsh—Yes.

Mr. HAMBOUR—At the expense of primary industries.

Mr. Fred Walsh—No, at the expense of those working in industry, because there are fewer employed.

Mr. HAMBOUR—I will deal with that in a moment. The wage fixation machinery is for the purpose of distributing income. My next point concerns tariff protection without adequate assessment of the resultant burden. If members want me to enlarge upon that I can do so. The next and last one is possibly the worst: that is, import restrictions are worse than tariffs because they create a short market where the consumer has to pay whatever is demanded. I said previously that the farmers' income was being eroded. Let us give 1950 an index number of 100; the price received in

South Australia by primary producers now is 152; but the price paid is 220. So it can be seen how they are slipping down the ladder.

Mr. Lawn—They are the honourable member's figures.

Mr. HAMBOUR—My figures, which are better than those of the honourable member for Adelaide.

Mr. Lawn—They are different from what was used recently before, and accepted by, the Arbitration Commission.

Mr. HAMBOUR—The honourable member will probably weary us for about 1½ hours later in the session.

Mr. Lawn—I will not waste time trying to refute some of this rubbish the honourable member is putting up.

Mr. HAMBOUR—I have some more figures here.

Mr. Lawn—We have some better figures on this side.

Mr. HAMBOUR—I shall deal with this question as I see it. Relating prices received to prices paid in that period and on that basis, wool has dropped to 56, wheat to 60, meat has gone up by one point to 101, dairy production is 86, and overall production is 74. In other words, the farmer has lost 25 per cent of his income. Crops are now 70, and livestock 76. If that erosion is allowed to continue, it will destroy the nation's economy because Australia has been built on primary production and must still depend on it if it hopes to survive. I ask the Honourable the Minister of Agriculture to do his utmost when in Canberra, to ensure for farmers a profitable price for their wheat. At present the farmer is getting cost of production and I hope that the Minister's efforts will result in a little profit being attached to that cost of production. It is time the primary producer has his dip into the bin.

It may be argued that secondary industry absorbs population. I wish to speak on migration because I have always advocated bringing people here. We must have industries to absorb the labour that is brought into the country. I admit that the additional population does use some of our food production but its impact on it is very small. The honourable member for Onkaparinga said that the increasing population here would gradually absorb our production, but we would require to have in Australia 30,000,000 people to absorb our wheat production and about 100,000,000 people to absorb our wool production. Further it has been estimated that it will be 2000 A.D. before our population reaches that figure.

It is all very well to talk of decentralization as I am talking of rural production, but there are positive proposals that should get attention. It is well known that this country is faced with America and Europe indulging in a policy of agricultural protectionism. They protect their primary producer the same as we protect our secondary industry, and our primary producers are entitled to the same protection if they are not to be forced out of business. We have disposal sales to put up with and in the past we have relied on the United Kingdom. That reliance must come to an end because England is indulging in additional protectionism in trade. She buys and has to buy where she can buy most cheaply. This country has had repeated illustrations in the last six to 12 months of England forsaking Australia to buy more cheaply elsewhere. Are not we, as Australians, entitled to buy on the cheapest market? Immediately we do so, however, what happens? We get an article like the one that appeared in Monday's *News* to the effect that industry foots Government expense. The article commences:—

There was a widespread feeling that Australian industry was to be made to pay the price for the Federal Government's international bargaining for concessions, a tariff expert claimed at a special tariff board inquiry today.

The expert is Mr. G. R. Bain, Federal Tariff Officer of the Associated Chambers of Manufactures of Australia.

There is a squeal because the primary producer is trying to sell more of his produce overseas. That happened when the Japanese trade treaty was negotiated. Are we going to permit the sales of primary produce or are we going to stop growing because we cannot consume our production?

Last year this country paid 7,000,000 dollars for synthetic rubber from America while we could have bought natural rubber from our near neighbours who would in turn have bought food from us. How are we to dispose of our primary production? It is all very well to say more men should be put on the land, but there is no point in doing that unless something can be done with their produce. I intend to fight all I can to see that that point is furthered. It may be argued that primary producers are subsidized on some items and that on others they are getting nothing at all, but I maintain that the Australian producers and their products are equal to anything in the world. Are we mishandling our heritage? Primary production is our heritage—what are we doing with it? We are

gradually sweeping it off the face of the map to stimulate secondary industries which, I believe, we are stimulating beyond our capacity to maintain.

I speak now of milk distribution as it concerns my district in particular. Suppliers of milk to the metropolitan area receive something like 3s. to 3s. 1d. a gallon and the people in my district receive 2s. and on occasions as little as 1s. 9d. a gallon. It may be argued that we have a milk equalization scheme in the metropolitan area and that it is a very good scheme. I have no fault to find with that scheme because it was set up to ensure hygienic milk supplies and to satisfy certain producers in the area. Last year the Government saw fit to include Elizabeth in the metropolitan milk area and the scheme is confined to those suppliers for that area. The people in my district and, possibly Mr. Speaker, some from your district are forced to look for whole milk markets in the north and, in particular, a firm my producers are interested in looks to Broken Hill to accept a considerable amount of its supplies.

Mr. Riches—What is the firm?

Mr. HAMBOUR—I do not think I should answer that in case I am led to make immoderate remarks because I feel so strongly on this matter.

Mr. Riches—Is it the same firm that supplies Whyalla?

Mr. HAMBOUR—No, Whyalla is supplied by Golden North, which also supplies Woomera and Broken Hill. I confine this statement to Broken Hill because I know it is going to be resented if not challenged. I have discussed this matter with the chairman of the Milk Equalization Committee who is a producer. I am not prepared to say we have his sympathy because I do not want to involve him, but I am sure the producers in my district have the sympathy and support of the producers covered by the milk equalization scheme. I am reluctant to name firms, but I am afraid I will have to. I intend to read this document so that it may be recorded in *Hansard* in exactly the form I want it to be recorded. It is headed "Details of History of Broken Hill Milk Suppliers" and states:—

Prior to 1954 Broken Hill was supplied with milk by S.A. Farmers' Union, Amscol, and Golden North dairies. During 1954 A. W. Sandford and Co. Ltd. entered the Broken Hill market from the Saddleworth factory by selling direct to retail vendors at about the same price as the wholesale merchants in Broken Hill were purchasing from Amscol and Farmers' Union. During the winter of 1954 a conference was held in Broken Hill at which the following



persons were present—C. Grant, of Grant and Co. (who purchased from Amscol); C. Davison, Broken Hill Ice and Produce Co. (who purchased from S.A.F.U.); L. R. Slater, Golden North agent; J. Bowker, Golden North Dairies Ltd.; and H. Groves, A. W. Sandford and Co. Ltd.

At this meeting it was suggested that A. W. Sandford & Co. Ltd. would cease selling direct to retail vendors and not encroach on Golden North Milk suppliers in the Clare, Auburn, or Barossa areas. In return, Sandfords were to receive a quota of between 2,000 to 2,500 gallons per week. When the proposition was referred to Amscol and Farmers Union they were not prepared to agree to it, nor for that matter did Mr. Groves' superiors at A. W. Sandford & Co. Ltd. The whole proposition, therefore, broke down. At this stage the approximate supplies of milk to Broken Hill were as follows:—Amscol 4,500 gallons per week, Farmers Union 4,000 gallons per week, Golden North Dairies 3,300 gallons per week, local dairymen in Broken Hill 1,000 gallons per week, total 12,800 gallons per week. Milk supplied through the Broken Hill merchants to vendors was at the price of 4s. 7½d. per gallon whereas Sandfords were delivering direct to vendors at Broken Hill at 4s. per gallon. During January, 1955, the Metropolitan Milk Equalization Committee reduced the price by 1s. 4d. per gallon to 3s. 3½d.

I want honourable members to note that, because it is the first significant act of any note. The document goes on:—

Sandfords and Golden North Dairies had to do likewise to compete. Whereas the latter two companies immediately became that much worse off, neither Farmers Union nor Amscol suffered financially as the levy paid by them into the Equalization Fund was reduced by 1s. 4d. per gallon at the same time. It has been estimated that between January, 1955, and November, 1956, this reduction in price cost dairymen between £80,000 and £100,000.

A. W. Sandford & Co. Ltd. continued to improve their sales volume and by November, 1956, the following approximate sales were being made by the various merchants. Amscol through Grant 5,500 gallons per week, Farmers Union through Ice & Produce Co. 4,500 gallons per week, Golden North Dairies through Slater 1,400 gallons per week, and Hall Sandford & Co. Ltd. to vendors 3,500 gallons per week, total 14,900 gallons per week. It should be noted that Hall Sandford & Co. Ltd. bought the Saddleworth Cheese Factory from A. W. Sandford & Co. Ltd. on September 30, 1956. After some conferences had been held Hall Sandford agreed to restrict their sales to Broken Hill to 2,500 gallons per week, the price ruling prior to the agreement was then restored.

The 1s. 4d. cut was restored to the original 4s. 7½d. The document continues:—

The new quotas were Amscol 5,000 gallons per week, Farmers Union 4,000, Hall Sandford 2,500 gallons, Golden North 2,500, total 14,000 gallons per week. These arrangements continued until May, 1958, when Hall Sandford & Co. Ltd. requested Broken Hill Ice & Produce

Company (this company is associated with Hall Sandford & Co. Ltd.) to purchase 1,000 gallons of milk per week from Hall Sandford. The reason for this request was that Hall Sandford was receiving pressure from some of its suppliers for better prices for their milk, and this could only be paid if all milk was sold as whole milk.

At that stage the pressure was being brought to bear on Hall Sandford by myself and my constituents. Several meetings were held at which discontent was expressed at the low prices my constituents were receiving for their dairy produce. The document continues:—

Broken Hill Ice & Produce Company agreed to this request providing arrangements could be made with Farmers Union to relinquish this quantity of sales per week. Farmers Union were not prepared to do this and the matter went to the Metropolitan Milk Equalization Committee. On May 21 Hall Sandford were advised by the secretary of the Metropolitan Milk Equalization Committee that they would not agree to any increase in Hall Sandford's quota and if Hall Sandford attempted to increase their sales to Broken Hill then the committee would take drastic action.

There is the threat. The action they previously took was to cut the price of milk in Broken Hill by 1s. 4d. a gallon and make the producer that supplied the Equalization Committee bear the cost. This would have been infinitesimal, probably amounting to only one-eighth of a penny per gallon over such a wide gallonage. It goes on:—

Subsequently, N. Mair, representing Hall Sandford & Co. Ltd. attended a meeting of the committee and put his company's case to the committee. The committee were quite unsympathetic and told Mair that they would have no hesitation in taking the levy off the milk and consequently reducing the price should his company make any attempt to increase their sales to Broken Hill. Whilst in total this reduction in levy would mean a big loss to the dairy farmers supplying the metropolitan milk market, individually they would probably not notice it. Neither Farmers' Union nor Amscol would suffer as they would simply cease to pay their levy fund. On the other hand, Saddleworth Cheese Factory would be quite heavily hit in any reduction in price. Hall Sandford therefore felt that they had no option but to carry on as previously. Broken Hill Ice and Produce Co. did buy for quite a period 200 gallons of milk per week from Saddleworth.

This state of affairs continued until the 22nd December, 1958, when a letter was received by Hall Sandford from the finance officer of the Metropolitan Milk Equalization Committee pointing out that the percentage of total sales enjoyed by Farmers' Union and Amscol had progressively deteriorated whereas Saddleworth's sales in percentage to total had increased. The committee sought a conference with the four wholesalers concerned on the Broken Hill market. The conference

was held on the 17th February, 1959. Figures were tabled which showed that Saddleworth Cheese Factory's percentage of total sales had increased from 17.8 per cent in October-December, 1957, to 20.5 per cent in August, 1958. Both Farmers' Union and Amscol had fallen off in percentage. Hall Sandford pointed out that they had never agreed to a percentage quota but that they had been promised 2,500 gallons per week as their quota of Broken Hill sales. The only increase in Hall Sandford's sales over the period in gallons was 200 gallons per week but due to economic conditions in Broken Hill total sales had apparently fallen, which automatically increased Hall Sandford's percentage. The conference was a lengthy one but Farmers Union and Amscol were adamant that a percentage basis be fixed. The alternative Hall Sandford was given to understand was that the Metropolitan Milk Equalization Committee would drop the levy and thereby reduce the price. Hall Sandford argued that whereas Farmers Union and Amscol were participating in the city milk area (from which Saddleworth and Golden North were excluded), which area had a continually growing population, the two northern factories had to rely on northern markets only. Broken Hill sales in total were falling off so that the northern factories were in the position of being unable to increase whole milk sales. They felt that Broken Hill is the natural outlet for the north and that the Metropolitan Milk Equalization Committee should view the matter more sympathetically. The plea, however, fell on deaf ears and finally Hall Sandford agreed to restricting their quota of sales to 18 per cent. Golden North agreed to do likewise.

They had no other alternative, and they had to be squeezed out. The document concludes:—

Hall Sandford made it clear that they were agreeing to this percentage only under protest and reserved the right to review the matter in the light of circumstances ruling from time to time.

I did not bring this matter into the House before I had taken it to the Milk Equalization Committee. I sought an appointment and was duly met by the chairman of the Milk Equalization Committee (Mr. Elliott). I respect his approach to the question, as he listened to me for the best part of an hour and in turn I listened to his views. I told him that we were not expecting the city merchants to get out of the Broken Hill market, but because the Government had seen fit to give the Equalization Committee Elizabeth with an expanding population, I asked whether they would gradually increase the quota allowed to my constituents, the constituents of the member for Burra, certain constituents of the member for Barossa, and I think some of your own constituents, Sir, who supply Hall Sandford and Golden North. I asked that they be given an expanding market in Broken Hill by an increase in their quota of about

500 gallons per week. I thought that was fair trade, seeing that the city merchants would be able to continue to sell their expanding milk production in the metropolitan area and we in turn in the country would be able to sell what expanding milk production we could get on the Broken Hill market.

Mr. Elliott listened attentively and promised that he would take up the matter with the Milk Equalization Committee. He pointed out that he was only one member. That committee met on June 16, and following that he told me that he did not know whether he could give me a conclusive answer. I told him I would accept an acknowledgement of my request, and pointed out that the answer should be either that the matter would receive further consideration or that it would be rejected. I thought that was a reasonable request to make of the chairman of the committee and Mr. Ivan Elliott said he would advise me. However, I have not received any communication at all from it. I am quite satisfied that the committee will sit tight and let us do our damndest—if I may be permitted to use that expression—because that is all we can do. I referred this question to the Minister of Agriculture and he admitted that the Milk Equalization Committee is not a governmental committee, but a committee set up by producers for the distribution of milk. However, the Metropolitan Milk Board is under Government jurisdiction and the fact that it allots territory to the Milk Equalization Committee brings it under Government jurisdiction. Is the board going to confine the growing metropolitan area to the suppliers already in the area? I claim that the people in my district are South Australian and have equal rights and equal privileges with other South Australians. I am not trying to barge in: all I seek is for the suppliers in my district to be given consideration in the northern market. I know city merchants will resist the suggestion that the Government bring pressure to bear to open up the milk market in Elizabeth and to do the same at O'Sullivan's Beach when that is settled. The only vital consideration is the question of hygiene and provided milk can be supplied fit for human consumption, according to the standards laid down, my suppliers should be permitted to enter the market. I ask leave to continue my remarks.

Leave granted; debate adjourned.

#### ADJOURNMENT.

At 4.48 p.m. the House adjourned until Tuesday, July 28, at 2 p.m.