

HOUSE OF ASSEMBLY.

Wednesday, November 4, 1959.

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

QUESTIONS.

PRICES OF FORTIFIED WINES.

Mr. QUIRKE—I direct my questions to the Treasurer, but before doing so I request your permission, Mr. Speaker, and the indulgence of the House, for more than usual time to read a letter and give an explanation of my questions. The matter is important and urgent. It will take three or four minutes to explain.

Leave granted.

Mr. QUIRKE—A letter dated October 22, which is marked “Urgent and confidential,” but which, because of its nature and contents, cannot be confidential but should be a public document, was sent to 13 winery proprietors and two co-operative wineries by the Wine Makers’ Association of South Australia. The wineries in the main are small operators. The two co-operative companies are Clarevale Co-operative Winery Limited, Clare, and South Australian Grapegrowers’ Co-operative of Nuriootpa. I am the managing director of the Clarevale Company, and I will read the letter in full to prevent any charge of misrepresentation. I informed the association secretary that I would take this action. It states:—

This Association has been advised that a firm—Associated Vignerons—will commence marketing fortified wine in South Australia as from November 2, 1959, at prices considerably lower than those of any winemaker selling wine in this State. The above firm has also intimated that it will meet any price competition experienced, by further price reductions and, as it has a sales force of 20, it must take most—if not all—of the low-priced wine business available.

They have made their intention clear, and it is to meet wine price cutters on their own ground until a fair and reasonable price is instituted. This is known to be 7s. 6d. wholesale per flagon and 13s. per gallon bulk.

This is a most serious situation and the Australian Wine Board conveyed to our Association last week their feelings on the matter. They, as you know, represent making and growing sections of the wine industry, and they view with gravest concern existing and contemplated action of lowering of wine prices in South Australia. The Board feels that the national economy of the industry may become chaotic and that the action would have severe political repercussions.

We also are extremely concerned about the repercussions that will occur in the industry following such a move. With regard to costs, already winemakers are faced with a strong

request from growers for increased 1960 vintage grape purchase prices.

The effect of a price war on such an important matter is sufficiently obvious to all and needs no further emphasis. At this late stage it is only possible to avert a wine price war if all winemakers trading below the above prices of 7s. 6d. wholesale per flagon and 13s. per gallon bulk agree to increase their prices to this level forthwith.

In an effort to forestall action by Associated Vignerons, an undertaking is attached and, if agreement can be reached by all parties mentioned by October 28, 1959, it is anticipated that Associated Vignerons will not proceed. We must point out that members of the Wine-makers’ Association not mentioned in the undertaking have already agreed not to sell below the agreed Association minimum prices, which are well above 7s. 6d. per flagon and 13s. per gallon. It is unnecessary to observe that this is positively our last chance. Advice will be forwarded of all undertakings received.

The undertaking was included with that letter. We did not reply, and a further letter was received. I will not read it all, but the relevant part states:—

Associated Vignerons, after being informed of the satisfactory response to our request for written undertakings, has agreed to hold its hand pending a decision by your company and the other company mentioned above.

That, incidentally, is the South Australian Grapegrowers’ Co-operative of Nuriootpa. The letter concludes:—

We shall look forward to receiving your company’s early decision, and we sincerely hope that it will result in a signed undertaking being forwarded.

I assure you, Sir, that they have no hope. When we received the second letter I endeavoured to find out who the Associated Vignerons were. They are Mr. A. J. Bateup, of Penfolds Wines Pty. Ltd.; Mr. Richard D. Clark, of Thomas Hardy & Sons Ltd. (Tintara); Mr. J. W. Stevens, of S. Smith & Son Ltd. (Yalumba); and Mr. Ian H. Seppelt, of B. Seppelt & Sons Ltd. That Penfolds should be a partner is self-explanatory; Hardy’s name comes as a shock; Smith’s is a distinct surprise, and Seppelt’s is nation-rocking. I have been informed that all but two of the people written to have cracked and signed the undertaking. Incidentally, the undertaking has to be made to the Winemakers’ Association, of which the Clarevale company is not a member. The two that have not cracked are Clarevale and South Australian Grapegrowers, and we have no intention of signing the undertaking.

The excuse used for the blackmailing tactics I have mentioned is that a higher price cannot be paid to growers unless the increased prices

are charged. In the case of Clarevale it amounts to 1s. a gallon on about 400 gallons a month on special contract: all other prices are in excess of the price demanded. If one grower had the lot he would be on rations. Briefly, the demand made is that the small wineries must obey the demands of gangster copyists, or 20 salesmen will be let loose to undersell us. It is with considerable discomfort that I come to the most disquieting feature of this unholy alliance. The wine to be used to bludgeon us into submission is to be supplied by Loxton Co-operative Winery and Distillery. In short, under some form of inducement, one co-operative is to provide the material for this attempt to smash two other co-operatives. All co-operative wineries are financed by the State Bank; and the questions I now ask the Treasurer are:—

1. Can any action be taken to restrain Associated Vignerons, Penfold, Hardy, Smith and Seppelt, in their policy of intimidation?

2. What is the Treasurer's reaction to one co-operative company financed by the State Bank using its material resources to aid this brazen attempt to destroy the legitimate trading of two other co-operative companies also financed by the State Bank?

The Hon. Sir THOMAS PLAYFORD—The matters raised by the honourable member, to say the least, are rather unusual, and at this stage I would not like to say what action, if any, the Government can take on them. I assure the honourable member that, in the main, the Government has been able in the past to take action that has been in the nature of restraining people from forcing others into an undertaking that they do not desire to enter into. If the honourable member will let me have the papers so that I can examine them and take the necessary action to ascertain all the implications, I will, in due course, inform him and the House what steps the Government considers should be taken. Possibly several days will elapse before I can give the honourable member an answer, because I want to consult some authorities. The honourable member mentioned that the State Bank is financing this activity. The Bank Board will not normally meet until next Monday and, under those circumstances, it would not be able to give its reaction to the matter until after that day.

MOTOR VEHICLES DEPARTMENT PREMISES.

Mr. DUNNAGE—The Motor Vehicles Department is situated in the old Exhibition Building, and the congestion and chaos that occurs there almost continuously is amazing,

especially during the lunch-hour period when I take it people go there to register motor vehicles. Can the Premier say whether anything can be done to alleviate the position, and has the Government further considered transferring the department to a more suitable situation?

The Hon. Sir THOMAS PLAYFORD—Under an agreement made with the School of Mines and the University the old Exhibition Building, and the land it occupies, will in due course be handed over to the University, which proposes to erect a very large building there. At the moment the Motor Vehicles Department and the School of Arts and Crafts occupy the building and steps are being taken to house them in other places so that the University can take possession and pull down the old Exhibition Building. The Motor Vehicles Department will be transferred to the Railway Building to occupy premises at present occupied by the Commonwealth Taxation Department. Steps are being taken to provide for the necessary parking accommodation for persons desiring to transact business with the department, and the Architect-in-Chief has in hand the necessary alterations to the premises to make them suitable. The Railway Building will be convenient to the public, and certainly much more convenient for country people than the present premises. The accommodation will be superior in every way to what the department has at present. The Commonwealth Taxation Department proposes to go into the new *Advertiser* Building, but when it goes depends upon the completion of that building. The matter is being finalized and will come into operation fairly quickly. We have not yet made a definite decision regarding the School of Arts and Crafts. One possibility is that the school will take over the building now occupied by the Electricity Trust on North Terrace. The trust is building new offices on Park Terrace and the School of Arts and Crafts may transfer to Kelvin Building, which would be central and suitable.

MOUNT GAMBIER RAIL SERVICE.

Mr. RALSTON—Has the Minister of Works obtained a reply to the question I asked recently regarding the amount of sleeper accommodation available on trains leaving Mount Gambier for Adelaide, and *vice versa*, on Christmas Eve?

The Hon. G. G. PEARSON—My colleague, the Minister of Railways, advises that only two sleeping cars, other than joint stock, are available for the Mount Gambier line working

and one is allocated for each train working between Adelaide and Mount Gambier on Christmas Eve. The railways are endeavouring to obtain the concurrence of Victoria to use additional sleepers from the joint stock pool to increase the accommodation on these trains in the event of such being required. It is to be remembered, however, that at Christmas time there is a very heavy demand for sleeping car accommodation.

Mr. RALSTON—Has the Minister of Works a reply from the Minister of Railways to a question I asked relating to proposed changes in the timetable of the Bluebird rail service to Mount Gambier?

The Hon. G. G. PEARSON—My colleague, the Minister of Railways, advises that in the new timetable, commencing on Sunday November 15, 1959, the daily railcar from Mount Gambier to Adelaide will leave at 7.10 a.m. instead of at 6.20 a.m.

CHALLA GARDENS INFANT SCHOOL.

Mr. RYAN—Has the Minister of Education a reply to the question I asked recently as to when it was expected that the Department of Works would hand over the new Challa Gardens infant school for occupation by the Education Department?

The Hon. B. PATTINSON—I have received a report from my colleague, the Minister of Works, to the effect that the school will be complete and ready for use by November 23. It is unusual for the Education Department to take a school into use so late in the year, but as the staff and children of the school are at present occupying other rooms on the same site at considerable inconvenience it is intended to transfer them to the new school before the end of this month.

EDUCATION WEEK.

Mr. COUMBE—Two years ago a very successful series of events known as Education Week was conducted by the Education Department. It was greatly appreciated not only by the students and staff but by the general public and, I feel sure, by members of this House. The Minister of Education explained that such an event would probably be held again, but that the amount of organization involved rendered it impossible to hold it every year. Can the Minister say whether it is proposed to repeat it next year or in the succeeding year?

The Hon. B. PATTINSON—From time to time there have been numerous inquiries from interested parties whether it is proposed to repeat the highly successful Education Week

and, if so, when. It has been the practice in recent years in some of the more populous States such as New South Wales and Victoria to hold an Education Week every year, but in this State it is not desirable, I think, for that to be done. I am personally desirous that it should be repeated at intervals, perhaps every three or five years, but no definite proposal has been submitted yet and I would not think of doing that until the matter had been discussed by Cabinet. It is most unlikely that one will be held next year.

HOTEL LICENCE FEES.

Mr. HEASLIP—In reply to a question I asked in September regarding the possibility of having a more equitable basis for fixing hotel licence fees, the Premier said he would tell me whether the Government was prepared to bring in legislation to alter the system of fixing these fees. Has he anything to report on this matter?

The Hon. Sir THOMAS PLAYFORD—Following on the honourable member's question, I discussed this matter with members of the Hotelkeepers Association who, as far as I could understand the position, did not favour changing over to a system of charges based upon purchases made by hotels. Quite apart from that, the system of charging on the basis of purchases of liquor has been challenged in Victoria and the matter has been heard by the High Court. Although it is a considerable time since the case was heard, judgment has not been given, so whether charging on the basis of purchases of liquor is regarded as an excise by the High Court and is therefore unconstitutional remains to be seen. I suggest that this matter be left in abeyance at least until the High Court has decided whether such charges are legal or otherwise.

LAKE BONNEY SCHEME.

Mr. STOTT—The Premier recently made an announcement about constructing a bank around Lake Bonney to overcome the salinity of the river. Will he state whether the engineers are making further inquiries, whether the matter will have to be referred to the Public Works Committee and whether any progress has been made?

The Hon. Sir THOMAS PLAYFORD—Investigations are being made and, if they are satisfactory, the matter will ultimately be referred to the Public Works Committee. The matter is not sufficiently advanced for me to say that it will be referred to that committee.

METROPOLITAN MILK SUPPLIES.

Adjourned debate on the motion of Mr. Riches:—

(For wording of motion see page 1144.)

(Continued from October 28. Page 1281.)

Mr. BYWATERS (Murray)—I support this motion, which was moved by the member for Stuart (Mr. Riches) and ably supported by the member for Norwood (Mr. Dunstan). In introducing the matter, the member for Stuart said he did so as president of the Australian Labor Party Rural Committee, and that is true. As secretary of that committee I have had something to do with the various complaints that have come in from time to time, especially from the men referred to as semi-wholesalers or, as the member for Stuart referred to them, wholesale delivery men. No matter what they are called, they are in effect wholesale delivery men even if they are not exclusively engaged in that particular section.

I think all members were impressed by the fair attitude of the member for Stuart in presenting his case. He said that the Labor Party had set up these committees because it felt that people liked to contact the Opposition when it came to matters that affected them privately, and they have done this. From time to time people have come to us seeking our assistance, not only in relation to milk supply, but on other matters, and on each occasion we have endeavoured to work in with the member for the district who, on occasions, has been only too happy to assist. That happened in this matter.

The member for Stuart did not discuss one particular item because it was felt that it had been handled by the member for the district. However, as the Minister mentioned it in his reply, I will refer to it later in my remarks. The Minister commented on the way the member for Stuart put his case; he said, "The member for Stuart presented his case in a very fair manner indeed," and all members will agree that that is so. He went on to say that the member made certain serious allegations that could not be substantiated, but I feel that he substantiated all the things he said and I have no doubt that when he replies, which he has the right to do, he will clarify the position so that the Minister will be in no doubt whatever that there is some foundation for the allegations.

The Minister said he was concerned about some misinformation and wild accusations against the Metropolitan Milk Board. That is the sole purpose for moving the motion: we,

too, are concerned about some statements that have been made about the board. We did not say that certain things were true. We did not say that we had the answers and that we were condemning the Metropolitan Milk Board, but, because of the statements that have been made not only to us but to the Minister and to members on the other side of the House, we felt that an inquiry would be good even if only to clear up statements that were perhaps false.

An inquiry such as this would remove from any person's mind any doubts in this regard. I, therefore, consider that an inquiry would be good, not only for the people concerned, but also for the Milk Board, because it could then, in turn, clear up any doubts it had in this matter. One thing that the Minister said in reply was, I think, a little odd. He said a Select Committee would be a rebuke to the Milk Board, but that is not so. I do not think there is any necessity for a rebuke if everything is clear and above board. I do not see any reason why the Minister or those associated with the board should fear an inquiry if everything it claims has happened in the cases mentioned did happen. It would probably be an advantage if these things could be cleared up once and for all, and that is all the Opposition requires. Because of that, and because no satisfactory settlement has been arrived at with Cox and Read, the Opposition feels that an inquiry would determine once and for all whether there is substance in what these two gentlemen allege.

It would be in the best interests of the Milk Board to have an inquiry so that it could put its own case. Such an inquiry could also ascertain whether it was necessary to extend the board's powers, and a recommendation could come to this House to do just that if necessary. The Minister said an inquiry would be a rebuke, but the Select Committee into the Renmark Irrigation Trust, to which I have been appointed, is in no way a rebuke to the Renmark Irrigation Trust.

Mr. Shannon—Nor is it analogous: it is entirely different.

Mr. BYWATERS—True, it is entirely different. Last session Select Committees were appointed to inquire into the proposed oil refinery and the Broken Hill Proprietary Company, and in each case the purpose of the Committee was to report back to Parliament. Those reports necessarily were accepted by this House, as they usually are. The Select Committee now advocated would enable members to read the evidence given and become fully

acquainted with the position; therefore, it cannot be said that such a Committee would be a rebuke to the board.

Messrs. Cox and Read could go before the Committee and put their cases quite clearly. That is all they wish to do: to put their cases before a Select Committee or some responsible authority and allow such an authority to decide them. These two gentlemen have approached my Party because they have had no satisfactory reply to their previous representations. The member for Stuart pointed out that several other members on both sides of the House had been contacted, but the Minister, in reply, said that their cases must have been very weak indeed, otherwise they would have received satisfaction originally. On each approach to other members of this House, however, they received no satisfaction. The Minister himself admitted that these two gentlemen had approached him and other Government members. We know that they went to the member for Mitcham. I have looked through the correspondence and can say that no satisfactory reply or any reply to the effect that they had no case was received, therefore Messrs. Cox and Read naturally pursued their arguments as far as possible in order to see that they received satisfactory replies. It is only just that if they are wrong they should be told why they are wrong, but instead of that they are told to seek legal redress, and that that is the only thing left for them to do. The letter from the member for Mitcham to Mr. Cox said:—

The Honourable David Brookman has kept me informed from time to time of your discussions with him. I understand he has now referred the problem to the Crown Law authorities for a report. You can rest assured that if, as a result of that report, there is anything which I can do to help you I shall do it.

I believe the member for Mitcham did endeavour to help Mr. Cox as far as he was able.

Mr. Riches—It was not a brush-off.

Mr. BYWATERS—No. I think the member for Mitcham believed, by the way it was put to him, that Mr. Cox had a case. I think he took much trouble on Mr. Cox's behalf, and in the letters he wrote to Mr. Cox he did not say that Mr. Cox did not have a case. The Minister, when writing to Cox, said:—

I have considered your representations asking that the Milk Board should order that milk be supplied to you for business as a semi-wholesaler. I have to inform you that the board has no power to make such an order. The powers of the Government to make orders

for the supply of milk under the Metropolitan Milk Supply Act apply to retail vendors. The only way in which an order could be made to suit your wishes would be by alteration of the Act. The Government considered your case and decided to take no action in this respect.

In this instance we find that for several years the firm of Schofield & Sons carried on business with Mr. Cox quite satisfactorily, with full recognition by the board which knew of the arrangement between Schofield and Cox. Then for three years the South Australian Farmers' Union carried on business with Mr. Cox and supplied him with milk. No argument whatsoever took place: everyone was quite happy with the arrangement and things went along well. It has been argued that Mr. Cox did nothing toward the services that were supposed to be rendered, that he was purely a middle man and nothing else, and received 2½d. a gallon for doing nothing. When zoning took place, Mr. Cox had zone 11 allocated to him under the then zoning system. After a while it became apparent that the two adjoining zones overlapped and the supplier of one was the very supplier from whom Mr. Cox received his milk. They therefore talked it over, and in order to save petrol and other expenses, seeing that zoning was necessary, they decided they should get their heads together and work out a solution. Mr. Cox said to Schofield, "If you are prepared, I will deliver your milk for you and you can pay me for that delivery." As it turned out, after they talked it over, Mr. Schofield said, "I will do that for you. I will deliver your milk and we will arrange that deductions be taken out for the delivery and so on and we will work together that way and save on the extra cartage." A letter written to the Milk Board by Mr. Cox's solicitor stated:—

It is manifestly clear that the Government, in passing the Metropolitan Milk Supply Act, 1946, had no intention of assisting big business to eliminate Wholesale Milk Distributors. Accordingly it is felt that for the above reasons the board should declare a price fixation. In determining this fixation the board is requested to bear in mind that Wholesale Milk Distributors are required to:—

1. Supply cans.
2. Cart, and store for upwards of a day in chill rooms the milk distributed.

To prevent confusion I point out that this refers to semi-wholesalers. The letter continued:—

3. Redistribute the milk to shops and milk vendors.
4. Be responsible for spillage and wastage as well as all bad debts contracted by them.

5. Bear the loss on all bottle breakages at the rate of 5d. per bottle.

It was not a clear profit to Cox for doing nothing. He was responsible for the collection of the amounts. If somebody did not pay it was his debt, and if any breakages occurred it was his responsibility. This was recognized and all persons concerned knew about it, but no-one objected. Last week the member for Onkaparinga asked by interjection whether the Labor Party was in favour of extra middlemen. We are not. These are not extra middlemen: they have been in the business for from 30 to 35 years.

Mr. Shannon—Did they get their milk direct from the producer?

Mr. BYWATERS—They did originally.

Mr. Shannon—Why don't they still?

Mr. BYWATERS—Because of wartime circumstances. Mr. Cox had a milk treatment plant at Meadows. During the war milk zoning came into operation, the situation changed and consequently an arrangement was entered into with Schofield. The Farmers Union offered to buy Mr. Cox out. I think it was genuine in its desire to recompense him for the money he had spent over the years in building up a business. It had been transferred by zoning, but nevertheless he had a business worth something and Farmers Union said, "We will give you five-eighths of a penny as a royalty for the rest of your natural life and you will have no more to do with it." This was a recognition of the agreement that was entered into. Farmers Union recognized that Cox had an equity in the business and made him that offer. Cox said he preferred to remain in the only job he knew—the delivery of milk. He said to Farmers Union, "If you don't want this present arrangement to continue, supply me with the milk and I will go on delivering as before." That was a fair request and that is all Mr. Cox wants today. If Farmers Union is not prepared to make the supply, the Milk Board should direct some other supplier to grant him a supply. It would not matter to Cox whether Farmers Union, Amscol, or some other firm supplied him. However, apparently that cannot be done under the present set-up because the treatment plant operators have a gentlemen's agreement under which they will not take another supplier's customer.

Mr. Riches—The board has said it would not allow it.

Mr. Hambour—Where was that in evidence?

Mr. Riches—The board said it would not let anybody else but Farmers Union supply.

Mr. BYWATERS—The board claims it has no power to intervene in these circumstances. It has obviously changed its mind because on June 18 last year it invited Mr. Cox and Mr. Carroll to a meeting to talk this matter over. That was a commonsense approach and should have resulted in some satisfaction. The chairman of the board, Mr. Gale, at that meeting said that he had called them together to order Farmers Union to grant a supply. Mr. Carroll, from Farmers Union, said that Mr. Gale did not have the power to do that. Mr. Gale then said it was the board's view that the Farmers Union should attend to this matter without the board making a direction. Apparently the chairman of the board favoured Mr. Cox being granted a supply, but after Mr. Carroll challenged him he doubted whether he had power to direct a supply to be made. One of the purposes of a Select Committee would be to ascertain whether it is necessary to amend the Act in order that a satisfactory conclusion might be arrived at in that regard.

Last week the Minister said that this was no longer a matter for the board to determine but should be referred to the courts. The Milk Board suggested that Mr. Cox should take it to the court and that if a large sum was at stake it would be in his interests to do so. Mr. Cox secured advice from several solicitors on this. Incidentally, Mr. Read also got advice from solicitors. In every instance the advice was that it was a matter for the Milk Board and if the Milk Board did not determine it then it was a matter for Parliament.

The Hon. D. N. Brookman—Why was it not a matter for law?

Mr. BYWATERS—I have a copy of the legal advice. It was as follows:—

This is not a legal matter. It involves supply and prices, two matters entrusted to the board and not to the court, but if the board will not act then it becomes a matter for political men in Parliament.

That was the view of Messrs. Baden Pattinson and Reid-Smith acting together, and also of Mr. Pickering, Mr. Fricker and, I understand, Mr. Travers.

The Hon. D. N. Brookman—But why not go to law?

Mr. BYWATERS—If these men went to law and won the case they would still be without a supply, although they might get compensation. They do not want compensation but a supply of milk for their legitimate business.

The Hon. D. N. Brookman—Everybody else goes to law. They say they have an agreement. Why shouldn't they—

Mr. BYWATERS—If they pay for a solicitor's advice they naturally take some notice of it. The solicitors studied the Act and said that in their opinion it was not a question of going to law but of going to the board and if the board did not act then of taking it to Parliament.

The Hon. D. N. Brookman—It is certainly cheaper to bring it here.

Mr. BYWATERS—Yes, it is cheaper, but I point out that this has already cost these men a considerable sum. Both these gentlemen have been put to much expense and they have lost their business and suffered much worry. Acting on their solicitors' advice I think something could be done without recourse to law.

The Hon. D. N. Brookman—Has Mr. Cox an agreement?

Mr. BYWATERS—Yes, drawn up between Schofield and himself. It has been lodged with Schofield over the years and a copy is available. The Minister will probably see it later.

The Hon. D. N. Brookman—What about the original?

Mr. BYWATERS—I could not promise that, because it could be somewhere or other—I do not know. There is a copy of the agreement and also a copy of an agreement with the Farmers Union, which firm was prepared to follow in the same way as Schofield, and did so for some years.

The Hon. D. N. Brookman—I want to see the signed agreement.

Mr. BYWATERS—I think the Minister will see it, probably before the day is out. The following is a letter to the Board, a copy of which was received from Messrs. Baden Patkinson and Reid Smith:—

We refer to your letter to us of May 27 last and subsequent discussion and correspondence. We request that the orders made authorizing Messrs. Clarke, Southby and Bennett to obtain supplies from Myponga Co-operative Dairy Society Limited be withdrawn. In support of this application we make the following points:—

1. In addition to being licensed vendors we have carried on a semi-wholesale business at Blackwood since zoning during the early part of the war. We held a wholesale licence for the Blackwood district throughout the period zoning was in force. We have been vendors in the district for about 20 years.

2. We first installed refrigeration plant to serve the district shortly after we commenced business. In 1946 we purchased new premises

and installed a new cold room, landing platform, washing facilities as well as refrigeration. Throughout the whole period we have been in business and prior to the inception of your board we have supplied vendors and made available to them the whole of our plant facilities. The three vendors or their predecessors have heretofore always obtained their supplies from us. We have supplied Mr. Southby five to six years, and Messrs. Bennett and Clarke about two years.

3. The facilities for refrigeration and storage represent a present day capital outlay of about £4,000.

4. In January, 1956, we entered into an agreement with Myponga Co-operative Society to deliver supplies to us at Blackwood at less one penny per gallon or *ex* Edwardstown less 2d. per gallon (milk or cream) off wholesale rates. From that date until December 1, 1956, the society delivered our supplies to Blackwood at the rate of one penny per gallon off wholesale rates. On December 1, 1956, by mutual arrangement, we collected supplies *ex* Edwardstown depot at a rate of 2d. per gallon off wholesale price. Prior to agreeing to collect *ex* Edwardstown we discussed the matter fully with the secretary of the society seeking an assurance that the arrangement made would last for at least a further three years. We gave as the reason for seeking the term that we would have to buy a truck. We obtained his assurance with the consent of his board and purchased a three-ton Fargo truck for a capital outlay of £700. We continued in business as semi-wholesalers and vendors until your orders of May 26 last, as amended by you on May 29. As our accounts from the society indicate throughout the period from January, 1956, to May 26, 1957, the prices agreed have been observed.

5. At the time the board made the order in favour of Mr. Bennett he was indebted to us in the amount of £500. Since that date he has paid to us £200. We are as yet unable to collect the balance. The effect of the order is to largely remove the control we had over a debtor.

6. The further effects of the orders are that we are no longer semi-wholesalers after some 20 years of service as such to the residents of Blackwood district. We have incurred considerable capital expenditure on which we now receive no return or in the case of the truck have little or no further use. The agreement with the society has been superseded and as vendors we are in the same position as to price as the other vendors without such capital outlay.

7. We understand the intention of the regulations was to allow us as semi-wholesalers the benefit of an extra penny per gallon for the facilities we provided in the district and that the intention of the vendors in making their application was to collect supplies *ex* Edwardstown at 4s. 4d. per gallon, thereby saving one penny. As a result of the board's amendment the society now proposes to supply the vendors at Blackwood at 4s. 5d. per gallon. The result is that the vendors who were our customers are

now being supplied by the society in the district without saving to themselves and without the facilities of storage and refrigeration we previously provided for them at that price.

8. The nature of the district is such that for many months of the year lack of proper storage and refrigeration facilities must be detrimental to the consumers.

9. The loss of our business to the society through loss of vendors represents more than one-half of the supplies handled by us immediately prior to the orders.

This letter sets out pretty well the case for Mr. Read. He has been in business for many years and during that time built up an equity, but that has now gone overboard because the Myponga people are supplying direct to the district without providing the facilities previously given by Mr. Read. A letter from the board to Mr. Read said that the present set-up was not desirable, and continued:—

It is doubtful if this board, under existing legislation, can remedy the position. In an attempt to place delivery to retail vendors on an improved basis the board met representatives of the Metropolitan County Board in conference in June, 1952. It was suggested to the Metropolitan County Board that it should require that vendors of milk should have either refrigerated premises or take delivery of their milk from a licensed factory or depot. Following the conference advice was received from the County Board that, whilst the desirability of the ultimate improvement in the matter was not questioned, the board did not consider the time opportune for the enforcement of major alterations in the present set up in the industry.

Here was a situation that already existed. The County Board and the Metropolitan Milk Board agreed that it was desirable to have refrigerated premises. We were at Mr. Cox's place on one occasion and milk came in at 10 o'clock in the morning for delivery next day. What would have happened to that milk without refrigeration? If the board does not possess the power it should be given the power to enforce refrigeration, for it is desirable in the interests of the public health and of the producers themselves, because milk quickly deteriorates in quality. Both Mr. Read and Mr. Cox have the facilities recommended by the board, but on its own statement the board has no power to enforce refrigeration.

Mr. Shannon—You do not say that milk delivered to housewives is not first class?

Mr. BYWATERS—People have claimed that the cream goes to the top of the bottle. The honourable member will recall the controversy over the code mark on bottles. The date of production of the milk causes some people to think that it is not fresh. Mr. Shannon

knows that milk can deteriorate rapidly if left in unsatisfactory conditions. Mr. Millhouse supported Mr. Read and possibly he still does. The following was contained in a letter dated July 3, 1959:—

Following our conversation and then upon receipt of your letter I got in touch again with the Minister of Agriculture. The Minister received me at his office and we discussed the matter at length. However, he has now written to me a letter, a copy of which I enclose.

This is the Minister's letter referred to:—

I refer to your representations on behalf of Mr. A. K. Read who wrote to you on June 2. I have considered the matter carefully since you spoke to me and have to inform you that the Government do not propose to make any changes in the metropolitan milk marketing system. Mr. Read's letter does not disclose any particular suggestion and therefore I am unable to comment in detail. In general, however, I can say that the position is that Mr. Read's case was discussed very freely last year and I am not prepared to reopen it. I am always ready to receive complaints or suggestions for improvement and if Mr. Read has any new proposals, I shall be glad to consider them.

The member for Mitcham (Mr. Millhouse) has been considerate and sympathetic in this matter. The following is a letter written to Mr. Read by Mr. Millhouse:—

Thank you very much for your letter of June 25. Now that there is a new Minister of Agriculture, Mr. Brookman, I think it may be worthwhile trying again. I shall take up the matter with him personally. It is only a very slim hope that he will be prepared to alter the decision of Mr. Pearson, but it is worth trying. I'll let you know how I get on.

In another letter the member for Mitcham said:—

Since you last spoke to me I have had a long talk with the Minister of Agriculture. I am afraid that there is nothing further which either he or I can do to help you. With regard to the amending Milk Board Regulations he is adamant that they should be allowed to go through Parliament. Mr. Pearson points out that in any case they do not affect your position as if delivery were taken from you at Blackwood the price for bulk milk would be 4s. 5d. a gallon. I am very sorry indeed not to have been able to do more to help you in this matter.

That has been the attitude of the member for Mitcham right through. Mr. Read's case was fully debated last year, when there was much discussion on it. I was not as familiar with the matter then as I am now, but others were. The member for Norwood (Mr. Dunstan) spoke at length on this subject when he moved to disallow regulations made under

the Metropolitan Milk Supply Act. The Minister said that retail vendors had no wish or intention ever to deal with Read, to which the member for Unley (Mr. Dunnage) said, "That is different from my information." When we called for a division, the member for Unley voted with the Opposition in support of Mr. Read. He was quite *au fait* with the facts and was prepared to throw in his lot with us because he considered that an injustice had been done. The position was outlined fully by the member for Stuart and the member for Norwood, so I do not intend to go into it again, except to say that they have not had any rebuff to indicate that their position is hopeless: the only thing put to us is that it is their prerogative to go to court and not to Parliament.

I think this is a matter that should go to Parliament. Solicitors have advised them that it is in their interests to approach the board, which they have done, and then to go to members of Parliament, which they have also done, and they are still fighting to get their just dues. It is necessary to have a Select Committee in both these cases so that these people can put their cases fairly and squarely before an independent tribunal, and no better judge would be possible than a Select Committee composed of members of Parliament. It would be a completely unbiased Committee and it could explain why this attitude was adopted, which is the only way these people will be satisfied, because neither knows the reason.

The member for Stuart referred to milk vendors and to the Retail Milk Vendors Association, about which he knows more than I. There appear to be anomalies here with which the Milk Board is *au fait* but is not prepared to do anything. The member for Stuart did not refer to a case that the Milk Board mentioned in its reply to the Minister—the vendors operating at Teatree Gully and Modbury. We did not intend to bring that into the debate because we all appreciate that if the member for the district is prepared to assist the people concerned he should be given the first opportunity to do so. The member for Barossa (Mr. Laucke) endeavoured to do something for these people. I believe he wrote a letter to the Minister, obtained a reply with which he was not satisfied and, on October 15, asked the following question in the House:—

Will the Minister of Agriculture ascertain whether the Metropolitan Milk Board will not grant a zoning licence in the northern metropolitan areas to any vendor who does not

subscribe certain fees to the Retail Milk Vendors Association?

The Minister's reply to this explicit question was:—

Although I can say immediately that that is not correct, I will refer the honourable member's question to the Metropolitan Milk Board and ask whether it would like to make a statement.

As far as I know, no statement has been made in this House: if it has, I have missed it. Only last week we had a visit from one of the men concerned. Although the Minister said he could say definitely that there was no compulsion whatever to join the Association to get a licence, we have evidence of a man who received a letter from the Master Retail Milk Vendors' Association, Incorporated, which stated:—

In accordance with the terms of an agreement covering operations in Caretaker Zone 16A, business secured since its establishment on April 1, 1958, has been disposed of, and from the funds now in hand we are making a first distribution of £10 to each of the vendors who are the owners of the goodwill of milk rounds in Milk Board zones 11 to 16, inclusive. Having regard to the heavy expenditure of the Association in connection with zoning and otherwise for the benefit of all vendors, the following policy has been adopted in making this distribution:—

1. From the share of a vendor who was a financial member of the Association for the year commencing on April 1, 1958, but has not yet paid his current year's subscription, the amount due has been deducted.
2. From the share of a vendor who was not a financial member of the Association for the year commencing on April 1, 1958, the amount of £7 10s. for one year's subscription has been deducted.

There is compulsion, if you like! This afternoon I was interested to hear a reply given by the Premier to the member for Burra (Mr. Quirke) to the effect that the Government's policy was against forcing people to join any undertaking, yet in this instance the Milk Vendors Association deducted this contribution. This man stated specifically that he did not desire to join the association—so much so that he has not even cashed the cheque for the balance of £2 10s.

The member for Stuart referred to other things that have happened and have been brought to our notice, and these were known by the Metropolitan Milk Board. Although we place no significance on this, we feel we should state that it is felt to be an unusual circumstance to have two brothers working in the same building, one as secretary of the Milk Board and the other as secretary of the

Retail Milk Vendors Association. Surely that should be cleared up for the two men concerned. That is another reason why there should be an inquiry, so that everyone will be satisfied that things accord with the desires of Parliament.

Reference is made in the motion to milk producers. During the last two or three weeks representations have been made to us by the secretary and president of the Dairymen's Association, both of whom came along to our committee stating that they were perfectly happy with the set-up. They emphasised that their association had had the best consideration from the Milk Board, that it was perfectly happy with the arrangement that existed, and that it had no quarrel whatever. However, the area that I represent has many dairymen, and I have heard complaints. I have told those who complained to go to their association because, after all, that is what it is for. I know there are always people who are disgruntled because they do not get their own way and there are also people who have complaints from the producer angle. We have had several letters from people in a hills area. One man complained that unlicensed milk is going in with licensed milk. I do not know if that is so, and I doubt that it is.

Mr. Shannon—Why add to the rumour if you do not believe it? I think that is poor tactics.

Mr. BYWATERS—I do not think so.

Mr. Shannon—If you do not believe the rumour, do not repeat it.

Mr. BYWATERS—This man has a doubt in his mind.

Mr. Shannon—Apparently the honourable member has a doubt in his mind, too.

Mr. BYWATERS—I am not saying whether I have or not but, if there is a doubt, although it may not be true, it is circulating throughout the honourable member's district. When the honourable member speaks he will probably say it is not true, and I will probably accept that; I should be happy to do so. This letter went on to say that some dairymen in the hills are going out of milk production because they cannot make it pay. That is why we are asking for an inquiry into the price of milk. Dairymen in my district are concerned that if the price of milk goes too high it will take it out of the reach of the consumer, which they do not want. We want the price of milk to be such that the public can freely obtain it. These people prefer to see more milk produced, and they would be much happier to get a higher

quota than they had last year on top of their butterfat price.

I feel that this matter has been clarified by the Opposition. The two previous speakers from this side put their points of view clearly and fairly, and I have endeavoured to put the position as fairly as possible, realizing that some people doubt improvements are needed. Apparently there is doubt whether the Milk Board has certain desirable powers, and a Select Committee could investigate the need for amendments to the Act. I hope the House will carry the motion, which is no rebuke whatsoever to the Milk Board.

The Hon. D. N. Brookman—Do you support an amendment?

Mr. BYWATERS—Yes, I would if a Select Committee recommended it. I am not suggesting any amendment, because the Opposition is not able to say whether the Milk Board has certain powers or not, and that is why the Opposition seeks a Select Committee to recommend any necessary amendments.

Mr. Shannon—What amendments do you recommend?

Mr. BYWATERS—None at this stage. I told the Minister that some time ago. It seems hard to convince some people when they do not want to be convinced.

Mr. Shannon—I thought you had something concrete to give us.

Mr. BYWATERS—I ask that the inquiry be set up for the purposes mentioned, and that the House fully consider the matter so that people who have doubts and those who have been victimized over the last year or two should have the right to present their cases fully and have their position cleared up so that there will no longer be a doubt in their minds. I support the motion.

Mr. HAMBOUR (Light)—The Opposition, in my opinion, has a mania for Select Committees for it has three motions on the Notice Paper seeking Select Committees.

Mr. Riches—Some people have a mania for interjections, too.

Mr. HAMBOUR—And very wise ones at that. I think I have just as great a sense of justice as any member of the Opposition. When anomalies occur—and they do occur—I consider it my duty to act as a Select Committee myself, to do some homework and some investigating, and not leave it to other people. I think that every member is responsible to investigate things that occur, and if they are not capable of doing so they should resign.

Mr. Ryan—There would be a new member for Light.

Mr. Lawn—You advocated a Select Committee some time ago.

Mr. HAMBOUR—The brain child speaks! I have no qualms at all about these interjections, because it is the Opposition's afternoon and if they like to delay me in what I have to say I accept the delay. I am interested in this question of milk supply. For the last two years I have carried out much investigation on milk distribution. I am not saying that it is a perfect set-up, but I know what I think should be done and I am working along the lines that I think will remove anomalies.

I believe the Opposition has hung this motion upon an arrangement between two gentlemen outside this Chamber. I am not saying that there is no justice in the claims of these gentlemen, but the member for Stuart has drawn up a long motion concerning two apparent contracts that did exist and may still exist, although I am not going to argue whether they do or not. This whole motion revolves around the affairs of two people. Unfortunately, the member for Stuart got away from his earlier remarks when he said that the debate would be on pleasant lines with no accusations, for he did not waste much time in really getting stuck into the Metropolitan Milk Board. This motion does not seek to rectify any anomalies that may exist, but is in effect a motion of no-confidence in the Milk Board. Three Opposition members have spoken on this motion and all have criticized the board's activities; two of them have criticized the board's veracity.

Mr. Shannon—They called the members of the board liars, in so many words.

Mr. HAMBOUR—Yes. I have confidence in the Minister of Agriculture and in his ability to elucidate the facts; I believe he knows everything that is going on and everything the board is doing, and if the Opposition's accusations are true and the Milk Board is telling lies and the Minister knows that, it is a vote of no-confidence in the Minister, and I do not accept that. Opposition members can cloud the issue, and they have certainly wrapped it up, for it has come in fancy dress, plain dress, and evening dress. Let me undress it, and try to show the cause of the controversy: it is purely a question of profit and who shall get it. I believe it has always been the policy of my Party not to interfere with business unless it is absolutely necessary. Where arrangements are made

between two people it is entirely their own business, and I think the member for Stuart will concede that. The honourable member has spoken of an arrangement which, probably through lack of a signature or some such thing, does not hold water in the courts. The Opposition also spoke of another arrangement, and claimed that last year, through the actions of the Milk Board, the person concerned was debarred from taking the matter to court. I will deal with that matter later, because I do not know that those charges are true.

I believe the Milk Board. When the board makes a statement it appears in a docket, and any public servant that deliberately misleads his Minister is putting himself in a precarious position. I had some association with the chairman of the Milk Board (Mr. Gale) prior to his going to England, and I found him most considerate and a most efficient and competent officer. What Mr. Gale personally thinks has nothing to do with the department, which has to act in accordance with the Act. He must administer the department impartially. I believe he was sympathetic to the claims that were made in the case in which I am interested, but that did not justify his acting to assist in what I wanted done because he had no power to do so. He would have been interfering in a business arrangement that was no concern of his. I am not referring to Cox and Read, but to another matter entirely. It has not been easy, but I believe that at last I am getting somewhere and that a conclusion satisfactory to all parties will be reached without the assistance of the Milk Board, the Minister, or Parliament, but just by sweet reasonableness. Perhaps Mr. Cox and Mr. Read may have claims or believe that they have claims, but like the person who has had a business in rented premises for 30 years, because he has not had a lease he receives notice to quit and his business goes overnight—

Mr. Bywaters—He can go and start somewhere else.

Mr. HAMBOUR—Of course he can.

Mr. Bywaters—These people cannot do so.

Mr. Shannon—They could if they could get producers to supply them.

Mr. Bywaters—You need a treatment licence for that, and that costs money. It is easier said than done to get back into the business.

Mr. HAMBOUR—It was admitted by the member for Murray that they had a treatment plant.

Mr. Bywaters—Yes, they did; it probably would not comply with the present-day standards.

Mr. HAMBOUR—It either does or it does not.

Mr. Bywaters—These things advance over the years.

Mr. HAMBOUR—True. I have discussed this with Mr. Cox. He is not unreasonable, and I can understand how he feels about it, but he can remain in the business. I have been associated with primary producers all my life, and can say that wherever a new organization comes along that will handle their production they will give it a go because they think they might get a better deal than they have been getting. A new operator, if he does the right thing, will finish up getting his share. A new processing organization came to my home town and its first impression was that all the supplies there were tied up, but that organization is still there.

Mr. Shannon—If they give the service they get the business.

Mr. HAMBOUR—These people are still there and getting the supplies. People can get the supplies. A treatment plant may be a disability because it is expensive, but if the cost of a treatment plant is high are not the people who have treatment plants entitled to any proceeds that may accrue from their investment? That is the question, and I think it is the whole question we are discussing here.

The member for Stuart, in moving the motion, said that the Opposition was not setting out to make a series of accusations. It would have been very fine and dandy if he had continued the debate in that strain, but he became much more immoderate as he went on, and said:—

Representations have been received from producers who want to sell milk in the metropolitan area but who are now refused; representations have been received from producers who are supplying the metropolitan area and are seeking a price increase.

Both those statements are true. The member for Murray (Mr. Bywaters) would be much more conversant with this question than the member for Stuart, and I suggest to him that those producers who want to come into the market would be opposed by his constituents who contend that they are not getting a payable price today.

Mr. Bywaters—They are prepared for that to happen when the demand reaches that stage.

Mr. HAMBOUR—I thank the member for Murray for that statement, for it exonerates him and clarifies a point for me. The Metropolitan Milk Board is capable of handling that question. All honourable members know that Narrung is being considered.

Mr. Bywaters—They will be admitted when the time arrives.

Mr. HAMBOUR—Nobody has any fault to find with the Milk Board on that question, but the member for Stuart wanted to refer that to a Select Committee.

Mr. Bywaters—I think you are wrong.

Mr. HAMBOUR—I just read it out.

Mr. Bywaters—You put the wrong interpretation on it.

Mr. HAMBOUR—This is what the honourable member for Stuart said:—

I ask for this inquiry because, in the course of a few weeks, representations have been received from producers who want to sell milk in the metropolitan area but are now refused.

Mr. Bywaters—The only reason they were refused was because their dairies were not up to standard.

Mr. HAMBOUR—The member for Murray does not believe that himself.

Mr. Bywaters—It is true.

Mr. HAMBOUR—It is not true. This question does not warrant a Select Committee because the board is quite capable of handling it and 99 per cent of the producers are behind the board. Why do we want an inquiry about admitting more producers? Haven't members confidence in the board's ability to decide when Narrung shall be admitted? The board has convinced me that the time will come when more will be admitted. Narrung has priority and I accept that. Producers there have been waiting longer and they can probably engage in more intensive dairying and will be more capable of providing milk in the autumn than those in the drier northern areas.

Mr. Bywaters—I referred to the specific case mentioned by the member for Stuart.

Mr. HAMBOUR—My point is that that does not justify a Select Committee. We all agree that what we want to happen will happen in due course without a Select Committee. The next point was the question of price increases. At present the board is considering a price increase to the producers supplying the metropolitan area. I hope they get an increase because I know the trials, tribulations and troubles of a dairy farmer and whatever he gets he earns. He gets about 3s. 2d. a gallon for his milk today.

Mr. Bywaters—Not too many get 3s. 2d. a gallon.

Mr. HAMBOUR—I know plenty who are milking for 1s. 10d. and 1s. 11d. a gallon.

Mr. Bywaters—I want to correct the anomalies in your speech.

Mr. HAMBOUR—Does the honourable member know that they got about 6s. 4½d. for butter fat last year?

Mr. Bywaters—Do you know how much milk it takes to make a pound of butter fat? On a four point test it takes 2½ gallons.

The ACTING SPEAKER—Order! The member for Light.

Mr. HAMBOUR—I accept the honourable member's figures because they are of no moment. Those producers are getting much more than their counterparts in the north. I hope they get an increase because their labour is worth a high reward. They work a seven day week in a job that no one envies them. The member for Stuart also said:—

... the Farmers Union offered him ½d. a gallon for all the milk—representing, I believe, some 800 gallons—that he would have been delivering: a royalty for all time, a payment to Cox to sit down and do nothing.

That is possibly true and, if it is, what I cannot understand is why Farmers Union offered him ½d. I should say it would be simply from appreciation of an entitlement he could not enforce. I think that sums up the position. In other words, the man in question had something for a period of years, there was a take-over, and the people who took over said, "Why should we pay this? We don't have to. We won't."

Mr. Riches—Some sort of take over.

Mr. HAMBOUR—The honourable member may call it what he likes: I am being honest and factual. Much has been said about money and prices, but let us examine what actually happens. Milk, in bulk, is 5s. 10d. a gallon to the consumer; the wholesaler's price is 4s. 4d. a gallon; the retailer's margin is 1s. 6d. and the wholesaler's profit 1s. 1½d. That 1s. 1½d. takes into account the responsibility for the collection, handling and treatment of milk, and its delivery to depots or to vendors. In my district the cost of collection is 8d., but in the metropolitan area I understand it is 2d., or near enough thereto. I tried to ascertain the cost of treatment, handling and delivery, but I believe that the approximate net profit to a wholesaler is 5d. The argument we are considering today involves 2½d. and, if the request is granted, Cox would get 2½d. and the firm concerned 2½d. That needs to be reasoned and argued. My figures are not too wide of

the mark because I have spent much time on this.

Mr. Riches—Do you know that if the Milk Board apportioned that it would settle the whole matter?

Mr. HAMBOUR—Yes, and there would not be any motion on the Notice Paper.

Mr. Riches—I did not say that.

Mr. HAMBOUR—It would settle the dispute. This dispute and the one last year involving Read are responsible for this motion.

Mr. Riches—No!

Mr. HAMBOUR—If the honourable member really means that, then this motion is completely hollow because that is the only substance of it.

Mr. Riches—You may think what you like.

Mr. HAMBOUR—I shall. The honourable member said that if the board would apportion out that profit everything would be all right: the dispute would be settled. I have had some business experience and should not like to do the work of collecting, treating and delivering to depots for less than half the profit. That is what the member for Stuart suggests would be fair.

Mr. Riches—I did not mention any figure at all.

Mr. HAMBOUR—The honourable member said that if they apportioned it, that would end the dispute.

Mr. Riches—I said if the board fixed the margin. I do not set myself up as an expert as the member for Light does.

Mr. HAMBOUR—I am only expressing an opinion on the apportionment of the profit. Farmers Union said they would give this man ½d.

Mr. Riches—For doing nothing.

Mr. HAMBOUR—That offer was rejected.

Mr. Riches—He does not want to go out of business and do nothing. He wants to continue his business.

Mr. HAMBOUR—I think it was stated by the Opposition that he gets 200 gallons instead of almost 1,000 gallons. I want to see justice done. Many claims have been made that are not altogether true. The member for Stuart also said:—

I feel that in all honesty I must say that, but the producers have asked us to put a case to this House for inquiry and the case I have been asked to state on their behalf is in relation to prices.

I will accept his statement that he is putting his proposal in relation to prices at the request of producers, but what is the substance of the proposal? The producers know that an inquiry is already being held into prices and

that they may get an increase. If they do not, it will be refused only after a thorough investigation by competent officers in whom I have confidence, although possibly the member for Stuart has not. They will recommend whether or not there should be a price increase. The honourable member then criticized the steep increase in the board's accumulated funds but, as the Minister adequately replied to that, there is no need for me to refer to it. The member also said:—

As I understand the situation, milk rounds in the metropolitan area are valued at about £40 a gallon and applicants for licences in the new areas are required to enter into an agreement. . . .

A capital value of £40 a gallon a day adds a charge of 2d. a gallon on milk to the consumer. All this quibbling about vendors' licences, zoning and the rest of it, is based on profit and greed. If they can't sort this out for themselves, why should Parliament help them? The Milk Board has accepted an arrangement they have tried to make among themselves, but there is always the disgruntled person. The value of a metropolitan milk round is £40 a gallon for the right to sell the product of the dairy producer's "sweated" labour. We argue about how little they get, but these people place a capital levy on it by paying £40 a gallon for a round and the member for Stuart endorses that.

Mr. Riches—I do not. I want that inquired into.

Mr. HAMBOUR—That will be inquired into when prices are considered.

Mr. Riches—I have not endorsed anything at all.

Mr. Dunstan—The question of a Select Committee does not seem to be getting far at present.

Mr. HAMBOUR—I do not want to reflect upon the ability of certain members, but I do not know where we would get the complement for a Select Committee. Later the honourable member said, in effect, that Farmers Union got the rake-off instead of giving it to Cox. That was the substance of his statement and if that is not what he meant he may contradict me. I resent his statement that the board made completely untrue statements. He might just as well have called members of the board liars, because their answers were committed to print and the Minister endorsed the truthfulness of them. He said that any questions the member for Stuart wanted to ask at any time would be fully answered and that if he clarified his questions there would be no doubt about the answers he would get.

The member for Norwood also made a few statements that I will deal with. The Minister has accepted responsibility for the board's actions. I have confidence in our Minister and will accept his judgment of what is right or wrong and of the limits to which the board can go in these proceedings. It has been stated that licences are available for people to enter this industry providing they fulfil the necessary qualifications concerning hygiene, etc. The producers have confidence in the board and nobody disputes that. Unfortunately this debate has been brought on in the absence of Mr. Gale, my experience of whom makes me believe he is quite competent to handle the matter. Mr. Dunstan said that the board must have known that the statements were untruthful or evasive.

Mr. Dunstan—And I went on to show it.

Mr. HAMBOUR—Both these members said that the board was untruthful. If a company installs refrigeration is it not entitled to the consequent profit? If the Farmers' Union were forced to supply milk and give a discount of 2½d., it would be at a disability compared with competitors who would get a greater profit for the same capital investment.

Mr. Riches—Nobody has mentioned 2½d.

Mr. HAMBOUR—I am somebody. I am not unsympathetic towards a man who has lost something he has had for years. Mr. Riches does not deny that this is the amount in dispute. Mr. Read's name has been brought into the debate. Last year I listened to the information given regarding his position. Mr. Dunstan and others said that Mr. Read had an agreement, which the board had nullified. There was a doubt about the matter in the minds of many people and the Minister decided to check the position. A learned opinion was obtained as to whether Mr. Read could or could not act. The Minister of Agriculture wrote to the Attorney-General as follows:—

It is being claimed in a debate in the House of Assembly on the milk legislation that there was an agreement between Messrs. A. & A. K. Read and the Myponga Dairying Society Limited for which specific enforcement could have been obtained at law, but for the action of the Metropolitan Milk Board. In view of this claim, which is disputed by the Milk Board, could you provide me with answers to the following questions:—

1. Do the prices regulations made by the Metropolitan Milk Board on April 10, 1957, and subsequently amended on November 18, 1957, fix a price to be paid by a wholesaler or semi-wholesaler of milk to a vendor, other than the holder of a milk producer's licence?

2. If not, do such prices regulations have any effect on a contract or arrangement

between a wholesaler or a semi-wholesaler and a vendor other than the holder of a milk producer's licence, for the sale of milk to such wholesaler or semi-wholesaler?

3. Assuming that a contract was made between Messrs. Read and Myponga Co-operative Dairying Society Limited in terms of the society's letter to Messrs. A. & A. K. Read on December 14, 1956, would such contract have been abrogated by the milk prices legislation?

I think that was a fair coverage of the position. The following reply came from the Crown Solicitor through the Attorney-General:—

1. The milk prices regulations 1957 fix the prices payable for milk by certain classes of people only. Paragraph 5 (a) fixes the price payable to holders of milk producers' licences. Paragraph 5 (b) fixes the price payable to vendors other than the holders of milk producers' licences, but only fixes the prices payable by retail vendors or by schools. There is no fixation of the price to be paid by a wholesaler or semi-wholesaler to a vendor other than the holder of a milk producer's licence.

2. In my opinion, as the milk prices regulations do not fix any price payable by a wholesaler or a semi-wholesaler to a vendor other than the holder of a milk producer's licence, the regulations have no effect upon any contract or arrangement as to such price which may have been previously made between a wholesaler and semi-wholesaler and such a vendor.

3. Assuming that a contract was made between Messrs. Read and Myponga Co-operative Dairying Society Limited in the terms set out in the society's letter of December 14, 1956, I do not think the milk prices regulations could in any way operate to abrogate such a contract. I do not think the regulations have any operation in relation to milk supplied under such a contract, because, as I have already advised, they do not fix any price payable by a wholesaler or semi-wholesaler to a vendor other than the holder of a milk producer's licence (to which categories I understand Messrs. Read and the society respectively belong). But even if the regulations did operate in relation to milk supplied under the contract, the contract itself clearly recognizes the regulations, and adopts their provisions by providing that the price shall be the price which the society is entitled to charge to its customers under the regulations made and fixed by the Metropolitan Milk Board, less a deduction of 2d. per gallon if certain conditions are complied with. So far, therefore, from the milk prices regulations abrogating the contract it seems to me that the contract is based upon the regulations.

I think that answers the charge that the board was responsible for nullifying Read's contract.

Mr. Dunstan—It does not, because there are completely contrary opinions.

Mr. HAMBOUR—Mr. Dunstan also said that semi-wholesalers are being squeezed out

of the business and that wholesalers are taking over without supplying a service. It has been admitted that the wholesalers are supplying a service such as was supplied previously by the semi-wholesalers. I do not know the names, but 435 vendors are licensed in the metropolitan area, of which 390 get milk direct from treatment plants. The remainder get their milk from vendors who have cold storage and under various arrangements allow their premises to be used as distribution depots. That would be an arrangement between two parties, to which the Opposition subscribes. Why should the Government have to tell these people what to do? Parliament is concerned with the producer and the consumer, with a reasonable margin of profit in between. I have disclosed that profit. There is a reasonable profit for collection and distribution. Mr. Bywaters wants more semi-wholesalers.

Mr. Bywaters—No. You are mishandling the truth.

Mr. HAMBOUR—I do not mishandle the truth. The honourable member said he was in favour of more semi-wholesalers.

Mr. Bywaters—I said I was in favour of additional middle men.

Mr. HAMBOUR—Does the honourable member want a continuation of the existing semi-wholesalers? There are seven treatment plants. Some of them may be sharing the profit. People farm out work and give a concession accordingly. The producers are entitled to a higher price and I hope they will get it. If this debate has done anything it has given me the opportunity to urge the board to give producers a higher price. I believe that the motion is really a move to bring about a fight for profit amongst certain people, but it is not the duty of Parliament to interfere whilst there is competition. There is definitely price control. It is a control laid down by the Board. A fair profit has been given. The consumers are getting a fair go, and I have not heard one person criticize the desire of the producers to get an increased price, which matter is being considered. I cannot support the motion.

Mr. RICHES (Stuart)—I thank members for the way in which they have received this motion. The two Government members who spoke attempted to show that there is no need for the inquiry that we seek. Even if we disregard everything I said earlier, sufficient evidence was put forward by Messrs. Bywaters and Dunstan to convince the House that a fact-finding Select Committee should be appointed, because it could bring about a

better understanding in the industry and make the operation of the Milk Board much easier, bearing in mind that the board itself said in correspondence that it was not satisfied with the present conditions but could do nothing about them. It said that discussions would have to take place on amendments to the Act. Unlike Mr. Hambour, we on this side have not set ourselves up as a Select Committee and given the answers. We do not want a Select Committee appointed and then direct it as to its findings. We seek an inquiry into the various matters mentioned in the motion. We have pointed out that Parliament has set up the Metropolitan Milk Board and that there is no appeal against any of its decisions. We have set out to show that some of those decisions have operated harshly in certain respects, and we have produced documented instances. We have shown that ordinary approaches have been made to members on both sides of the House and that they have approached the board, but not one of them has been able to obtain a satisfactory answer from it. In every case the members have expressed in writing their sympathy with the request, and they have had to apologize for the fact that they cannot take the matter any further. I want the House to be aware of that.

We were the last to be approached and, because other members had been approached, we thought the best thing to do was to ask the Minister to give answers to questions, so we put questions on one point. I stress that this has not been requested to further the interests of one man, two men, or a section of the industry: we instanced the cases of Cox and Read, which have been the focal point of the debate, only to demonstrate that in reply to questions asked about these men the board hedged, was evasive, and did not give replies. The Minister told us that these men had gone from member to member and from lawyer to lawyer, that their cases had been investigated, and that they had been told they had no case; but that is not so. No member has rejected their cases. From the file shown to me it is obvious that the members did all they could conscientiously to support them, sometimes through the Minister, sometimes going to the Milk Board direct, but they did not get satisfaction in any case. Perhaps it will be said that that could have been the fault of the letter-writing or the representations made, but there can be no argument about the questions submitted on notice in this House and the replies given by the Minister.

That is not hearsay or rumour, but the business of this House. That is not produced as the final inquiry or the final word, for we have asked that a committee be set up to institute an authority to look at all documents, before which all interested parties can appear.

The Minister claims that if a fact-finding Select Committee were set up it would be a rebuke to the Metropolitan Milk Board. Why the board should regard it as a rebuke if it has nothing to hide is beyond me. I do not know why it should resent anyone inquiring into the matter and possibly bringing down a report. If what the member for Onkaparinga (Mr. Shannon) told us by way of interjection and the member for Light (Mr. Hambour) told us in his speech is correct, the Committee could bring down a report commending the board if the things the board has said are correct, but those who have spoken know very well that if the committee were set up and the people interested were permitted to approach it a lot more would be brought to light than we have mentioned.

In its reply to the Minister, the board chose to mention matters that had not been asked about concerning vendors at Modbury and Tea Tree Gully. As the Minister referred to them, I feel that I must do so too. I do not know whether those to whom I will refer are those who approached the Minister or the board or about whom the Minister was speaking but, as I mentioned in my opening remarks, when they approached us we referred them to the member for the district, who took up their case and who, I think, is handling it very well, although I do not know what satisfaction he has been able to obtain. If the Minister was referring to those people when he said that people in this district had been guilty of telling untruths and had been trying to get custom away from others who have been in the district a long time and had spent time and money building up rounds of their own, I think he is wrong. These men have been supplying the area for some time and all they have asked for is to be allowed to continue to do so, but they have been threatened by an officer of the Milk Board that as soon as licences are issued they will not get a licence. That is their fear. Whether that will be borne out in fact I do not know, but it is a real fear, and there is no question about the threats. We have been told that these threats were made, not by any member of the Milk Board itself, but by the members of the association.

Mr. Jenkins—You just said the Milk Board.

Mr. RICHES—I said they have been threatened that they will not be licensed by the Milk Board. The Milk Board is the body that issues the licences, but it was not the Milk Board that made the threat. The men who claim to have the ear of the board and the association have been giving free milk to their customers for a month. They deny that they have been doing so for a month, although they admit they have been giving free milk for a fortnight in more than one case.

Mr. Laucke—That is correct.

Mr. RICHES—I am glad to have that confirmation.

Mr. Laucke—It was reported to me that way.

Mr. RICHES—They have done this to take custom away from these young men because of the value of £40 a gallon placed on a milk round. I have never said that I substantiated that or believed in it: quite frankly I do not, and I think it is one of the things that the Select Committee should inquire into. An officer of the Milk Board asked one young man for a list of his customers and went around to the customers saying, “You will not be able to get a supply from this young man when the board issues licences in this area.” That is fact, not hearsay, and the people concerned are prepared to swear to it. I did not go into that in detail when introducing this motion. I said that these things were rumoured, but apparently that was not satisfactory to the Minister, who wanted details, so I now give them to him.

The cases to which I referred in my opening remarks were quite different from this case. Vendors in the metropolitan area are in a different position altogether. They are in an area where petrol stations and factories are taking the place of homes; the population is therefore decreasing in their areas and their rounds are decreasing accordingly. One man told us that his round had decreased by 30 gallons in two years. He is supposed to be receiving some benefit from an equalization scheme. When his customers in that area were reduced he sought customers in another area to make up his round, but was stopped and told to confine himself to his own area. He went outside the gazetted areas into a zone that is likely to be brought into the metropolitan area at any time, but was told that if he did not confine himself to the zone he would get no supplies. He was also told that those who went into the outside areas would be put in as caretakers and would be charged £20 a gallon, which would be paid

into a fund and distributed, but these people have not seen any of it yet.

The Minister told us that that fund was operating, that it was held in trust, that it was paid to vendors and that no deduction was made, but the member for Murray (Mr. Bywaters) read to the House a letter in which the amount sent was £10, and £7 10s. was deducted from this for membership of the association and so on. In another case the vendor sent the money back, saying that he wanted nothing to do with the arrangement. I think the Milk Vendors Association is trying to bring about a system that will eventually work to the benefit of the vendor, but I am convinced that it has not explained this to the vendors and that there is much uncertainty and dissatisfaction.

Other men have come to us who are the caretaker vendors to whom the Minister referred. They have complained that they built up a business but had to sign away the goodwill. I referred to these agreements in opening this matter. There are two forms of agreement. One relates to people in the caretaker capacity who are licensed to work on the understanding that the goodwill they build up belongs not to them but to the association. These men have operated for nearly 12 months. One told me that he could not sleep because he did not know whether he had any business or whether it would be taken from him. We consider that someone should inquire into these matters. If a full investigation were made and much explaining were done I think many of the difficulties could be overcome, but it is a very unhappy position at the moment. Added to all these matters we have the cases of Cox and Read, although they are not the main reason for seeking an inquiry. On top of that we have asked for the Committee to inquire into improved services to consumers, but nobody saw fit to pay much regard to that part of the motion. I am still convinced that the sooner the metropolitan area changes from bottled milk to cartoned milk the better it will be for the treatment plants and for consumers. I think there should be no increase in the number of bottling machines. I know there is one treatment plant which now does not bottle milk and which is considering installing a bottling plant, but I think that would be a mistake in the light of experience in the north, and I believe there should be an inquiry into the advantages that can accrue from packaged milk. I speak now as a customer and of the increased consumption in my home town since the change to cartoned milk.

The cases of Cox and Read have shown that here is a business association or cartel that takes away all rights from vendors. I will briefly review the position of Cox to show the kind of thing we do not want to see established, the kind of thing we think should be inquired into and which, if necessary, the powers of the board should be strengthened to prevent. Cox calls himself a wholesale distributor. The Minister took me to task for using that term, and said that if I had used some other word in my questions they might have been more clearly understood, but I took the words given to me. The Minister may call these people by some other name, but they call themselves wholesale distributors; they do not want any misapprehension as to their functions and they do not want to be called anything else. The board knows that that is the term by which they wish to be described; and it knows that that term has been used in correspondence, and there is no point whatever in suggesting that they were wrongly named.

Cox used to take a supply of milk to his refrigerated depot, store it there, and distribute it to the vendors the following day or night. In addition he had a round himself. There were some areas during the war in which two people engaged in the same sort of business. Both these people were wholesale vendors, and they were delivering in the same street. They came to an agreement under which one (Cox) would pay Schofield for cartage and Schofield would take over Cox's customers. I have here a copy of the agreement. The copy was made by the South Australian Farmers Union. This is the agreement which the Minister doubts ever existed.

The Hon. D. N. Brookman—I said I had never seen it. Is it signed?

Mr. RICHES—No, it is a copy made by the Farmers Union.

The Hon. D. N. Brookman—Have you a signed copy?

Mr. RICHES—No.

The Hon. D. N. Brookman—Have you the effrontery at this stage to say you have an agreement, simply because you have got something that is not signed?

Mr. Heaslip—Have you seen the signed agreement?

Mr. Coumbe—Can you produce the signed copy?

Mr. RICHES—I am not the person concerned.

Mr. Coumbe—You gave us to believe last week that you could produce it.

Mr. RICHES—It can be produced, but I have not got it.

Mr. Heaslip—Have you seen a signed agreement?

Mr. RICHES—No, but I have this copy, and I have another document here.

The Hon. D. N. Brookman—You are trying to tell us that is an agreement you have in your hand, yet it is not signed and you cannot produce a signed agreement.

Mr. RICHES—I did not say it could not be produced, but that I have not got it. I have a copy of it here. I am not basing the case on this.

Mr. Jenkins—Have you seen the original signed agreement?

Mr. Stott—Is the Minister saying there is not a signed agreement? Don't you think there should be an inquiry into that angle?

The Hon. D. N. Brookman—It is absolute effrontery to say that that is an agreement and yet not be able to produce the signed copy.

Mr. RICHES—I admit that I have the effrontery to produce this document which was prepared by the Farmers Union and which the Farmers Union purports to be a copy of the agreement between Schofield and Cox. This document does not come from Cox but from the Farmers Union; it is a copy of the agreement under which Cox and Schofield operated until Schofield sold out to the Farmers Union, and under which the Farmers Union operated for three years after it took over Schofield's business.

Mr. Millhouse—Does that agreement contain any terms for the termination of the agreement?

Mr. RICHES—Yes, it provides that it can be terminated on giving three months' notice, and Messrs. Piper, Bakewell and Piper, under the terms of this agreement, gave Mr. Cox three months' notice of termination.

Mr. Heaslip—That agreement cannot come into force until both parties sign it.

Mr. RICHES—It came into force and operated for about eight years. It was terminated by a letter from Messrs. Piper, Bakewell and Piper who claimed that giving the three months' notice of termination complied with clause 4 of the agreement. In terminating the agreement, the Farmers Union offered five-eighths of a penny a gallon to Cox for the 800 gallons of milk a day the Farmers Union was supplying under the terms of this agreement, but Cox did not accept that offer. He said that he did not want money for doing nothing; he did not ask for compensation; he

wanted this agreement to continue, and if the Farmers Union wanted to conclude the agreement he wanted the right to go back and supply his customers as he was supplying them before the agreement. The Farmers Union refused to supply him with milk to do that, so he went to the Milk Board and asked it to make an order on the Farmers Union to supply so that he could again supply the customers that he had. The board said to Cox, "You prove to us that they are your customers; you prove to us that they still want you to supply, and we will consider it."

Cox went round, got signed statements from his customers, and submitted them to the board, and the board served him notice saying that it was willing to discuss the making of an order and inviting him to appear before the board. When Cox appeared before the board a representative of the Farmers Union who was present queried the board's power to make an order until the board determined a margin for the services these wholesale vendors were rendering. The chairman of the board then said that he felt the Farmers Union should settle this business without a direction from the board. Cox then asked if he could obtain a supply from any other treatment plant, and the board told him point blank that it would not give an order on any other treatment plant and that he would not be permitted to obtain supplies elsewhere.

The Farmers Union stepped in and took over Cox's customers. It abrogated the agreement, as it was entitled to do under the terms of the agreement, but it just took over Cox's customers in a way that would make the present take-overs pale into insignificance. The Opposition is not asking for a Select Committee only to inquire into this case, as that is only one matter that merits inquiry. The board considered that it did not have power to deal with this matter. The Opposition says that if the Select Committee finds that Parliament should give the board more power, it should be given more power. We cannot go beyond that. I do not come here with charges against the board and say it is incompetent or that it should be reconstituted. I have not said that. All the Opposition is seeking is a fact-finding Committee of members of Parliament to inquire into this matter and report back to this House.

That is not a new procedure. The member for Light said that the Opposition seems to have a mania for Select Committees, and I personally have. I have great faith in Select Committees of Parliament, more faith than I have in Royal Commissions, and more faith than I

have in any other way of determining the truth, and if Parliament has to be advised on any matter of this kind I say that we cannot have a better way than a Select Committee of members. It need not be a long inquiry, but it could be thorough because a Select Committee has all the powers of a Royal Commission, and it has more powers than any individual member would have. How anyone could have the effrontery to suggest that one member can set himself up as a Select Committee I do not know, for a member has no powers of investigation, and no power to require the production of documents, even if he had the time or the capacity. I thought these one-man committees were something we got rid of in the days of Hitler. I have great faith in the appointment of Parliamentary Select Committees which are not costly and which rarely achieve anything but a good result.

I do not think the Select Committee should be told, before it is appointed, what sort of finding it must bring in. I know that has happened before, but that creates a feeling that in asking for an inquiry we should put the whole case on trial, ourselves in the guise of a prosecutor and some board in the role of defendant, and that we should come along and attempt to prove some case beyond all doubt before we can substantiate a case for a Select Committee. This motion is not based on those grounds at all. If an inquiry had already been held it would be useless coming here, but it has not been and we believe that before a Select Committee is set up we must show that there is some dissatisfaction and something to inquire into, and that is all I have sought to do. I have not set out to say that the board is entirely to blame. Correspondence that I have seen would indicate that the board feels it has not the power.

The Hon. D. N. Brookman—You have averred time and again that Cox has an agreement and you now produce something you say is a copy of it. You have never shown us the agreement. One would have thought that at some stage in the last 18 months the agreement would have been produced to my predecessor or me.

Mr. RICHES—I have seen some correspondence that passed between the previous Minister of Agriculture (Mr. Pearson) and Mr. Cox. Mr. Pearson seemed to be satisfied then that there was a case: at least it was sufficient for him to inquire of the board. I did not see anything in that correspondence querying that agreement or requesting its production,

and until the Minister spoke last week I had not had any request for a copy of the original document. When I was speaking earlier the member for Mitcham asked me if I had seen the signed agreement. I had not. I had seen this copy which was supplied by the Farmers Union—the other party.

Mr. Millhouse—Take proceedings against them and get an order for discovery.

The SPEAKER—Order! The honourable member for Stuart.

Mr. RICHES—I thought the Minister doubted the existence of an agreement, so I brought a copy along.

The Hon. D. N. Brookman—It is less convincing than ever to bring a copy.

Mr. Lawn—The Minister wouldn't take any notice if you had the original agreement.

Mr. RICHES—One cannot exhibit an agreement in the House. I am informed that the agreement is in the hands of solicitors and can be seen.

Mr. Heaslip—Why didn't you see it?

Mr. RICHES—Why should I want to see it? I am satisfied that the agreement exists and I have a copy of it. I have never doubted that it was signed. Mr. Cox informed me in writing that he signed it and Mr. Allington, who was the executive officer for Schofield & Sons, assured him that this is the agreement that was operated under. I have accepted that.

The Hon. D. N. Brookman—You say that Mr. Allington assured you that the agreement was signed?

Mr. RICHES—Yes. He gave an assurance.

Mr. Heaslip—By Schofield?

Mr. RICHES—I am not sure whether Schofield signed it or whether Mr. Allington handled it for him. Mr. Allington was his executive officer and he has given an assurance. This signed agreement was not asked for until last week. I do not know whether it might have a significant bearing on any legal action that Cox may take or contemplate taking, but I am not trying to push his legal claims.

Mr. Heaslip—I suggest that is why legal action has not been taken.

Mr. RICHES—Why?

Mr. Heaslip—Because there is no signed agreement.

Mr. RICHES—The honourable member might be surprised and find that legal action is pending. I hope not, because I think this matter ought to be settled by the board. It is a completely wrong attitude for Parliament to adopt, that people should be forced into

litigation. During the time I have been a member Ministers have always said that legislation should be drafted, and the business of Parliament conducted, so as to minimize recourse to law and the suggestion that we should fob people off by telling them to clutter up our law courts is entirely new. Mr. Cox has been to solicitors and I believe that legal action may be pending.

Mr. Heaslip—Don't you think private matters should be settled outside Parliament?

Mr. O'Halloran—Don't you think Parliament should have some right to oversee the operations of its own board?

The SPEAKER—Order! The member for Stuart.

Mr. RICHES—I think the member for Light said that if vendors want to make arrangements among themselves they should be allowed to do so. That is precisely what we say, but that is not possible.

Mr. Hambour—Quite a few still have an arrangement.

Mr. RICHES—I know that, but quite a few want to make an arrangement but are not allowed to.

Mr. Hambour—They cannot get the other party to agree: it takes two to make an arrangement.

Mr. RICHES—Cox wants the right to make an arrangement with another treatment plant, but the board won't let him.

Mr. Hambour—Is the other treatment plant agreeable to supply Cox?

Mr. RICHES—He has not approached the other plant because the board won't let him.

Mr. Hambour—This is the first time that was mentioned.

Mr. RICHES—I mentioned it by way of interjection.

Mr. Hambour—It was said in this debate that no other treatment plant would supply him.

Mr. RICHES—I said that, because the board won't let him. I have a letter that I can show the honourable member when this debate is over.

Mr. Hambour—You are now charging that the board will stop any other treatment plant from supplying Mr. Cox.

Mr. RICHES—I only know what the board has stated in its letter and it has said that any order given had to be with Farmers Union.

Mr. Hambour—Is any other treatment plant prepared to supply Cox?

Mr. RICHES—I don't know.

Mr. Hambour—I thought you said there was.

Mr. RICHES—I have a feeling that there is a cartel—an association—and that, if Farmers Union does not want it to, it will not irrespective of whether or not it wants to. That is one thing we want inquired into and sifted to the ground. If there is no cartel, the fact is that the board has written to Cox and told him that it would give an order on nobody but Farmers Union.

Mr. Hambour—You cannot have an inquiry on a feeling you get or because the member for Murray hears rumours. You need something a little more specific.

The SPEAKER—Order!

Mr. RICHES—The board invited Cox to go before it to consider the question of giving an order: it asked him to prove that he had customers and it was only after all that transpired that it discovered it did not have the power and later said in writing that it would not be prepared to give an order on anybody but Farmers Union. That is not hearsay or rumour, but fact.

Mr. Hambour—But the board is not prepared to give an order on Farmers Union either.

Mr. RICHES—Because Farmers Union told the board that the board didn't have power. The whole point is that this man's business has been taken over lock, stock and barrel—the business he was conducting under an agreement with Schofield—and he has received no compensation and has no right to resume the business. Can members tell me why this man should not be allowed to resume supplying his own customers? If that can be answered, that part of our complaint is answered. If the Farmers Union does not want to continue with the agreement let it abrogate the agreement, but why should this man be unable to get a milk supply from elsewhere? Surely he has some rights.

Mr. Heaslip—He gave away his rights when he entered into the so-called agreement with Schofield.

Mr. RICHES—A milk round is worth £40 a gallon. Did this man give that away for nothing? He may be a fool, but surely not as big a fool as that.

Mr. Hambour—Do you say that no other treatment plant is allowed to supply him with milk?

The SPEAKER—Order! The honourable member has had his say. The member for Stuart is now addressing the House.

Mr. RICHES—I have never said that we should be both prosecutor and defender. We ask for the appointment of a fact-finding

Select Committee and I can see no reason why one should not be appointed. I still believe that members will show a sense of decency and fair play, and vote for the motion.

The House divided on the motion:

Ayes (14).—Messrs. Bywaters, Corcoran, Dunstan, Hughes, Hutchens, Lawn, Loveday, O'Halloran, Ralston, Riches (teller), Ryan, Stott, Frank Walsh and Fred Walsh.

Noes (16).—Messrs. Brookman (teller), Coumbe, Dunnage, Hall, Hambour, Harding, Heaslip, Hincks, Jenkins, King, Nankivell, Pattinson and Pearson, Sir Thomas Playford, Messrs. Quirke and Shannon.

Pairs.—Ayes—Messrs. Jennings, Tapping, McKee, and Clark. Noes—Mr. Millhouse, Mrs. Steele, Messrs. Bockelberg, and Laucke.

Majority of 2 for the Noes.

Motion thus negatived.

PUBLIC ACCOUNTS COMMITTEE.

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

(For wording of motion, see page 1058.)

(Continued from October 14. Page 1062.)

The Hon. Sir THOMAS PLAYFORD (Premier and Treasurer)—This motion is similar to one introduced in the House some two or three years ago and seeks to establish a public accounts committee to investigate the expenditures of the State after they have been made. In trying to justify his suggestion, the Leader of the Opposition pointed out that from time to time there had been what appeared to be discrepancies between the estimated cost and the actual cost of a project, and also that certain aspects of public finance had been queried or commented upon by the Auditor-General. In my opinion the motion falls down badly on principle. I believe that the time to examine a public expenditure is before it is actually undertaken. The South Australian system has been to a certain extent copied in other States. We have a rigid system of investigation of expenditure on public works by the Public Works Standing Committee and that is a very much more valuable system than one where a post mortem is held after the money has been spent.

Mr. O'Halloran—I did not suggest the abolition of the Public Works Standing Committee.

The Hon. Sir THOMAS PLAYFORD—I realize that. I believe that the most important individual task of every honourable member is to scrutinize individual expenditures before they are made, because that is the time when

useful suggestions can be offered and the public purse protected. Under that method we get effective control of expenditure. I make the general criticism that any committee designed purely to study expenditures after they have been made has not the same value as a committee such as the Public Works Standing Committee, which inquires into the proposed expenditure on all public works the cost of which exceeds £100,000. I thought that one example given by the Leader of the Opposition in his attempt to prove a case for the appointment of an accounts committee, concerning his activities when in the Federal sphere, was a singularly unhappy one. He mentioned that a member of the Federal Public Accounts Committee who had some knowledge of the building trade had caused the foundations that had been laid for a big public building to be condemned, and the Leader of the Opposition gave that as an outstanding example of the usefulness of a public accounts committee.

Mr. O'Halloran—I gave Bell Bay as an outstanding example.

The Hon. Sir THOMAS PLAYFORD—I have seen the foundations referred to, and because they had been condemned they stood as a monument to the ineffectiveness of a public accounts committee for at least 20 years. As a result of the foundations being condemned, the building was not proceeded with. The Commonwealth Government decided that the site was too valuable to be left unoccupied for ever and arrangements were made for a new building to be erected upon it. Possibly it is the most expensive building ever erected in the history of the Commonwealth, and it certainly took the longest time of any building in the Commonwealth to be completed. The interesting thing is that when they came to remove the foundations this task was found most difficult. I discussed the position with one officer, who said that the foundations were harder than the Rock of Gibraltar and should never have been condemned. It cost a fabulous sum to remove them because they were so hard and strong. If that is an example of the value of a public accounts committee, it is a very good reason why we should not indulge in this activity. The Leader of the Opposition also quoted other cases which he suggested supported the establishment of a public accounts committee. He mentioned works that had been carried out where it was shown that the estimates provided by the department concerned had not been realized, and there had been as

a consequence no proper consideration of the expenditure on those proposals.

I believe that reference to these works will provide useful information for honourable members and show what is involved in the preparation of a general estimate for a work and how such an estimate can be completely falsified by subsequent events, over which the department concerned has no control. I acknowledge that the Leader of the Opposition sought in his statement to make some adjustment for changed circumstances. However, his estimations of the alterations did not by any means include all the factors that had changed, nor did they show the true position.

YORKE PENINSULA WATER SUPPLY.—This was approved in 1948 at an estimated cost of £2,685,000. The work will be completed in 1960 at a total cost of approximately £5,839,000, so we see for a start that the estimate was made in 1948 and the work is actually to be completed 12 years later. Through the heavy commitments of Loan funds on other essential works, the actual construction was not commenced until 1951. Between the time the work was approved and the time the actual construction commenced the State living wage had increased from £5 6s. a week to £8 11s. a week, and the cost of building materials had risen considerably. Although no detailed study has been made of the effect of each item, the following is sufficient to show why the actual cost of the work will be £5,839,000—

Mr. O'Halloran—I did not complain about that one.

The Hon. Sir THOMAS PLAYFORD—No; I am going to deal with a large range of works to show that in fact the estimates, which have been the basis of the approvals, have been well considered by the departments, which have taken every care in connection with public expenditure. As I was saying, the following is sufficient to show why the actual cost of the work will be £5,839,000 when completed in 1960 compared with an estimate of £2,685,000 when the project was sanctioned 12 years earlier:—

(1) The price of Australian steel (plate, reinforcement, etc.) had increased by 293 per cent by the time half the work had been completed. However, it was necessary to use a considerable tonnage of imported steel at a price equal to five times the 1948 price of Australian steel.

(2) Shortly after construction commenced, the price of cement was double the price when the estimate was prepared.

(3) The average State living wage during the construction period was about £12 a week compared with £5 6s. a week when the work was approved.

The actual cost will exceed the original estimate—I want to emphasize this—by 126 per cent. This is approximately equal to the percentage increase in the State living wage, but prices of some of the principal materials used increased by a greater percentage.

SOUTH PARA DAM AND PIPELINE.—The work was authorized in October, 1948, at an estimated cost of £1,618,700. Approval was subsequently given for a larger trunk main at an additional cost of £110,000, making a total of £1,728,700. The work will be completed in December, 1959 at a total cost of approximately £3,750,000.

Reasons for the Increase.—(1) Rising land values: Land acquisition cost £200,000 more than estimated.

(2) Labour costs: The State living wage at the time the work was authorized was £5 6s. a week. This rose to £13 11s. a week during the currency of the work, and the average during the construction period was £11 11s. a week, an increase of 118 per cent above the State living wage at the time the undertaking was approved.

(3) Materials: The most important materials were steel plate for the pipeline and cement, and the following figures speak for themselves. In 1948 steel plate was £13 10s. a ton but the average price that had to be paid for the steel plate for this particular job was £33 a ton. In 1948 cement was £4 4s. a ton but the average price paid was £9 a ton. Rises in the prices of other materials used followed a similar pattern.

(4) Plant hire (operating costs, depreciation, etc.): This was the largest single item on the dam construction and the average hourly hire rates were 150 per cent above the rates ruling when the estimate was prepared.

MANNUM-ADELAIDE PIPELINE.—I think this is one that the honourable Leader mentioned extensively. The work was authorized in October, 1948, at an estimated cost of £3,390,000. It will be completed in 1960 at an actual cost of approximately £11,250,000.

Reasons for the Increase.—(1) Wage increases: The State living wage was £5 6s. a week when the work was authorized. The average State living wage during the construction period was £11 5s. a week, an increase of 112 per cent. These increases added approximately £860,000 to the cost of the work.

(2) Materials: The price of steel plate, the largest material item, was £13 10s. a ton when

the undertaking was approved. The average price paid was £39 a ton, and this single item added £1,840,000 to the cost of the undertaking. Price increases in reinforcing steel, cement, stone and other materials added a further £1,190,000 to the cost of the work. Rises in the cost of materials (other than pumping plant and other manufactured items) there added no less than £3,030,000 to the cost of the undertaking.

(3) Plant hire (operating costs, depreciation, etc.): This is a very large item and the average hourly plant hire rates were 130 per cent above the rates ruling when the estimate was prepared. This added approximately £600,000 to the cost of the work.

(4) Pumping plant, pumping stations and associated items: The estimated cost of these items, which were manufactured or built under contract, was £584,000. Through rises in costs after the undertaking was approved, the actual cost of these items was £1,820,000, an increase of £1,236,000.

(5) Reservoirs and tanks built under contract: These works were estimated to cost £674,000 but, through increased wage levels and material costs, the actual cost will be £1,794,000, an increase of £1,120,000.

(6) Increased manufacturing costs of pipes and other items provided under contract: This has added £410,000 to the cost of the undertaking. The position may be summarized by the following figures relating to increases in the various parts of the work:—

	£
Work on the site	860,000
Altered cost of materials	3,030,000
Plant hire	600,000
Pumping plant, pumping stations, etc.	1,236,000
Reservoirs and tanks	1,120,000
Manufacturing costs under contracts	410,000
Insurance, payroll tax, transport, administration, supervision, land acquisition and other items . .	604,000
	<hr/> £7,860,000

These figures show the increase over the estimated cost due to factors that could not have been known at the time the estimate was made—and I emphasize that—because of changed economic conditions. If that is added to the original estimate it will be seen that the actual cost of £11,250,000 can be completely accounted for. There is nothing that a Public Accounts Committee could challenge or alter in the extra cost brought about by changed circumstances.

The Hon. G. G. Pearson—Nor could the department.

The Hon. Sir THOMAS PLAYFORD—No, nor could the department. Would there have been anything more fatal than to hold up this work while investigations were made into increased costs? What would have been the position today if that work had not been pressed on with? If we had to hold it up while a public accounts committee investigated the increased costs, what would be the position of Adelaide, or even half the State, today? Although the estimates were prepared with accuracy, economic circumstances, of which neither the Government nor the estimating department could have any knowledge, and about which a public accounts committee could not have gained any information, intervened and completely falsified the original estimates. A public accounts committee could not under any circumstances have altered these facts and indeed, if the work had been held up for one moment while the matter was being investigated, I suggest we should have been in desperate straits regarding our metropolitan water supply.

I will now mention a factor that is causing the Government considerable concern. A department makes an estimate of the cost of a work with the aid of quantity surveyors. Although the best estimate possible is made, the real cost is determined by someone outside the control of the department, as an estimate of cost has to be made by people who do the work by competitive contract. Members may say that that is simple and that contractors are well able to assess the value of the work in the same way as Government departments, as they, in fact, make their living out of it. However, the Lake Victoria inlet channel was constructed at a figure considerably below the estimated cost. This work was authorized by the River Murray Commission and South Australia was the constructing authority. Contracts had to be let by the South Australian Government, and 11 tenders were received in 1955 from experienced earthworks contractors.

The work was the removal of about 3,000,000 yards of material and the lowest price tendered, which we accepted, was £345,000, and the highest £2,090,000. I forget what the departmental estimate was in this case, however. I think the second lowest tender was for about £500,000. This shows just how much the estimates of private contractors vary. The prices depend on the rating these contractors put upon a job and, more important, on how busy they are when tenders are called. If several contractors seek a contract, the tenders received

are frequently below the estimates, but if contractors are busily engaged they tender an estimate that is much higher than their estimate and if they are successful they look upon it as a plum. This shows how difficult it is for the department to estimate precisely the cost of any works.

Mr. Shannon—As at the date these estimates are made my committee can find very little to cavil at by any department.

The Hon. Sir THOMAS PLAYFORD—I am pleased to hear the chairman of the Public Works Committee say that, because frequently estimates are made before details are prepared, many before details could be prepared. An estimate is made on the soundest general information it is possible to obtain, and it should not be criticized merely because changed economic circumstances, over which the department has no control, increase it.

Mr. Shannon—During an inquiry we frequently have a revision of the costs because of the time factor.

The Hon. Sir THOMAS PLAYFORD—That is so. Let me give another example of how circumstances may alter. As members know, the Myponga reservoir has been investigated by the Public Works Committee and the work authorized. This is probably the most closely investigated matter we have had—we have even had advice from overseas consultants—and ultimately tenders have been called. It is interesting to note that the tender prices given by well-established tenderers ranged from £1,650,000 to £2,803,000. Of course, all these undertakings involve an element of chance and, when tenders are invited, that element of chance is always at the expense of the Government. When the excavations were made for the Myponga dam a serious unsuspected fault was found. The fault had been unsuspected by the geologists and completely undetected by the testing that had taken place. This question was referred back to the Public Works Committee to consider alterations which appeared to be necessary to the dam abutments and the pipeline. The fact that it had to be cleaned out and grouted would add materially to the cost. All this is quite apart from the big discrepancies in the actual tender.

I refer to another work to show how, even in simple jobs, the range of tendering may vary. When tenders were called in 1956 for the clearing of the South Para water-shed area, three tenders were received and each contractor claimed to have had wide experience in this class of work. The quotes ranged from

£18,000 to £127,000. Another example of how tendering may affect basic costs is that, when tenders were called for the Patawalonga Creek and weir, the prices quoted ranged from £187,000 to £381,000.

Mr. O'Halloran—Is the lowest tender always accepted?

The Hon. Sir THOMAS PLAYFORD—The policy of the Government is to accept the lowest tender in every case except where the Engineer-in-Chief or the Architect-in-Chief, as the case may be, gives a report which is merited and which does not recommend that the work be undertaken by that tenderer. I quote examples to show the sort of thing that would prevent the Government from accepting the lowest tender. This is a subject the Deputy Leader of the Opposition raised in this House. If a small contractor with small financial means contracts for a large work against a tight time schedule, the position is closely examined. In those circumstances the Architect-in-Chief frequently reports that the contractor does very good work; he is slow; that they have had experience of him; and they are quite confident that he could not complete the contract in the time and at the price he has tendered. The Government would pass over the tender; in fact, it passed over one this week where the builder was the lowest tenderer but already had two Government jobs he was finding the greatest difficulty in carrying out. That contractor is doing good work, but he is behind schedule and, as the work involves a school which has to open early next year and where there is a definite time schedule, obviously, if the Government accepted the lowest tender, that would invite failure and holding up the work indefinitely.

The Government always accepts the lowest tender except where there is a definite report and where the Government can see that the grounds for the report clearly establish that the person concerned, either through not having a large enough organization or the necessary finance to undertake the type of work, will not be able to carry it out. Another reason why a tender is not accepted is where the tender is obviously so low that the tenderer cannot possibly carry out the work if his tender is accepted. He has obviously made a mistake or has been incompetent in assessing the cost of the work. Again, to accept the tender in that case would mean that the work would be discontinued before it was completed and the Government would ultimately have a much larger cost than if it were to accept a tender based more on the realities of the work.

I refute the suggestion that these departments are not efficient, that they do not know how to provide reasonably good estimates, or that estimates are not being obtained. To illustrate my point I quote certain short term projects, which are works performed under such conditions that the estimates are prepared while the work is being done. A short term estimate will show whether it is based on sound knowledge because it is based on the conditions under which the work is actually being carried out. Details of short term works are:—

Year.	Number of Under- takings.	Estimated Total Cost. £	Actual Total Cost. £
1946-47 . . .	215	101,000	87,000
1947-48 . . .	173	66,000	55,000
1948-49 . . .	137	66,000	55,000
1949-50 . . .	241	94,000	85,000
1950-51 . . .	247	219,000	214,000
1951-52 . . .	233	287,000	279,000
1952-53 . . .	226	244,000	248,000
1953-54 . . .	142	345,000	334,000
1954-55 . . .	278	367,000	344,000
1955-56 . . .	376	899,000	791,000
1956-57 . . .	301	507,000	469,000
1957-58 . . .	208	533,000	460,000
1958-59 . . .	340	1,059,000	919,000

Mr. Jenkins—In most cases 10 per cent contingency would cover them.

The Hon. Sir THOMAS PLAYFORD—Most of the estimates were conservative.

Mr. O'Halloran—Were those works done by day labour or by contract?

The Hon. Sir THOMAS PLAYFORD—They would be both but most would be contract works. I am not sure of that point, but I will try to get the information for the honourable the Leader.

Mr. O'Halloran—How could you let a contract if you were estimating as you went along?

The Hon. Sir THOMAS PLAYFORD—Our estimates are made before the contracts are let and even before tenders are called.

Mr. O'Halloran—You said a while ago that these estimates were made while the work was being done.

The Hon. Sir THOMAS PLAYFORD—No, I was referring to short-term projects for which estimates were made, and on which the work was then done quickly before the economy altered. That is what I tried to tell the Leader, and if I did not make myself clear I apologize to him. In short-term works we get the estimates closely allied to the economic conditions of the times, and that is a totally different position from having a job approved in 1948 and not completed until 1960. In the latter case, economic conditions have

totally altered. Let me summarize the figures I have given the House.

Mr. Stott—All your contracts would have a rise and fall clause, wouldn't they?

The Hon. Sir THOMAS PLAYFORD—Only a limited one. The normal thing is that they have a rise and fall clause concerning materials and labour. In some contracts for buildings, I think, a contingency of 10 per cent is provided, but it obviously depends upon the duration of the work. Where the job is completed within a reasonable time of the estimates being given, we find that we can keep within the estimate, and in fact, in 3,117 jobs undertaken at an estimated total cost of £4,792,000 the actual cost was £4,346,000.

Mr. Corcoran—You said it was the individual responsibility of members to check these prices before the job was done.

The Hon. Sir THOMAS PLAYFORD—Let me clearly outline the procedure that takes place. I believe that some of the misunderstanding regarding estimates arises because the estimates are often prepared even before detailed plans are available, usually taking into account only the quantity surveyors' reports and the cost of labour at that time. In many instances the detailed drawings are not available, nor are the contractors' estimates available as tenders have not been called. The tenders come in long after the estimate has been made.

Mr. Stott—You cannot get those until you get the specifications in writing.

The Hon. Sir THOMAS PLAYFORD—That is so; we cannot get those until we have the specifications and the drawings. With some jobs, perhaps because they have not a high priority, there is frequently a delay of two or three years before the specifications are drawn up and tenders considered. The Leader referred to the Queen Elizabeth Hospital and said—and I speak subject to correction, because it was a comment the Leader would not normally make—that it was the "daddy of the lot."

Mr. O'Halloran—It was.

The Hon. Sir THOMAS PLAYFORD—That confirms my memory. I will mention what happened in the case of the Queen Elizabeth Hospital because it happens often particularly with hospitals and Government buildings of that description. The Government prepared, for submission to the Public Works Committee, very general plans of the ground floor of that hospital. They were not detailed estimates or drawings, but merely an outline of the hospital the Government considered should be erected.

The Public Works Committee took evidence on the proposal. That proposal was criticized by many authorities; they did not all have the same criticism, and some criticisms cancelled out others, but, nevertheless, on balance the committee considered that the plans prepared were not the best sort of plans for the hospital, and referred the proposal back to the Architect-in-Chief to prepare new plans. The Architect-in-Chief in turn drew up new plans, and again criticism came from all sorts of expert authorities, but as would be expected, the expert authorities did not agree with one another. I think four years elapsed, with the new plans being drawn up and the experts disagreeing in the matter, before the Public Works Committee, realizing that unless the hospital was built we would be in a serious position, made a general report to the Government. The committee recommended a hospital along certain lines, and gave a general outline of the hospital the committee desired should be built.

At that time there were no specifications, and indeed the drawings that had been submitted to the Public Works Committee, when examined for the purpose of making a specification, were found to be defective in some respects. The matter was finally referred to the Architect-in-Chief, who said, "If I had all the architects at my disposal upon this work it would probably take 10 months before I could get specifications out for a tender." Speaking from memory, it was estimated that it would take 60 architects to draw up the new plans and to rewrite the specifications. In the meantime, another matter that intruded was a strong request for additional accommodation at this hospital for intermediate patients. At the same time, the demand that had been made for the teaching hospital was considerably expanded and when the hospital was actually built it contained an additional storey. That is of great benefit today because it does solve the problem concerning intermediate patients in that area. How unfair is it to say that this is the daddy of the lot? It is true that the Queen Elizabeth Hospital is most elaborate, but in our teaching hospitals we have to make provision for much equipment. Incidentally, the original estimate, which is entirely overlooked by the critics, was for the building itself, but when we talk about the cost, as we are now doing, that includes the cost of the land, equipment and everything under the sun, apart from the original building.

Mr. O'Halloran—You had the land long before the first estimate was prepared.

The Hon. Sir THOMAS PLAYFORD—The cost that the Leader quoted was the cost of the building and when we talk about the final cost of a job we take into account the cost of every activity, even down to the laying out of the grounds and the cost of supplementary accommodation for the administrator and his officers. It is grossly unfair to compare the cost of the building with the cost of a complete unit, because they are two entirely separate matters. I have a whole mass of information relating to the various estimates of the principal works that have been prepared over a number of years and particulars of additional costs that have arisen through economic circumstances. If any member wants to undertake some research in an endeavour to find some flaw and to prepare a speech in support of this motion I am quite happy to make this information available.

The time to look after our expenditure is before it is made. Our Public Works Standing Committee functions extremely well. It is a non-Party committee and I have been proud of its work. Members from both Parties work together and it is interesting to note that for many years there has not been a division of opinion in that committee upon whether or not a public work should be undertaken. The committee thoroughly investigates all projects referred to it and presents a comprehensive report to Parliament before any expenditure is incurred. I do not think it would be wise to establish a Public Accounts Committee. It would remove from members their individual responsibility of examining expenditure. When I was a backbencher I was responsible for an amendment that led to the establishment of the Subordinate Legislation Committee which, on many occasions, has been complimented on its work. Before that committee was appointed every member had the task of examining regulations, but the establishment of that committee has tended to remove that responsibility from members because nowadays we frequently hear it said, "Oh, well, the regulations are scrutinized by the committee."

Mr. Quirke—Is that what you designed it for?

The Hon. Sir THOMAS PLAYFORD—No. That committee was designed as a supplementary safeguard. It has power to call witnesses and get evidence, which members have not. The fact remains that rarely do members outside of that committee, of their own volition,

move for the disallowance of a regulation, but that practice was prevalent before the committee was established. It was suggested by the Leader that the form of our documents could be improved.

Mr. O'Halloran—When did I say that?

The Hon. Sir THOMAS PLAYFORD—I understood the Leader to say that, but if he did not I apologize.

Mr. O'Halloran—I said that the committee could make recommendations on the form of documents if it found it necessary.

The Hon. Sir THOMAS PLAYFORD—That would indicate that some improvement was desirable. The form of our accounts has been under close scrutiny by the Grants Commission for many years and the commission has publicly stated that our accounts are better kept and in a better form than the accounts of any other State of the Commonwealth. On one occasion the commission requested copies of our forms of accounts because an overseas Government, which wanted to establish a sound financial accounting system, had sought assistance.

Mr. O'Halloran—Were our accounts the only ones that were requested?

The Hon. Sir THOMAS PLAYFORD—I understand so. My final point is that we have scrutinizing our accounts continuously a highly trained Auditor-General and his staff, which comprises the best men we can get from the Public Service. The Auditor-General is a direct servant of Parliament and any member who at any time wants any information about our public accounts can get it direct from the Auditor-General. He has his officers in every department: not visiting officers, but permanent officers examining accounts daily. Information is available to any honourable member.

Mr. O'Halloran—At all times?

The Hon. Sir THOMAS PLAYFORD—Yes. If any member raises any question at any time the Auditor-General will immediately answer it.

Mr. O'Halloran—That has not been my experience.

The Hon. Sir THOMAS PLAYFORD—If the Leader lets me have any queries I will refer them to the Auditor-General.

Mr. O'Halloran—I was referred back to the Treasury on one occasion.

The Hon. Sir THOMAS PLAYFORD—I am sorry to hear that. The Auditor-General is not an officer of the Treasury but of Parliament, and he reports direct to Parliament. I do not see his reports until they are tabled. He is a

competent officer and is on the job all the time. He has a thoroughly trained staff who will quickly unearth any defects in State expenditure or in the State's accounting system. I suggest it would be unwise to take this matter any further. The motion should be defeated.

Mr. LOVEDAY (Whyalla)—The Premier has stated that the establishment of a public accounts committee would be wrong in principle, because examinations should be made before and not after the expenditure of money. He told us that the Public Works Committee is doing an excellent job, and no member will disagree with that statement. The motion has not been moved as a criticism of the Public Works Committee or for the purpose of displacing it with a public accounts committee. To pit one against the other and say that a public accounts committee is not necessary because we have a Public Works Committee which does its work well and reviews expenditure before it is made is a wrong approach to the matter. A public accounts committee would be complementary and supplementary to the Public Works Committee. When a person is about to do a job he makes an estimate of the cost. The whole position is considered before the work is started, and after its completion the man looks back. Rarely does he not find a fault somewhere. Almost always he sees where there could have been an improvement. That would be the function of a public accounts committee, to have a look backward. I think the Premier missed the importance of this in saying that we should not have such a committee. If one is not necessary, as suggested by the Premier, why has there been one in Great Britain for 98 years? We should also ask why the Commonwealth Government, after having a committee of this type for a number of years, reappointed it after it had been disbanded. Mr. O'Halloran said he based the motion entirely on the work of the Commonwealth public accounts committee. I ask leave to continue my remarks.

Leave granted; debate adjourned.

[Sitting suspended from 5.56 to 7.30 p.m.]

NURSES REGISTRATION ACT AMENDMENT BILL.

Received from the Legislative Council and read a first time.

HALLETT COVE TO PORT STANVAC RAILWAY BILL.

Read a third time and passed.

DOG FENCE ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from September 15. Page 718.)

Mr. O'HALLORAN (Leader of the Opposition)—This has been described as a small Bill, but I rise with some trepidation to support it because I may again be interrupted, as I have been on one or two former occasions when I sought to add my modest contribution. Honourable members will perhaps remember that during the last two years or so I have made certain complaints after receiving information from my constituents in the northern part of the State where the buffer dog fence exists and where it is proposed to protect the sheep-growing areas to the south from an invasion by wild dogs from areas in the north, where, unfortunately, these vermin are still very prevalent. The main complaint I received was that the fence was not kept in dog-proof order and that dogs were getting through and would, if they got through in sufficient numbers, prove a menace to the sheep-growing areas in the south which were supposed to be protected by the fence. These sheep-growing areas are very important. A very large number of some of the best Merino sheep in the Commonwealth graze in these areas, and I should hazard a guess that the annual production of the area in the form of wool and surplus sheep would not be less than £10,000,000. So, it follows, that the utmost protection possible should be given under the provisions of this legislation.

Honourable members who were here when this legislation was first introduced will remember that at the time, although I supported the idea of a buffer fence, I was not completely happy about it. I felt, with the greatest goodwill in the world on the part of those to whom was entrusted the task of keeping the fence in order, there were possibilities that owing to circumstances beyond anyone's control an invasion of dogs could take place from time to time. One factor I had in mind was the possibility of floods in this area. Honourable members will know that it is not what could be called a wet area, but it does rain there occasionally, and sometimes, in the old bush parlance, it rains buckets. Damage could also be done by sand storms. Thus I advocated at that time, and I still think there is merit in my suggestion, that instead of having one buffer fence we should have two, so that if anything happened

to the outer fence there would be a second line of defence against an invasion by dogs which might occur as a result of an untoward happening to the outer fence. However, it was decided to have one fence and that we should, where possible, use existing fences that were controlled by the lessees of the properties and that they should be paid out of the dog fence fund to maintain these fences in order.

I do not want to delay the House, because I support the measure, but I think there may be some honourable members who do not realize what a menace wild dogs were in the sheep country to the north about 40 years ago. There were wild dogs in the country where I lived and usually sheep had to be shepherded. Calves were killed by wild dogs on stations that were still running cattle. As a result of the country being fenced into vermin proof areas, the dogs were gradually eliminated until there were practically none left. If the buffer fences should prove a failure I can visualize the same thing happening in that area that was prevalent when I was very much younger. That is why I am very keen to see that all steps possible are taken to keep the dog fences in at least reasonable dog-proof condition. I find from discussions I have had recently with some of my friends from that area that there has been an improvement in recent times in the maintenance of these fences, and that is indicated in the last report of the Dog Fence Board. However, it pointed out that further improvement was needed and recommended that the provisions in this Bill should be enacted. The original Act provided that, if an owner charged with the responsibility of maintaining the fence in condition failed in his duty, the fence could be put in order on the instructions of the Dog Fence Board and he could be charged with the cost incurred.

This Bill proposes to go further and says that, in addition to having the right to insist that the fence be put in order at the expense of the lessee who has failed, that lessee may also be fined for his failure to keep the fence in proper repair. That is the main, in fact the only, provision of the Bill, which has my wholehearted support.

Bill read a second time and taken through Committee without amendment; Committee's report adopted.

HIDE, SKIN, AND WOOL DEALERS ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from October 28. Page 1298.)

Mr. HUTCHENS (Hindmarsh)—I support this Bill. While to many members it may seem of little importance, I believe it is of great importance to primary producers generally. The skin and hide trade in South Australia has seen a good many changes since the First World War. The figures for sheep-skins in 1925—and these figures are made available to me by brokers and packers in South Australia—show that of the 20,000 skins available for sale, 19,000 were sold at auction, but, due to the operations of country buyers, of the 65,000 skins available for sale in 1955 only 8,000 went through auction. As one who had been employed in the trade for 26 years, it amazes me that the primary producer has not long ago realized that his best friend is the broker. He has failed to appreciate this and has sold to people going into the country to buy skins. Often has he been invited to sell to these buyers in the country, who sometimes operate without licences, believing that he can thus avoid taxation. Those of us who have had dealings with these people know from experience that sometimes the goods that they bring into the market are looked upon with much suspicion. I could relate many instances of inquiries by people looking for lost skins and hides, instances where large quantities of wool have disappeared. These disappearances have been far more regular since the operation of these buyers in the country who go out with a truck but with little responsibility. In the final analysis, they must bring the skins to another cash buyer to sell them. Some of them appear to have made great sums of money in recent years, and it is hard to believe that they have made it while observing the best business ethics.

The Hon. C. S. Hincks—They seem to have a hide!

Mr. HUTCHENS—And it is not always a clean hide.

Mr. King—Beauty is only skin deep!

Mr. HUTCHENS—I think the member for Chaffey ought to be thankful for that. Apparently, he has a very deep skin. This is a good and desirable Bill. I know from experience that it will put a stop to a good many undesirable things that have happened in past

years. To license every buyer of skins is most desirable. The Bill will also stop the evasion of taxation to a considerable extent. These people have not been compelled to keep records in the past and have not been able to be checked in any way.

Clause 6 makes it necessary for a buyer of skins and his agent to be licensed. I have had a discussion with the packers and brokers in South Australia, most of whom I know very well, and those who have been practising as brokers of what are commonly known as skins and hides in South Australia, and particularly in the metropolitan area, are reputable firms. In the case of firms like Crompton & Sons Ltd., Wilcox Moffin Ltd., William Haughton & Co. Ltd., and James Cooper and Son Ltd., who have a number of their employees buying at the various stores, there was some concern whether each and every one of them would have to be licensed. To be clear on this, I got in touch with the department and I have received an assurance from it—and I am sure the Minister will be prepared to give that assurance later—that it is intended that only the principal of each such firm will have to be licensed. But, where a person is going into the country and buying there, he or an agent of that company buying in the country will have to be licensed.

As regards clause 8, there was concern about people in the metropolitan area in regard to records. Anyone who knew the companies as I know them would be convinced that they do keep fairly extensive records, but I hope it will not be necessary for them to keep records of identification marks relating to brands, earmarks, length of wool, and quality. I believe from a check with the department and from the Bill that the nature of records will be determined by regulations, but I should be glad to have the Minister's assurance that the records required will not be more than necessary and that they will not be to the detriment of people who have been reputable buyers and packers for years. I remind the House that these people buy not in fives, tens or even hundreds, but in tens of thousands, and it would be expensive for them if they were obliged to do this. However, I see no difficulty for a buyer in the country if he has to keep records of the brand. It would be beyond the ability of some people who profess to be buyers, because some would not know a sheepskin from a goatskin.

Mr. Shannon—The record of the grower would be of some help.

Mr. HUTCHENS—I agree, but I think a record of the number of skins they buy would be sufficient for the stores to keep. Like other members on this side of the House who have any knowledge of primary industries, I agree that the primary producer needs protection, and this Bill will protect him. Having worked with brokers for 26 years, I cannot speak too highly of their attitude towards the producer. I am amazed that so many people in the country have seen fit to destroy their best friends and their own interests by being misled into believing that they can avoid paying taxation and that they can avoid their responsibilities to their brokers. As I believe this is a good measure, I support it.

Bill read a second time.

In Committee.

Clauses 1 to 5 passed.

Clause 6—"Licensing of persons buying hides, skins or wool."

Mr. HUTCHENS—Although I am confident about this clause, I should like the Minister's assurance that it will be sufficient for the principal of such packing firms as Crompton and Son and Wilcox Moffin to have a licence to buy at store doors.

The Hon. D. N. BROOKMAN (Minister of Agriculture)—The honourable member is correct: it will be sufficient for the person in charge of the purchases in the premises to be licensed.

Clause passed.

Clause 7 passed.

Clause 8—"Regulations."

Mr. HUTCHENS—Although I have been told this by the department, I should like the Minister's assurance that the records mentioned in this clause will be only the bare necessity, and that it will not be necessary for such people as packers to keep records of brands, earmarks, length of wool, quality, etc. I understand records that will enable the police and other authorities to make a check of the number purchased and from whom they were purchased will be all that are necessary. Is that the intention?

The Hon. D. N. BROOKMAN—Yes. The firms the honourable member mentioned automatically keep records of all purchases, whether of bulk lots or small consignments. A few more details may be necessary for small consignments purchased at the store door, but there will certainly be no sweeping changes.

Clause passed.

Title passed.

Bill reported without amendment and Committee's report adopted.

THE AUSTRALIAN MINERAL DEVELOPMENT LABORATORIES BILL.

Adjourned debate on second reading.

(Continued from September 22. Page 818.)

Mr. O'HALLORAN (Leader of the Opposition)—This Bill is of considerable importance. As members know, we have an organization under the Mines Department that was established 10 years ago mainly to conduct experiments in the treatment of uranium ore. Uranium ores have been found in considerable quantity and we were proceeding to develop them in order to meet the then firm overseas demand but, as I understand it, the type of ore mainly found in South Australia then was a type that had not been found elsewhere in the world. It was necessary to evolve a method for the proper treatment of the ore and that was where our Mines Department began experiments. Those experiments were completely successful and the officers of the Mines Department—the metallurgists and others responsible for this success—deserve the highest commendation for the success that has attended their efforts. As a result of their success we have, in my electorate at Radium Hill, the mine which is in full production and from which much uranium ore is sent weekly to Port Pirie for treatment in the plant that was also evolved by our Mines Department metallurgists and engineers. I will not give the full history of the organization because honourable members generally are familiar with it, but since production was begun under a contract let to the overseas purchasing commission—a body representing the United Kingdom and United States of America—the mine has produced millions of pounds worth of uranium oxide to be sold overseas at a price agreed upon between the Government and the commission. So much ore has been sold that about half the cost of establishing the Radium Hill mine and the Port Pirie treatment plant has already been recovered through sales of uranium oxide.

Some people, particularly those at Radium Hill and Port Pirie, are concerned about the future of the mine and the town of Radium Hill after the overseas purchasing commission agreement expires about the middle of 1962. The latest published figures indicate that by that time the whole of the capital cost of establishing the mine and the treatment plant will have been amortized and that should put our Australian uranium production in a favourable position compared with other producers in various parts of the world.

I believe there is a future for this type of production in South Australia. Recent developments at Radium Hill have favoured the continued production of uranium ore and it is estimated that the life of the mine will be much longer than originally anticipated. It is a romance to see the development that has taken place there; to see the fine town and its comfortable houses and the other amenities that have been established in the short time this field has been in production. When one realizes that only a few years ago a few sheep were grazing in this area, a few kangaroos hopping around, and a few emus rushing hither and thither, whereas today about 1,000 people live under very good conditions and are employed in the production of one of the new and exciting minerals that have been brought into use in recent years the transformation is amazing.

I am well aware that the prime use of this mineral up to the present has been for war and defensive purposes, but strides are being made, particularly in the United Kingdom, in using the product of this ore to generate electric energy and it has been confidently forecast that by the end of the next decade this problem will be solved and there will be a great demand for uranium ore. One has only to see what has happened in recent years to realize this is possible. The United States of America has had a submarine powered by nuclear power, at sea for long periods, and Great Britain is contemplating laying the keels of ships that will be propelled by nuclear power. The future seems to be assured.

The real basis of this production goes back to those young men in our Mines Department who conducted the original experiments and solved the problem of treating these ores which were somewhat different from anything previously found elsewhere. In addition, the laboratories at Parkside and Thebarton have been expanded to conduct experiments in all types of metallurgy and the treatment of various metals, and in this service has been rendered not only to South Australia but to the mining industry throughout Australia.

Up to the present time the cost of this establishment has been borne entirely by Loan funds provided by the State. I understand that the balance of the cost to the end of the last financial year was £440,000. There were recoveries from fees charged for treating various metals for mining companies and other interested persons, but South Australia was maintaining these laboratories and experimental plants, which were of great benefit to the

whole of Australia, entirely out of her own resources and so the Commonwealth was asked for assistance and agreed that it would participate in the cost of running these establishments if the mining industry generally also agreed to come in on the deal.

The main purpose of the Bill is to set up the necessary machinery for implementing the agreement that has been made between the State Government, the Commonwealth Government and the mining companies, under which the present operating costs, estimated at £225,000 a year, will be shared by the State, the Commonwealth and the mineral industry in the proportion of the Commonwealth £45,000; the mineral industry, £45,000; and the State Government, £135,000 annually.

It will be seen that the result of this legislation will be that South Australia will be saved £90,000 on the cost of running the establishment, and will still have the benefit of the plant remaining in this State for another five years, which is the duration of the agreement. I would expect that at the end of that period there should be no difficulty in securing a continuance of the agreement between the Commonwealth, the mineral industry, and the State *ad infinitum*. I think it is realized that in the field of metallurgy, particularly the treatment of metals discovered only in recent years, there is still much room for experiment and discovery which can be of great economic value to South Australia.

I am a little concerned about the composition of the council which is to control the scheme. Part III of the Bill establishes a council to be appointed by the Governor. This council will be the executive body of the organization and will consist of two members to be appointed on the nomination of the Commonwealth, two on the nomination of the Minister of Mines, and three on the nomination of Australian Mineral Industries Research Association Limited. The latter organization is a body which has recently been formed by the mining companies of Australia in order to participate in this form of control and to do other things necessary for the general development of the mining industry as a whole, in contrast to the individual efforts that characterized the industry in the past. In addition to the seven members mentioned, the Government may appoint three additional persons upon the nomination of the existing seven.

South Australia originally provided the know-how and established the laboratories and the treatment plants, and it is to provide

£135,000 a year for five years towards the cost of maintaining the organization. In addition to that, it will also meet the cost of the maintenance and repair of existing buildings and the payments to the South Australian Superannuation Fund in those cases where officers employed in this organization are members of the Public Service and are entitled to those benefits. Those members, of course, must contribute in order to participate in that fund. In view of those aspects it seems that the provisions of the Bill are not quite as generous to South Australia as they might have been. However, we did have some control over the arrangements and had the opportunity of making the best bargain we could on behalf of the State when this agreement was promulgated, and if the Government is satisfied that two members out of seven is sufficient representation for South Australia on the council—and apparently it is satisfied in this respect—I am prepared to accept it, at least for five years, because at the end of that time there may be a change in control and new methods may have been devised. I want to see this establishment continued. I believe that it is not only of great benefit and value to South Australia, but also of great economic value to the nation as a whole. I support the Bill.

Mr. CUMBE (Torrens)—I, too, support the Bill. I am interested in this legislation, principally because it seeks to legislate for a body which will assist in further research into and development of our natural resources, especially our natural mineral resources, not only in this State but in the entire Commonwealth. I support any measure that seeks to do this, because it provides for our future expansion and also tends to create further employment. I am interested in the legislation also because I have had personal experience of mining and mining engineering, not only in this State but in other parts of the Commonwealth.

The main purpose of the Bill is to remove the existing Research and Development Branch of the Mines Department from the jurisdiction of that department and to transfer it to a new body to be known as the Australian Mineral Development Laboratories. This organization will run the laboratory and the wonderful facilities that the Mines Department has in its branches at Parkside and Southwark. I believe most members have at some time had the opportunity of inspecting those facilities and seeing the research work that has been going on at those laboratories. When I say that the

facilities are magnificent I really feel that I am understating the position, because the equipment provided there is first rate and amongst the very best in Australia. In fact, some of the plant and equipment is the only such equipment of its type to be found in the Commonwealth.

This Bill does not in any way affect the other departments working under the jurisdiction of the Minister of Mines. The older and more established and more orthodox departments engaged in the examination and supervision of mining work will not be affected by this measure, but will continue as they have done for many years. In passing, I pay a tribute to the staff and to the work being done by those departments which help to foster the mining industry in this State. The Research and Development Branch which we are seeking to divorce from the department was, as the Leader stated, set up about 10 years ago in conjunction with the exploration work going on at that time at Radium Hill and did a lot of preparatory and experimental work which helped in the establishment of the treatment works at Port Pirie. In fact, some of the processes now used at Port Pirie were developed at these very laboratories; they were quite unknown in the treatment of this type of ore up to that time, and I feel that if this type of research work had not been conducted at these laboratories the success we are achieving today in these treatment works and at Radium Hill would not have been possible.

We all know that it was uranium that was the spur, and the principal reason for the establishment of this branch and its laboratories and special facilities. Not only have these laboratories helped the mining industry, but they have assisted many Government departments which do not possess and cannot afford some of the expensive and specialized equipment that is housed in those laboratories. The Department of Chemistry and the University use the facilities of the laboratories, as does the Police Department in respect of some types of crime detection. These laboratories enjoy an Australia-wide reputation for the type of research conducted and for the technical proficiency of its officers. The main purpose of the Bill is to give effect to the proposals that have been agreed upon by this State, the Commonwealth Government and the mining industry, and it seeks to establish an organization to run these laboratories with these three parties as active partners.

The laboratories employ about 130 officers, mostly professional men, of whom about one quarter are technical officers. They are rendering a valuable service to the State and I cannot speak too highly of their work. Their investigations into mining methods and mineralogical practices are providing a great spur to the industry in this State. However, it became apparent some time ago that these laboratories were costing the State a considerable sum for which there was no recompense and, therefore, this new organization to be set up will undertake the initiation of as well as the carrying out of research work. It will investigate the treatment of ores and minerals and the utilization of minerals on behalf of all or any of the partners, and it can charge for the work it does. It can perform work on behalf of any mining interest in the Commonwealth as well as for any Government department, and it can recoup the costs. This organization will be the major research organization of this type in Australia. In other words, South Australia will be the headquarters of mineral research for the Commonwealth, and that is a compliment to this State and to the men who staff the laboratories and who have done so much wonderful work in this field.

Mr. Shannon—Our Mines Department really pioneered it.

Mr. CUMBE—Yes. It pioneered research into uranium products, and Radium Hill was established long before Rum Jungle was established by the Commonwealth. South Australia did not receive fancy handouts from the Commonwealth as did some other projects. In fact, the only organization undertaking work remotely comparable with our laboratories is a small section of the Commonwealth Scientific and Industrial Research Organization, but it makes only minor investigations and handles basic research. Our new organization will provide a rapid and efficient service to Government departments, the public and mining and other companies interested in research. It is fitting that South Australia should be the leader in mining research in the Commonwealth, particularly when we recall the part this State played in Australia's mining development at Broken Hill, Burra, Wallaroo and Port Pirie. Much capital was invested in Adelaide in Guinea Gold and Bulolo Gold in New Guinea. In some of Australia's goldmining activities—at Kalgoorlie and Ballarat, for example—South Australia provided the technical managers and qualified personnel.

Our School of Mines has traditionally played its part in training mining managers and

engineers who have gone to many mines throughout the Commonwealth. We need only recall such outstanding names as Essington Lewis and Delprat to realize the valuable part played by the School of Mines. For over half a century the Assay Department of the School of Mines has assisted the mining industry in developing its many projects. The Bill sets out in detail the safeguards considered necessary to the State in establishing this new organization. It refers to the council, its powers, what it can and cannot do, the financial section, the filling of vacancies and all other relevant matters which I will discuss in Committee. It is important to remember that the provisions whereby the Minister can enter into agreements with the other partners will be reviewed in five years. I only hope that this Parliament will have an opportunity to discuss these conditions when the matter comes up for review and that they will not be varied and agreed to by Executive action without Parliament discussing them.

Mr. Shannon—You will not have another chance to comment on the State's obligation of providing £135,000 annually for the next five years.

Mr. CUMBE—I realize that under the Bill for the next five years the Minister of Mines must provide in his departmental estimates that amount annually and that it will not be the subject to review until five years have expired. I do not know whether £135,000 is sufficient to run the organization or whether it is excessive, but I imagine it would be sufficient, otherwise it would not have been recommended.

I am concerned about the finance clause and the way in which the money is to be provided. I am not used to these things in the same way as other Parliamentarians who have been here much longer, but South Australia has to find £135,000 in each of five years, and the other partners will pay a like amount, but it is to be arranged by an exchange of letters and the agreement is to be of an informal nature. This is a little unusual. I would have thought that the Bill would refer to an agreement signed by the three parties, and that the Bill would be contingent upon the agreement being signed, or that the Bill would specifically mention that it would not come into operation until the other partners had agreed, or that the other partners should provide a like amount of money. The only mention of the contribution by the other two parties is in the second reading explanation. There is no reference to it in the Bill. The Treasurer said it would

be arranged by an exchange of letters and that the agreement would be informal. Something more concrete should be embodied in the Bill. We must remember that the laboratories were established by South Australia and that we have acquired the technical know-how to run them. Are we to give them away or should we have further safeguards? I think we should have safeguards and I will therefore seek further information during the Committee stage. I should like to see it specifically stated in the Bill that the other partners shall pay a certain amount. I think the provision is a little loose and needs tightening up.

From inquiries I have made I understand that it will be necessary when the organization is fully established to increase the staff in the laboratories. I have already pointed out that it will comprise highly qualified technical officers. It is difficult to build up a staff of this type and once having done so we should not let it go. I hope provision will be made to ensure security for the staff. The conditions under which the personnel are engaged by the new organization should be no worse than those enjoyed now. We should see that the salaries, long service leave and other entitlements are as good as they are today. I will ask questions in Committee to ensure that this matter is adequately covered. The main purpose of the Bill is to divorce this department from the Mines Department, and to set up a new organization to carry out this most important research and initiation work in mineralogy. It has my wholehearted support in principle. The Bill is a practical example of what can be done to assist the development and expansion of South Australia and the Commonwealth. I should like to see more of this type of legislation introduced, and I think all members will agree with that. With the reservations I have made, I have pleasure in supporting the second reading.

Mr. KING secured the adjournment of the debate.

SOUTH-EASTERN DRAINAGE ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from November 3. Page 1347.)

Mr. HUTCHENS (Hindmarsh)—It is with pleasure that I support this Bill of great importance to the State and possibly the Commonwealth. As a member of the Land Settlement Committee I have had the privilege of seeing the effect of drainage in the western division of the South-Eastern drainage scheme.

This Bill deals with the eastern division of that scheme. It covers about 1,000 square miles, 750 square miles of which is capable of supporting two dry sheep to the acre, and from evidence taken in the South-East that can be regarded as a conservative estimate. The South-East contains some of the richest land in the State. Settlers there have the advantage of more than one market as they are situated between Victoria and South Australia. The area has a good rainfall: the Minister said that it varies from 22 to 32 in. annually. I am confident that practically all landholders in the South-East desire this drainage to be put into effect as soon as possible.

To obtain an appreciation of the value of drainage one must note remarks made by people who have been engaged in primary production in the South-East for a long time. One of the most impressive witnesses to appear before the committee was Mr. C. C. Seymour, who spoke frankly about the possibilities of this land when drained. He said that a very large area of fertile land would be free from flooding if the scheme were put into operation, but said that it was difficult to estimate the area which at present was subject to inundation, although aerial photographs had shown it to be very large indeed. It is known that some of the wettest land is also some of the richest land, and therefore should be drained as soon as possible. He added that drainage was essential to closer settlement and pointed out that it would be wasteful to use land solely for grazing when it was drained. He considered that it should be converted into small holdings and used for mixed farming. Members should appreciate the value of the conversion of what is now grazing country into mixed farming properties when, owing to world prices, one line of primary production may be on the down grade whereas another could be on the up grade; so, under mixed farming the economy of the country could be far more stable than if the land were used entirely for grazing. Mr. Seymour also emphasized that modern methods of pasture management were greatly restricted on land subject to periodical flooding, owing to the necessity of high ridges having to be left for stock movement. This placed small paddocks out of the question, and made strip grazing impracticable.

In the area proposed to be drained much land is often under nearly a foot of water, and this makes it difficult for primary producers to undertake such necessary jobs as crutching and

hoof trimming. Often urgent operations such as lamb marking and shearing have to be postponed. I believe that Mr. Corcoran, Mr. Harding and Mr. Ralston, who know this country well, will subscribe to those views and will be anxious for the Bill to be passed and for the work to be started as soon as possible. I notice that the Bill provides for a slight variation in charges to be made for betterment assessments. Under the old scheme in the western division it was 4½ per cent and under the new proposal it is to be 6 per cent. I am sure that those in the western division who have been denied drainage would be prepared to pay more than 6 per cent to get the benefits of drainage. The Bill will result in improved conditions in the South-East and lead to the stabilization of the State's economy generally and therefore I support the second reading.

Mr. HARDING (Victoria).—The honourable member for Hindmarsh mentioned large holdings, but the Bill will benefit smaller holdings much more than the large holdings. If proof is required we have it this year, which is a drought year. The war service people bought land cheaply because it was subject to inundation. It is very fertile country. This is a drought year, and I can say without fear of contradiction that people in the wet part of the western division that has been drained have never had such a wonderful year. The stock are free from disease and have cut heavy fleeces, and lamb marking has been excellent. These are sure signs that drainage of that wet area has been beneficial. On large holdings the stock have every opportunity to get on to rising ground. Some areas of only 500 to 700 acres were completely under water last year, and it was necessary for the Minister of Lands to arrange for agistment for some of the settlers. Stock were taken as far as 70 miles away. Particularly at Mosquito Creek some returned men had to dispose of healthy stock in full wool. The work proposed under the Bill is only the beginning of drainage in the eastern division. I can visualize that it will be another 10 or 15 years before the plan is completed. Under the plan 7,000,000 to 8,000,000 cubic yards of soil will be removed and there will be a huge shallow drain only 2ft. or 3ft. deep in places. I am pleased to support the Bill.

Bill read a second time.

In Committee.

Clauses 1 to 7 passed.

Clause 8—"Assessment of value of benefit."

Mr. QUIRKE—How much per acre is it estimated it will cost to drain this area?

The Hon. C. S. HINCKS (Minister of Lands)—Over 700,000 acres is involved, and it will cost in all about £3,000,000.

Clause passed.

Remaining clauses (9 to 11) and title passed.

Bill reported without amendment and Committee's report adopted.

PASTORAL ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from September 22. Page 819.)

Mr. O'HALLORAN (Leader of the Opposition)—This is a very simple Bill, and I agree with its principles. I agree with them with greater alacrity because similar principles were incorporated in the Pastoral Act as a result of a comprehensive inquiry inaugurated by the Gunn Labor Government in the 1920's. In 1926 a Royal Commission was appointed, consisting of the following gentlemen, most of whom are deceased: Mr. T. E. Day, chairman, who was the then Surveyor-General; Mr. F. W. Lundie, who was the Secretary of the Australian Workers' Union (a man who did very fine work in that capacity, not only for the workers but for the general good of the State); Mr. John O'Connor, who was one of the pioneers of Eyre Peninsula and a member of this House; Mr. J. E. Pick, who was one of our old-time pastoralists, a man who rendered great service in developing the outback pastoral areas of South Australia; and Mr. A. G. Rymill, who had a long association with the pastoral industry on both the production and merchandising sides.

This Royal Commission conducted an inquiry into the pastoral industry generally and set out a few major principles that should be incorporated in the legislation, one of which was that the old uncertainty of tenure, which had been one of the evils of the industry up to that time, should be removed. By "uncertainty of tenure" I mean that pastoral leases then were for a term of 42 years, and there was no guarantee that a lease would be re-allotted to a lessee either wholly or in part. Towards the expiration of the term, the tendency was to overstock or flog the leases in their last years, for the dual purpose of making as much as they could out of them and making it unattractive to the Government to take them away and allot them to others.

One of the main recommendations of the Royal Commission was that a provision be

inserted in the legislation that within seven years of the expiration of a lease the Minister should indicate to the lessee the terms and conditions under which an extension of the lease could be obtained. That was intended in two respects, because it was suggested by the Royal Commission that in some of the very big leases in certain areas resumption should take place in order to place more people on the land. The general provision of the recommendation was that a man should have notice seven years prior to the expiration of his lease of what the terms and conditions would be when a new lease was granted. Unfortunately, when that recommendation of the Royal Commission was being implemented in the Act, the question of average leases was overlooked. "Average leases," as explained by the Minister and as is well known to those of us with experience in the industry, are a number of leases expiring at different dates which, by agreement between the Minister and the lessee, have been converted into one lease and given an average life according to the terms of the leases converted.

All this Bill seeks to do is to apply to these average leases the same conditions that apply to other leases, namely, that seven years' notice shall be given and the lessees shall be placed in exactly the same position as ordinary lessees under the Act. I support the second reading of the Bill.

Bill read a second time and taken through Committee without amendment; Committee's report adopted.

LAND AGENTS ACT AMENDMENT BILL. In Committee.

(Continued from October 29. Page 1324.)

Clauses 3 to 8 passed.

Clause 9—"Qualifications for registration."

Mr. RICHES—I realize that there may be some need for the words inserted by this clause, but why should the words "of good character" be struck out?

The Hon. Sir THOMAS PLAYFORD (Premier and Treasurer)—This clause and clause 15 are consequential amendments.

Clause passed.

Clauses 10 to 15 passed.

Clause 16—"Duty of land agent with respect to moneys received in course of his business."

Mr. HAMBOUR—I move:—

In new section 60 (1) to strike out "he receives the moneys" and insert "the total of all moneys received and held by him in such capacity amounts to ten pounds."

I ask the House to accept this amendment because it will enable country land agents operating in a small way to retain small amounts instead of being obliged to bank on the day following receipt. In my home town the land agent collects rents in small amounts. He usually comes to Adelaide to carry out transactions on Wednesdays, and it would be necessary for him under the new section to ask the bank manager to open his premises to receive this money, which sometimes amounts to only £2 or £3, as he is not in the town on the day following receipt. If the amendment is accepted it will obviate the possibility of many breaches that would be detected by an auditor. I remind the House that these people must put up a bond of £2,000, so I do not think it is asking too much to allow them to hold up to £10.

The Hon. Sir THOMAS PLAYFORD—That, of course, was not in the original recommendation of the board, but I can see the honourable member's point of view that in some instances it may not be convenient for

a country land agent to run to the bank with a small amount. As the amendment provides for only £10 in the aggregate, and not £10 for each transaction, I think the Committee could accept it.

Amendment carried; clause as amended passed.

Remaining clauses (17 to 30) passed.

New clause 5a—"Qualification for licence for corporation."

The Hon. Sir THOMAS PLAYFORD—I move to insert the following new clause:—

5a. Subsection (2) of section 28 of the principal Act is amended by striking out the words "of good character" at the end thereof and inserting in lieu thereof the words "fit and proper person to manage, direct or control the affairs of the corporation."

New clause inserted.

Title passed.

Bill reported with amendments.

ADJOURNMENT.

At 9.15 p.m. the House adjourned until Thursday, November 5, at 2 p.m.