

LEGISLATIVE COUNCIL.

Wednesday, November 12, 1952.

The PRESIDENT (Hon. Sir Walter Duncan) took the Chair at 2 p.m. and read prayers.

**NARACOORTE TOWN SQUARE
(PRIVATE) BILL.**

(Continued from October 28. Page 1078.)

The Hon. R. J. RUDALL (Attorney-General) brought up the report of the Select Committee.

Read and ordered to be printed.

COMPANIES ACT AMENDMENT BILL.

Second reading.

The Hon. E. ANTHONY (Central No. 2)

—I move—

That this Bill be now read a second time.

The Bill, which is a very short one, deals with a few minor amendments to the Companies Act and was introduced in the House of Assembly by a private member. I cannot understand why, having read through the Bill and the debate, it was not introduced by the Government. However, it was left to a private member, which reminds me of the time when private members did most of the business in introducing Bills. Now most Bills are introduced into Parliament by a Minister. Sections 129, 130 and 176 of the principal Act provide that companies shall each year file an annual return containing certain particulars relating to their capital, the names of their auditors, the date of holding the annual meeting and so on. This return is required to be filed not less than 30 days after the end of September each year. Many company secretaries fall into the error of assuming that the last day of filing is October 31 whereas it is October 30. The Registrar has no alternative but to charge a late filing fee and take a statutory declaration setting out the reason for the late filing, the excuse customarily given being "through inadvertence." The Registrar of Companies has approved of the amendment which will remove a minor source of annoyance and will save the consequential work in the companies office which this mistake involves.

The next amendment is one which has been suggested by the Registrar of Companies and it follows an opinion as to its desirability from the Crown Solicitor. Under section 299 of the principal Act, when claims are made upon the Registrar for moneys which had been paid into the "Companies Liquidation

Account," the Registrar may on satisfying himself that the claimant is entitled to the money pay it out. Any person dissatisfied with the decision of the Registrar may appeal to the court. Any aggrieved person has the right to claim against the person to whom the Registrar has paid the money. However, section 307 which is somewhat similar in effect to section 299 contains no similar provisions. In section 307 provision is made for the Registrar to do certain very clearly defined acts as the representative of a defunct company. When a company has been dissolved and the Registrar is satisfied that the company, if still existing, would be bound to carry out some dealing or transaction and that in order to carry it out some purely ministerial, administrative or mechanical act is required, such as executing a discharge for a satisfied mortgage, transferring real property or performing a certain act, where no option or discretion was involved, then the Registrar as representing the defunct company may do or cause to be done such act as he thinks the case may require. The purpose of the amendment to this section is to provide *mutatis mutandis* the same provisions as are already, and indeed have always been, part of section 299, which deals with the payment out of unclaimed money. The Act is rather involved, but the plain facts are that the Registrar has certain duties imposed on him by it in discharging obligations to people who are entitled to certain considerations in the winding up of defunct companies. Although I am handling the Bill on behalf of another member, I am not in perfect agreement with the whole of the provisions and may have something to say on it in Committee.

The last amendment was also suggested by the Registrar of Companies and deals with the minimum time which the registered office of a company must be kept open for the service of legal processes and the like. It has nothing to do with trading hours. The office of a company registered in South Australia is required to be open for legal purposes three days in each week for certain hours. Yet the office of a company not registered here shall be open for not less than five days in each week. The amendment brings this into line with the requirements relating to a company registered in the State. It has the merit of uniformity and in the opinion of the Registrar the public is amply protected. I commend the Bill to the favourable consideration of members.

The Hon. C. R. CUDMORE secured the adjournment of the debate.

MARGARINE ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from November 11. Page 1213.)

The Hon. E. ANTHONY (Central No. 2)—I support the Bill. Nearly everything that can be said has already been said on the subject. It is simply a proposal to double the quota of margarine allowed in South Australia. The dictionary definition of table margarine is "a substitute for butter," so that it may be anything at all. There is no restriction on the amount of commercial margarine which may be brought into the State and a considerable quantity is already coming in, but table margarine is another matter. As one travels around the world one sees that little pure butter is used in other countries. I believe that most of the butter used in Europe is fortified with margarine. It is quite palatable; whether it is a nutritive food is perhaps another matter. I would not say that it contains the same food properties as butter, but it is a substitute, and because it is cheaper people in receipt of lower incomes find that they have to supplement their food supply with this substitute, particularly for cooking purposes. Therefore I can see little objection to increasing the supply of this material in order to help a great many people. Some members have said that the dairy industry is likely to suffer as a result of any increase in the quota. I would be the last to support anything likely to damage the dairy industry, but I cannot see that the proposal to increase the quota from 312 to 624 tons is likely to affect the dairy industry very much and consequently I do not think we should oppose a measure that will help a large number of people.

The Hon. K. E. J. BARDOLPH (Central No. 1)—I support the Bill. I was somewhat amused yesterday to hear such a conflict of opinions expressed in the several speeches on this measure; indeed, in all the years I have been in this Chamber I have seldom seen such attitudes adopted to bolster up the case which each member who opposed the Bill presented. I was under the impression that the majority of members here favoured the removal of restrictions. I have heard it said quite often during this session that we should do away with controls, yet those who oppose this measure still desire to maintain a restrictive quota on table margarine; on the one hand they support the maintenance of controls and on the other the removal of them.

The Hon. N. L. Jude—You have supported more controls than anyone else this session.

The Hon. K. E. J. BARDOLPH—Whatever support is given by members of the A.L.P. it is always in the interests of the people they represent, and whatever our actions have been during this session we are quite prepared to justify them on the hustings. Some have raised the issue as to the numbers employed in this industry, but that does not come into the discussion. All industries have small beginnings and irrespective of the number of employees the fact remains that it is an industry working under the laws of this State and should be considered on that basis and not on its numerical strength.

The Hon. W. W. Robinson—Then this is only a start?

The Hon. K. E. J. BARDOLPH—When the honourable member embarked on agricultural pursuits he only made a start, and if it applies to individuals it applies collectively.

The Hon. F. J. Condon—He retired in early life after making a fine success of his farming operations.

The Hon. K. E. J. BARDOLPH—Which shows his adroitness; all the more credit to him for having achieved that measure of success. Sir Wallace Sandford quoted a paragraph from the tenth report of the Rural Reconstruction Commission referring to coloured foreign labour. I remind him that in our everyday life and industry we use materials produced by coloured labour. For example, cornsacks, wool bales, twine and other items necessary for the primary industries are produced in coloured countries.

The Hon. L. H. Densley—But they are not sold in competition with white labour.

The Hon. Sir Wallace Sandford—Don't you believe in a White Australia?

The Hon. K. E. J. BARDOLPH—I do, but if my friend carries that to its logical conclusion he will agree that it is improper for Australians to use any item manufactured in a country employing coloured labour. Some of the major ingredients used in the manufacture of table margarine cannot be grown in the fertile country of Queensland or elsewhere in Australia. Sir Wallace Sandford quoted from paragraph 2440 of the tenth report of the Rural Reconstruction Commission but he did not quote the full paragraph and the latter portion of it reads:—

It is noteworthy that, during the depression, when butter was sold at low prices in Britain, its consumption increased while that of margarine declined, and later when the price of butter rose the trend was reversed.

Members need have no fear that margarine will supplant the demand for butter. Those engaged in the dairy industry know that quantities of milk are being processed into powdered and condensed milk and sold in the eastern countries where a higher price is received for those products in contra-distinction to the price of butter. The commission expressed certain views in its report and in paragraph 2444 it dealt with the dairy industry extensively and reported:—

Before the industry can expect to have any considerable place in world trade, it will need to undergo considerable reorganization. At present, its efficiency differs widely from district to district and, in some areas, from farm to farm. Some units are too small, some are unmechanized, in many cases insufficient attention is given to the feeding of the cows or to the conservation of feed as reserves for the 'lean' season; at the same time, wages have been low and conditions of life on many of the farms poor. Reorganization of a somewhat radical nature is overdue and will not be hastened by the policy of subsidization.

Members who have opposed the Bill have suggested that it will cut across the path of the production of butter, cheese and other dairy products and will be inimical to the interests of those who earn their livelihood from the manufacture of those products. The word "margarine" connotes a substitute for butter. It was first manufactured in 1870, in Napoleon's time, when a prize was awarded to a manufacturer for providing an efficient substitute for butter. There are two types of margarine—table margarine which contains vitamins, and commercial margarine which is made of animal fat and used in the manufacture of cakes. A large variety of fats and oils is used in the preparation of margarine. The fats can be produced in Australia but the oils such as coconut oil, peanut oil and cotton seed oil which contain the necessary vitamins which build up the nutritional value of margarine, cannot be secured in Australia and that is why the Leader of the Opposition has introduced the Bill in order to increase the existing quota so that South Australians will be able to obtain and utilize the commodity in their everyday life. Since the dietary importance of vitamins has been recognized suitable quantities have been incorporated in margarine to increase its food value. I agree with members that the public should be protected. I do not suggest that any measure should permit the manufacture of any edible goods unless they conform to the requirements of the Food and Drugs Act and graded in order that the public will know what it

is buying. Mr. Robinson supplied some illuminating figures relating to the nutritional value of margarine and butter. Prof. Stanton Hicks, who is a world-renowned dietician, in a letter to me stated:—

Margarine does not replace butter completely unless it has added to it the same vitamins in the same amounts as they exist in butter. The essential culinary properties of butter can be accurately unitated by scientific recipe and production of the margarine. This leads to the essential control by regulation of the grade of margarine. In Europe there are at least three grades. First—equivalent in vitamin content and culinary properties to butter: second—equivalent in culinary properties only: and third—less expensive but still good culinary edible fat. With these safeguards dairy butter remains unaffected by price competition and edible fat is made more available to the housewife.

The House would not be doing wrong in doubling the quota of margarine because it will permit the housewife and general public to purchase margarine if they desire and it will not be in direct competition with dairy producers. I remind members that these people on the land were in a precarious position until the Federal Labor Government implemented its rural policy and placed them on a sound economic basis. No member of the Labor Party would submit any measure which would cut across that policy, which has stabilized the industry so effectively in Australia and placed it on an equal economic footing with other rural industries. I support the Bill on the grounds mentioned and trust that it will pass.

The Hon. L. H. DENSLEY (Southern)—In listening to the debate I am forced to the conclusion that it seems to be a typical pre-election one which anybody might expect immediately before members go to the country. Actually, the Bill will make little difference to consumers or butter producers, whether the quantity of margarine sought to be manufactured is allowed or not. If the cost of purchasing margarine in preference to butter was averaged amongst consumers the average family would save about 6s. a year and the average producer, although suffering some loss, would lose about £5 a year. That will not make or break either section of the community although it might be the beginning of a wedge for the greater production of margarine in South Australia. The Queensland quota has been fixed at 5,340 tons for this year and as the total quantity of butter consumed in that State is about 14,000 tons margarine represents 40 per cent of butter consumption. Should that become general throughout Australia it could

have a deleterious effect on the dairy industry and in view of that it is desirable to look into the question closely. Looking around city shops it is evident that there is no very great shortage of table margarine which is, I believe, procurable at almost every shop. From that point of view it is unnecessary to increase the quota. Much has been made by some members that the poorer class in the community finds it necessary to buy some cheaper form of substitute for butter. A considerable quantity of commercial margarine is manufactured here; in fact, one company that started to manufacture it in July last year and got off to a fairly good start was able to sell an appreciable quantity in six months, but then went out of production. There is no need to increase the quota in this State. Dairying has probably suffered more than any other industry through political control. It has not participated in the post-war prosperity that has been enjoyed by most other primary industries, which have obtained high prices for their commodities. It has for years carried on, not only by long hours, but by the utilization of family labour. It is an industry which it is essential to retain in Australia.

The Federal Minister for Agriculture (Mr. McEwen) speaking a little more than a year ago, said that the Federal Government recognized dairying as an essential industry, the production of which he desired to stimulate for the benefit of both Australia and the United Kingdom. At present the industry was being carried on under arrangements which were tight and definite and which in their basic form, were instituted by the Labor Government. Labor members here have stressed the very great advantage that has accrued to the industry by virtue of the agreement made by the Labor Government. Actually, the Chifley Government made an agreement with the British Government which definitely was not entirely for the benefit of the dairy industry. We find that the price obtained under the five-year contract provided that no greater increase or decrease could be made in any year than $7\frac{1}{2}$ per cent, and when the Commonwealth authorities approached the British Government for an increase of $7\frac{1}{2}$ per cent it was not allowed. There was no provision in the agreement whereby deadlocks could be overcome and consequently the dairy industry had to put up with a fairly low price, particularly during the post-war period. Had it not been for the agreement entered into by the Labor Government, ostensibly to aid the dairy industry, it

would have been on a much sounder basis today. In view of the contracts, we have to lend what support we can to the dairy industry and give it every possible protection to ensure that it enjoys prosperity that has been available to all other sections of the community.

The Minister of Agriculture, speaking last year, said that the 1947 formula was designed around a 56-hour week award and allowed as costs the return of $3\frac{1}{2}$ per cent to the owner upon his equity. For the purpose of the calculation of this equity return and for the purpose of depreciation and replacement of cattle, capital and capital values were treated as pegged at 1942 prices. Anybody who has been associated with the dairy industry knows that costs have increased out of all knowledge during the period under review and have resulted in the industry becoming further involved in low prices. The return to the dairy-farmer-owner operator was designed to ensure the prevailing dairy industry award rate for a general farm hand, then £8 18s. a week, plus a 25s. margin for management allowance. What may be described as inadequacies and unbalances, by comparison with other industries, of this costing formula are obvious.

I think all members will agree that the basis was most unfavourable for the dairy industry and we must shoulder some responsibility in supporting the Commonwealth's request that it be supported and looked upon as an essential one to the Commonwealth. Following the Dairy Industry Inquiry last year the Commonwealth Government provided a subsidy on butter for home consumption only. On the basis of that inquiry, the cost of a pound of butter was 4s. 1.29d. The fact that we are selling a lot of butter overseas at a price about 1s. below that being charged in Australia reduced the price of butter on a general basis by about 2.79d. per lb. Today dairymen are actually receiving about $2\frac{1}{2}$ d. less under the formulated price of 4s. 1.29d. a lb. They are producing and selling butter under the cost of production and any increase in the sale of margarine must retard butter consumption in Australia and make a greater margin in the price below the cost of production for Australian farmers. Both Mr. Bevan and Mr. Bardolph referred to free enterprise, but the dairy industry has ceased to be a free enterprise. Ever since the war, when it was controlled by the Labor Government, it has been completely under control, with fixed prices.

The Hon. K. E. J. Bardolph—You cannot deny that dairy farmers are better off under the present system.

The Hon. L. H. DENSLEY—Under the present system, yes, but not under the Federal Labor Government's system. It was also responsible for many dairymen going out of production, with a consequent reduction in the number of dairy cows. The price to dairymen did not increase similarly to that for wool and wheat. Members will recall that this industry was based on a 56-hour week which is longer than the hours enjoyed by most industrial workers. Not only do dairymen have to work long hours, but the difficult hours make the work even worse. Mr. Perry said that he disliked subsidies. I think most primary producers, if they could get free enterprise, would be happy today without subsidies. Free enterprise, primary producers contend, would benefit the industry. No secondary industry today would care to carry on under free competition. Tremendous sums have been collected by the Commonwealth authorities by Customs duty.

The Hon. F. T. Perry—That is revenue, which is quite different from a subsidy.

The Hon. L. H. DENSLEY—I agree, but primary industries which have to compete on overseas markets are the ones that have to pay. Although dairy farmers have been encouraged during the last 15 to 18 months to increase output, they have had to pay a very high price for land and cattle to get back into the industry.

The Hon. F. J. Condon—Do you contend that Governments in four other States are wrong in doubling the margarine quota?

The Hon. L. H. DENSLEY—If we did the same as Queensland, which is a dairying State, it would be very difficult indeed for the industry to carry on. I hope that as it is the desire of the dairy industry throughout Australia not to see more margarine produced in Australia members will vote against increasing the quota.

The Hon. E. H. EDMONDS (Northern)—One of the disadvantages of coming into a debate towards its conclusion is that many of the arguments have already been presented. Those are circumstances, of course, for which I am responsible, but I was very interested in the question, and so desirous of obtaining all the information possible that I purposely refrained from making any contribution until most members had spoken. As I represent a country district and one wherein considerable dairying and allied industries are carried on I am particularly anxious to do the right thing

for everyone concerned. I have listened with interest to the remarks put forward during the debate and, having some knowledge of the vicissitudes through which those engaged in dairying have passed in years gone by, I would be reluctant indeed to support any proposal which might jeopardise the future of that industry. I gather that the main fear of those opposing the measure is that it will have a serious effect on butter production, and although I can see that to some extent that attitude has some foundation I think it has been unnecessarily emphasized. The fact that we have restrictive legislation on the production of this commodity is evidence of the need to protect the dairy industry, but none of the members who have spoken in opposition have produced figures to demonstrate that the limited production of table margarine now allowed has any appreciable effect upon the sale of butter, and it can scarcely be established that the additional quota proposed will alter the position. I have looked up figures to see just what the proposed quota of margarine means in relation to the total population of the State. For the year ended June 30, 1950, our population was 729,836. The present quota of 312 tons is the equivalent of 698,880 lb., or less than one pound a head annually. If the quota were doubled as proposed it would amount only to approximately 1½d. a head annually. In view of those figures it is somewhat stretching the imagination to think that that small consumption will effect the sale of butter or those engaged in dairying very seriously. There has been some suggestion that the manufacture of margarine is not a very important industry, but I find that the statistics are somewhat at variance with the case presented by some members. On the latest figures available in Parliamentary Paper No. 3 on members' files the table margarine produced in South Australia for the year ended June 30, 1950, was 396 tons, valued at £117,120. Wages paid in the industry amounted to £15,323. For a comparatively small industry with a restricted output those are figures for which we should have some regard. Much has been said about the small number employed, but the same statistics show that the number engaged for the year ended June 30, 1950, was 31.

The Hon. J. L. Cowan—Are you referring to table or commercial margarine?

The Hon. E. H. EDMONDS—That is the number engaged in the production of margarine in this State. In addition to the amount consumed locally a small export trade has been

built up. For the same period exports were as follows:—

	Lb.
To Ceylon	11,440
Hongkong	20,700
Malaya	13,520
Singapore	21,320

(Approximately 30 tons) 66,980

Total value £5,875

These figures show that even if this is an industry still in its swaddling clothes it is worth developing.

The Hon. R. J. Rudall—What class of margarine do they export?

The Hon. E. H. EDMONDS—I presume it would not be table margarine because I am given to understand that the quota now allowed is consumed in our own State and has not been equal to the demand, and that is precisely why this Bill has been introduced. The 312 tons now permitted is not sufficient to meet the demand. There remains to be discussed the not unimportant matter of price to the consumer. As Mr. Perry rightly pointed out, there are many people in our midst who, by reason of their financial position, find it necessary to spread their household expenditure as widely as possible. Why should we deprive them of the opportunity to procure an article which has a food value not far short of that of dairy butter? It is my intention to support the second reading, but to meet any slight misgivings I may have had I intend to support the amendment proposed by the Minister and not go to the full extent proposed in the Bill.

The Hon. R. R. WILSON (Northern)—As my district has butter factories at Port Lincoln, Port Pirie, Gladstone, and Laura with numerous dairymen supplying them I feel that I should have something to say on this Bill. The dairy industry stabilization scheme was introduced about six years ago by the Chifley Government, but owing to the procastination in fixing prices it became known as Mr. Pollard's Socialistic Slave Dairying Industry Scheme. I speak from experience, for without practical experience one has not the true facts. I had a very modern dairy; I suppose one of the best in the State, and that is saying quite a lot. I also had a herd of registered Jersey stud cows, but I found it was unprofitable. When one has a share farmer who is not making money in these times he naturally informs one that he will not carry on, so I was obliged to go out of dairying, much as I had always enjoyed it. There

was a butter famine and thousands of dairy cattle were slaughtered for beef. Dairy factories were closed and farmers sought other means of livelihood. It has been suggested that dairymen changed to other production because it was more profitable, but no-one can tell me that anyone who has valuable stock will sacrifice it unless he has reason for so doing. I did not reduce my stock because of the incentive of more profit in other lines. Primary production represents 90 per cent of our exports and until a few years ago butter was the third largest earner of income and consequently we cannot afford to drive dairymen from that industry. On September 30 Mr. Bevan said:—

I would like to see the whole of our manufacture kept for our own consumption, for we would then find that the retail prices would fall to about 2s. a pound and the producer would still be getting a good price.

The Labor policy is for a 40-hour week but the dairy industry could not afford to pay the overtime rates that would be necessary because of the number of hours worked. If a price of 2s. a lb. obtained the dairy industry would go bankrupt. Due to abnormal circumstances we are experiencing one of the most prolific seasons on record and a large surplus of milk from the zoned areas is being converted to butter and ample supplies are available at present. If there is a dry season there will be a famine and the community will be without one of its most important foods. This morning I communicated with a prominent metropolitan grocer and he made inquiries and informed me that there seems to be enough margarine to go around at the moment. He did ascertain that one grocer had sold his stock of margarine and would not have any until more was manufactured. It has been suggested that because of the increased population more margarine should be available. I spent last week at the Leigh Creek coalfield and approached a number of consumers and they all required butter in preference to margarine and were prepared to pay present prices for it. New Australians who are responsible for the increased population are not using margarine but seek lard and pig fat. By increasing the number of pigs we may be able to make a better substitute for butter than margarine. Mr. Anthony said that margarine would be a benefit to many people but if it is a benefit to some it may be an injury to others. The dairyman has played his part and is now in a position to make some profit and nothing should be placed in his way. I realize that is not the intention

of the Leader of the Opposition but the Bill may prevent the dairy industry from being conducted on payable lines.

The Hon. F. J. Condon—Do you think the other four Governments were wrong in increasing their quotas?

The Hon. R. R. WILSON—I am referring to this State and I only know what the Leader of the Opposition has said concerning legislation in other States. I oppose the Bill but if there must be an increase I will support the amendment to be moved by the Attorney-General.

The Hon. J. L. S. BICE (Southern)—As is usual when legislation is brought forward affecting such an important industry as the dairy industry it naturally brings forth a considerable amount of interest and provides a spirited debate. I have listened with interest to the material which has been submitted by various members and I do not intend to delay the House on this measure. Dairymen view with concern any question affecting their industry. A meeting of the South-Eastern Dairymen's Association definitely stated that they were perturbed at the possibility of an increase in the margarine quota and that in no circumstances did they want it. When Mr. Edmonds was speaking I did not anticipate that he would use the one piece of ammunition I had, namely, that concerning the export of margarine. I thought it was rather vital and it surprised me that margarine was being exported from this State. As a young man and again in the late thirties I had experience of the dairy industry and I appreciate the problems associated with it and realize the difficult times that dairymen passed through. I do not want to provide them with any reason for thinking that they may again face such times. In 1920 the dairymen in the South-East were selling milk for 2½d. a gallon and in 1930 I was selling it for 3½d. a gallon. That represents an interval of 10 years. History has a habit of repeating itself and I do not want dairymen to be placed in that position again. A few years ago we were concerned at dairy cattle being sold for beef and each week there were offers of dairy cattle for sale in the hills papers. Members know that once a dairy herd is broken up it takes years to re-build another good herd. I oppose the Bill.

The Hon. A. J. MELROSE (Midland)—There has been an extensive debate on this question and it is obviously one on which members do not intend to give a silent vote and I am caught up in that net. Without making any invidious comparison I think we have heard

two speeches this afternoon, from Mr. Edmonds and Mr. Densley, which might be regarded as the case for and against the measure. I congratulate those members on the lucidity with which they advanced their views. There seems some doubt on many points connected with the Bill and not the least is the pronunciation of "margarine." The school seems equally divided between "margarine" (hard "g") and "margarine" (soft "g"). Personally I vote in favour of "margarine" (soft "g") because of its more euphonious sound and the fact that for many years before this substance became a political matter that was the name by which people knew it. I deplore Mr. Bardolph's assumption, made with what seems to be colossal self-assurance, that members of the Labor Party are the only ones here who have the interests of the people at heart.

The Hon. C. R. Cudmore—He said he spoke for the people he represents.

The Hon. K. E. J. Bardolph—What is wrong with that?

The Hon. A. J. MELROSE—A great deal. I do not mind Mr. Bardolph assuming that he represents a small section of the community.

The Hon. K. E. J. Bardolph—You would not say that the workers are a small section of the community; they are the nation.

The Hon. A. J. MELROSE—I have no objection to Mr. Bardolph saying he represents even a microscopic section. I object to his assumption that other members are activated by purely selfish reasons and represent only one section of the community. My experience here is that members bear in mind the ultimate benefits to as many people as possible, although perhaps not the immediate and parochial interests.

The Hon. K. E. J. Bardolph—You should take notice of that yourself.

The Hon. A. J. MELROSE—I suggest to the honourable member that if the cap fits he should wear it. I have listened, with great interest, to the views advanced both for and against an increase in the quota of margarine. I was greatly impressed by the fact that the availability of table margarine amounted to about 4½ lb. a family a year. Like other members, I made inquiries and every person I asked about it assured me that its lack of palatability will always militate against its use, compared with butter. It is, of course, a substitute for families who cannot afford butter at its present price with the pound depreciated to its present level. I refer to pensioners and those living on small incomes which will not spread very well over the

number of mouths to be fed. Whatever quantity of table margarine is manufactured it will mainly be used in those homes. This has been a long debate and I do not want to go over any arguments that have already been advanced. In thinking this over and in trying to avoid the faults that Mr. Bardolph suggested I should, I think, try to view this matter not as a representative of dairy farmers, but as it will affect the people as a whole. With the price of butter today and in view of the fact that the value of the pound is so small it is not the time to deny people another little quota of margarine because certain people might lose a fraction of a penny for their butter. That is my view on the matter.

Although I favour at all times the protection of primary industry I do not go to the lachrymose extent of other members when they deplore the slaughter of dairy cattle. The man who loses his female breeding nucleus by slaughtering, because of some temporary difficulty, is so short-sighted that he is doomed to failure anyhow. People who, because of a temporary unavailability of labour, sacrifice their herd would have realized, had they stopped to think for a minute, that the shortage they were creating would create a demand in a short time and had they maintained a nucleus of their herds as potential breeders they would not be in the jam they are today. I am perfectly prepared to meet the Bill half way. I do not think this is the time, when primary producers generally are so well off, that families should not have the benefit of a little more margarine. I support the Bill.

The Hon. N. L. JUDE (Southern)—To some extent I feel that the Bill, notwithstanding the tremendous amount of thought given to it, is comparatively paltry, but at the same time I have no hesitation in saying that it is most insidious. My normal reaction would be to say that any person could manufacture anything he wants, but when I find that Mr. Condon is sponsoring a Bill to increase something manufactured by private industry I naturally want to know where is the nigger in the woodpile. At the moment the butter industry in the Commonwealth is at last on a pretty even keel, and a well-greased one, and I would not like to move in the direction of upsetting it. The debate has already revealed most of the pros and cons of the matter, but I am amazed at the absence of almost any remarks about monopolies or licences. No member has referred to the original Act and the issue of licences to one or two people.

Nobody has suggested that if more margarine is to be produced the scope of the licences should be widened. I am not here to say whether it should or should not.

The Hon. R. J. Rudall—You have not read the amendments on the file.

The Hon. N. L. JUDE—I shall deal with them when we get to them. Not one member has addressed himself in that direction and I am not surprised at their keeping off dangerous ground. My colleague, Mr. Densley, made a paramount suggestion at the beginning of his speech—that this is a political Bill. Why not admit it? I can see my friends opposite chuckling at that. I again remind members that they have not been prepared to discuss the question of monopolies or licences. They have all trodden very gently. What are the implications as regards section 92 of the Constitution on the importation of margarine when once a licence is granted? As far as the quota is concerned, we are only pandering to political sentiment and I will have none of it beyond the fact that if we cannot secure the defeat of the Bill I shall oppose the amendment.

The Hon. F. J. CONDON (Leader of the Opposition)—I thank members for their contribution to this most important debate. I am not concerned whether members support or oppose the Bill. Every member has the freedom to express his views as he sees fit. I might be correct in saying that there is a certain amount of bias and prejudice by members who are not prepared to deal with the facts and merits of the case. I challenge any member to point to a vote of mine and show where I have done anything detrimental to dairy farmers. I go further and say that I was the only member in this Chamber who commended and fought for the Dairymen's Association when its members went out on strike for an increased price. I was the only member who approved their action because I considered they were justified. Who were they fighting? They were up against the very men who are opposing this Bill. That is fair comment and cannot truthfully be denied. I regret that certain innuendoes have been made in this debate. Some months ago, together with the Leader of the Opposition in another place, I waited upon the Premier asking if he would introduce a Bill to increase the quota of margarine, and he said he would consider the matter. We then interviewed the Minister of Agriculture pointing out why a Bill should be introduced, not at the instigation of any manufacturer but at the

instigation of consumers at various meetings where I was asked to do it. At no time did I discuss this Bill with the manufacturers until after I had introduced it. That is the reply to those who say, by innuendo, that those concerned wanted to sell out in order to make out a case. Why is the Bill necessary? There is a shortage of margarine simply because of the demand, just as in the States of New South Wales, Queensland, Western Australia and Tasmania where the quota has been doubled. I have been quoted by other members on several occasions in the course of this debate, but I was here when the original legislation was passed and I well remember the spirit of the debate on that occasion. This afternoon I propose to place on record what was said then in order to compare the situations then and now. When the Bill was introduced in 1939, you, Mr. President, had the honour to be the Leader of the Liberal Party in this Council, and this is what you said:—

I cannot understand any attempt to make people buy something that they do not want and prevent them from buying what they require. Today many people cannot afford butter and I am not prepared to do anything which will prevent them from buying margarine. If we closed our margarine factories the only result would be that we would import margarine from other States. Therefore I favour our quota being as high as possible.

That is the position today, and my friends who oppose this Bill did not refer to the importations from other States which, under section 92 of the Constitution, cannot be prevented.

The Hon. S. C. Bevan—The position is more accentuated today.

The Hon. F. J. CONDON—Exactly. Now I come to my esteemed friend who took me to task yesterday—and I am sure he will mind my referring to his speech on the same occasion. On December 5, 1939, Sir Wallace Sandford said (*Hansard*, page 2102):—

As far as South Australia is concerned it will afford protection against the dumping of margarine from other States. If any State finds it has been used as a dumping ground it can either alter the quota or bring pressure on the margarine manufacturer or repeal the Act. The Bill does not propose to deny anybody the right to obtain margarine. . . . I am in complete agreement with Sir Walter Duncan when he objects to interference with industry. I cannot see any justification for imposing on South Australian manufacturers burdens greater than those in other States.

Now I come to my friend Mr. Cudmore. We always know where he stands; he does not

favour controls one day and oppose them the next. He said on that occasion:—

As far as I know margarine has never done any harm. If people cannot afford to buy butter, and buy margarine, I do not want to do anything to stop them unless it can be shown that it is harmful.

That was a very reasonable statement and I find that he is going to support me now. Now I come to an ex-member of this place, whom I looked upon as a personal friend for many years, Sir John Cowan. He represented a considerable number of dairymen, but speaking in 1939 he said:—

The States have agreed that the sale of margarine should be regulated and it is desired to have the legislation as uniform as possible.

That is what I say now, and I base my case on the fact that Liberal and Labor Governments, with all Parties agreeing, and no division of opinion such as we have now, decided that it was necessary to amend the Act, with the result that a Liberal Minister, himself representing dairy farmers, introduced and piloted a Bill through to increase the quota of margarine. Yet some members say that I am attempting to do something detrimental to the industry. I would not be a party to any such action, but has not the other 95 per cent of the population any right to consideration? We are subsidizing butter, according to Mr. Robinson, to the extent of 10½d. a pound, and we are prepared to go on doing it. Why be so selfish as to deny people who want a thing the right to purchase it? I ask my friends who speak with their tongues in their cheeks about restrictions and controls to examine themselves. Let me draw attention to a resolution passed quite recently at a meeting of the Australian Primary Producers Association at Victor Harbour asking the Federal Government to increase the price of margarine proportionately to that of butter. That is how they wanted to deal with the consuming public.

It has been said in this debate that certain legislation passed in Western Australia would not be brought into operation; that it was passed only because the Government wanted to prevent the importation of margarine. I take a very poor view of that statement because a private member of the Opposition moved the suspension of Standing Orders in the Western Australian Parliament for the purpose of introducing a Bill to increase the quota of margarine. It was fully debated and opposed by the Government and was defeated by, I think, one vote. The Government's argument was to the effect that they knew the position but desired to pass their own legislation in order

that an increased quota could be manufactured immediately. That is the answer to Mr. Cowan. I have a letter from the Minister of Agriculture of Tasmania under date October 24 as follows:—

I desire to refer to your letter dated October 21 relative to margarine production in this State. Today I forwarded you the following telegram: "Regulations being gazetted increasing annual quota margarine from 208 tons to 416." The Tasmanian Government felt that there was reasonable grounds for increasing margarine production in Australia and the position was discussed at a meeting of the Australian Agricultural Council. The quota for this State was pegged by regulation at 208 tons per year, but the regulation has been amended to permit 416 tons being manufactured each year.

I have always, in this Chamber, fought the battle of the manufacturer. I realize that he is just as important to this State as the primary producer and that no section of the community should have rights or privileges greater than any other.

The Hon. E. Anthoney—Where would the manufacturer be without the producer?

The Hon. F. J. CONDON—We must have both and I have shown by my votes and my speeches that I support and fight just as hard for the primary producer as any other member of this Council. Some members do not always consider the viewpoint of the manufacturer. When other members advocated the export of wheat some years ago I said that it should be retained to provide offal for the dairy farmer, the pig breeder and the poultry farmer but those who oppose substitutes usually buy them. Thousands of ton of offal are available today but cannot be sold because of the high prices. It has been said that margarine is made from goods produced by coloured labour. We have no control over that and the dairymen every day use the cheapest articles they can obtain and most of them come from coloured countries. Superphosphate and sulphur come from coloured countries. Other States have increased their manufacture of margarine and it will be imported here in spite of all the arguments put forward. I have also visited many shops in order to purchase margarine but have failed to obtain it. I have received several letters from people about this Bill. I do not propose to read them all but one which is of interest is dated November 7, and is from Golden Nut Margarine Ltd. to the Commonwealth railways, and reads:—

We acknowledge your order number B466 for 10 cases Golden Nut table margarine for immediate delivery. As you may be aware we manufacture under a licence from the State

Parliament which fixes a yearly quota. Owing to the great demand our quota is sold out, the staff put off and our factory closed down until the new year. We have not a pound of margarine in our factory and are prohibited from manufacturing further supplies until January. It was hoped that we might be permitted to increase our quota this year owing to the big demand, but we regret that the Government so far has refused to allow this.

The manufacturers were unable to supply the amount required and the Commonwealth Railways will import it to the detriment of South Australian manufacturers, who will be penalized notwithstanding that they are honest persons who have been in the industry for some years. Mr. Densley was congratulated on his speech by Mr. Melrose. During the war, by agreement with the dairymen, the margarine manufacturers reduced their quotas in order to assist the dairy industry, but in 1948 when a Bill was introduced to restore the original quotas, Mr. Densley opposed it. At present the quota only provides $\frac{3}{4}$ lb. of margarine per head of population. As Mr. Perry said, it doesn't matter how many the industry employs. The small manufacturer has the same rights as the large employer and is entitled to the same protection. I have not introduced the Bill at the request of the manufacturers but because consumers require the product and I submit the Bill conscientiously believing it is justifiable.

The Council divided on the second reading—

Ayes (11).—The Hons. E. Anthoney, K. E. J. Bardolph, S. C. Bevan, F. J. Condon (teller), C. R. Cudmore, E. H. Edmonds, A. A. Hoare, A. L. McEwin, F. T. Perry, C. D. Rowe, R. J. Rudall.

Noes (6).—The Hons. J. L. Cowan, L. H. Densley (teller), N. L. Jude, W. W. Robinson, Sir Wallace Sandford, R. R. Wilson.

Pairs.—Ayes—A. J. Melrose. Noes—J. L. S. Bice.

Majority of 5 for the Ayes.

Second reading thus carried.

In Committee.

Clause 1 passed.

Clause 2—"Control of amount of margarine to be manufactured."

The Hon. R. J. RUDALL—I move—

To strike out "six hundred and twenty-four" and insert "four hundred and sixty-eight".

The Bill proposes to increase the quota by 100 per cent but the amendment is designed to limit the increase to 50 per cent. On an increase of population basis it would be nearer 25 per cent but the Government is prepared to agree to 50 per cent.

The Hon. F. J. CONDON—I ask members to oppose the amendment. In view of what is happening in other States I request that the quota sought by me be agreed to. New South Wales, Queensland, Tasmania and Western Australia have more than doubled their quota, in fact, Queensland has gone far beyond doubling it. If the amendment is agreed to the door will be left open for importations. We should either repeal the whole legislation or agree to the Bill in its present form. Our population has increased by 139,000 since 1939. South Australia has the lowest margarine quota of any State and if the legislation proves detrimental any member can introduce a Bill at some future date to have it reviewed.

The Hon. C. R. CUDMORE—I oppose the amendment at present. I am not happy about what I regard as a state of monopoly that exists for the manufacture of margarine. We discussed this matter at great length in 1941 and I cannot see much alteration in the position. We decided to limit the quota of margarine which could be manufactured here and then provided that it was only to be manufactured by persons licensed by the Minister. Procedure for obtaining a licence was set out, as follows:—

The Minister may at his discretion grant or refuse any application for a licence: Provided that—(a) the owner of any factory which at the time of the commencement of this Act is registered under section 4 of the Margarine Act, 1934, shall upon application duly made be entitled to be granted a licence in respect of that factory.

In other words, we provided that there was to be a system of licences for manufacturing margarine but that the person who was manufacturing at that time would be given the right to obtain a licence. Mr. Condon has suggested that we should double the quantity of margarine, but the Minister has moved an amendment that it be increased by only 50 per cent. I want more information as to the effect of the amendment before I support it. Will it be worth a person's while to manufacture the additional quantity of margarine? The Minister has a further amendment to provide that last year's declaration is to be varied from time to time to give the 50 per cent increase. We should make it 100 per cent increase and allow anybody to manufacture margarine. If we are to increase the quantity why should we restrict its manufacture to one individual?

The Hon. R. J. RUDALL—I purposely did not refer to the second amendment, but would like to explain the position. At present, the

Minister makes a declaration each year stating who is to have the quota, which is quite different from a licence and has nothing whatsoever to do with the quota. It is a question entirely for the Minister's discretion. This year a proclamation has been made and my amendment specifically provides that the Minister shall have freedom to allocate this year's increased quota to whom he pleases.

The Hon. C. R. Cudmore—It does not say so.

The Hon. R. J. RUDALL—It does. Mr. Condon is trying to tie the increased quota, not only for this year, but for subsequent years to the people who already have the quota. The Government feels that the Minister, not only as regards the increased quota this year, but next year should have full freedom to allocate it to whom he pleases.

The Hon. F. J. Condon—Did you know that certain interstate people are looking for a licence?

The Hon. R. J. RUDALL—If that is so it is the answer to Mr. Cudmore's query.

The Committee divided on the Hon. R. J. Rudall's amendment—

Ayes (11).—The Hons. J. L. S. Bice, J. L. Cowan, L. H. Densley, E. H. Edmonds, N. L. Jude, A. L. McEwin, W. W. Robinson, C. D. Rowe, R. J. Rudall (teller), Sir Wallace Sandford, and R. R. Wilson.

Noes (6).—The Hons. E. Anthony. K. E. J. Bardolph, S. C. Bevan, F. J. Condon (teller), A. A. Hoare, and F. T. Perry.

Pair.—Aye—Melrose. No—Cudmore.

Majority of 5 for the Ayes.

Amendment thus carried.

Progress reported; Committee to sit again.

LOANS FOR FENCING AND WATER PIPING ACT AMENDMENT BILL.

The Hon. A. L. McEWIN, having obtained leave, introduced a Bill for an Act to amend the Loans for Fencing and Water Piping Act, 1938-45.

Read a first time.

The Hon. A. L. McEWIN (Chief Secretary)
—I move—

That this Bill be now read a second time. Section 16 of the Loans for Fencing and Water Piping Act provides that, if a loan under the Act is made in respect of land comprised in a Crown lease or Crown agreement and the lease or agreement is subsequently cancelled, then, if the land is subsequently re-allotted under Crown lease or

agreement, the liability to pay the loan is revived and becomes a charge on the land comprised in the new lease or agreement. The purpose of this section was as follows. Without some such enactment as that provided by section 16 the effect of the cancellation of the lease or agreement would be to wipe out the charge on the land in respect of the loan as the Crown would, on cancellation, be both the owner of the land and the body entitled to the charge on the land to secure the loan and the lesser interest would merge in the greater. Thus, in order that the land, on being again allotted on lease or agreement should be again subject to the charge securing the loan, it was necessary to enact section 16.

The State Bank, by which the Act is administered, has suggested that this provision is unwieldy to administer. There are no provisions similar to section 16 in the Advances to Settlers Act and the Vermin Act, and, if similar circumstances arise in respect of advances made under those Acts, the advances are written off when the land reverts to the Crown and if the land is re-allotted, the Lands Department, after taking into consideration the assets created on the land by the expenditure of the advances, makes proper provision to recover the outstanding amounts when considering the rent or other charges to be payable under the new lease or agreement. This procedure has resulted in considerable reduction in administrative work. It is therefore proposed that a similar procedure be followed under the Loans for Fencing and Water Piping Act, and clause 2 provides that, in the future, when a Crown lease or agreement subject to a loan under the Act, reverts to the Crown, the charge provided as security for the loan will not be revived when the land is again allotted. It will be for the Lands Department to fix the rent or other charges payable under the new Crown lease or agreement so that the unrepaid amount of the loan will be recouped to the general revenue.

The Hon. F. J. CONDON secured the adjournment of the debate.

APPROPRIATION BILL (No. 2).

Adjourned debate on second reading.

(Continued from November 11. Page 1217.)

The Hon. F. J. CONDON (Leader of the Opposition)—The estimated expenditure in this year's Budget is £49,000,000 compared with £43,000,000 last year. Loan expenditure, which is dealt with separately is another

£29,000,000. During the past 10 years the State's public debt has increased from £110,000,000 to £173,000,000, £26,000,000 being added last year. This throws a heavy burden of interest on the community which is due to Liberal administration. If this loan expenditure produced a healthy development of our rural areas one would be quite happy, but it has merely resulted in our economic position being in a most unsatisfactory condition. Confidence in the future is the forefront of the Government's prediction, but it is something to which I cannot subscribe because development has not increased in many country areas in the way to be desired, particularly as we have been blessed with good seasons.

The Hon. E. Anthony—What about Kangaroo Island?

The Hon. F. J. CONDON—That is one place where the Government has endeavoured to do something, but at a huge cost, and it is only a small spot in South Australia. Since 1947-48 the average acreage under wheat has fallen from 2,373,000 acres to an estimated 1,530,000 acres for the year 1951-52. It is true that the acreages under barley and oats have increased, but the leeway has not been made good, and I therefore repeat that there has been a falling off of primary production. Unfortunately, there has been a reduction also in the amount of butter, cheese and bacon of from 10 per cent to 40 per cent. It is unfortunate that there has not been an improvement in our primary industries comparable with that in secondary industries.

The Government has fewer men employed in various departments than it had last year. I refer to the Glanville Pipe Works, the Engineering and Water Supply Department and other departments where, owing to the economic position, men who leave are not replaced. We have an unbalanced Government, which is to be expected when we have no representative of the city in the Ministry. I cannot subscribe to the view that there are not city members equally as capable as country members to carry out Ministerial duties. It reminds me of the position in a neighboring State where all the members of the Country Party are in the Ministry and they have no followers. I draw members' attention to the salaries of various heads of departments and public officers. I am not advocating a reduction in salaries but high officials are receiving more than Ministers of the Crown, and officials in Parliament House receive higher wages than members. They are justly entitled to those salaries but the margin between the higher paid staff and

the lower paid staff is too great and the lower paid staff should receive increases. I strongly believe in paying public servants high salaries because they are equally as efficient as those engaged in private industries and if we want to retain trained men we must show them every consideration.

The Hon. E. H. Edmonds—Do you say the salaries of civil servants compare unfavourably with salaries paid in private industry?

The Hon. F. J. CONDON—The fact that we have lost good men proves that there is more inducement outside.

The Hon. E. H. Edmonds—And you favour increasing the lower salaries?

The Hon. F. J. CONDON—The marginal difference between certain officers is too great and the marginal difference between highly salaried officers and members of Parliament is also too great. Ministers of the Crown are underpaid and circumstances apply in South Australia which do not operate in other States. In other States there are larger Ministries and the Ministers are higher paid. We ask our responsible Ministers to do too much. No matter who is Leader of the Opposition he is entitled to as much money as the majority of members in this House but he gets less than all members of the Government Party except one.

I ask members to consider where we are going because it is only a few years since our expenditure did not exceed £11,000,000. Today we are spending £15,000,000 above our revenue which means that in future years high interest rates will have to be paid. I have frequently drawn members' attention to our water supplies, but the position is deteriorating every year. A few years ago the return on our metropolitan water supplies was almost 11 per cent but today it is about 3 per cent. Last year the profit from our metropolitan schemes dwindled to £92,296.

The Hon. E. Anthony—There is not much water in the pipes today.

The Hon. F. J. CONDON—Unfortunately a considerable quantity of bore water has been used in the metropolitan area even through the winter and it has had a detrimental effect. I hope we will soon be able to do away with the necessity of using bore water. The deficit on the Tod River scheme was £270,948 last year and that is worthy of serious consideration.

The Hon. E. H. Edmonds—Do you suggest we should shut it down?

The Hon. F. J. CONDON—No, but what would you do if you were in business and were making heavy losses?

The Hon. E. H. Edmonds—I would pass it on to the consumer in the cost of goods.

The Hon. F. J. CONDON—Consumers in the metropolitan area are doing their best to keep their schemes going. The loss on the Barossa scheme was £30,258, on the Beetaloo scheme £228,074, and on country water districts £194,399. The earnings on the Morgan-Whyalla water scheme last year were £193,886 and of that £30,886 was paid in royalty on ironstone by the B.H.P. and £18,630 by the Commonwealth Government. The people at Whyalla are charged 2s. 6d. a thousand gallons as compared with 1s. 8d. in the metropolitan area. The expenditure was £138,388 exclusive of debt charges and the surplus of £55,498 was insufficient to meet the debt charges of £81,300. The burden on the taxpayer for Government functions has increased by 89 per cent since 1947-48 due to substantially increased costs of social services which in 1951 represented £12 9s. 11d. a head of population as against £6 9s. 7d. in 1947-48. It is also due to the Government's policy in increasing only some of the charges for services rendered; the charges are insufficient to meet the cost of those services. The cost is clearly reflected in the case of public utilities whereon the burden on the taxpayer amounted to £4 4s. 1d. a head of population in 1947-48 but increased to £8 19s. 4d. in 1951-52.

The Hon. E. Anthony—Increased wages and salaries represent 60 per cent of that amount.

The Hon. F. J. CONDON—We cannot continue like this. State taxation has increased by £741,000 and that is due to some extent to the winnings tax. It is also remarkable that people interested in betting failed to claim £20,000 in dividends. Grants from the Commonwealth Government in aid of State revenue increased by £2,157,000, but the expenditure last year exceeded the previous year's by £9,107,000. I draw members' attention to the position of the Education Department. Not long ago members objected to a little less than £2,000,000 being placed on the Estimates for education, but today the figure has reached £4,370,326, an increase of £665,791 over last year. The department is being assisted by thousands of pounds by the services provided at private schools. Many taxpayers are paying considerable sums to these schools for the education of their children.

The Hon. E. Anthony.—The Commonwealth Government has granted some assistance in that direction this year.

The Hon. F. J. CONDON—It affects boarding schools mostly. Various orphanages assist

the Government by educating children to become useful citizens. Both the Government and the Education Department should be thankful for the assistance rendered by private schools in educating children. The amount set aside for the Hospitals Department is £2,894,617, an increase of £434,733. Of the amount voted 60 per cent will be absorbed by salaries and wages. Subsidies to hospitals and grants to health organizations exceed those of last year by £220,455. The Adelaide Children's Hospital is to receive £207,900. It is a deserving institution and is entitled to Government assistance and I am pleased that the Government has increased the amount from time to time to assist it. The Queen Victoria Maternity Hospital is to be assisted to the extent of £98,000.

I draw the Government's attention to the position at the Glanville pipeworks, where there has been a falling off in the number of men employed during the past 12 months. In the previous year the works made a profit of £12,925. Notwithstanding that men have been dismissed the Government imported 1,704 tons of spun-cast pipes from overseas and 234 tons from Port Kembla. It is an anomaly when a department which shows a profit should dismiss men and at the same time import pipes at a high cost. It has cost the State £581,055 in its efforts to eradicate the fruit fly, of which £58,351 was spent during 1952. Compensation paid to owners for fruit destroyed totalled £136,595 of which £15,629 was spent in 1952. No fewer than 13,200 claims have been received since the legislation was introduced in 1947, of which 513 were disallowed. As regards the Produce Department, the head office showed a profit of £872 and Light Square Works £4,399. At the Port Lincoln freezing works, however, a loss of £28,740 was made, notwithstanding which members have at various times advocated the establishment of country abattoirs. If abattoirs are established in the country I hope there will not be a repetition of what has happened at Port Lincoln. Operations of the Egg Board resulted in a deficit of £20,166. All these undertakings are being assisted by the taxpayers' money. Some of the costs connected with our hospitals will have to be met from the same source, however distasteful it may be. We cannot continue to run them along the lines we have been for years. The daily number of patients at the Royal Adelaide Hospital is 846.

The Hon. R. J. Rudall—Is it your policy to increase charges at the hospital?

The Hon. F. J. CONDON—No, but a further attempt should be made to get additional assistance from the Federal Government as health is a matter that concerns the Commonwealth and not only the State. The annual cost for each bed at the Adelaide Hospital is £1,285 12s. 4d. At the Barmera Hospital, where the daily number of patients totals 15, it is £1,569 13s. 1d.; at Mount Gambier, with 73 patients daily, £1,105 10s. 1d.; at Port Augusta, 39, the annual cost being £1,348 1s. 8d.; at Port Lincoln, 31, cost £1,215 2s. 3d.; at Port Pirie, 84, cost £995 12s. 4d.; and at Wallaroo, 24, cost £1,659 18s. 6d. During the year 54,359 outpatients attended at the Royal Adelaide Hospital, showing its value to the public generally.

One of the most profitable Government departments is Motor Vehicles, the receipts totalling £1,521,945, total payments being £111,363. The Betting Control Board distributed £1,232,090 in taxes, an increase of £358,134 over the previous year. Although many members condemn racing, the Government is getting a huge rake-off from the betting tax. Racing, trotting and coursing clubs received £525,335 from that tax. Unclaimed dividends and winning bets totalled £20,589. Usually the Harbors Board shows a profit, but for 1951-52 there was a deficit of £1,351. Last year the board showed a surplus of £75,326. Only 15 out of the 89 ports and jetties showed a profit. There was a net increase of 749,923 tons of cargo handled at Port Adelaide and outports.

The Hon. E. Anthony—All handling charges have gone up.

The Hon. F. J. CONDON—No, they have not increased since the war. The deficit on handling coal at Osborne gantries was £62,929. I will not delay the debate further despite the fact that there are a number of matters on which I should like to have spoken. I submit these few comments in the hope that the Government will give them favourable consideration.

The Hon. Sir WALLACE SANDFORD (Central No. 2)—When we were considering the second Appropriation Bill just a year ago it was pointed out that in the short period since 1946 the total appropriation figures had grown from £11,500,000 to £34,250,000. This year the figure reaches £39,969,877. I should like at this point to express to Mr. Condon the pleasure it was to listen to his lucid and interesting summary of the various items to which he referred. He made such an excellent job

of it that I would hesitate to cover that ground again. When the Budget was submitted in another place the total revenue was estimated at £49,089,000 and expenditure at £49,077,000, leaving an estimated surplus of £12,000. I am sure that, in confronting the necessity to prepare a Budget of such magnitude, the most meticulous care has been required, and it shows very creditable calculation and estimating.

As has been said before, the State is an enterprise and has to be managed as any other enterprise has to be, but the more money involved the more difficult the job, and the greater the necessity for the most scrupulous care. Owing to the present financial stringency it is rightly considered that Loan funds must be conserved for maintaining the State's programme of essential works and employment. The recent and prospective increases in wages make heavy increases in the working expenses of Government utilities and departments unavoidable, and the position generally therefore calls for a high degree of care and scrutiny.

For the year ending June 30 last the surplus was £89,000. The public debt has steadily grown in the last few years, as the following figures illustrate. For the year ending June 30, 1950, it was £133,175,000, being an increase for the year of £8,455,000. In the following year it was £148,388,000, being an increase of £15,250,000 and by the year ending June 30, 1952, the total had reached £173,500,000, an increase of over £25,000,000. As members are aware, interest rates have moved upwards during the year and, in addition, there has been an extraordinarily wide-spread approach to the loan market, particularly by semi-governmental authorities. The result is a substantial increase in the interest bill, not only in South Australia, but, I think, to a greater degree in the eastern States, with a direct effect on conditions here. It is satisfactory to learn that our difficulties have been less extreme than those in other parts of the Commonwealth, and this is ascribed to the greater stability of our people and industry generally.

Production and development are proceeding on a relatively high level and, indeed, there is real need for them to continue on a high level. Fortunately, our primary industries are particularly efficient and are making a very large contribution to the increasing level of the national income. It would appear that a standardization of interest rates has developed, but not of risks for, as we are all aware, the general interest rate varies in direct ratio to risk. However, the general rule will and must

apply that the community, like the individual, must live within its means. If its judgment is considered good, that is, if it has the confidence of the investors, it can get money to carry on its projects. It must, however, not endeavour to burn the candle at both ends. Money has to be made before it can be invested by the people, and their goodwill depends upon their continuing to be convinced that in the long run the venture will pay. We know of numerous instances in South Australia where there has been no profitable return for quite a while; in some cases we are still waiting for the lane to have a turning and for a particular investment to pay. Sooner or later, however, that will be experienced; if not directly it may be indirectly, but nevertheless in the development of a country there must be a lot of indirect benefits.

Taxation which takes toll of the profits in direct levies and then turns to the shareholder, who has already paid taxation, and makes him pay again, is wrong and is inevitably riding for a fall. Of course, it is realized that a young country has its own peculiar problems, particularly in the early days of its development, but we are beginning to grow up now; we are already well into the second century of our development of this part of the Continent and the time is coming when the view of the taxation authorities should be how little they can get along with and not how much they can get. Everyone will have noticed for some time the definite disinclination of the public to invest in Government stocks and even in this morning's paper there is reference to this on the financial page, where it is featured quite prominently, but there is nothing sinister in this. With high taxation and most things being more costly there is a tendency to take more risks for greater returns rather than to accept a very low rate of interest, which, in turn, has to bear a relatively high rate of taxation. This condition, however, ebbs and flows and with the further extension of both primary and secondary industries the demand for capital will increase. I cannot agree with Mr. Condon that this Government is unbalanced because there is no country representation in the Ministry. I rather deplore the continuous comparison of metropolitan and rural membership because the experience of most is that our Ministry is so well acquainted with every corner of the State that the services its members render to the Parliament and the State generally are of a high degree. The Premier has presented his fourteenth Budget and during that period the Government finances have

achieved a net surplus of more than £1,000,000, the State has made a major contribution to a war effort and there has been the greatest industrial and rural development in our history. Its citizens now face the future with prospects both bright and encouraging for primary and secondary industries. I notice that whereas the Appropriation Bill last year contained seven clauses, on this occasion there is an eighth clause, the short title of which is "Authority for certain payments for use of vehicles." I have no doubt that there is every reason for its inclusion and shall look forward to hearing some reference made to it. The Bill represents a great deal of money. We are still building up the State for those who are to follow us and I hope, with confidence, that the money will be well and properly invested to the advantage of the State. I support the second reading.

The Hon. E. ANTHONY (Central No. 2) —With his usual sanguine disposition Sir Wallace Sandford has struck an optimistic note. In a young country it is well to be optimistic and surely this country has a future. It is largely undeveloped and is full of potential and it only requires the will to develop that potential to make Australia great. Eventually when our people are full of real patriotism and love for country we will see a great forward march which will develop our prosperity. At the same time we are faced with a critical period of unusual financial strain in many quarters. I do not agree with the Leader of the Opposition when he deplored the lack of development in this country. I am sure we were all grateful for the opportunity of visiting the settlements on Kangaroo Island to see the extraordinary development which has taken place in a few years. The country is being developed at heavy expenditure, which only a Government can undertake, and areas which would have remained idle in a short time will be ready for allotment to returned soldiers. With the right type of settler with determination to succeed not only his success, but the State's prosperity, will be assured.

I fear that if the present practice continues much longer there will be a complete breakdown of the Loan Council. If semi-governmental bodies are permitted to go on the market to borrow money for the development of projects there will be a shortage of money because it will all be coming from the pockets of the same people. Somebody will have to go short and the Governments are finding that

they have to go short. The last Commonwealth Government loan was heavily under-subscribed, probably because of the natural desire of people who have money to invest it on the best possible market.

The Hon. K. E. J. Bardolph—Wasn't the Commonwealth loan the best investment?

The Hon. E. ANTHONY—It was a good investment but people naturally seek the best market for their investments and if they discover an attractive proposition they will subscribe to it and that is what has happened. It has had a bad effect on those who put their loose money into Government bonds. They have depreciated on the market, because money is flowing in other directions and that depresses the bond market. I was struck by Sir Wallace Sandford's reference to the depression on the bond market. People are shy of buying bonds because they can find better investments. People are talking about the country heading for a depression and such talk if repeated continuously will lead people to believe it. Bill Adams said so often that he won the battle of Waterloo that he finally believed it. The Labor Party has spoken depression so long that people are beginning to believe it. I will confine myself to matters relating to the Education Department for a moment. In common with other departments it has increased its budget requirements tremendously. Education is costing the taxpayer about £4,648,000 today.

The Hon. K. E. J. Bardolph—Or about £20 a child.

The Hon. E. ANTHONY—It costs considerably more than that. It is in the vicinity of £40 for a child undergoing secondary education and somewhat less for primary education. Primary education cost the State £2,611,000 last year and technical and high school education made up the total amount.

The Hon. A. A. Hoare—It is money well spent.

The Hon. E. ANTHONY—I hope it is well spent because I have always advocated that if education is spread widely enough it will eventually solve a number of our social problems. It is no use talking prohibition and the drink traffic. There is a small quotation to this effect:—

There is a little public house
That every man might close,
And that's the little public house
That's underneath his nose.

It is a matter of disciplining oneself and education, if carried out properly, teaches discipline. There has been a considerable

improvement in school conditions and a far higher standard of teachers generally, largely due to the interest taken by the Minister himself. Much more comfortable schools are being built and classes are smaller. Both teaching and school conditions have been considerably improved. I was astonished, on visiting a couple of new schools, to see what the department has done for the comfort of scholars. Nothing seems to be wanting and I hope they will appreciate what the department has done for them. The schools are a credit, not only to the Architect-in-Chief's Department, but to the State.

The Hon. S. C. Bevan—What about the work of the school committees?

The Hon. E. ANTHONY—The Minister and the department are pleased with the great response they have received from the Parents' Association which last year contributed nearly £100,000 towards school amenities. It is a wonderful achievement for a small group of people who have worked extremely hard in trying to improve school conditions for their children. I am a great advocate of area schools. Instead of having a lot of small schools scattered around the country, with one teacher, it is far better for the children to attend area schools. However, I was staggered to see the cost to the State for transporting children to them. Last year it cost £198,000. That figure includes payments to parents who take their children to school in their own conveyances, but I do not know why parents should be paid for taking their children to school. I do not know whether any statistics have been compiled to show if the department is saving money by closing small schools. Transportation costs are staggering. Although many inquiries have been made into our education system nobody seems to have arrived at a standard of education suitable for our primary schools. I heard the president of the Teachers' Association say the other day that the curriculum in our primary schools was far too academic.

The Hon. R. J. Rudall—When did you hear him say that?

The Hon. E. ANTHONY—It was a statement issued by Mr. Raggatt over the air. I am sure his name would not have been used had he not made it. Another matter affecting education concerns Roseworthy Agricultural College. At present 90 students attend the college and it is costing the State £772 a head to educate them. Their fees towards that cost is less than £3 a week and there appears to be good reason

for an inquiry as to whether they could not make a larger contribution towards their schooling. Mr. Condon stated that employment in the Government service had fallen off, but the Auditor-General's report shows that 2,000 more persons are in Government employ this year than last, which does not suggest there has been much unemployment. Our water supplies are in a critical state and people who reside in the suburbs know what they have to contend with. Even during the winter months some areas are practically without water at weekends. The situation is serious and I trust that the department will put in larger mains so that people can get a better share of water. There are several other matters I desire to deal with, some complimentary and some not complimentary, but "the moving finger writes and having writ moves on" so I will conclude with these few remarks.

The Hon. J. L. S. BICE secured the adjournment of the debate.

ROAD TRAFFIC ACT AMENDMENT BILL.

Received from the House of Assembly and read a first time.

The Hon. R. J. RUDALL (Attorney-General)—I move—

That this Bill be now read a second time.

No basic changes in the road traffic laws are proposed this year, but this Bill deals with several minor problems which have arisen in recent months. Clause 3 deals with the registration fees payable on vehicles of the kind known as "sanivans" and other vehicles used for the removal of household rubbish. This question was raised by the East Torrens Municipal Destructor Trust. The trust operates three diesel-engined sanivans. As a result of the increase approved last year in the registration fees for diesel-engined motor vehicles, the registration fee for each sanivan was raised from £34 13s. to £69 6s. This imposed a substantial burden on the trust, which asked that it should be given some relief. After investigating the position the Government decided that it would be reasonable to register sanivans and other vehicles used by local authorities solely or mainly for the collection or transport of household rubbish without payment of any fee. Clause 3 enables this to be done.

Clause 4 deals with the mechanical signalling devices required to be fitted to motor vehicles more than 7ft. wide. It is arguable that under section 40c of the principal Act if a trailer more than 7ft. wide is drawn by a motor vehicle

which is more than 7ft. wide both the trailer and the motor vehicle must be fitted with mechanical signalling devices. Such a duplication of devices is, of course, unnecessary, and in practice those concerned in the administration of the Act have accepted the principle that it will be a sufficient compliance with the Act if one proper signalling device is fitted either to the vehicle or the trailer. It is, however, desirable that any doubts about the obligations of motorists should be removed and it is therefore proposed to enact that if a motor vehicle is itself fitted with a signalling device complying with the law a trailer drawn by such vehicle need not be so fitted.

Clause 5 deals with the duty of a motorist who is charged with an offence under the Road Traffic Act to produce his licence to the court at the time of the hearing of the charge. This provision is contained in Part II. of the Road Traffic Act and only requires a motorist to produce his licence in court in cases where he is charged with an offence under Part II. But since the enactment of Part II. there have been many other provisions inserted in the Act—*e.g.*, those dealing with insurance—for the breach of which the court may order that the licence be cancelled and it is desirable that defendants charged with breaches of these provisions also should produce their driving licences to the court at the time of the hearing of the charge. It is proposed, therefore, in clause 5 to place on the defendant a duty to produce his licence to the court on the hearing of any charge for an offence against any provision of the Road Traffic Act relating to motor vehicles.

Clause 6 deals with the rights of an insurance company in a case where a motor vehicle is driven by a person who has stolen it or by some other unauthorized person. If when the vehicle is so driven any person is injured by the negligence of the driver the insurance company is obliged to compensate the injured person but has no right or recourse against the person who caused the injury. Although it is necessary, in the interests of the general public, that an injury caused by a person using a motor vehicle without consent of the owner should be covered by insurance, there is no reason why the law breaker himself should not be liable to re-imburse the insurance company if he can be found and made to pay. It is accordingly proposed in clause 6 that where a person is convicted of having driven a vehicle without the consent of the owner and the insurer has paid any money in respect of a claim for death or bodily injury caused by such driving the

insurer may recover the amount paid by him from the convicted person. The justice of this clause will, I think, be obvious.

Clause 7 deals with the erection of stop signs at railway crossings. Under section 130b of the Road Traffic Act it is provided that the Railways Commissioner may erect stop signs on any road at or near any level crossing. It appears that some stop signs which would appear at first sight to be on a road are, in fact, on small pieces of land which have ceased to form part of the road and have been fenced in as railway property. Stop signs erected at such places are, of course, quite satisfactory is so far as they are clearly visible to the approaching traffic and there is no reason why they should not be continued but at present they do not strictly comply with the letter of the law. It is accordingly proposed to amend section 130b so as to allow stop signs at railway crossings to be erected either on or off the road so long as they are clearly visible to traffic approaching the crossing.

Clause 8 proposes that fire brigade vehicles, motor ambulances and police vehicles shall be exempt from the speed limit of 35 miles an hour in municipalities, towns and townships. At present these vehicles are subject to this speed limit. It has been pointed out by the Commissioner of Police that in the course of their duty the police are often compelled to travel at speeds in excess of 35 miles an hour and has asked that police vehicles should be exempt from this restriction. It appears to the Government that this request is reasonable. In addition, in cases of emergency, fire brigade vehicles and ambulance vehicles often have good cause for exceeding the speed limit. It is therefore proposed by clause 8 to include section 43b, which imposes the speed limit of 35 miles an hour, in the list of provisions of the Road Traffic Act from which fire, ambulance, and police vehicles are exempt. These vehicles will, however, still be subject to the sections of the Act dealing with careless, reckless, or dangerous driving.

The Hon. F. J. CONDON secured the adjournment of the debate.

SALE OF GOODS ACT AMENDMENT BILL.

Received from the House of Assembly and read a first time.

The Hon. R. J. RUDALL (Attorney-General)
—I move—

That this Bill be now read a second time.
Its object is to abolish the draft allowance on sheep skins. The effect of the draft allowance is that in computing the amount payable

by the buyer for each hundredweight of sheep skins sold he is allowed a deduction equal to the price of one pound. The deduction is an old trade custom of obscure origin. It is believed that it was allowed to protect buyers from short weight brought about by the use of inaccurate scales. A draft allowance used to be made in the same way on sales of wool, but was abolished by legislation in all States of Australia and in New Zealand in 1938. It was thought at that time by woolgrowers that with improvements in scales there was no justification for the practice and that the allowance amounted to a gift to wool buyers.

The Stockowners' Association of South Australia has made strong representations to the Government that legislation should also be passed abolishing the draft allowance on sheepskins. It urges that there is the same justification for abolishing this draft allowance as for abolishing the draft allowance on wool. It states that the employment by the Government of an inspector of weights and measures ensures the accuracy of scales and calculates that the value of the draft allowance on sheepskins sold at the Adelaide auctions amounts to £6,000 per annum. The question of the draft allowance on sheepskins, listed at the request of Western Australia, was considered by the Australian Agricultural Council at its 37th meeting in July of this year. The council adopted the report and recommendation of the Standing Committee on Agriculture which was as follows:—

The Standing Committee reports that following consideration by the Agricultural Council in 1938 the States passed legislation prohibiting a draft allowance on wool. The question of similar action to abolish the draft allowance on sheepskins was considered by the Agricultural Council in 1940 but, in view of the war-time appraisements schemes for sheepskins and hides, was not pursued at that time. However the matter has since been raised again by the Australian Woolgrowers' Council in a letter to the Minister of Commerce and Agriculture.

The Standing Committee submits, for consideration by the Agricultural Council, that there is no justification for the continuance of the draft allowance on sheepskins, which has already been abolished in most other countries. The Committee recommends, therefore, that action be taken by all State Governments to introduce legislation prohibiting a draft allowance on sheepskins.

The Government has decided to accede to the request of the Stockowners' Association for the abolition of the draft allowance on sheepskins and accordingly introduces this Bill to amend the Sale of Goods Act. Clause 3 enacts a new section, which is in substantially

the same form as that which abolished the draft allowance on wool. Its effect is to avoid any express or implied term in a contract of sale of sheepskins providing for a draft allowance and provides for abolition to come into effect by proclamation. This will enable the Government to postpone abolition while it sees what action is taken by other States and, if it is desirable, to give effect to abolition at the same time as elsewhere.

The Hon. C. R. CUDMORE secured the adjournment of the debate.

BARLEY MARKETING ACT AMENDMENT BILL.

Received from the House of Assembly and read a first time.

The Hon. R. J. RUDALL (Attorney-General)
—I move—

That this Bill be now read a second time.

The objects of this Bill are to extend the legislation under which the Australian Barley Board is constituted and to make some amendments to deal with problems which have arisen in the course of the board's operations during the past five years. The Bill has been submitted to and approved by the Victorian Government, and a Bill in the same form has already been introduced in that State. Members no doubt are aware that the Australian Barley Board is constituted under statutes passed in identical terms by this Parliament and the Parliament of Victoria in the year 1947. Under these Acts the barley marketing scheme which had previously been operated by the Commonwealth as a war measure was continued under new administration for a further period of five years. This period will expire after the present season, and the question of extending the Act must therefore now be considered. Discussions have taken place between the Government of this State and the Government of Victoria as to the desirability of a renewal and both Governments have agreed to recommend to their Parliaments that the scheme should be continued for another five years, that is, until the end of the season 1957-1958. Information received by both Governments indicates that the barley marketing scheme is generally acceptable to the growers and that their feelings are in favour of a continuance of the scheme. Some persons have suggested a longer term than five years, but the Governments feel that in a matter such as this it is not wise to make arrangements too far ahead, and that it is

better to err on the side of moderation. For this reason, therefore, a term of five years has been decided upon and this extension is given effect to by clause 7.

Clauses 3 and 4 deal with the remuneration and allowances payable to members of the board. At present these are fixed by the arrangement made between the Government of South Australia and the Government of Victoria under which the Australian Barley Board is set up. This arrangement can only be altered by an Act of Parliament. In view of the need for adjusting salaries and allowances to meet recent changes in the value of money it appears to the two Governments concerned that it would be better if the remuneration and allowances of the members of the board could be fixed by agreement between the Ministers of Agriculture rather than by the more formal method of altering the arrangement between the Governments. It is accordingly proposed by clauses 3 and 4 to take away the power to fix members' remunerations and allowances by the arrangement, and to hand these matters over to the Ministers for determination. In the event of the Ministers not being able to agree upon any particular rate they are required to refer it to some other person for decision.

Clause 5 extends the powers of the Australian Barley Board in two respects. In the first place, it provides that the board may expend money on experiments, research and work, the object of which is to improve or discover means of improving the quality of seed barley. The board is desirous of promoting a scheme for the production of high-grade seed barley which will be available to barley growers with whom the board deals. This scheme, which will be carried out in co-operation with the Department of Agriculture, will involve some relatively small expenditure from the board's funds. At present there is no authority for such expenditure, but in view of the value of the proposed scheme to growers it appears reasonable that the board should be empowered to assist it financially. The amounts involved are small.

The other power conferred on the board by clause 5 is to charter ships for the transport of barley and other cargo between ports of the Commonwealth. The clause provides, however, that cargo other than barley can only be carried as back loading, because the board has no desire to enter into the shipping business for general cargo in competition with shipping companies. In fact, the board has already chartered a small ketch which is engaged in transporting barley between coastal ports in South Australia and occasionally makes voyages to Melbourne. Possibly the power to do this is already implied in the Act, but as doubts have been raised about the matter, and the board's expenditure has to pass a strict audit it is proposed to grant the power expressly.

Clause 6 enables the board to set aside into a reserve fund the small balances which sometimes remain after the growers have been paid for a season's barley. It not infrequently happens that after the last distribution has been made for a season's barley there are very small sums of money left which are so small as barely to pay the cost of the cheques and postage involved in sending them to the growers. Legally the board is required to pay out all these sums to the growers in each season, but it would obviously be uneconomic to do so and the board has, in practice, allowed the money to accumulate as a reserve for contingencies. It is desirable to give a legal power for this practice to continue. Clause 6 confers such a power and provides for the building up and investment of the reserve fund and empowers the board to use it to meet such expenditure or liabilities of the board as it deems proper.

The Hon. F. J. CONDON secured the adjournment of the debate.

LAND TAX ACT AMENDMENT BILL.

Received from the House of Assembly and read a first time.

ADJOURNMENT.

At 5.54 p.m. the Council adjourned until Thursday, November 13, at 2 p.m.