

LEGISLATIVE COUNCIL.

Tuesday, October 14, 1958.

The PRESIDENT (Hon. Sir Walter Duncan) took the Chair at 2.15 p.m. and read prayers.

ASSENT TO ACTS.

His Excellency the Lieutenant-Governor intimated by message his assent to the Country Housing and Road Charges (Refunds) Acts.

QUESTION.**NEW TUBERCULOSIS CLINIC.**

The Hon. K. E. J. BARDOLPH—Has the Chief Secretary a reply to my question of October 8 regarding the reported establishment of a new tuberculosis clinic at Ruthven Mansions?

The Hon. Sir LYELL McEWIN—The reply to the honourable member's question involves a three-page report which may be summarized in this way: firstly, because of the many public services and functions involved it is desirable to have the clinic close to the general hospital. Secondly, the centre was planned by those who will be responsible for its working, in consultation with many persons who work both full-time and part-time on tuberculosis services. I shall be happy to make the report available to the honourable member to enable him to study the details supplied.

PUBLIC WORKS COMMITTEE REPORTS.

The PRESIDENT laid on the table reports by the Parliamentary Standing Committee on Public Works on Royal Adelaide Hospital (Radiotherapy and Women's Hospital Block Additions), Supreme Court Additional Accommodation (final report), and Main to link Barossa Trunk Main and Mannum-Adelaide Pipeline, together with minutes of evidence.

APPROPRIATION BILL (No. 2).

Adjourned debate on second reading.

(Continued from October 8. Page 1105.)

The Hon. F. J. CONDON (Leader of the Opposition)—I hope that this will be the last time that I will have to speak on the Appropriation Bill from this side of the Council, for I feel confident that the people of South Australia want a change of Government, and I do not think that the State could lose anything by it.

The Hon. Sir Frank Perry—People usually want a change for the better.

The Hon. F. J. CONDON—My friend never improves and therefore cannot change. The Government has had a good ride on inflation, increased population, good seasons and high prices for primary products, and it has accomplished a great deal; nobody wants to take credit from the Government for its achievements, but I point out that it has had the support of Parliament in every important piece of legislation it has introduced over the years.

The Hon. Sir Arthur Rymill—Because it was good legislation.

The Hon. F. J. CONDON—I will admit it was good legislation, but however good this Government may have been perhaps Labor could provide a better Government if given the opportunity. No State can make progress with completely one-way traffic, and this afternoon I intend to give reasons why there should be a change. Over the past four years revenue has increased by £20,000,000 and expenditure by £20,300,000. We once heard a lot about uniform taxation, but we have not heard much about it lately from our Liberal friends. Why? If this State is so prosperous, and is going ahead as fast as the Government claims how long will we be able to sustain our claim for special grants from the Federal Government? Nine years ago the grant to South Australia was £4,630,000, or 56 per cent of the total amount received from the Commonwealth. Last year it was nearly four times that amount, namely, £17,481,000, or 73.7 per cent of the total granted. In 1948-49 the total grant from the Commonwealth was £8,148,000; in 1957-58 it was £23,885,000. This represents an increase of 278 per cent, compared with the 193 per cent increase in total revenue received from the Commonwealth.

Honourable members have not heard me speak at any great length in this House on decentralization. Every time that word is mentioned in another place it is challenged, but we must take a more moderate view of decentralization. I should like this afternoon to say something about Port Pirie. In doing so, I am not casting any reflections on the honourable members who represent that district. I have always maintained that at least I try to represent not only Central No. 1 district but the State, which is how it should be.

Port Pirie is a town with a good industrial record. In my early days I worked in flour mills, in the smelters, on the wharf and in ketches trading with the B.H.P. works. Then,

the population was nearly as great as it is today, and that industry was controlled by B.H.P. Over the years the town has shown a marked improvement in mechanization. My information is that over one hundred men have been put off from the local smelters, the industry now being under different ownership. With the bulk handling of wheat at Wallaroo, the depressed lead markets and the further proposal for mechanization on the wharves, Port Pirie will be a ghost town like Quorn and Wallaroo if something is not done. Therefore, I ask the Government to do something to get additional industries at Port Pirie. All and sundry there are most concerned about what is likely to happen. It affects not only the water-side workers and perhaps the railway workers but everybody.

The Hon. Sir. Lyell McEwin—At Port Pirie?

The Hon. F. J. CONDON—I am speaking now of Port Pirie, with its wonderful industrial record. It is right to say that over the years the wharves in particular have played an important part in the economy of South Australia.

Port Pirie over the years has lost its coal trade, its timber trade via Broken Hill and many other things. I know I am not alone in making this plea; the men representing that district have done a good job. I am not in any way reflecting on their reputation but, unless Parliament and the Government do something to try to arrest the unemployment that is likely to occur, the town will suffer. When we realize that the town's population has increased only slightly over the last 40 years, it is time something was done. We do not object to mechanization or improved methods but, whilst we are introducing improved methods, we should also provide for those people put out of work.

The Hon. Sir Frank Perry—How far is Port Pirie from Port Augusta?

The Hon. F. J. CONDON—Sixty miles. The point is this: does my honourable friend want the people who have lived in that town all their lives to sell their homes and go elsewhere, when they have helped to build up that town's industry? They must be considered.

The Hon. Sir Frank Perry—There are many single men in Port Pirie.

The Hon. F. J. CONDON—No. They are men who built their homes, populated the district and placed Port Pirie on the map. Are they not entitled to some consideration? Before the Public Works Standing Committee today there is a reference dealing with (1) widening the harbour fairway opposite

Barrier and Queen's wharves and reconstructing the wharves on a new alignment; (2) widening the swinging basin to 900ft.; (3) deepening the channel and harbour to 21ft. low water. The mechanized handling plant and installations will cost just on £750,000 and the wharf construction about £995,000, making a total cost of £1,727,000. It seems that the number of people employed on the wharves and on the railways will be reduced to a minimum.

The Opposition does not object to these improvements, but what is to become of the people who will be put out of work? Are we providing for those people to be employed elsewhere? This Government should embark on a policy of decentralization. We are faced with a reduction in the lead output and the reduction of freight on the Broken Hill-Port Pirie line. In addition, the wheat that ordinarily comes into this district will now go to Wallaroo. We must consider whether it is worth-while spending this money at Port Pirie, because nobody knows whether the Broken Hill trade will go to Port Pirie or Cockle Creek.

The Hon. W. W. Robinson—Increased facilities at Port Pirie will help attract the trade there.

The Hon. F. J. CONDON—Competition from other States may take it away, and it is impossible to say whether South Australia will hold that trade or lose it. Three or four companies are involved at Port Pirie. We must try to arrest the drift from that town. Many years ago timber boats used to come to Port Pirie every month, but now there would not be more than one a year. I am not objecting to mechanization, but we must obviate the unemployment which follows.

The Hon. Sir Lyell McEwin—We are doing a bit better than the other States.

The Hon. F. J. CONDON—That may be so, but the Minister surely does not criticize me for bringing these matters forward. I am merely pointing out to honourable members what we have to face up to. This is supposed to be a prosperous State.

The Hon. Sir Lyell McEwin—Do you deny that?

The Hon. F. J. CONDON—I say we would have more prosperity if we had a change of Government.

Members interjecting—

The PRESIDENT—Order!

The Hon. F. J. CONDON—The fact that only three Liberal members did not interject leads me to believe that my statement is true.

The Hon. L. H. Densley—We were so surprised at the statement we did not interject.

The Hon. F. J. CONDON—My friends on the other side are often surprised at what members of the Opposition say, but the Government has good reason at times to know that there is an Opposition in this Chamber. I am sincere in my plea for Port Pirie and other places. No matter whether it is Port Pirie, Wallaroo or any other place, I seriously urge that when we are making changes in these places we should keep in mind that what we are endeavouring to do in one place may be detrimental not only to another place but to the State as well.

For this financial year the Government is budgeting for a deficit on Consolidated Revenue Account of £966,000. Proposed payments total £73,413,000, while receipts are estimated to amount to £72,447,000. The £73,000,000 odd includes £18,934,000, being moneys required annually, leaving £54,479,000 to be appropriated under this Bill. Over the past year the actual deficit amounted to £400,000 compared with the original estimate of £520,000. Receipts amounting to £70,642,000 were £453,000 less than estimated, whereas payments at £71,042,000 fell short of the estimate by £573,000.

Consideration should be given to the additional costs of Government undertakings. I have in mind the operation of the Harbors Board in handling wheat. It is called upon to spend huge sums for operational improvements, but does it receive any more revenue? Likewise, the Railways Department is faced with increased working expenses in the bulk handling of wheat at such places as Wallaroo and Port Lincoln, but what are its additional returns? The time will come when South Australia will not be able to get increased disability grants from the Commonwealth Government. It is only right that I should point out the position as I see it. One reason given for the reduced volume of business available to the railways and the Harbors Board is the reduction of the ore freight from Broken Hill and a poor harvest. Earlier in the year we were faced with a dismal outlook, but bountiful rains have changed the spirits of everyone.

An amount of £1,386,710 has been provided for the Harbors Board. The total State funds employed in this department as at June 30 amounted to £14,170,100. Loan expenditure for the year was £1,160,000, mainly on improvements at Port Adelaide, Port Lincoln and Wallaroo. Interstate transport competition has

made a big difference to Harbors Board revenue. Despite substantial reductions, amounting to 313,000 tons, the revenue-producing cargo tonnages handled over the wharves resulted in increased earnings of £7,000 compared with the previous year, and the earnings from wharfage dues were an all-time high. The volume of cargo fell by 521,000 tons, or 4.7 per cent, compared with the previous year's tonnage of 11,195,000. Port Adelaide handled 143,000 tons less, and outports 378,000 tons less. Of the 37 revenue-producing ports, only 11 returned surpluses. Although earnings on the coal handling plant at Osborne increased by £39,000 (an increase of 20 per cent), costs increased by 9 per cent, and the loss on the year's operations of £31,000 was equivalent to 8d. a ton.

The Hon. Sir Collier Cudmore—What is your remedy?

The Hon. F. J. CONDON—A change of Government. There is also a need for better supervision. When we are told that by spending a huge sum we shall get things cheaper, but we do not, it is time that someone said something about it. We hear much about the efficiency of the Government, but this Government has allowed the prices of practically everything associated with building to increase. In this respect I could refer to the Mannum-Adelaide water main, the Queen Elizabeth Hospital and other Government projects.

The Hon. E. Anthony—The honourable member has always supported price control and yet we get higher prices in spite of it.

The Hon. F. J. CONDON—The difficulty is not in the Act but in its administration. I have always stood for price control, but it is not much value administered by the State; it must be Commonwealth-wide.

Talking of increases in prices, let us have a look at water rates and wharfage dues. The latter were increased as from October 1, 1956, and the resultant earnings were up £14,000 for the full year. The tonnage of ships entering the port was maintained at approximately the previous year's level, but the ships occupied the wharves for a shorter time because of the smaller cargoes to be discharged and the greater speed in handling phosphate rock cargoes. Only two of the five deep sea ports returned surpluses, namely, Port Adelaide £111,000, and Port Pirie £196,000. The following losses were incurred:—Thevenard £9,000, Port Lincoln £6,000 and Wallaroo £2,000. Of the 32 other revenue producing

ports only nine returned surpluses totalling £25,000, mainly at Stenhouse Bay £6,000, Ardrossan £13,000, and Whyalla £5,000. The net cost of maintaining jetties and improvements at localities not engaged in shipping operations and from which the board receives little or no revenue was £79,000. I have no wish to deny the districts concerned the services of these small outports, but I point out that we cannot go on making losses and expect to receive additional Commonwealth grants.

The Hon. E. Anthoney—Would a Labor Government close them down?

The Hon. F. J. CONDON—I do not know, but if it did no better than the present Government it ought to be wiped out of office for ever.

The Hon. Sir Collier Cudmore—Isn't there a lot of nonsense talked about decentralization?

The Hon. F. J. CONDON—The honourable member will agree that Port Pirie's is a case worth considering, and I am merely pointing out what is likely to happen. I do not know the solution. I am not a member of the Government.

The Hon. Sir Collier Cudmore—But your Party is always attacking the Government on the question of decentralization.

The Hon. F. J. CONDON—Private enterprise has worked up a very big industry at Port Pirie and has it not the right to protect itself the same as anybody else? It is all very well for members to joke, but the position at Port Pirie is serious. I well remember the case of an employer on the waterfront at Port Pirie—

The Hon. Sir Frank Perry—All you are giving us is innuendo.

The Hon. F. J. CONDON—No, I am giving facts based on evidence and I challenge the honourable member to disprove anything I have said this afternoon. I would not be using this information if I were not sure of my facts.

Turning now to water supply, we note that the total funds used in these undertakings as at June 30, 1958, amounted to over £49,000,000, an increase of nearly £4,000,000 for the year. The extent of the expansion of the State's water works over the past 10 years may be gauged from—(a) an increase of 144 per cent in funds employed (Adelaide 321 per cent; country 67 per cent), (b) extension of mains by 1,487 miles (Adelaide 569 miles, 36 per cent; country 918 miles, 18 per cent) (c) the 82,000 additional water services (Adelaide 63,000, or 60 per cent; and country 19,000, or 45 per cent).

The Hon. E. Anthoney—That shows great progress.

The Hon. F. J. CONDON—I am not saying anything about the progress of South Australia, but am referring to the prosperity that members opposite are so fond of talking about. We have no prosperity in the way they mean.

The Hon. Sir Frank Perry—It is all relative.

The Hon. F. J. CONDON—Everyone wants to have prosperity, but unfortunately in this Council no-one wants to hear suggestions. Members opposite only do as they are told and no-one must offer any advice.

The Hon. E. H. Edmonds—That is exactly what we want.

The Hon. F. J. CONDON—I made a few suggestions recently on the milling industry and they were very well received. No matter how humble a Labor man, he may be allowed to offer suggestions even though they receive no consideration.

The Hon. A. J. Shard—They capitalize on them at some later stage.

The Hon. F. J. CONDON—The Revenue Account of the Engineering and Water Supply Department for the year 1957-58, after providing for depreciation, shows a deficit of £1,657,000 which is £194,000, or 13 per cent, greater than for the previous year. Each undertaking in the State showed a deficit, the country aggregate being £1,174,000 and the metropolitan area £482,000, whereas only a few years ago the latter showed a return of 11 per cent. I realize that all these works are necessary for developing the State and that we have to take the broad view, but only three water districts, namely, Adelaide, Barossa, and Morgan-Whyalla earned sufficient to meet working expenses and make some contribution towards interest charges. Adelaide district contributed £433,000 or the equivalent of 1.8 per cent on funds employed; Barossa, £24,000 or 1.14 per cent, and Morgan-Whyalla £38,000, or 1.5 per cent.

The Hon. E. Anthoney—Does the honourable member consider that the State charges enough for its services?

The Hon. F. J. CONDON—I will leave that to the honourable member to answer. The Government tells us that water rates have not been increased. While that is strictly true, assessments have been increased and are now probably proportionately greater than any benefit we get from increased water supply. That is how the Government tries to blind the public. Why not be honest about it? For the

Tod River water district earnings were less than a quarter of the year's costs. The Tod River scheme has been a great burden to the State in one direction, but on the other hand its contribution to the expansion of Eyre Peninsula has been very great. All I am pointing out is that, whereas a few years ago the metropolitan area earned 11 per cent profit, it is now showing a deficit.

The Hon. Sir Collier Cudmore—The metropolitan area is not paying so much toward country water supplies as it did formerly, but the Public Works Committee recommended all these supplies.

The Hon. F. J. CONDON—Exactly, and no-one would deny the people in the country or the city people a water supply.

The Hon. Sir Frank Perry—But you are complaining.

The Hon. F. J. CONDON—I am not. I am simply pointing these things out and the honourable member would not know if I did not tell him.

The Hon. Sir Frank Perry—Don't be ridiculous.

The Hon. F. J. CONDON—I am only trying to show that although you may talk about prosperity we are in fact slipping back. Many years ago, when Millbrook reservoir was constructed, the public announcement was made that we would not need another reservoir to supply the metropolitan area for 30 years, whereas it was only a few years later that Mount Bold became necessary. When South Para reservoir was first contemplated, it was proposed to provide for the storage of 14,000,000,000 gallons. Now it is down to 10,000,000,000 gallons and it is half full. Honourable members will have the opportunity of seeing that reservoir next Friday, but even today there are reports lying on the table of this Chamber showing that the Engineering and Water Supply Department wants to make a detour three and a half miles to get the water from South Para to the metropolitan area. The cost of that work is £152,000, but the Government this year will save £127,000 by making that connection. These things have to be considered. Myponga will be ready in two or three years' time and there will also be two more reservoirs necessary to feed the metropolitan area. Who would have thought that two years ago?

The Hon. E. Anthoney—That is a mark of prosperity and progress.

The Hon. F. J. CONDON—That is so, but the progress can be speeded up.

The Hon. Sir. Collier Cudmore—Country people get much of their water from their own tanks and dams.

The Hon. F. J. CONDON—My experience has been that some country people did not want a water supply because they had made provision themselves, but those people who fought against the improved water supply were the first to ask to be connected to any scheme introduced. Tanks do, of course, conserve a great deal of water. Rates due and unpaid on June 30 were £69,364.

The Treasurer's funds employed in the State railways to the end of June were £51,595,000. This includes £2,847,000 representing capital losses incurred prior to 1927, on which the railways are not responsible for debt charges. Funds employed in the undertaking have increased by £6,454,000, or 14 per cent, during the past four years. The reduced volume of primary production and lower production of ore resulted in a reduced tonnage carried. The deficit over the previous year was £785,000. The rise in revenue from passenger traffic was £187,000. I questioned the Minister the other day about that. The monthly average number of staff employed in operating and maintenance has decreased by 78. Total earnings for the year were £13,222,000, a decrease of £613,000, or 4.4 per cent, from the previous year. Earnings from general merchandise, £5,344,000, were down £329,000; from wheat, £646,000, they were down £179,000; and from minerals, £3,275,000, they were down £158,000. There was a general increase in passenger fares from September 15, 1957, of 9 per cent. Revenue on metropolitan railways increased by £100,000. That was due not to reduced but to increased fares.

The Hon. E. Anthoney—It was as a result of the diesel engines.

The Hon. F. J. CONDON—I question whether that money was well spent. In some cases the Railways Department is not doing the right thing. For instance it is shifting the Cheltenham station on the Port line. Refreshment services resulted in a deficit of £19,000, an increase of £2,000 over the previous year. I am not much concerned about that subway at the Adelaide station.

The Hon. E. Anthoney—It is very important.

The Hon. F. J. CONDON—Many people do not seem to think so. It means extra

expense to the Government. People should be educated; they cannot be given everything they want. The country refreshment rooms showed a loss of £6,000. We have to give the public a service, but it is costing the Government a great deal. It would not be nice to come into a country town or Adelaide and not have refreshments. The Railways Department and the Harbors Board are asked to meet extra emergencies and requests, but they get nothing in return. Some people want everything. The Government is compelled to give facilities to the railways, the Harbors Board and the Engineering and Water Supply Department, but what does it get in return? It is just as well to consider these things.

Turning to racing, a few years ago the Betting Control Board was appointed and Parliament later passed legislation involving a severe tax on anybody who was prepared to go to the races and bet.

The Hon. J. L. S. Bice—That was to improve the standard of racing.

The Hon. F. J. CONDON—No. The Government passed legislation that resulted in considerable revenue accruing to itself. I do not know whether the Government recognizes its responsibility in this matter.

The Hon. Sir Frank Perry—Did you support it?

The Hon. F. J. CONDON—No, I opposed the winning bets tax. The revenue from this tax should be put to proper use. Total investments on betting during 1957-58 were £30,571,000, a decrease of £1,534,000, or 4.8 per cent, from the previous year. Investments with bookmakers decreased by £1,598,000 to £28,335,000, and investments with totalizers increased by £64,000 to £2,236,000. The State derived £745,471 from totalizer tax commission on bets, winning bets tax, stamp duty on betting tickets, dividends and winning bets unclaimed. I point this out to show that the Government derived nearly £750,000 from those who desired to invest. What consideration does a man who invests get? The total paid to the clubs was £571,728. The total distribution to charities was £1,344,583. It is obvious that racing is beneficial both to the Government and to some others concerned.

It is surprising that the dividends and winning bets unclaimed last year amounted to £34,130. That may be due to mistakes made by clerks or to people not claiming their bets. It all goes into the Government coffers. Administrative costs of the board were £18,393.

Honourable members may not be pleased with some of the things I have said this afternoon, but I have made a few suggestions to the Government and expressed myself in the way I felt that I should.

The Hon. C. R. STORY (Midland)—I support the Bill which involves an amount of £54,479,000, in addition to earlier appropriations of £18,934,000, making a total for the whole period of £73,413,000. Provision is made for a deficit of £966,000. At the outset I compliment the Chief Secretary on the way he introduced this Bill and on the information he gave us. This makes it very much easier for members to pick up the various lines and to analyse the Bill. We are also indebted to the Hon. Mr. Condon for his very analytical speech. I did not agree very much with some of his conclusions, but I must say that he put a terrific amount of time into obtaining information and giving the House the benefit of that information.

It is most important that members acquaint themselves with the provisions of these appropriations or any other matters that come before the House, particularly measures that deal with the expenditure of money. These occasions give members an opportunity to criticize and to offer suggestions on certain aspects. Although the Council cannot amend or alter this Bill, members are given an opportunity to debate it and to make useful suggestions. Some sections of the public seem to be under a misapprehension about Government finance and to think it is some mystical inexhaustible treasure trove out of which we can just pull a little more when it is required. In fact, the Budget of this State is probably one of the most carefully considered financial documents presented in the country today. That must be so, because it must stand up, firstly, to the test of the public. Certain moneys must be provided for each service, and if money is not provided in the proper proportions the Government stands to lose a considerable amount of face.

These Estimates are brought up from year to year, and anything that goes wrong in one year is on every member's desk the next year to show the exact position, and whether the estimate was close or effective. It is to the general public that I think we should address a few remarks on how our finance is going, and that is why I think it is essential that honourable members should consider these Appropriation Bills. At present we are to a very large degree in the hands of the Loan Council and the Grants Commission. It has been pointed out

today that our full taxing field is not available to us and has not been for some time. We have a restricted taxing field, consisting of stamp and succession duties, motor registrations, betting tax and land tax, and from these sources this year we will receive £9,559,000, an increase of £188,000 on last year.

Any increase likely from these sources will be offset by the decrease in revenue of the Railways Department and the Harbors Board. Mr. Condon went into these matters at some length, and seemed to doubt at one stage whether the fact that our ore trade has fallen considerably and the fact that we had a much lower than average harvest last year had anything to do with our decrease in railways revenue, but I say it had a very definite influence on the railways income. I cannot see how Mr. Condon can suggest that bulk handling will not assist the railways and harbors eventually. I said the other day that I believed we must provide these various services in order to keep the country going. When a primary producer sometimes finds certain lines he is growing can be dispensed with, it is not very long before he finds that they are the ones that become good money spinners, so it is necessary to balance one with the other. I do not entirely agree with Mr. Condon on that particular point.

I stress the importance of primary industry to this State. The one harvest we have had that was under average for the last 10 years is reflected in this particular Bill. Whether that production comes from the land as primary industry or whether it comes in the form of minerals, it is still the most important thing. Our secondary industries are very useful adjuncts to it, but we as a State must look to the continuation of our primary industries. I often wonder whether it would not be a wise policy to restrict certain of our secondary industries which cannot make a profit and which have to be bolstered up by tariff boards and by the community as a whole, because we could import the same commodity from countries which really need our wool and grain. Unless we buy something in return from those countries their balance of payments will be such that they will be unable to continue to buy our primary products.

I cannot for the life of me see that it is very much use Australia going on with certain secondary industry, the products of which from other countries are of far better quality. I offer that as a practical suggestion. We have recently noticed that New Zealand has restricted certain imports because Australia is

unable to take very much from her. That country has made it very clear that she will be unable to take the canned fruit, dried fruit and a number of other commodities which she normally imports from Australia. The same may well apply to France and Japan soon. If we are to persevere with certain secondary industries, as we appear to be doing, I cannot see that we can continue to trade with countries like Japan, which are famous for rayon, silks and things of that nature, or with France, which is a big buyer of our wool. Unless we can take something from those countries I feel that we may find ourselves in difficulty with the disposal of our primary produce.

The Hon. A. J. Shard—We can get some wine from France.

The Hon. C. R. STORY—We are making wine comparable with that produced in France, if not better. The honourable member may have read recently, as I did with great interest, that a certain Barossa firm was successful in winning a prize in Austria, where Australia is competing with the world's best.

The sum of £2,019,746 is provided for the Police Department. This department in the last couple of years has really taken on a new face, and since the Commissioner went overseas the methods being employed are up-to-date. I am pleased that the Government has recognized that and has made provision to bring transport up to the proper pitch so that the public and the police force itself may be protected. I am also pleased to see that the Commissioner has taken a strong line on speeding, especially through built-up areas. It is also pleasing to see the action that has been taken to assist patrols in dealing with child delinquents. I have always maintained that the best way to deal with these people is by good, strong-arm tactics. If that line had been taken with these children at home I do not think we would be seeing so much delinquency on the streets.

An amount of £25,000 is provided for the Yatala Labour Prison for cement brick-making equipment. I think it is wise to put prisoners to some useful form of work. Cracking stones in a mechanized age seems a waste of time, whereas cement brick-making will be useful to the prisoners who will get some therapy for when they come out.

The Hon. A. J. Shard—Do you think it quite fair for the product to be sold more cheaply than that from private industry?

The Hon. C. R. STORY—I do not see any reason why the Government would do that.

The Hon. A. J. Shard—It is doing that, and there is a serious complaint about it.

The Hon. C. R. STORY—I am surprised.

The Hon. A. J. Shard—I am not surprised at anything the Government does. The Chamber of Manufactures has been loudest in opposing the practice.

The Hon. C. R. STORY—I think that is probably only a matter for a round-table conference. My point is that if we can put prisoners to some useful occupation they will come out much better psychologically than if they are made to crack stones. I see no reason why the new Prison Farm at Cadell, provided it is managed properly, should not be a real money spinner to the State. It is situated in beautiful country, and has water near at hand. Provided the right things are grown there I think the prisons in South Australia could become self-supporting in that type of food, and could sell a good deal of it. I sincerely hope it will not be long before the Cadell Prison Farm is occupied. We will see some jockeying for position, no doubt, to get into this particular prison farm when it operates, because it is in a nice locality. The people of Morgan are immensely pleased that it is coming there, and are hoping that it will not be very long before it becomes part and parcel of the district.

The amount of £4,555,201 is provided for the Hospitals Department and the sum voted for medical and health services under Chief Secretary (Miscellaneous) is £1,835,000. This is a tribute to the care of the sick and aged which that Department is providing. The grant to the Adelaide Children's Hospital is £460,000, which includes provision for extra accommodation and for additions to Esteourt House. We are always pleased to see children have proper provision for their medical care, especially those who normally could not be treated in expensive private hospitals. To anyone with humanitarian feelings, this is always warming.

I am exceedingly pleased to notice that Government contributions for hospitals in the country are increasing. People in the country contribute greater amounts towards hospitalization than those living in the city. Country hospital auxiliaries do a wonderfully good job in raising money for their hospitals, and I pay a tribute to those who work so willingly in the

interests of the sick by raising funds, which in turn the Government subsidizes. In the Education Department an additional amount of £470,000 is set aside for increased salaries, not so much those of existing teachers, but to provide for additional teachers to cope with enrolments in the new school year. It is encouraging to notice that the Government is making available increased bursaries to country students, both for the leaving and intermediate sections, and is also providing for an increase in the board allowance of country students. I suggest to the department that where possible leaving honours classes should be established in the more thickly populated country areas where there are perhaps 4,000 to 5,000 children in schools of close proximity. In this way the children could be kept in their home environment in their district where they are likely to find employment eventually, and, what is more important, they would be under home influence in the formative years between 12 and 16; this is extremely important.

For the Minister of Agriculture (Miscellaneous) £404,920 is provided, from which Waite Agricultural Research Institute will receive £280,000, an increase of £80,000 on last year. I consider that South Australia is behind some other States in the field of research. The department seems to be split into too many pockets. We have the head department in Adelaide, the Commonwealth Scientific and Industrial Research Organization, the Waite Agricultural Research Institute, the Viticultural Council and the Viticultural Experimental Station at Urrbrae. Three of the various facets are under different heads, and this makes it difficult for a person who requires research into a particular phase of horticulture. First, he must approach his district horticultural adviser and may have to go as high as the Director of Agriculture himself to get permission to have something done in the way of research. On the other hand, if it is a matter that concerns the C.S.I.R.O. it is even more difficult and consequently much time is lost in going through the various channels.

Much money has been spent on research stations and experimental farms. The scientist in charge of a station has to spend most of his time preparing data to be sent back to his head office in Adelaide, work which should be done by a clerk. Instead, we should have a couple of trained scientists who are capable of carrying out any chemical research work required, including an elementary soil investigation, and in this respect there should be a direct approach to the soil division of the C.S.I.R.O. or the soil

division of the Waite Research Institute. These officers should not be bogged down in administrative work in the office.

The Department of Agriculture has in hand research into two particularly important matters. One relates to the destruction of nematodes and the other to gummosis. Nematodes are minute organisms that attack the roots of vegetables and fruit trees. There are thousands of types of this organism and they must be isolated to enable the scientists to determine the treatment necessary. They include the eel worm, crown gall and club root. Growers in my district are willing to be levied if the department can find a suitable scientist to undertake research into the treatment of nematodes. Trees and vines in the light sandy soils are particularly susceptible to attack, and this applies in some of the soldier settlement areas.

Nematodes are transferred from nurseries to the fields. Certain ground fumigants have proved reasonably successful, but it is a rather expensive treatment if applied to 50 or 100 acres; but in a nursery seed bed the treatment is practicable and quite a good job is done. It is necessary to find a quick, practicable method of immunizing roots of trees before they are planted or to adopt some similar method. It is also very essential that a successful method of attack against gummosis should be found quickly. Although scientists have been working on gummosis for about 15 years, it has not yet been overcome. It is found that the trouble is caused by a wind-borne virus that is liberated after rain and comes from the dead wood of apricot trees. One palliative treatment is the sterilizing of secateurs used for pruning and another is the light pruning of the trees. Nematodes and gummosis can be likened to a root cancer and tree cancer, and the mortality rate in trees and vines in this State is similar to that caused by cancer in the human.

Much has been said about our country water services. It is very heartening for one to drive on Yorke Peninsula and in the Mid-North and see the water mains stretching further and further afield into the better class country, country which will grow anything provided sufficient water is available. No honourable member would begrudge the amount being spent on country water services. To argue that these services are not paying is futile, because without water we cannot have primary production. Without a prosperous country community the city would not prosper. Both city and country go hand in hand. If we lose a considerable amount on the tramways and

perhaps lose a bit on country water services we make it up in other ways, and that is good State administration. I cannot find any fault with the administration of our public utilities.

The Government has given some attention to amending the Irrigation on Private Property Act. I impress that this should be expedited because a number of people are waiting to get the benefits of the amendments, which I understand will be introduced soon. Mr. Cowan knows that the Act has worked very well on the reclaimed swamp country and it is now proposed to enable others to enjoy the same conditions, with slight modifications for spray irrigation and irrigation on the higher levels.

For the Mines Department £741,015 has been set aside, an increase of £45,000. The search for minerals and underground water supplies is to be extended. Minerals are particularly important to South Australia, and equally important are our underground water supplies. Wherever possible the Government should seek to establish the extent of the deposits in our water basins, the depth at which fresh water is available, and the likely hourly flow, and to ensure that the basin is not ruined by the introduction of salt water by unauthorized persons. Experiments should be carried out where possible in recharging these basins from running creeks or streams in the same way as King Ranch in America rejuvenates its basin and saves itself millions of pounds by not having to pipe its water everywhere on the ranch. They have located the basin and have poured into it, in the same way as we have done on a small scale in the metropolitan area, water from a river, and so used the natural basin (without running the water over the whole ranch) by drilling in the extremities and bringing the water to the surface again. We should consider something like that, for we know that there are various strata in these basins and that at some levels salt water appears and further down fresh water may be encountered. If indiscriminate drilling is allowed the whole basin can be fouled.

I think that, the limits of a basin having been established, everyone who draws from it should be restricted to a given percentage, say, one acre in every 50 or something like that, so that irrigation can be carried on, instead of allowing people to sink bores, pull the water out indiscriminately and leave the basin dry. We should examine this before it is too late as it already is in some basins where people have gone on drawing water

without any consideration of the quantity that has been trapped in the basin. This should apply particularly in the Murray mallee where it is terribly difficult for other forms of water supply to be obtained.

Although there are many other topics I could touch upon, I shall not weary members further, but I have been glad of the opportunity to bring these few points before this Council.

The Hon. E. H. EDMONDS secured the adjournment of the debate.

MARINE STORES ACT AMENDMENT BILL.

Returned from the House of Assembly without amendment.

SECONDHAND DEALERS ACT AMENDMENT BILL.

Returned from the House of Assembly without amendment.

LIBRARIES (SUBSIDIES) ACT AMENDMENT BILL.

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

The Hon. C. D. ROWE (Attorney-General)
—I move—

That this Bill be now read a second time.

The object of this Bill is to extend the purposes for which subsidies for libraries may be given under the Libraries (Subsidies) Act, 1955. The scheme of the 1955 Act is that, if the Treasurer is satisfied that a council or a body recommended by a council and approved by the Treasurer, will establish a library in premises of the council or approved body and that the furniture and fittings necessary for the library will be provided, the Treasurer may, in any financial year, subsidize the cost of maintaining and managing the library. Thus, there must be library premises in existence complete with furniture and fittings and the subsidy is limited to a contribution to the annual costs of the library. It is provided that before the Treasurer grants a subsidy, he must consider a report on the matter by the Libraries Board of South Australia, which may recommend conditions upon which the subsidy should be paid.

In addition, it is provided that the Libraries Board may establish a lending service of books to subsidized libraries. The amount of the

subsidy is, in the case of a library operated by a council, not to exceed the contribution of the council. In the case of a library operated by an approved body, the subsidy is limited to that provided by the council to the library so that, before such a library can be subsidized by the Treasurer, it must be supported by the council. The Government is of opinion that, in order to give further encouragement to the establishment of libraries, the power to grant subsidies should be extended.

The Bill therefore provides that the Treasurer may subsidize the capital cost of the library premises up to an amount equal to that provided by the council or approved body. The subsidy will be limited to premises owned by the council or approved body and, if the library occupies part of such premises, the subsidy will apply only in respect of the capital cost of that part. In addition, it is provided that the Treasurer may subsidize the capital cost of the furniture and fittings necessary for the library up to the amount contributed by the council or approved body.

A further result of the Bill will be that, as regards libraries operated by approved bodies, there will be no necessity for the council to contribute towards the annual cost of management before the Treasurer can grant a subsidy for this purpose. It is considered that the existing provision requiring a council contribution could operate adversely as it might mean that, by reason of a council refraining from contributing to such a library, the approved body could not be subsidized and, in all probability, the library would not be established. It is also provided that, if the Treasurer is satisfied that a council or approved body will establish a library in rented premises and that the council or approved body will, within a reasonable time, acquire the ownership of premises in which to house the library, the Treasurer may subsidize the rent of the premises up to the amount of the rent paid by the council or approved body. The existing provisions of the Act requiring any application for subsidy to be reported on by the Libraries Board will continue to apply. Thus, the Bill will broaden the purposes for which a library subsidy can be granted and should considerably assist in the establishment of further libraries in the State.

The Hon. K. E. J. BARDOLPH secured the adjournment of the debate.

POLICE OFFENCES ACT AMENDMENT BILL.

Second reading.

The Hon. N. L. JUDE (Minister of Local Government)—I move—

That this Bill be now read a second time.

This Bill makes amendments to the Police Offences Act dealing with three different topics. The first proposal is to repeal that section of the principal act which makes it an offence for a person who is not an aboriginal native as defined in the Act to consort habitually with aboriginal natives without reasonable excuse. This section was enacted in the Consolidating and Amending Act of 1953 but a somewhat similar principle had been in the law for 90 years before that. The first enactment of the subject was in the Police Act of 1863.

These laws were passed for the purpose of protecting aboriginals against white men who might desire to associate with them for exploitation or criminal or immoral purposes. Obviously they were not intended to retard the assimilation of natives into community life, nor to humiliate them in any way. However, in recent times it has been felt by members of associations interested in the welfare of aboriginals that the section may tend to retard or prevent the assimilation of aboriginals into the life and activities of the general community and may sometimes embarrass or humiliate them. As honourable members know, Parliament and the Government have been requested either to amend or repeal the section. The Government has given very careful consideration to the request. Although it is open to doubt whether all the criticisms of the section are justified, the Government is anxious that no impediment should exist to the free development of honourable and friendly associations between the natives and other sections of the community. For this reason the Government now proposes the repeal of section 14. It regards the repeal as an experiment worth a trial. If future experience should show the need for re-introducing some such protection for aboriginals as was given by the section, the matter will be reconsidered in a sympathetic and humane spirit.

Clause 4 deals with a class of conduct which was formerly thought to be punishable, but has recently been held by the South Australian Supreme Court not to be so. The offence may be described in popular language as faking deaths or other events which appear to call

for police action. There have been two or three examples of this class of conduct in the last few months. In one case two persons lost their lives in the search for a man who had faked a disappearance from rocks on the south coast. At present there is an offence created by section 62 of the Police Offences Act which consists of knowingly making false verbal reports to the police as to the occurrence of circumstances calling for police investigation. The class of conduct with which clause 4 of the Bill deals is similar in principle to this existing offence. The clause makes it an offence to falsely represent by conduct that any crime has been committed or that life has been lost or endangered. The main difference between the new clause and section 62 is that the section applies to false verbal misrepresentations, whereas the new clause deals with false representations made by conduct. Another difference is that whereas the present Act applies to representations relating to any matter calling for police investigation, the Bill is now limited to representations concerning crimes, death, and danger to life. It used to be thought that the kind of conduct dealt with in the clause was one form of the crime of "doing an act to the public mischief" which was punishable by fine or imprisonment of any amount which the court might think appropriate. It is undoubtedly a matter which deserves severe punishment and for this reason the Bill provides for a penalty of a fine not exceeding one hundred pounds or imprisonment for not more than one year. In addition the defendant may be ordered to pay the costs of any police investigation resulting from his crime.

Clause 5 deals with the power of members of the police force to board ships for the purpose of preserving peace and good order and preventing and detecting the commission of offences. This power is conferred by section 69 of the Police Offences Act. The section, however, only confers power on members of the force in charge of a police station or holding a rank not lower than sergeant. A constable cannot act under the section except when accompanied by a superior officer. The Commissioner of Police has asked that the section should be altered so as to remove the limitation on the power of constables. The shipping police at Port Adelaide consists of ten constables and a sergeant, and the constables work in pairs. Obviously it is not possible for a sergeant to accompany every pair of constables and thus the present law is an impediment to the efficient use of the available police.

It is desirable that the powers conferred by section 69 should be exercisable by constables. There seems to be no strong reason for restricting their powers in this matter, because in most statutory provisions conferring powers on members of the force, constables are authorized to act equally with non-commissioned officers. It is true that section 70 of the Police Offences Act which also confers powers on the police in relation to ships, is limited to ranks above constable. But there is a special reason for this because section 70 confers the drastic power of stopping a ship. There is no similar justification for limiting section 69. It is therefore proposed by clause 5 to confer the powers mentioned in section 69 on any member of the police force. I commend the Bill to the favourable consideration of members.

The Hon. S. C. BEVAN secured the adjournment of the debate.

OIL REFINERY (HUNDRED OF NOARLUNGA) INDENTURE BILL.

Adjourned debate on second reading.

(Continued from October 8. Page 1100.)

The Hon. K. E. J. BARDOLPH (Central No. 1)—I support the Bill. First, I register a protest at the manner in which the Premier has brought it before Parliament. Some years ago Parliament set up an Industries Development Committee for the purpose of receiving from the Treasurer of the day, whoever he might be, applications from various industries, not only from this State but from other States in the Commonwealth, so that it could make surveys and complete investigations into, and then report back to the Government about, the establishment of industries in South Australia. It seems strange that on this occasion the Premier and the various departmental officials tentatively entered into an agreement and then after formulating an indenture submitted in another place legislation which was passed and sent to us for ratification. That is quite wrong as it appears to me.

The Industries Development Committee was responsible for maintaining a large volume of industry here. I mention no names but I think all honourable members know, for instance, that a guarantee of £1,000,000 was given for the building industry. Again, over £1,000,000 was recommended by way of loan for the fruit preserving industry to save it from becoming insolvent. Then, on all fours with this proposal was the industry concerned with the development of Nairne pyrites. All these were submitted to the committee which, after a full investigation,

both Houses being represented on it, recommended that a certain guarantee be given for the establishment of the Nairne pyrites industry. Considering the conditions under which those projects have been developed, it will readily be appreciated that the Indenture this House is asked to ratify gives greater concessions and considerations to the applicant American oil company.

The Hon. N. L. JUDE—I do not think that is true. In each of the other cases there have been guarantees.

The Hon. K. E. J. BARDOLPH—I will tell my own story in my own way. I am not attempting to malign or belittle the oil company. If it can get as much as it can out of the Government as concessions, well and good. The point is that under this Indenture there is no company formed and no provision for a company to be formed. Furthermore, the Indenture also provides that no restriction shall be placed on the parent company forming another company and selling its rights and privileges. I do not want to mislead honourable members on this issue but these things appear to me to be wrong.

I want to see industries established here and the Opposition has always supported such a programme. If the Government desires to see this industry established, in my opinion and in the opinion of the Opposition it could approach the proposal from another angle. If the industry is going to be, as I think it will, an asset to South Australia, there is nothing wrong with the Government becoming a party to the ownership of the oil refinery by having at least 51 per cent, or a major portion, of the shares because, as honourable members will realize when they read the Indenture, whilst no money is being made available by the Government in cash by way of shareholdings or guarantees, this State will be committed to considerable expenditure. Many concessions will be given by the Harbors Board in freight, wharfage and other things. When this refinery is in full production, the people of this State will have contributed much to its establishment. In the Indenture there is no time limit. It does not say when all its provisions shall cease to operate. Perhaps my friend on my left will be able to clarify the position by telling this House the actual date when the conditions in the Indenture will cease to operate.

It is a well known axiom that, when an agreement or indenture is drawn up, it always contains a time limit. It does not go on in perpetuity unless it is a peppercorn lease

for 99 years. I mentioned these things, not to be a carping critic but for the purpose of gaining further information before I cast my vote in favour of the proposal and all the provisions in the Indenture.

Another side of the picture concerns the development of industry in South Australia. It is true that this company will provide the necessary funds but for doing that, as I have mentioned earlier, many concessions will be granted. There are, however, oil exploration companies established in South Australia with sound financial backings whose probity cannot be assailed. No provision is made in this Bill, in the event of oil being discovered in South Australia, for concessions to the South Australian companies. These are matters that should be answered by the Government when asking us to ratify this proposal.

When Amalgamated Wireless was established in Australia, the then Federal Government, a Labor Government, in order to establish this most important industry—wireless then being in its infancy—guaranteed or provided the funds, and took 51 per cent of the shareholding in that company, whose success is history. It is regrettable that it was left to a Liberal Government to sell out its interest in the company, as it did with the Commonwealth Oil Refineries Limited, but nevertheless it was the Government's financial support and overall control of shares that placed Amalgamated Wireless on its feet here and allowed it to compete with similar industries in other parts of the world, so much so that it still leads in providing wireless equipment both for radio stations and for domestic use. Those are things that the Government must consider.

This oil refinery will be a most important adjunct to our industry. Its importance is reflected in these figures taken from the *Petroleum Gazette* which gives the total quantity of petroleum products exported from Australia in 1957-58 to New Zealand, Singapore, India and Ceylon, Australian territories and Aden. The Near East will be our greatest customers, and the total quantity of oil for industrial purposes (including aviation and motor spirit, aviation turbine fuel, kerosines, automotive diesel oil and industrial diesel and furnace oils) exported was 313,036,000 gallons. That was in 1957-58. In 1956-57, it was only 179,342,000 gallons. That reflects the need for the establishment of this industry.

Whenever we establish an industry, it sometimes follows that some kindred industry

suffers. Unfortunately, with the establishment of this industry and the refineries in the other States, the coal industry is suffering. Statistics prove now that the world's shipping tonnage carried in 1914 was—Coal-fired, 96.6 per cent, oil-fired only 3.4 per cent. The coal-fired tonnage carried in 1957 was 7.8 per cent and the oil-fired tonnage was 92.2 per cent, which indicates a rapid increase in the use of oil fuel for our transport, whether sea or air, and also for the operation of machinery in our respective industries. Although it is such an important industry, the Government was somewhat over-anxious in its desire to have it established here. I think any company would accept all the concessions and considerations that have been extended to this company.

I want now to refer briefly to some of the statements made by the Chief Secretary in his second reading speech. On clause 3, he said:—

Clause 3 provides that the Indenture is subject to the company's being able to obtain import licences for any plant, equipment and materials required to be imported for the construction of the refinery, and also to the provision by the Commonwealth Bank of the foreign exchange required to make payments for such imports, and payments under contracts for the design and construction of the refinery.

Although I am not a legal man, that seems to be an outlet clause for the company because any one of those conditions—whether finance, construction and design or the securing of import licences—can be applied. It seems that it is still left in the air, that unless these things happen it is not incumbent upon the company to carry out the full provisions of the Indenture.

When an indenture is entered into, it is usually the procedure for all these things to be tallied up and put in their proper place before it is brought into operation. The Minister in his speech said that negotiations had been proceeding for three years. I submit that this company knew what was necessary and that the Government was favourable to the proposal. The company should then have told the Government that it had made arrangements regarding import licences and foreign exchange, which would have been a proper business approach to this matter. I do not suggest that these arrangements have not been made, but I submit that something more specific should have been included in that particular clause, in order that Parliament could be satisfied about the carrying out of the provisions of this Indenture.

Parliament is charged with a great responsibility in this matter. It is not just a question of having this industry established. Clause 15 of the Indenture provides that any assignment of the company's rights, powers, benefits, or privileges under the agreement will require the assent of the State, but that such assent must not be unreasonably withheld. That is the usual thing in an agreement, but what is meant by "the State"? Does it mean "the Premier" or "the State Government," or what does it mean? I submit that in view of the fact that many of the provisions of the legislation on our Statute Book today will be superseded by this Indenture, the Indenture should have specified that the ratification should be made by the Parliament of South Australia. "The State" is a neutral expression upon which lawyers can argue, but if "Parliament" were mentioned it would be quite clear and distinct. Parliament is giving the rights and endorsing what has been done by the Government, and I submit that the word "Parliament" should have been included in clause 15 of the Indenture.

The Hon. C. D. Rowe—Who is your legal adviser on that?

The Hon. K. E. J. BARDOLPH—There is an old adage that the law is an ass. I do not claim to be a legal man, and I am merely expressing my own observations, which I have every right to do. We do not get all the wisdom from the practitioner's law.

The Hon. Sir Collier Cudmore—No, but we get some from the Acts Interpretation Act.

The Hon. K. E. J. BARDOLPH—As the Chief Secretary has said, clause 5 of the Indenture sets out certain obligations regarding the provision of facilities and services. The first of these is that within three years of the commencement of the construction of the refinery the State shall arrange that the houses required by the company, not exceeding 250, will be built in the proximity of the refinery, and that the houses shall be available to employees of the refinery as tenants or purchasers on the usual terms offered by the Housing Trust. If I were connected with a company like this and these concessions were being granted, I would certainly agree to this Indenture. The Government is providing houses and a main road.

The Hon. Sir Lyell McEwin—That clause refers to a right, not a concession.

The Hon. K. E. J. BARDOLPH—I am not denying that it is a right of people to be housed. My point is that the Government is

providing 250 houses at its own expense for the purpose of permitting this oil refinery to become established.

The Hon. Sir Arthur Rymill—For the workers.

The Hon. K. E. J. BARDOLPH—I am not denying that, but it will be the workers in this State, not the company, who will pay for these houses. The workers will be providing the money, through taxation and other charges, for the establishment of this refinery.

The Hon. Sir Lyell McEwin—Are you supporting the Bill?

The Hon. K. E. J. BARDOLPH—Yes, but I have every right to express my disagreement with some of its provisions.

The Hon. C. D. Rowe—Had the Government raised all these points there would have been no refinery.

The Hon. K. E. J. BARDOLPH—That is a wide statement for the Minister to make, and I do not think he would like it to be repeated. It may be construed that any company can hold a pistol at the Government's head and say, "Unless you do these things we will go to another State."

The Hon. Sir Frank Perry—We have given certain concessions to other companies.

The Hon. K. E. J. BARDOLPH—We have not given other industries the same Indenture as we are giving this company.

The Hon. S. C. Bevan—What about the Broken Hill Pty. Company's concession?

The Hon. K. E. J. BARDOLPH—I think my friend will find that the B.H.P. did not enjoy concessions similar to those we are now providing. The distinction is that the B.H.P. was established at Whyalla at the time, whereas this oil company has the right to sell its rights and privileges under this Indenture.

The Hon. C. D. Rowe—If you oppose the Bill you should say so.

The Hon. K. E. J. BARDOLPH—I am not opposed to it: I merely want clarification on certain things. My friend cannot whip the Opposition or bring them to heel simply because he wants the legislation passed. I have indicated that I support the second reading, but that does not gag me from saying what I desire to say on the provisions of the Bill. The practice appears to have grown up, both in this Council and in another place, whereby the Government has become complacent: it knows that it can count on so many of its own members to get legislation through with the aid of the Opposition.

Records prove that. The Government can then say that it is a good Liberal and Country League Government that gets things carried, but it does not mention that the Opposition has assisted it. The Opposition desires to express its opinion. Thank God we are living in a free democracy and do not have to ask permission from the powers that be whether we can express opposition to any measure. I am not expressing opposition to the principle of the legislation, but, like Sir Collier Cudmore, I ask for further information on the preference for the products of the oil refinery. Sir Collier is a legal man, and no doubt he had section 92 of the Commonwealth Constitution uppermost in his mind.

The Hon. C. D. Rowe—The honourable member is a good Labor member, and does not believe in doing any homework on Labor Day.

The Hon. K. E. J. BARDOLPH—I have had a good look at the provisions of this measure. I do not know whether the Attorney-General desired me to make a flowery speech in favour of the Government's proposals, but if that were the purport of his interjection he has failed lamentably in that regard.

The Hon. Sir Arthur Rymill—I thought you would have supported the building of houses by the Housing Trust.

The Hon. K. E. J. BARDOLPH—I support that. This company is not being asked to provide money for that purpose, but the B.H.P. was asked to do that and it built houses for the workers in Whyalla. That is the difference between the concessions given. Clause 13 of the Indenture, which deals with preference to products of the refinery, has caused some anxiety to several members, including Sir Collier Cudmore. I agree with some members' submissions, and with very great deference to the opinion given by Sir Edgar Bean, I say the Indenture appears to be very loosely drawn up. The Government, in its eagerness to have this industry brought to South Australia, has entered into this agreement and now asks Parliament to ratify it. I maintain that we have a great responsibility in protecting the interests of the people of this State, and it is on that basis that I have made my submissions. I look forward to the reply by the Chief Secretary.

The Hon. Sir LYELL McEWIN (Chief Secretary)—I thank members for the prompt consideration and attention they have given

to this very important Bill. I do not remember any Bill presented to Parliament that has meant so much to the welfare and prosperity of the people of this State. We have heard much about decentralization from time to time, and it is pleasing to think that while this State has the best employment figures and the best conditions of any State in the Commonwealth we are now on the eve of bringing in millions of pounds of imported capital, not only to maintain but to improve that condition. I do not think we are concerned with who it is; if anybody else comes along with a proposal like this we will do what we have done for every other industry; we will build houses for the employees and continue the same policy that has meant so much to the standard of housing enjoyed by employees in industry in this State.

One or two points of a somewhat legal nature were raised in the debate. One question concerned clause 8 of the Bill and the meaning of its language. That clause refers to legal proceedings in which the State of South Australia can sue and be sued. I have obtained a report from the Parliamentary Draftsman which reads as follows:—

This clause provides that legal proceedings in connection with matters arising under the Indenture may be taken by or against the State under the name of "The State of South Australia." In accordance with a practice which has grown up in recent years the Indenture in this Bill is made by the State of South Australia under that name instead of by Her Majesty the Queen or the Governor as was formerly done. The practice of making agreements in the name of the States has grown up because the Constitution of Australia permits States to sue and be sued as States in matters arising under the Federal Constitution. Numerous agreements have been made between one State and another, and between States and the Commonwealth, and the practice has been extended so that agreements are now made between States and individuals. For the purpose of State law, and in the absence of a special statutory provision, the State is not a legal entity which can take proceedings in a court. An action in which money is claimed by a State must be brought in the name of the Attorney-General on behalf of the Queen, while proceedings against a State are instituted by a petition of right which is addressed to the Governor and may be referred to the courts for trial. But the remedies at present available to the Attorney-General or a person presenting a petition of right are limited and do not include all the remedies ordinarily available to subjects. By clause 8 of the Bill, however, it is provided that proceedings can be taken in the name of the State and that the rights of the parties as well as the practice shall be as nearly as possible the same as between ordinary subjects.

Put shortly, therefore, the clause is necessary—

- (a) because the State of South Australia under that name is a party to the Indenture and it is necessary to provide for the enforcement of the Indenture by the State;
- (b) to simplify and extend the range of legal proceedings which are available to the State.

During the debate Sir Collier Cudmore raised the question of how the word "stores" in clause 13 of the Indenture applied. It covers a wide field and is used in the Public Supply and Tender Act. I think it includes anything required by the Government in carrying out departmental functions. The honourable member thought that its application should be limited. It is a general term used by our purchasing authority. Some honourable members seemed to think that the word meant nothing particularly, whereas others thought it meant a lot. I do not know that we should be very much concerned in that regard, because if it means nothing, obviously we have nothing to be concerned about. On the other hand, if it means a lot it does not exceed what has been general in Government purchasing over the last 40 years. There is no departure from that policy, and surely there can be no objection to its inclusion in the Indenture when it is sought by a company that is prepared to invest such a large amount in the establishment of this industry and thus open a new era for South Australia. Because of the developments that will follow the legislation introduced by the Government for the State's industrial advancement, we shall be in a position we have never previously enjoyed.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Clause 3—"Ratification of Indenture."

The Hon Sir. COLLIER CUDMORE—Is it intended that we should now discuss the details of the Indenture paragraph by paragraph, or if we accept clause 3 will it mean the ratification of the whole of the Indenture and we shall not be able to speak on the details?

The CHAIRMAN—My view is that clause 3 should be postponed until after the Indenture has been agreed to or amended.

Consideration of clause 3 deferred.

Clause 4 passed.

Clause 5—"Local government rates."

The Hon. L. H. DENSLEY—Under the Local Government Act councils have the right to make assessments periodically and to strike

an annual rate. Does this clause override that Act? Half a council may go out of office every year and consequently it is always understood that a council should not bind an incoming council.

The Hon. Sir LYELL McEWIN (Chief Secretary)—The clause will be binding. It provides something definite for the company, which wants to know how it stands before making its investment. There is nothing to suggest that the land would be of a value equal to that when the works are established. The clause will apply only to the refinery area and will have no relation to the increased rating capacity of the surrounding land. The amount proposed is satisfactory to the council. If it were found that the council was suffering because of altered money values or other altered conditions which can not be foreseen now such a company could be relied upon to do the right thing.

The Hon. Sir ARTHUR RYMILL—No one seems to have pin pointed the obvious reason for the insertion of this clause, which is to limit the amount of rates the council can extract from the company. I think the clause is reasonable because the mere advent of the refinery to this area has already probably doubled land values nearby, and when building operations start no doubt land values will be further considerably increased in the refinery area itself, which will enable the local council to charge very high rates. My only criticism concerns the aspect dealt with by the Minister in respect of money values. Some honourable members have said that this legislation will last in perpetuity. Certainly it will last a very long time, and I think that one could indubitably say that at some future time present day money values will be out-of-date. It is a pity that some formula could not have been found to express the proposed rates in such terms that the rates paid would change in accordance with the alteration in the value of money. It is not easy to do it but I have seen it done in many agreements. No doubt the company insisted upon this limitation of rates, which was a perfectly reasonable thing to do because, in establishing this major industry in the district it did not want, by virtue of its mere establishment, to involve itself in the payment of very large sums of money to the local government, whereas if the refinery did not go there land values would remain more or less static.

The Hon. Sir COLLIER CUDMORE—It is rather curious that this clause is not part of the Indenture. Apparently it is something

that the Government has guaranteed. As I said in my second reading speech, the district council apparently has decided that in order to get this industry into its area it is worthwhile limiting the possibilities of future rate revenue from the company to this £10,000.

Clause passed.

Clauses 6 to 8 passed.

SCHEDULE.

Clauses 1 to 6 of the Schedule passed.

Clause 7—"Cost of a road."

The Hon. K. E. J. BARDOLPH—Is it clear that the company will not have land which it can put to some economic use facing one side of the road or both? It seems that the community will be put to a considerable expense in providing the road which will enhance the land values accruing to the company.

The Hon. Sir LYELL McEWIN—I think it is obvious that the Highways Department will be asked to provide certain roads and that the company will not be responsible for them. Other facilities are being provided by the company and it will be relieved of the cost of the road.

The Hon. K. E. J. BARDOLPH—The evidence submitted to the Select Committee was not available to every member of this Council. Only certain members saw it. I submit that there should have been a survey of this area showing the holdings of this company.

The Hon. N. L. Jude—There was.

The Hon. K. E. J. BARDOLPH—I did not know of its existence. I understand that was included in the Select Committee's evidence, but that evidence was not printed and available to every member to take home to peruse; it was simply handed around.

Clause passed.

Clause 8 passed.

Clause 9—"Inward wharfage on crude oil."

The Hon. Sir COLLIER CUDMORE—Speaking on the second reading I pointed out that subclause (3) contains this phrase, "If during the operation of this Indenture . . ." I wondered whether that was just an accident because, as far as I know, there is no time limit for the operation of this Indenture.

The Hon. Sir LYELL McEWIN—The purpose of this clause is to obviate the payment of double wharfage by the company and it applies as long as the Indenture is in operation.

Clause passed.

Clauses 10 to 12 passed.

Clause 13—"Preference."

The Hon. Sir COLLIER CUDMORE—In speaking on the second reading I queried the use of the word "stores" without any further definition. Since then I have gone a little further into it and I still cannot find any definition of "stores" either here or in the Acts Interpretation Act. In *Murray's Dictionary*, the only other thing I could look at, there are several definitions and, of course, the usual application of what it means, but none of them gives a definite indication of what this word means in this context. I would like to know whether the Minister has anything further to say, or whether we are just to take it that because the Government, in the ordinary day to day practice of its affairs, uses the word "stores" to mean certain things, that is what it means in this Indenture.

The Hon. Sir LYELL McEWIN—The honourable member has interpreted correctly what I said, and it seems to have worked satisfactorily since 1914 at least. The honourable member's investigations have indicated that it is an all-embracing term which means "any purchases." What the refinery's requirements will be I do not know.

The Hon. Sir COLLIER CUDMORE—Now I come to the other point that I raised, which I think is important. There is no need for me to speak at any great length. I have indicated, and it has been given considerable publicity, that some people think it does not mean anything. The other oil companies not party to this agreement think it means a lot and they have bombarded members and everybody else with statements on what harm they think it will do them. I do not know whether it would be possible even at this stage for us to make it mean what I think the draftsman intended it to mean: the company making the agreement and coming here to establish this refinery wants to be sure that its own company, established for the purpose of selling its products, shall get whatever preference the South Australian Government gives to local manufacturers. That is what this clause is intended to do but unfortunately it does not say that. If it had said "the State . . . shall in accordance with the policy of the Government to give preference to goods manufactured within the State give the same preference to products of the refinery offered for sale by Vacuum Oil Company Pty. Ltd.," or "equal preference" or any words of that sort, it would have meant what I think the draftsman

intended it to mean. If it is intended not to mean anything definite then all I am concerned with is that Parliament shall know what it is doing and realize that it is passing a clause which some people think means nothing, which others think means a lot, and the meaning of which some people hope nobody will ever find out. I want to be clear that that is the situation. In adopting and endorsing an agreement of this sort Parliament should be clear in its mind whether it means anything or nothing.

The Hon. Sir ARTHUR RYMILL—I regard this as more or less a *fait accompli*; therefore, it is not necessary to speak on this clause at length. I should, however, like to record my views on it because I agree with Sir Collier. I do not think anyone could possibly be dogmatic about the interpretation of this clause. When a clause is challenged by many people, some on the grounds that it means too much, others on the grounds that it does not mean anything at all, it seems a pity that we cannot get it clear.

One question arising from the draftsmanship of this clause is whether it means the policy of the Government at the time of the making of the Indenture (which, of course, would more or less arrest that policy indefinitely) or whether it means the policy of the Government from time to time. That is the crux of the clause because, if it means the policy of the Government at the time of making the Indenture, there is a definite preference for all time over everybody whereas, if it means the policy from time to time, it is in the Government's hands from time to time and can be altered. If that conception is right, the clause is not right. As Sir Collier Cudmore says, it is obvious that certain legal advisers think it means the present policy of the Government, but apparently the Government itself is inclined to think it means the policy from time to time.

Another point is, what does "products of the refinery" mean? It is obvious that it means motor spirit and so on when it is refined. It is obvious that it means the by-products of the refinery.

The Hon. Sir Collier Cudmore—It means "stores," according to the Minister.

The Hon. Sir ARTHUR RYMILL—I am afraid that I, too, do not know what "stores" means, but I was dealing with the word "products." It obviously includes the direct and indirect products of the refinery. Does it include the by-products of the refinery that are turned into something else? We hear about

synthetic rubber being made from the products of oil refineries. Does "products" include the manufactures made from products that would be made by other companies? If it includes manufactured by-products like synthetic rubber and chemicals, then it would mean that the Vacuum Oil Company had the right to sell those manufactured articles to the Government. Of course, that might not cause any great difficulty because the offer would still have to be at least equal, as this preference is given only when the terms are as good as or better than those offered by other people. That is a fairly big answer to some objections to this clause.

The other odd thing about it is that the preference is given to a company that is not a party to the agreement. I do not know what the Vacuum Oil Company Proprietary Limited is in relation to the company with which the agreement was made. I assume it is either a subsidiary or a relative of some sort. They might both be subsidiaries of another company. Thus, it is merely an oddity but complications might arise if it were ever intended to enforce this clause, because the Vacuum Oil Company could not enforce the clause; it would be the Standard Vacuum Oil Company, a party to the agreement, that would have to enforce the clause. So, all in all, it is a most curious clause but, as Sir Collier Cudmore said in the second reading debate, there is not very much we can do about it in this House other than vote against the whole Bill, which none of us wants to do because we recognize it as a wonderful thing for South Australia. However, I did want to place on record my feelings about this clause because we may hear more about it later. I support the clause purely because of the circumstances in which it is presented to us.

The Hon. S. C. BEVAN—I interpret the first part of clause 13 as defining a policy, which has been established by the Government of the State over a number of years in purchasing stores, of giving preference to the manufacturers in this State. The clause goes on to say that the Government intends to give the same preference to products manufactured by the refinery and offered for sale by the Vacuum Oil Company Proprietary Limited. Following the remarks of Sir Arthur Rymill about what the word "products" means—whether it means by-products or anything else—my view is that any product manufactured by the refinery and offered for sale by the Vacuum Oil Company Proprietary Limited would come within the meaning of the phrase. Sir Arthur also mentioned the manufacture of

synthetic rubber. We know that negotiations have been going on about by-products from the refinery, but the point is whether the refinery itself will set up subsidiary industries to manufacture its own by-products. I feel that it would not, that other companies, perhaps chemical companies, may be interested in the use of the by-products from the refinery. For instance, there has been publicity in the press about the setting up of an industry for manufacturing plastic goods using by-products from the refinery. Negotiations were opened up with a chemical company to use such by-products. I think that those particular companies would not come within but would be outside the clause altogether.

Then Sir Arthur questioned the meaning of the phrase "The State in purchasing stores." Will this be in perpetuity? What is the policy—does it mean that this is binding for all time? I thought that the report of the Select Committee, which was distributed early in the proceedings, would have clarified it. Paragraph 9 (d) of that report says:—

Your Committee considered fully the implications of clause 13 in the light of statements and evidence submitted by these oil marketing organizations. Bearing in mind the magnitude of the investment in the proposed refinery and the long-standing policy of Governments of this State, both past and present, in giving preference to goods manufactured in South Australia, your Committee is of opinion that the measure of preference provided by clause 13 of the Indenture is not unreasonable.

What it was referring to at the moment was the policy of this present Government, and it would not bind the policy of some future Government. I used the phrase "in perpetuity" in my second reading speech when referring to the rights under the Bill. These questions would be defined by the policy as enunciated by the Government at the time. It refers only to the policy of the present Government; it would bind only this Government. It will not be in perpetuity. I support clause 13 as it is at present.

The Hon. K. E. J. BARDOLPH—This clause should be clarified further. It provides that this company can virtually become a

monopoly, for it says, "products of the refinery offered for sale." Under this clause there is nothing to prevent this company setting up subsidiary companies and selling its products to the subsidiary companies. Then, coming within the all-embracing clause, it could claim protection. I respectfully disagree with the opinion given by the Parliamentary Draftsman that one Government cannot bind succeeding Governments. In *Commonwealth Law Reports*, the case of *Bardolph v. the New South Wales Government*, there was a similar issue involved. It was unanimously decided by the full High Court that the Government could bind an incoming Government. The clause is so wide open that it binds the present Government. This instrument is executed by the present Government. The unanimous decision of the full High Court was that no Government can break an agreement when it is entered into, provided the other party to the agreement is carrying out that agreement. I do not desire to see this Bill jettisoned, but I submit that this provision is too wide. I support the proposal, but in my opinion we should have further information about it. This will become an Act of Parliament, and if this clause were challenged no report of a Select Committee would have official bearing upon the wording of any Act.

Clause passed.

Clauses 14 to 16 of the Schedule passed.

Clause 3 of the Bill and title passed.

Bill read a third time and passed.

ROAD TRAFFIC ACT AMENDMENT BILL.

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

RIVER MURRAY WATERS ACT AMENDMENT BILL.

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

ADJOURNMENT.

At 5.35 p.m. the Council adjourned until Wednesday, October 15, at 2.15 p.m.