LEGISLATIVE COUNCIL.

Thursday, October 23, 1958.

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

ASSENT TO ACTS.

His Excellency the Governor, by message, intimated his assent to the following Acts:—Interstate Destitute Persons Relief Act Amendment, Law of Property Act Amendment, Marine Stores Act Amendment, Mining (Petroleum) Act Amendment, Nurses Registration Act Amendment, Oil Refinery (Hundred of Noarlunga) Indenture, Secondhand Dealers Act Amendment, and Shearers Accommodation Act Amendment.

WHEAT INDUSTRY STABILIZATION BILL.

Second reading.

The Hon. Sir LYELL McEWIN (Chief Secretary)—I move—

That this Bill be now read a second time.

This Bill is South Australia's contribution to the legislation required for the continuance of the Australian Wheat Board and the wheat price stabilization scheme. The scheme which has been in force for ten years does not, in accordance with the terms of the present Act, apply to any wheat harvested after September 30 last. For some time discussions have taken place between Commonwealth and State Ministers in the Australian Agricultural Council and with representatives of the Australian Wheatgrowers Federation with regard to the continuance of the scheme, and decisions on this subject have now been made which are acceptable to the Governments concerned and to wheatgrowers generally. It is proposed to extend the scheme for a further five years with only slight modifications.

The principles of the wheat marketing scheme are well known to Parliament and I need not explain them in detail. For the purpose of marketing the Australian wheat harvest, both locally and overseas, there is a Wheat Board established by Commonwealth law. By virtue of the powers conferred by the Commonwealth and State Acts the Board takes control of substantially the whole of the Australian wheat harvest. It markets the wheat and pays the grower. The price stabilization scheme is carried out by means of legislative and administrative arrangements under which a price equal at least to the cost of production is guaranteed for 160,000,000 bushels of wheat a year. Commonwealth laws ensure that the guaranteed price will be received on up to 100,000,000 bushels of wheat exported, and the legislation of the States provides that wheat sold for consumption within the Commonwealth will realize not less than the guaranteed price. Local sales are about 60,000,000 bushels a year. In order to continue the scheme it has been decided that a new Commonwealth Act will be passed concurrently with uniform State Acts. This course has been considered preferable to dealing with the matter by amendments of existing Acts. Amendments are more difficult to understand and make it more difficult to secure uniformity. I will mention the main matters which are dealt with in the Bill.

The Australian Wheat Board.—The Bill will be administered by the Australian Wheat Board which will continue in existence and be constituted in substantially the same way as previously. The only alteration proposed in the membership of the board is that Queensland, instead of having one member, will have two members, either of whom can sit upon the board as an alternative to the other. This arrangement will not give Queensland an additional vote. The provisions as to the duties of growers to deliver wheat to the board through the medium of licensed receivers have not been altered.

The home consumption price.—The Bill provides that the board must sell wheat for home consumption or stock feed in Australia at the guaranteed price as fixed under the Commonwealth Act. For the coming season 1958-1959 this price is declared by the Commonwealth Act to be 14s. 6d. a bushel for bulk wheat free on rails at ports of export. This price was agreed upon by the Australian Agricultural Council and is recommended in the report of the Wheat Index Committee. The Wheat Index Committee in its investigation considered the recent survey of the Commonwealth Bureau of Agricultural Economics.

The guarantee.—The guaranteed price for wheat sold overseas has also been fixed at 14s. 6d. Commonwealth legislation ensures a return of this amount on up to 100,000,000 bushels of wheat exported from the crop of 1958-1959. The guaranteed price in future years will be reconsidered from time to time in accordance with movements in the cost of production. In order to provide money for meeting obligations under the guarantee the Commonwealth legislation provides for the establishment of a Wheat Stabilization Fund consisting of the proceeds of a tax on exported wheat. The rate of this tax is the amount by which the return per

bushel from wheat sold overseas exceeds the guaranteed price, but at no time will the rate be more than 1s. 6d. a bushel. The Commonweath law also contains provisions for ensuring that the Stabilization Fund will be kept down to approximately £20,000,000. If payments into the fund at any time should bring it above £20,000,000 the excess will be returned to the growers, those who paid into the fund earliest receiving the first distribution of the excess. If it should be necessary to find money in order to bring down the export returns up to the guaranteed price, money will be drawn from the fund for this purpose. If there is not sufficient money in the fund, the Commonwealth Government will find the balance.

Freight to Tasmania.—The Bill contains a clause similar to that in the present Act under which the home consumption price of wheat is loaded to provide money for meeting the cost of transporting wheat from the mainland to Tasmania. This cost is at present a little over 4s. a bushel. Tasmania uses about 2,000,000 bushels of wheat a year, most of which is received from the mainland. If the price of wheat in Tasmania included the full transport costs it would be a serious burden and handicap to that State. In order to prevent this and to give Tasmania some benefit from the wheat marketing scheme, the principle was accepted in 1953 that the price of wheat sold for local consumption throughout the Commonwealth should be loaded so as to meet the cost of shipping wheat to Tasmania. The loading is at present 2d. a bushel.

Premium on Western Australian wheat.—The provisions by which Western Australian growers receive a premium of 3d. a bushel on the amount of wheat exported from that State are included in the Bill. This premium is paid out of a deduction from the total amounts realized by the Wheat Board for all wheat sold by it. The reason for the Western Australian premium is, of course, that Western Australia is nearer the principal overseas markets for wheat and has always enjoyed a better return, owing to the lower freight.

From what I have said it will be apparent that the Bill contains very little that is not already in the existing scheme. Its main object is to extend the scheme so that it will apply to the next five harvests. The Government believes that both the marketing arrangements and the price stabilization scheme have the approval of an overwhelming majority of the growers and has therefore no hesitation in asking Parliament to authorize their continuance.

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

HOMES ACT AMENDMENT BILL.

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

ADVANCES FOR HOMES ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from October 22. Page 1317.)

The Hon. K. E. J. BARDOLPH (Central No. 1)—The Bill deals principally with State Bank activities. The amendments proposed were endorsed by the management of the bank and they will make for easier working under the present set-up. An acute housing shortage prevails not only in South Australia, but throughout Australia generally. Some people have assumed that the various housing authorities are on the way to meeting the housing demand, but I think it will be agreed that the problem should be dealt with on a national basis. Just as we marshalled our resources on a national basis during the war, I think it will be agreed that the housing problem is of equal importance in the post-war period and should be tackled in the same way.

There has been a slight improvement in the rate of building in the first half of this year, but unless a positive plan to cope with the urgent situation is immediately proceeded with, we shall be faced with a more acute housing problem in the next five years. In 1952 nearly 80,000 houses were built in Australia, in 1955 the number was more than 78,000 and it fell to a little more than 70,000 in 1956 and 67,500 in 1957. In the first half of the current year the number completed was a little more than 35,000, whereas the number begun was 34,500. Therefore, the number is still only 70,000 a year compared with 80,000 six years ago. What is wanted is a concerted plan that will provide for the building of sufficient homes to meet the increased demand each year, and to clear up the shortage in five years. This will be essential if the building industry is to be asked to cope with the big increase in the demand that will take place from 1963 onwards. I compliment the various housing authorities, although they have been circumscribed in their efforts because of the amounts granted from loan by the Government. I have in mind the Housing Trust, the Savings Bank, the State Bank, and other lending authorities, including private banks, which also have been circumscribed by the limited amount of liquid capital available. An Australian-wide plan is needed to deal with the situation.

The Hon. S. C. Bevan—You cannot get much money from the Savings Bank today.

The Hon. K. E. J. BARDOLPH—Like other lending institutions, it is meeting difficulty as to liquid capital. We should be planning immediately for an increase of 75,000 houses a year, rising within five years to more than 80,000. There is still a shortage of at least 90,000 homes in Australia. With building at the rate of 70,000 a year and the current demand of 54,000, the contribution toward clearing the shortage would be 16,000 a year. Therefore, an extra effort is necessary to meet the current demand and overcome the backlag.

I now come to the question of why the housing shortage is so acute. True, many years ago building houses for letting was looked on as a good investment, but for the past 35 years people have not invested their money so freely in houses for letting, and consequently there has been a greater urge by those desiring homes to become home owners. The estimated numbers in the age group of 20 to 24 years will rise to 833,000 in 1965 and 1,077,000 in 1970, compared with 594,000 in 1955. Thus, compared with 1955 the increase will be 40 per cent in 1965 and 81 per cent in 1970. This affects the current demand for housing, because this great increase in the numbers in the early 20's also means a great increase in the marriage rate and the consequent demand for homes.

Some honourable members may ask where the money will come from. If we look at the problem from the point of view of investment, it means the stepping up of the amount of capital for new homes by £20,000,000. This would be equal to less than 1½ per cent of the total spent on investment in Australia. There is another side to investment. It is said that the Commonwealth Government can allocate only a certain amount out of loan funds, but we must remember that an amount in the fixed deposit accounts in the Commonwealth Bank could be released and earmarked specifically for purposes of housing loans. The Commonwealth Government controls the purse strings. If there is this acute shortage of liquid finance for building homes, it can fall back on the usual procedure of previous Governments, irrespective of their political complexion, of issuing Treasury bills to meet immediate needs.

The building shortage can be overtaken if it is approached on a national basis. If all the resources of the building industry, the unions, the merchants, and the architects are marshalled as they were during the war period, then I am convinced that in five years the housing situation will be well in advance of reasonable demands.

The Hon. Sir ARTHUR RYMILL (Central No. 2)—I welcome this Bill and give it my wholehearted support. I have always been a great believer in the fact that everyone possible should own his own home, and this Bill is certainly an advance in that direction. The high levels of advances contemplated by this Bill in relation to the value of the security make it possible for many more people to own their own homes than would be the case if they had to put up large deposits. A proper role for a Government to fulfil is to make available a higher percentage of advances than the lending institutions using other people's money feel themselves capable of doing. That is what this Bill sets out to do. In money values, the old provisions have become out-of-date. No doubt, the amount of £2,250, for instance, when first incorporated in the Act was about the appropriate figure in the then circumstances, but inflation has made this figure out-of-date. This Bill aims to bring the figures up-to-date, and possibly even further liberalize them, because it provides for a very high percentage of advance in relation to the value of the house.

I said I felt it was the Government's role to make these high percentage advances, and I have already given one reason why. I should like to supplement that by referring to the levels of advances that private lending institutions adopt. Under the Trustee Act, trustees, both private trustees and trustee companies, are limited to, I think, 60 per cent of the value of the security—I am speaking from memory. Other lending institutions impose on themselves a limit making the advance safe for the people whose money they are lending. Some lending institutions limit themselves to 70 per cent of the value of the property, and other institutions deliberately undervalue property to ensure a safe margin of risk. It is one thing for a Government to lend money for the public weal; it is another thing for an institution to lend money belonging to other people. It is a right and proper principle that the latter type of institution should be more cautious in its lending. That is why the Government steps in with leglisation of this nature to supplement other borrowings, borrowings that are possible from private lending institutions.

In this country we have some desirable and very fine institutions that lend money. The building societies are well-known to honourable members, and I have no need to dwell on their role because they are specifically in the business. The trustee companies and the big life insurance companies set out to help people to build or buy their own homes by their *credit foncier* advances policy. This is a deliberate policy by the life insurance companies to try to help people to own their own homes, and many life insurance companies allot a high percentage of their moneys available for investment for these purposes.

Then the savings banks do much lending of this nature. Again, it is a satisfactory role for them because their funds are generally regarded as long-term moneys by the very nature of their business, which is savings. Although their deposits can be withdrawn at short notice or, in many instances, on call, nevertheless that is not the history of savings bank business because people patronize them largely to make savings and thus regard the interest-bearing savings bank accounts as static. That enables the savings banks to lend high proportions of their moneys on deposit on such long-term securities as housing loans, including *credit foncier* loans, over quite a long period.

Then, too, the trading banks do much lending for homes. However, as I have pointed out before, the trading banks have an essential restriction placed on them in that regard and cannot lend for homes to the extent that some of these other institutions can, because their primary role is short-term lending. However, I know that most trading banks go out of their way to try to assist as far as they can in making money available for home building or home purchase. Trading bank deposits can be drawn out on call and, although that is never the history of it nevertheless trading banks can suffer quick falls in their total deposits. Thus, they have to keep their funds more liquid. However, they advance as much as they can on these long-term loans, and a role in the homes advances set-up which is particularly suitable to the trading banks and in which they indulge considerably is advances to the person wanting to build or buy a home between the time when he has to pay for it and the time when he gets a long-term advance, because often there is a gap between those two times. That, of course, is essentially and typically trading bank business. It is welcomed by the trading banks and, I can say from my own experience, indulged in to a large extent.

Then there are the governmental institutions for lending. The Commonwealth Bank has a large department for lending on houses, and there are the repatriation advances, and so on. All these private advances need, of course, the person who has saved some money to pay a reasonable deposit.

This Bill contemplates assistance, as I see it, for the people who are not so fortunate as to have been able to accumulate sufficient money to pay a large deposit; thus it provides that there shall be an advance of up to £3,000 at the present rate of 95 per cent of the value of the house and land on which it is to be secured. That, Sir, is a very liberal advance indeed. I do not think it could be any more than 95 per cent, for the person having the house should have some interest of his own in it, and naturally he has to have some responsibility in the matter too. If he received a 100 per cent advance he probably would not value his asset in the same way as he does even if he puts up a deposit as small as 5 per cent.

The Bill further contemplates a maximum of £3,500 by way of advance, but in that case it imposes an external limit of 85 per cent of the valuation. That, again, I feel is a proper approach, because the 95 per cent advance applies to the sort of minimum type of suitable house that one can buy, whereas if a person wants something better and requires an advance of £3,500 he has to subscribe more towards it. I think it is a very proper principle that if a person wants something better than the minimum he has to be in a proper position to finance it.

It has been said that the fact that we are making higher advances available to each individual means that, where we have a total static pool out of which these advances are to come, fewer people will be able to have an advance. That, on the face of it, is a logical argument, but when we analyse it in relation to the facilities for borrowing from the other institutions that I have mentioned it becomes less logical. If the Government does not set out to make these extensive percentage advances on homes it is not fulfilling a role that is not already fulfilled by other institutions. To take an absurd example: if this Bill limited advances on homes on first mortgage to £500, then it would not be of any use to anybody because no one would want such an advance; he could get it elsewhere and the legislation would not be supplying a need.

When people want an advance at the ordinary level of 60 or 70 per cent of the valuation they can still go to these other lending institutions. For this Bill to be of any great value, in my opinion, it has to go to these extents of near the limit of the valuation of the property because otherwise it is not fulfilling any additional role to those already being carried out.

I think this is splendid legislation, and I favour it very much. The Bill contains one or two other features, such as the easing of the lot of widows and other people in straitened circumstances in so far as it is lessening their obligations, and this again I feel is very proper. All in all, I feel that the legislation is well considered and will fulfil an excellent role in our community. I have much pleasure in supporting the Bill.

The Hon. L. H. DENSLEY secured the adjournment of the debate.

RIVER MURRAY WATERS ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from October 22. Page 1320.)

The Hon. W. W. ROBINSON (Northern)—It gives me great pleasure to support the second reading of this Bill, because I believe it is one of the most important Bills introduced into this Chamber and that it will have a far-reaching effect on the future development and progress of the State. In my earlier years I read such works as "The Nile of Australia," by Mr. David Gordon, who later became Sir David Gordon and President of this Chamber, and I was impressed with the great importance and value to the economy of this country of the great River Murray, which extends for 1,609 miles through three States. It rises in the south-eastern part of New South Wales and enters the sea in South Australia. I feel that we, in South Australia, should endeavour to see that as little as possible of that water is wasted by being allowed to run into the sea.

In length and in the area of its basin the River Murray ranks among the chief rivers of the world, but the volume of its flow, averaging 12,000,000 acre feet a year, is far below that of many shorter and smaller rivers in other countries of the world. I need not go into the history of this legislation. It comes about as a result of an agreement entered into by New South Wales, Victoria and the Commonwealth to divert certain waters from the Tumut and the Tooma River. We in South Australia, and particularly the Premier of this State, realized that that agreement would have a damaging effect on the economy and progress of this State.

The original River Murray Waters Agreement of 1915 was amended on several occasions and provided for a minimum monthly flow to South Australia each year, the total annual quantity being 1,254,000 acre feet. Of this total 603,000 acre feet was to provide for diversions and 651,000 acre feet was the quantity estimated as being necessary to take care of evaporation, percolation and other losses.

The Hon. Mr. Cowan, in a very excellent speech, pointed out the quantity of water that is lost through evaporation. I am sure we cannot but deplore the amount of evaporation that takes place in this hot, Mediterranean climate. We have had some excellent speeches on this Bill, and it is with some diffidence that I am carrying on the debate. However, I feel that the importance of the legislation justifies my giving it my blessing.

Under the agreement the River Murray Commission has power to declare a period of restrictions when water is scarce, that is to say, in a drought year, and when such restrictions are declared the conditions change entirely: instead of South Australia being entitled to stipulated monthly quantities, all available water is shared between the three States in the proportion of five to New South Wales, five to Victoria and three to South Australia. This available water includes the natural flow of the Murray above Albury, plus the water stored in the Hume reservoir and Lake Victoria storage, plus any water which can be obtained from the various weir pools along the Murray.

From the outset, South Australia's contention was that when the Snowy was diverted to the Murray it would become a tributary of the Murray above Albury and, therefore, South Australia should be entitled to its proportion of the Snowy water, that is to say, 6/26ths of any water diverted from the Snowy to the Murray. This was the point in dispute and, of course, the other States and the Commonwealth have now agreed to this stipulation being inserted in the amending Agreement. This will be of immense value to South Australia, for in a drought year the quantity diverted from the Snowy—and this is the important part of this Bill and the Agreement—to the Murray will amount to about 800,000 acre feet, including water stored in previous years. South Australia's share of this 800,000 acre feet will be

about 180,000 acre feet, which will be of immense value to this State.

Although the use of Murray water in South Australia for irrigation, stock, domestic and industrial purposes has been steadily increasing, the total diversions are still well below the quantity to which this State is entitled in a normal year. For example, in 1957-58, when considerable quantities of water were pumped from the Murray to Adelaide, the State's total diversions amounted to 248,000 acre feet. In future, the rate of increase in the use of Murray water will accelerate with all the development now taking place in this State, and without the assistance of Snowy water the stage would soon be reached when South Australia would be short of water in a drought year. It is estimated by experts that that would come about in about 15 to 20 years had this provision not been inserted in the River Murray Waters Agreement.

Another important provision in the amending Agreement is that the River Murray Commission will be obliged to consider the salinity of the water when allocating supplies to South Australia in any future drought period. This is a most important provision that did not hitherto exist in the Agreement. I think it is very important indeed that we have been able to get that provision in the Bill. The future position, therefore, will be that the River Murray Commission will be obliged to allow sufficient water to come down to South Australia in a drought year to take care of all losses and to ensure that the quantity of water is maintained at a satisfactory level. On top of this there will be South Australia's quota of 6/26ths of the water available for diversion, including the water diverted from the Snowy to the Murray.

We owe a very great debt of gratitude to the Premier, supported by Cabinet, for his action in issuing a writ against the Commonwealth in connection with the Snowy Mountains Agreement. This determined attitude was supported by the Crown Law officers and our Engineer-in-Chief, Mr. Dridan, than whom, I claim, no greater authority exists in South Australia. We are deeply indebted to the Government, and particularly to the Premier and his officers for what they have done in securing for South Australia a fair distribution of Murray River water.

The Hon. S. C. Bevan—You had to leave it to the Federal members.

The Hon. W. W. ROBINSON—I thought that point might be raised.

The Hon. S. C. Bevan—I was referring to members of your Party.

The Hon. W. W. ROBINSON—The Opposition in the Federal Parliament proposed an amendment as follows:—

It shall not be proclaimed until after each House of Parliament resolves that in its opinion the rights of South Australia to River Murray water are not adversely affected by the operation of this measure.

That is all it did and it was defeated by 29 to 18. This amendment would have merely held up the operation of the Snowy Mountains Agreement until that ratifying measure was passed through all Houses of Parliament. This would have meant delaying all construction works until now, which would have had a serious effect upon the whole scheme. The South Australian Liberal members voted against the amendment on the assurance of the Prime Minister that South Australia's rights would be safeguarded by an amendment of the River Murray Waters Agreement.

The Hon. S. C. Bevan—Only after our Premier put them on the spot.

The Hon. W. W. ROBINSON—I suggest that the amendment was moved only after the Premier had brought under notice the importance of this measure and issued a writ. I point out that on the third reading there was not a dissenting voice.

The Hon. S. C. Bevan—Exactly, once the Premier of this State had accepted it.

The Hon. W. W. ROBINSON—I feel sure that the amendment of the River Murray Waters Agreement now before us will have far-reaching effects on the future development of this State. We have, over the last decade or two, made great progress and there are many monuments throughout the State to the ability and assiduity of the Premier. I need not mention them at length for we all know the development that has taken place. I feel sure that the passing of this measure will result in that development continuing.

A year or so ago, when in Holland, I crossed that great dyke which was constructed to hold back the North and Wadden seas which previously periodically inundated a great portion of Holland. That dyke was conceived by Dr. Lely. It extends some 26 miles, protects the low-lying parts of Holland, and plays a very important part in their development. I saw a monument erected to Dr. Lely on which were inscribed the words "The nation that lives builds for its future," and I thought of South Australia and the important part the Premier and his Government have

played over the years. I feel sure that the nation that lives builds for the future, and this amending legislation will enable this State to progress and prosper in the future. I have much pleasure indeed in supporting the Bill.

The Hon. L. H. DENSLEY secured the adjournment of the debate.

LIBRARIES (SUBSIDIES) ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from October 21. Page 1284.)

The Hon. C. D. ROWE (Attorney-General)—Mr. Condon asked whether this Bill would permit subsidies to be given to institutes and seemed worried that institutes and other bodies that were not local governing bodies might not be able to get assistance. The position is that they can get assistance provided they own their own premises and that the granting of that assistance is approved by the local governing body concerned. Clause 2 (1) says—

If satisfied that any municipal council or district council or any body recommended by any such council and approved by the Treasurer will, in premises under the care, control and management of the council or approved body, maintain and manage a library and that the council or approved body has provided or will provide the furniture and fittings necessary for the library, the Treasurer, . . . may make all or any of the following payments.''

The Hon. F. J. Condon—Does that mean that the council may make a recommendation?

The Hon. C. D. ROWE—I think that the body concerned must secure the recommendation of the council even though the council may not have financial interest in the matter.

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

MINING ACT AMENDMENT BILL.

Returned from the House of Assembly without amendment.

FIREARMS BILL.

In Committee.

(Continued from October 22. Page 1320.)

Clause 6—''Prohibition of possession or use of firearms by persons under 15 years.''

The Hon. Sir LYELL McEWIN (Chief Secretary)—Mr. Densley previously raised the question as to how this clause affected a later part of the Bill, which refers to youths of 15 being allowed to use rifles on farms for the shooting of vermin, etc. I have discussed this with the Parliamentary Draftsman and refer to the defences provided under clause 8 (1) (*d*) namely:—

(i) carried on business on any land as a farmer grazier, orchardist, agriculturist, or horticulturist: or

(ii) resided with or was the servant of a person carrying on any such business.

I think that really meets the case. Most of the criticism I have heard of this Bill is that it does not go far enough in the interests of safety, because mischief can be done over a fence by an irresponsible youth using a rifle. In order not to hamper a farmer or gardener who wants to deal with some menace it is allowed that, so long as the owner permits the use of a rifle, it is not an offence.

Clause passed.

Clause 7—''Duty of persons under 18 years and aliens to hold licences.''

The Hon. A. J. MELROSE—I am one who thinks that this Bill does not go far enough. Because of the way firearms are used nowadays they represent almost as big a menace as the dangerous motor driver. Most of the people using firearms have no respect for which birds should be shot and which come under the protection laws, and almost every week we see in the paper that someone has either shot himself or someone else through scandalous ignorance on the way to handle firearms. Not the least is the number of accidents inside houses through people cleaning or fiddling around with weapons that turn out to be loaded. It is not clear whether we are trying to facilitate the apprehension of persons who have committed an offence or whether we are trying to make the commission of these offences more difficult and, in a general way, to discourage them. Generally, the right to use a firearm should not be granted to every Tom, Dick and Harry. When travelling on the Main North Road on Saturday mornings I see a number of youths on motor cycles and push cycles with rifles strapped to their backs. It is highly improbable that they would come under the provisions of clause 8, and likely that they are on their way to shoot on private property without the permission of the owner. There is much vandalism in the shooting up of road signs, particularly school signs. We are only fiddling with the problem with the present Bill. We also see in our dry outback areas water tanks riddled with bullet holes. This is murderous vandalism. Almost every day livestock are shot, including valuable cattle, and apparently there is no way of apprehending these people. Anyone using a

firearm should be licensed. I was wondering whether clause 7 could be amended to read:—

After the expiration of three months from the commencement of this Act no person shall use, carry or have in his possession a firearm unless he holds a firearms licence.

The Hon. Sir LYELL McEWIN—I think that if the honourable member studies clause 9 he will find that that meets the position. Provision is made that the Commissioner of Police in issuing a licence will consider certain things which cover what the honourable member referred to, such as the prevention of danger to persons or property. If we go as far as is suggested by the honourable member, the legislation will be too restrictive. It is fair that we should give the proposal a trial and then if it does not meet the position it may be tightened up later.

The Hon. Sir ARTHUR RYMILL—The clause really applies to young people between the ages of 15 and 18 and as I think it will be of some virtue I support it. I agree in substance with what Mr. Melrose said, but also agree with the Chief Secretary that the honourable member's proposal would be too restrictive to many people. It is a difficult question, because so much depends on the individuals concerned and also on their parents. I believe I received my first 410 shot gun when about eight. I came from a family of gunshots and I was fully instructed in the use of firearms, being told how to break a gun and keep it broken—everything associated with safety in its use—and those things have stopped with me throughout my life, and on the rare occasions I pick up a gun I automatically do the things I was taught in childhood. Under the clause no-one under the age of 15 may have a gun. I am a little dubious about the position, because I think that in certain circumstances youths under that age could be entrusted with a firearm, but if we are to have an arbitrary age, 15 is as good as any other. I believe that the arbitrary restrictions proposed are necessary and that the ages suggested are as good as any that could be picked out of a hat. Although I realize, as the Chief Secretary also does, that this is not perfect legislation, I support it because it is probably as good as we can get in the circumstances.

The Hon. A. J. MELROSE—I register my disapproval of the practice that has grown up in the use of firearms generally. My criticism applies not so much to young people in the country as to metropolitan youngsters, who, because of the nature of things, do not receive so much training in the use of firearms. In the country stock, including valuable cattle and horses, are often shot by vandals. I have one head of cattle shot every two or three years and I have also had horses shot. An animal that is shot may die of peritonitis within a few days. The number of attacks on stock by spotlight shooters would be astronomical. I realize that there is supreme difficulty in sheeting home responsibility for any offence, but hope that the amendment is a step forward to something even better.

Clause passed.

Clauses 8 to 16 passed.

Clause 17—"Duty to register firearms."

The Hon. Sir ARTHUR RYMILL—I am not at all averse to having firearms registered as contemplated by this clause because many advantages can accrue, as the Chief Secretary pointed out in his second reading speech, but I draw attention to one thing since we ought to know exactly what we are doing. I believe that, when the Communists got hold of Czechoslovakia, the way they subdued the people—it was very well planned—was that they first went to the equivalent of a police headquarters and got the register of firearms. They were well organized, sent people all over the place to seek out those possessing firearms, and demanded that individually they hand them over. In some cases they represented themselves as policemen, in other cases they merely got the firearms. In that way they disarmed the community in one fell swoop. I point that out to honourable members in case they are not aware of it. It is no good saying that it could not happen here. One never knows what is going to happen. A register of this nature could be a great danger in many respects. If one knows about these things, one has a duty to draw attention to them.

Clause passed.

Clauses 18 to 21 passed.

Clause 22—"Prohibition of use of rifled firearms from vessels on River Murray."

The Hon. A. J. MELROSE—This clause has my wholehearted support. The reason I take this opportunity to follow the lines adopted by Sir Arthur is that nowadays we appear to regard the .22 rifle as some sort of child's toy. When I was a youngster, there was a rifle called the saloon rifle, whose bullet would carry only a few yards and it would be unfortunate if it were fatal. That disappeared and the youngsters now use not the ordinary .22, but a high-powered rifle. The .22 rifle uses three general types of bullet—the short, the long, and the long rifle. There is no discrimination

between them: people use whichever sort they like. In some States of America the long rifle .22 bullet is sold in packages and branded "Dangerous up to one mile." I do not suppose many people realize that a .22 bullet would carry a mile, much less be dangerous at the end of its journey. This clause takes official recognition of the danger of using a rifle on the river, which is lined with trees thus reducing visibility to, at most, only 100 to 200 yards. However a bullet might travel a mile and still be dangerous. This aspect should be given more publicity, even if some restriction was placed on the sale of the .22 long bullets.

Clause passed.

Remaining clauses (23 to 41) and title passed. Bill reported without amendment; Committee's report adopted.

INDUSTRIAL AND PROVIDENT SOCIETIES ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from October 22. Page 1328.)

The Hon. C. R. STORY (Midland)—This Bill amends the Industrial and Provident Societies Act, under which the majority of the co-operative societies in South Australia work. This Act, combined with the Loans to Producers Act and the State Bank, has been largely responsible for the continuance and present position of industries in the upper Murray area. The State Bank was set up as a result of the inability of one of the co-operatives to meet its commitments. It came into being out of the Gunn report.

The co-operative movement is especially suited to the closer settlement areas and those areas under intense cultivation of similar produce, so it is natural that the Barossa Valley, the Adelaide hills and the River Murray areas have accepted this method of co-operative societies. Their establishment dates back to about the late 1880's when the first co-operative effort was at Renmark in the form of a community hotel. That was followed by the establishment of the Renmark Growers Distillery and the Renmark Co-operative Packing Union in the early part of the century. The village settlements of Kingston, Moorook, Berri, and Waikerie followed suit, the reason being that industry was at a low ebb and it was necessary for people to band together to survive. Co-operation is born only from adversity, for in adversity people are more likely to get together to help each other than in boom times. Barmera, just after the first World War, established dried fruit co-operative packing houses, and Berri established a co-operative winery that is now the biggest in the Southern Hemisphere. Clare and the Barossa Valley followed suit soon afterwards and established co-operatives for wine production.

In more recent times the Loxton soldier settlement has established a co-operative winery and a co-operative packing house, and the latest effort in co-operatives is, of course, the establishment of a cannery in the upper Murray area. The fruit industry's co-operatives are not restricted to the processing of dried fruit and wine; they are responsible for the bulk of the citrus packing and have the most up-to-date methods of packing both for domestic markets and for export. Soft fruit is being packed extensively, and pre-cooling is taking place as a result of these co-operatives. It is part of normal business these days to have a cold store and a soft fruit packing department in conjunction with the normal business of a co-operative. At least one of the biggest of the societies has established a very fine canned juice plant—I think, tomato, grape fruit and citrus juices, which are well-known to everyone.

The Hon. Sir Frank Perry—Do these canneries pay income tax?

The Hon. C. R. STORY—That depends entirely on the way they are run. The system of rebates and levies does not allow any profit, and there is nothing to be taxed. If, through miscalculation or inefficiency, profits are allowed to be made, they are subject to tax. The co-operative stores, in conjunction with the packing houses, are playing an important part in the business of the community. One co-operative company, from its store trading alone this year, will have a turnover in excess of £300,000.

The Hon. E. H. Edmonds—They trade in general commodities?

The Hon. C. R. STORY—Yes; they trade in growers' requisites, not haberdashery and that sort of thing, so they are not, in the true sense of the word, competing with people trading in those lines. The Adelaide Hills fruitgrowers have for many years cold-stored and exported pears and apples under the co-operative system. Most of the cold stores in the Adelaide Hills are co-operatively run and, I should say, run extremely efficiently. The fishing industry in South Australia from the Lower South-East to the farthest part of

Eyre Peninsula has established fishing co-operatives which are processing and marketing fish and crayfish for the benefit of the industry. I know the fishing industry could not have progressed but for the co-operative movement, this Act and the Loans to Producers Act under which the State Bank is able to make advances for development.

A number of other groups of people in South Australia have taken advantage of this legislation. The pea growers at Port Pirie and the bottle co-operatives are two such groups that come to mind. The purchasing and disposal of goods is entrusted to the Murray River Wholesale Co-operative, a company which was formed from the various co-operatives, established in Adelaide, and now located in Murray House. The function of that co-operative is to arrange the bulk buying for all the co-operatives who are member companies of that organization. It is a selling agent for dried fruits and a good many other commodities, such as crayfish tails for the co-operative fisheries. Its main function is here in Adelaide, where it handles the administrative work for the other co-operatives in South Australia. The Murray Citrus Growers' Co-operative is the marketing agent for citrus and also handles negotiations for contracts with overseas firms and the overseas marketing organizations. It has done an extremely good job in negotiating with the New Zealand Government for long-term selling arrangements, and has helped to raise the standard of our exports in that particular country.

I pay a compliment to the people who comprise the boards or the committees of management of the societies, who are deserving of the highest praise for the time and effort they give, for practically no monetary gain, to the governing of affairs. The intricate systems of running co-operatives is far too large a subject to embark upon in a debate of this nature. The co-operative movement is a guide, philosopher, friend and financier to most of its members, but is successful only if the following points are observed:—

1. When it is in open competition with proprietary firms handling the same type of goods.
2. When its management is as efficient as privately run companies.
3. When its shareholders support it in good times as well as in bad.
4. When its direction is in the hands of capable producers who are prepared to give a lead in such subjects as production, finance, processing and marketing.

The member for Chaffey (Mr. King) is to be complimented on the trouble he has taken to have this Bill introduced. He ascertained from every co-operative in South Australia whether it desired the provisions contained in this Bill, and it is interesting to know that he received the unanimous approval of all the member societies. Then, of course, he discussed the matter with the Government, and as a result we have this Bill.

Clause 3 increases the maximum shareholding from £500 to £2,000. The original legislation was introduced in 1864 and fixed a maximum individual shareholding of £200. It will be seen that it is a very old Act. The legislation was not amended until 1923, when the figure of £500 was set as the upper limit. In 1951 a somewhat similar Bill to this one was introduced in another place and met with certain opposition, the main objection, I understand, being that it was thought that too much money might be invested in companies by individuals and on their death the dependants might require the money in a hurry, which might embarrass some of the smaller co-operative companies.

I draw members' attention to this matter because under the provisions of the Act the co-operatives make rules. They work on a model rule, and I think it is safe to say that 75 per cent of them have adopted an almost identical set of rules. Those rules expressly state that the powers of the society shall be vested in the committee of management which, in its unfettered discretion, may decline to pay money out to shareholders if it is not in the interests of the company to do so. That is a very great protection, and a company cannot be forced into an embarrassing financial situation by some shareholders suddenly wanting to get their money out. The shares are £1 shares at par; they cannot be traded on the Stock Exchange or by any other means of exchange, but are always under the control of the committee of management who can withdraw such shares and reallocate them from time to time.

I think the change in money values since 1923 must entitle the co-operatives to raise the upper limit from £500 to £2,000 if they so desire. Under the rules of each co-operative society it is not necessary to adopt that practice. The co-operative company with which I am fairly closely associated left its figure at £200 for at least 20 years after it could have raised it to £500, because it was progressing suitably and did not feel that it required the additional capital. Other companies have felt that they need the additional share capital. Increasing the permissible individual shareholding is a good way of getting money in,

especially in times when banks and other institutions are finding it difficult to support these ever-increasing forms of primary production marketing organizations. I think, therefore, that the time is ripe for this change, and I think it is a very wise move to give powers to these co-operatives to raise the limit to £2,000 if they desire to do so.

The Bill also deals with the power of nomination, which is a privilege conferred by the Act on a shareholder. Any shareholder may, during his lifetime, nominate in writing whom he wishes to have his shares on his death. The Attorney-General in his explanation of the Bill said:—

Any such nomination is under the present law valid up to the amount of £200. These provisions prescribe a simple method by which a man may enable his dependants to obtain some ready money immediately upon his death. In view of the increases which are proposed in connection with shareholding it is proposed to increase the amount which may be disposed of by means of a nomination from £200 to £500.

In other words, it is bringing the position into line. The Bill also deals with the matter of persons who die without a will or who do not nominate. It is proposed there that the amounts be similarly changed from £200 to £500.

The only other point of interest is the provision that makes it an offence for a member of a society to have an interest in the shares of a society in excess of the prescribed limit. A person may have the maximum number and a relative may leave him another 400 or 500 shares. Under the law at present that person is not entitled to hold more than the maximum number of shares and therefore has to dispose of the balance within the prescribed time of three months. If he retains those shares over and above the limit for more than three months he is liable to a penalty. Three months is not a very long period for the winding up of an estate. I know that certain inconvenience has been caused to some people, and it is now proposed to leave the matter in the hands of the Registrar who has some discretion in allowing people to hold shares above the limit for a period greater than the statutory one or three months.

I think the amendments are good, and I know they will be welcomed by the people closely associated with the co-operative movement throughout South Australia. I have very much pleasure in supporting the Bill.

The Hon. A. J. SHARD secured the adjournment of the debate.

BROKEN HILL PROPRIETARY COMPANY'S STEELWORKS INDENTURE BILL.

Adjourned debate on second reading.

(Continued from October 22. Page 1327.)

The Hon. F. J. CONDON (Leader of the Opposition)—This Bill, which ratifies the Indenture between the South Australian Government and the Broken Hill Proprietary Company, was referred to a Select Committee which inquired fully into it. Its final recommendation was:—

Your committee is of opinion that the establishment of a steelworks at Whyalla will provide a great stimulus to the future economic development of the State and recommends that the Bill for the ratification of the Indenture be passed without amendment.

Whilst there may be differences of opinion whether steelworks should have been established long ago it is pleasing to note—

The Hon. S. C. Bevan—What made the B.H.P. change its mind?

The Hon. F. J. CONDON—I do not know that it has changed its mind. I think the company has made a bargain that is satisfactory to itself and to the Government.

The Hon. Sir Frank Perry—An agreement. What does "a bargain" mean?

The Hon. F. J. CONDON—Very well, an agreement. The Whyalla Town Commission expressed its pleasure at the proposed development and gave an assurance of its co-operation and support in all the various works that will have to be carried out to bring the scheme to fruition. Mr. A. H. Campbell, our very efficient Engineer for Water Supply, said in evidence that the annual requirement of 1,000,000,000 gallons of water by the B.H.P. and the townships of Whyalla and Iron Knob could best be met by the following works:—Replacement of the Warren trunk main with larger pipes, the construction of booster stations, the use of larger pumps in pumping stations, and duplication of the pipeline between Morgan and Port Augusta.

I am pleased to have been associated with the recommendations of the Public Works Committee over a period of many years. I remember going to Hummock Hill, as it was known before Whyalla came into existence, when there were only two shanties there. One could never have imagined what would happen over a short period of years, and I congratulate all those who have been associated with the development of that town. Some people regard certain

companies as monopolies, but I say that the Broken Hill Proprietary Company has rendered great service, not only to South Australia, but to the whole of Australia, and I make no apology for that statement. Possibly it has been in a position to seek certain advantages and it may have been entitled to them.

The Hon. C. D. Rowe—The Select Committee decided that it was.

The Hon. F. J. CONDON—Exactly, and I offer full thanks to the committee for its recommendation. A lot has been said about what occurred in the past and I hope to refer to one of those matters directly. Many years ago the question of what was wanted to supply the northern district and the town of Whyalla with water came under consideration, and on July 31, 1940, the Public Works Committee made the following recommendations which I hope have helped to put Whyalla on the map:—

(1) The provision of a water scheme to improve the water supply to the northern water district and the lands extending north of that district as far as Port Augusta, and to furnish a supply of water to Whyalla for the purpose of enabling the Broken Hill Proprietary Company Ltd. to establish and operate steel and other plant.

(2) That the water supply for such scheme be taken from the River Murray.

Certain people with properties along the lower stretches of the Murray raised objections and Mr. Allan McFarlane (Junior) and Mr. Sidney Powell, who represented Bowman's Estate, appeared before the committee and said the proposal would interfere with their supply of water from the lower reaches of the river. However, the Engineer-in-Chief soon disabused our minds on that score by showing that any amount of water would be available. The committee's further recommendations were:—

(3) That the route of the pipeline to supply the water be that recommended by the Engineer-in-Chief on plan printed at page 9 of the report.

(4) That the scheme described in this report as the major scheme and designed to supply 1,200,000,000 gallons per annum to Whyalla and 900,000,000 gallons to the northern district at an estimated cost of £3,122,000 be adopted and undertaken.

It is worthy of note that this work was completed at a cost under the estimate. The further question arose whether the pipes should be laid underground or on the surface, but it was considered that a big saving in maintenance would be effected if the pipes were laid above ground. Although it cost £124,000 to coat the pipes with galvanite, the result has been satisfactory. If one travels along the line of the main from Morgan to Whyalla, as I have on several occasions, one sees very few leaks, and those few are easily detected and repaired. I regard this as one of the best projects that the Engineering and Water Supply Department has ever recommended. For the first two years of construction 1,000 men were employed, but this number fell off as the work neared completion.

On the estimate submitted to the committee at the time the scheme showed a return of 2¾ per cent on the capital outlay, equivalent to a net annual loss of £46,100. However, the committee considered that in the circumstances an initial loss of only £46,000 a year was a small price to pay for the direct advantages the State must obtain from having a pipeline to Whyalla. I think we should place on record the names of those who rendered such a great service to the State, in order to ensure that they are not forgotten. I compliment those men who made the original recommendation. I happen to be the only member still alive. I have in mind the late Sir George Jenkins, M.P., who later became chairman of the committee, Sir John Cowan, M.L.C., father of our esteemed member, Mr. Arthur Christian, M.P., who became chairman subsequently, Mr. D. M. S. Davies, M.P., Mr. A. W. Lacey, M.P., and Mr. A. W. Robinson, M.P. These men took a prominent part in the recommendation that has meant so much to South Australia. I do not want to be unmindful of the part they played in the history of this great undertaking. Members of the committee at an earlier stage who also played their part were the late Mr. A. J. Blackwell, M.P., who was chairman, the late Mr. P. Heggaton, M.P., the Hon. R. S. Richards, M.P., a former Premier of the State, and my friend, the Hon. E. Anthoney, who played a prominent part in the committee's operations. I regret that he has decided to retire from Parliament.

I also wish, Mr. President, to refer to the prominent part that you played in connection with this great work to serve Whyalla, and I cannot let the opportunity pass without a special reference to the late Mr. Harold Darling, who was chairman of directors of the Broken Hill Proprietary Company Ltd., and tendered valuable evidence to the committee. He became one of the leading industrialists in Australia, but never lost sight of the fact that he was a South Australian. I had been associated with this gentleman in his capacity as a milling employer, and I found him one of the most straightforward men I have ever met.

Valuable evidence was given to the committee prior to 1940 by a gentleman who was then an executive officer of the B.H.P., but who today is its general manager. I refer to Mr. N. E. Jones, who also gave evidence recently before the Select Committee. We must also not forget the work of some of our public servants in connection with this great project. I have in mind the late Mr. Hugh Angwin, who was Engineer-in-Chief, and also Sir Edgar Bean, Parliamentary Draftsman, who is shortly to retire. He did wonderful work in drafting the agreement between the company and the Government and gave excellent evidence before the Public Works Standing Committee over the years. I could also name other gentlemen who have rendered excellent service and who must be proud of the fact that South Australia is to accomplish something they set out to do. In his evidence to the Public Works Standing Committee prior to 1940 the late Mr. Harold Darling, in referring to steelworks, etc., said:—

It is more or less impossible for my board to clearly define its policy with regard to the establishment of works at Whyalla. We are confident that the steel industry will continue to expand in Australia, but at any time it is difficult to say in advance the directions in which the expansion will take place and the place where they are likely to be located.

He was giving evidence in connection with a water supply for Whyalla. In its report the committee included the following:—

Although the company cautiously refrained from giving the committee a definite undertaking that steelworks would be established in the near future at Whyalla, the committee feels that the company would not spend more than £3,000,000 on works at Whyalla (new harbour and wharf, power house, ship building yard, blast furnace, new workshops, reclaiming area of more than 70 acres, etc.) unless it envisaged further extensions. The committee regards the company's guarantee to take and pay for 343,000,000 gallons of water as indicative of its confidence in the expansion of Whyalla at no far distant date.

I make these references to clear up one or two misunderstandings. I do not think any honourable member can seriously object to anything in the Bill and we are fortunate that such an agreement has been arrived at. I trust that it will lead to great prosperity in South Australia and hope that the industrial relationship that has always existed at Whyalla will long continue. I support the second reading.

The Hon. Sir FRANK PERRY secured the adjournment of the debate.

ADJOURNMENT.

At 4.28 p.m. the Council adjourned until Tuesday, October 28, at 2.15 p.m.