

LEGISLATIVE COUNCIL.

Tuesday, October 28, 1958.

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

QUESTION.**LIBRARIES (SUBSIDIES) ACT AMENDMENT BILL.**

The Hon. K. E. J. BARDOLPH—I ask leave to make a short statement with a view to asking a question.

Leave granted.

The Hon. K. E. J. BARDOLPH—Has the Attorney-General's attention been drawn to a statement in the *Advertiser* this morning attributed to Professor W. G. K. Duncan, Professor of History and Political Science at the University of Adelaide, to the effect that South Australia was a bad last in the field of library development in Australia. He further said that the Bill was "so much a matter of bits and pieces and make-believe." In view of his trenchant statements, did the Government consult Professor Duncan before introducing the Bill?

The Hon. C. D. ROWE—I noticed the headline in the paper but I did not have time to read the detailed comment regarding the Bill. I was, however, rather surprised because I think members would agree that the Bill has had the support of both sides of the Council as well as the other place, and if the criticism were justified I think we would have heard something about it from at least some speakers on the Bill. However, I am prepared to give detailed consideration to the matter and to make a statement to the Council tomorrow.

LIBRARIES (SUBSIDIES) ACT AMENDMENT BILL.

Read a third time and passed.

FIREARMS BILL.

Read a third time and passed.

HOMES ACT AMENDMENT BILL.

Second reading.

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

That this Bill be now read a second time.

The purpose of this Bill is to increase substantially the maximum housing loans which may be made under the Homes Act. The scheme of the Homes Act, which was first enacted in 1941, is as follows:—

The Treasurer is authorized by the Act to guarantee housing loans made by various institutions, including the Savings Bank of South Australia, the Superannuation Fund, and a number of building societies and friendly societies. The full list of the institutions in question is set out in section 2 of the Act. The guarantee given by the Treasurer relates to that part of the loan which is in excess of 70 per cent of the value of the property mortgaged but it is not to exceed 20 per cent of that value. Thus, the guarantee applies to the last 20 per cent of the mortgage loan, that is, the part which represents from 70 to 90 per cent of the loan. It is provided by section 7, among other things, that the maximum loan is not to exceed £2,250 and the effect of section 4 is that a loan is limited to an amount which does not exceed 90 per cent of the value of the dwelling and the land on which it is situated. Section 5 provides that every institution to which a guarantee is given is, in each quarter, to pay to the Treasurer for the purposes of a fund called the Home Purchase Guarantee Fund, an amount equal to $\frac{1}{4}$ per cent of the part of every loan made by the institution and for which the Treasurer is liable under the guarantee.

Thus, the scheme of the Act is to provide that, by virtue of the guarantee of the Treasurer, the lending institutions will make housing loans to a greater extent than they would normally do, as it is not the general practice of lending institutions to advance money on mortgage up to 90 per cent of the security. As a consequence, the legislation encourages these lending institutions to advance money and the money so advanced is, of course, provided from sources other than the State's loan programme, as is the case with advances made by the State Bank under the Advances for Homes Act.

The Homes Act has proved an extremely beneficial piece of legislation and has been the means of enabling a large number of people to purchase their own homes. Since 1941, and up to June 30, 1958, 8,625 applications for guarantees have been approved. The mortgages guaranteed have totalled £11,772,090 and the portion subject to guarantee £2,249,899. So far £76,319 has been paid into the Home Purchase Guarantee Fund, and as yet, there have been no claims on the fund.

The Government considers that, under the existing conditions of increased building and

land costs, the present loan maximum should be raised and greater assistance provided for prospective home purchasers. It is therefore proposed by the Bill that the maximum loan which may be guaranteed is to be £3,500 instead of the present amount of £2,250.

It is provided that, where the loan does not exceed £3,000, it may be guaranteed up to 95 per cent of the value of the house and land. Thus, as regards loans in this category, there will be an increase from 90 per cent to 95 per cent of the value and a corresponding increase in the loan which may be made whilst the purchaser's deposit may be as low as 5 per cent.

The Treasurer's guarantee will, as now, apply to the part of the loan which is in excess of 70 per cent of the value and will thus, in the case of a loan up to the maximum value, apply to 25 per cent of that value instead of 20 per cent.

As regards a housing loan in excess of £3,000, it is provided that the guarantee will apply to 85 per cent of the value. It is considered that, in the case of housing loans of these larger amounts, the deposit should be greater. The amendments increasing the limits to which housing loans may be made are included in clause 3.

Clause 2 amends section 4 of the Act and provides that the Treasurer's guarantee may apply to one-quarter of the value of the house and land instead of one-fifth. It is already provided in the section that the guarantee is to apply to the part of the loan in excess of 70 per cent of the value, so that the effect of the amendment to section 4 is that the Treasurer's guarantee will, in the appropriate case, apply to the part of loan representing between 70 and 95 per cent of the value of the house and land in question.

The existing provision of the Act providing that the rate of interest on guaranteed mortgage loans, if paid within 14 days of the due date, is not to exceed 6 per cent is unaltered and will, of course, continue to apply. Thus, the result of the Bill will be to provide that housing loans to an amount of £3,500 may be guaranteed by the Treasurer and that, in the case of loans of £3,000 and less, the deposit of the house purchaser can be as low as 5 per cent of the value of the property.

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

WHEAT INDUSTRY STABILIZATION BILL.

Adjourned debate on second reading.

(Continued from October 23. Page 1366.)

The Hon. F. J. CONDON (Leader of the Opposition)—The wheat industry stabilization scheme has been operating for 10 years. A vote of growers was taken before the first Bill was passed. This Bill continues the Act, with slight alterations, for another five years. A price equal to the cost of production is guaranteed for 160,000,000 bushels of wheat a year—100,000,000 bushels for export and 60,000,000 bushels for local consumption, the cost being fixed at 14s. 6d. a bushel. For, I think, the fourth time this session we are called upon to ratify an agreement by saying "Yes" to a Bill, with no opportunity of making amendments.

This Bill was agreed upon by the Minister for Primary Industry and the six Ministers of Agriculture for the States. Therefore, although I support it, I shall offer a few criticisms that I feel are warranted. The State Governments should take a strong stand with the Australian Wheat Board. I shall not criticize that board—

The Hon. E. Anthoney—Why not? It is not always right, is it?

The Hon. F. J. CONDON—It could amend certain things in certain directions. Under the Bill, I do not think that the Australian Wheat Board should have full control because it is a body consisting of 13 members, nine of whom represent the farmers, one the employers, one the employees, and two represent other interests.

The Hon. E. Anthoney—How many consumers are on that board?

The Hon. F. J. CONDON—No consumers are represented; it is not an evenly balanced body.

The Hon. Sir Frank Perry—It only markets wheat.

The Hon. F. J. CONDON—Oh no—it sells it; I will come to that later. I do not want honourable members to think that my criticism is directed again the powers that be; I want only to make a few suggestions for improving this Bill. I regret that I am not enabled this afternoon to move one or two amendments. My doing so would not comply with the ratification of the agreement. The State Governments, together with the Federal Government, should control the Australian Wheat Board. I will give my reasons later.

This Bill provides for a special rate for Tasmania and a differential rate for Western Australia. Tasmania does not grow much wheat and South Australian consignments for Tasmania are mostly loaded at Ardrossan. Western Australia has the advantage of being nearer the markets. Under this Bill, concessions are given to both States. The Australian Agricultural Council reached an agreement on the home consumption of wheat. In 1936 a flour tax was introduced by the Commonwealth Government. In that year the merchants were blamed and the wheat farmer had to accept the price offering in world markets.

India is an important country and buys much wheat from Australia. Let us look at the other side of the picture. We have introduced bulk handling into Australia, and therefore we do not require bags from India. As a result, India is looking to other countries. That is another matter for consideration.

The former Minister for Primary Industry (Mr. McEwen), in a press statement, said:—

Some of the countries he referred to have not the currency to pay cash. Approach should be made to get the Federal Government to finance credit sales by paying the board cash as letters of credit come through them (the Government) to collect the payments plus interest in six or seven years, whatever may be the period under which the wheat or flour was sold on terms, as the board could not hold back the settling of the various pools for such long periods.

Under the scheme the price is fixed at 14s. 6d. a bushel, but that price will be reviewed every year on a cost of production basis. The Wheat Stabilization Fund comprises 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 shall the rate be more than 1s. 6d. a bushel. The fund will be kept down to about £20,000,000. The taxpayers of the Commonwealth will have to find the further amount that that fund does not provide for.

The Hon. E. Anthoney—Has a cost of production basis been established?

The Hon. F. J. CONDON—Yes; at the first conference an agreement could not be reached because the growers wanted 15s. 6d. The wheat index committee fixed the amount at 14s. 6d. a bushel. This is not new legislation. In 1934 a tax of £2 12s. 6d. a ton was imposed on all flour manufactured in Australia. In the same year another Act imposed a tax on flour in excess of 1,000 lb. in weight held in stock by persons who were not manufacturers of that

flour. Yet another Act in that year imposed a tax upon flour and goods imported into Australia. Following on that the Wheatgrower's Relief Act was passed in 1934 to grant financial assistance to the States. That Act dealt with the payment to wheatgrowers, and provided that the amount to be paid by a State to any wheatgrower out of moneys granted to that State was to be calculated at the rate of 3s. for each acre which the wheatgrowers satisfied the prescribed authority of the State was sown with wheat or grain during the year.

The Hon. L. H. Densley—That was an insult to South Australia, wasn't it?

The Hon. F. J. CONDON—That may have been so. I am giving a short history of what the States have endeavoured to do to assist the wheat farming industry, which I support. I remind members that I have never voted against the interests of farmers who are endeavouring to benefit the State. However, I point out that it should not be one-way traffic; other interests must be considered. In 1934 a special grant of £4,100 per month was made to Tasmania, and in the same year legislation was enacted to provide for the payment of a bounty of 3d. per bushel on the production of wheat. Parliament has over a period of years been endeavouring to help the wheat industry.

The Hon. E. H. Edmonds—Most of those endeavours were merely palliatives.

The Hon. F. J. CONDON—I am not disputing that most of them were probably justified. I support the Bill because I am in sympathy with its proposals.

The Hon. L. H. Densley—Have you anything to say about the subsidy towards consumption?

The Hon. F. J. CONDON—I will deal with that in a moment, and I shall be interested to hear what the honourable member says on that point. I have been associated with this industry for over 50 years and know something about it.

The Hon. Sir Frank Perry—Flour or wheat?

The Hon. F. J. CONDON—Both, because one cannot be considered without the other. We are asking people to pay 14s. 6d. a bushel for 60,000,000 bushels. I have previously referred to the position of the flour milling industry. The Minister in his second reading explanation told us that 160,000,000 bushels is the quantity for which a price is guaranteed, 100,000,000 bushels being for export and 60,000,000 bushels for local consumption. I take it that the latter figure will provide the flour for export. Mr. Edmonds has repeatedly

asked me what the solution is. My answer is that, first, we should get other countries to withdraw subsidies on export flour; secondly, if we cannot get that we should consider granting a subsidy to protect the flour milling industry as we protect other industries and, thirdly (this is most important, and if it can be carried out I shall be satisfied), the Wheat Board should sell to the Australian millers wheat at the same price as is paid overseas for wheat milled for export flour. This industry does not want concessions.

The Hon. E. H. Edmonds—What percentage of the milled wheat is exported overseas?

The Hon. F. J. CONDON—In some years it is 50 per cent and in others 52. First, we should fix a price for New Zealand, which is a very good market. According to my information, when a miller wants to buy wheat for export on private orders he is quoted 14s. 6d., and therefore he cannot compete with millers overseas. I accept the assurance of our Minister of Agriculture (Hon. D. N. Brookman), to whom I pay a tribute for his interest in the matter, that the Agricultural Council has said to the Australian Wheat Board, "We want the same consideration given to the manufacturer here as the foreign miller receives overseas." I would be quite happy about that. Australia has lost most of her overseas flour markets, because certain overseas Governments pay subsidies on export flour. I realize it is difficult for the Australian Government to tell other countries what they should do. I am prepared to forgo my first two suggestions for a solution of our problem, provided the industry gets the benefit of my third suggestion. We have lost our Colombo trade as well as other overseas markets and in order to help win them back freight should be reduced.

The Hon. E. H. Edmonds—What is the difference between the Australian price of flour and that paid overseas?

The Hon. F. J. CONDON—I know that Germany has been subsidizing to the extent of between £3 and £4 a ton. If a miller goes to the Australian Wheat Board on a Monday, says he has received an overseas order for flour, and asks the price, he is told that it is so and so; therefore, he may not be able to undertake the business. On the Thursday he goes back again and, although in the meantime the price of wheat may have fallen 3d. or 6d. a bushel, he is still asked to pay the

price quoted on Monday, and therefore he cannot compete. There should be an honourable arrangement between the Commonwealth Government and the Australian Wheat Board, because this industry means so much to the Australian economy.

Another thing that has affected the trade is the introduction of the bulk handling of wheat. I am speaking not only on behalf of South Australia, but of the whole Commonwealth, because 151 flour mills in the Commonwealth were employing 4,826 men, but that is not the position now. I am putting the case from the manufacturers' point of view, not forgetting the important aspect that no-one wants the farmer to work below the living wage.

The Hon. J. L. S. Bice—How many are employed today in the milling industry?

The Hon. F. J. CONDON—In South Australia we have lost 33 per cent of the employees, yet no-one in this Chamber seems to say anything about how it affects the country.

The Hon. L. H. Densley—The honourable member speaks very well for them.

The Hon. F. J. CONDON—There are only four flour mills in the metropolitan area and 19 in the country, but I never hear any honourable member say even one word on their behalf. Two-thirds of the membership of the employee's union are outside Port Adelaide. I do not know why I should always be called upon to bell the cat. I am fighting not only for the milling industry, but also for the poultry, pig and dairying industries, because bran and pollard mean a lot to them. In such a Bill as this, in which Parliament is called upon to ratify an agreement, surely it is not out of place to put the other side of the question. We cannot prosper unless we work together; we do not want to be sectional. We should consider the unemployment position and the economy of the State, and try to realize what this trade means to Australia. I remember many years ago that the Victorian Government paid a subsidy of 2s. 6d. a ton on the export trade, and New South Wales came along with a subsidy of 3s. 6d. When South Australia came into the picture all it was successful in doing was knocking the whole thing out.

The trade does not object to fair competition, but it objects to unreasonable competition and in this respect I compliment the Federal and State Governments on endeavouring to right the position. However, I want to take a little credit for placing the position before the Australian public. South Australia has been the prime mover in stabilizing

export prices; and Australia has started now to fight back. I am informed that the Agricultural Council has told the Wheat Board that millers must receive wheat at the price exporters overseas pay. It will be interesting to see the reaction. I think it would have been more satisfactory had a clause been embodied in the Bill to meet that position. I know it would have the support of our Minister of Agriculture. The question has been canvassed all over Australia and the interests concerned are beginning to take a little notice. Some months ago I was surprised to learn that wheat was being imported from Canada into New South Wales, and I considered that unnecessary. This is what happened: two cargoes were brought to New South Wales from Canada and at the same time Australia was exporting wheat.

The Hon. L. H. Densley—A little earlier we were being told not to grow wheat.

The Hon. F. J. CONDON—I never advocated that policy, which was advocated by members of the Australian Wheat Federation, because I do not believe in a go-slow policy. Wheat was being exported from Victoria, Western Australia and South Australia and at the same time it was being imported into Queensland and New South Wales from overseas. To me that was a fallacy.

The Hon. L. H. Densley—We are not preserving our markets.

The Hon. F. J. CONDON—No. The position today is that wheat had been imported into New South Wales and flour was exported from Newcastle. I shall place on record a couple of letters I have received, one being from Sir Philip McBride, who at the time was acting Minister for Primary Industry; it was dated November 27, 1957. It was as follows:—

I refer to your letter of 12th November, 1957, requesting the prohibition of the export of wheat to ensure as much work as possible for the flour milling industry. Because of the deficiency of wheat for even local consumption, it would seem that nothing can be done to give more work to the flour mills of New South Wales and Queensland than that involved in supplying their local markets. On the other hand, wheat will be available for substantially normal exports from Western Australia and South Australia and, with reduced competition from the millers in the Eastern States, there would seem no reason why millers in these States should not make sufficient sales on the overseas markets to keep their mills busy.

In Victoria there will be only a limited availability of wheat for export whether as grain or as flour. However, with Victorian millers freed from competition from New South Wales and Queensland mills it may be

expected that a large proportion of the Victorian wheat available for export would go as flour. The effect of the poor season on mills will apparently be very uneven. A ban on the export of wheat would not help the millers who will be hardest hit, those in New South Wales and Queensland. The millers of Western Australia and South Australia will be in a relatively good position and have no need for extraordinary measures. It would seem therefore that a prohibition of the export of wheat would not be effective; but the Wheat Board will naturally consider fully the needs of the milling industry when any export of wheat is in view.

What he prophesied did not eventuate because there has been more unemployment since that letter was written, not only in South Australia, but throughout the Commonwealth. However, we have had a slight advantage because some markets of New South Wales went to the other States. However, that advantage will be lost and I am afraid that despite the Minister's confidence—

The Hon. E. Anthoney—What is the value of the Wheat Board to Australia?

The Hon. F. J. CONDON—I think the farming community will probably answer that.

The Hon. E. Anthoney—It needs answering.

The Hon. F. J. CONDON—I am not going to criticize the board, because it was created at a time when control was necessary. Incidentally, I could have been a member of the Australian Wheat Board but was not willing to resign from Parliament. I am satisfied that the men who comprise the board try to do the right thing, but I fear that some of them merely look through one pair of glasses.

We talk of subsidies. The milling industry subsidizes the dairying and the pig and butter industries to the extent of £13,500,000 a year, plus the £2,000,000 you are going to ask us for. Assistance is given to other industries and I am not complaining about that, but it should not be one-way traffic.

The Hon. Sir Frank Perry—You contend that everyone should get it?

The Hon. F. J. CONDON—No, but if an industry is in a difficult position it should be assisted, if not by way of subsidy, at least on equal terms with others. I repeat that the milling industry interests throughout the Commonwealth do not want anything else but fair treatment, and this brings me back to the point I made earlier, namely, give the milling industry the terms enjoyed by foreign countries. Is there any objection to that?

The Hon. W. W. Robinson—That is quite reasonable.

The Hon. F. J. CONDON—Exactly, but we do not get that. Remember this: a contract may be lost on 1s. a ton today.

The Hon. E. Anthoney—The soundest industry in Australia is the wool industry, and it has never required any props.

The Hon. F. J. CONDON—I am putting up a case for the milling industry and I know that we cannot do anything about it under this Bill, but at least we can state a case for the Government to consider. I think that is justifiable. In 1952 the milling industry produced 2,365,000 tons of flour, bran and pollard, which is of so much importance to the dairying and subsidiary industries. At one time Australia was the largest exporter of flour in the world, and during the war period the fourth largest. Can we afford to allow an industry like that to go out? At one time the mills were working 120 hours a week, but today they are down to 60 and in many cases 40 hours. Who suffers from this loss of trade? The poultry, the pig and the dairying industries, but above all the employees many of whom have been in the industry for the whole of their lives.

The Hon. E. Anthoney—If there are no buyers how can we sell it?

The Hon. F. J. CONDON—Remove the obstacles. Does not my friend think it fair that the milling industry should receive wheat at the same price as it is sold overseas?

The Hon. E. Anthoney—I cannot see anything wrong with that.

The Hon. F. J. CONDON—That is my point. I know it is difficult to give subsidies, or make up losses, but I am not asking for that. It has been suggested to me that we should do what was done in 1934, namely, impose a flour tax, which would mean, on the figures I have quoted, a halfpenny a loaf of bread.

The Hon. E. Anthoney—That is too much.

The Hon. F. J. CONDON—I am not advocating this, but stating what has been put to me. A halfpenny a loaf would mean about 6d. a week to the average family.

The Hon. L. H. Densley—Take that on the hustings in March and see how you get on.

The Hon. F. J. CONDON—I will have enough without taking that on, and one of the things will be margarine, make no mistake. I think my friend is concerned about other things too. A halfpenny a loaf is the equivalent of £2 13s. 8d. a ton on flour. I am not advocating this, I want it clearly understood,

but those in the trade say that this sum could be put into a fund to meet the export position, and that if this had been done in the past the industry would not be in the position it is today. Under this Bill it is proposed to take 1s. 6d. a bushel off the overseas price and put it into a fund.

The Hon. L. H. Densley—That is a little difficult, is it not?

The Hon. F. J. CONDON—Not in my opinion, but I will tell you what will happen. How long will you receive 14s. 6d. a bushel for wheat overseas? America need not grow a grain of wheat for two years, but would still have enough to feed her own population. Every other wheat growing country has a surplus. What are they going to do with it? Will they do the same as the Australian Wheat Federation when it demanded 18s. 5d. a bushel when the United Kingdom was willing to pay 18s., thereby driving the United Kingdom out of the International Wheat Agreement?

The Hon. E. Anthoney—They will dump their surpluses as they have always done.

The Hon. F. J. CONDON—Of course, and we in Australia will be asked to keep up the price, make no mistake about that. I hope I am wrong because I think the farmer is entitled to all he can get, but I cannot see how the price can be maintained. The Australian public will be compelled to pay and I ask my friend, Mr. Densley, why it cannot be done in other directions. Why should one section have these privileges and not another.

Now I come to the second letter I mentioned earlier. This is addressed to Mr. Makin by the Minister for Primary Industry and is the result of my request. It was as follows:—

I refer to your letter of May 15 regarding the flour industry. It has been of concern to the Government for some time that the Australian flour milling industry has been faced with very severe conditions. One of the reasons is, as you say, that some importing countries have erected their own mills and now buy wheat instead of flour. Another cogent reason has been the strong and unfair competition offered by flour millers in some countries, most notably France, where the Government subsidizes wheat exports and, it seems, flour exports even more strongly. Again, there has been an interruption to the normal trade in one of our main markets, Indonesia, because of internal dissension and difficulties of foreign exchange. The combination of circumstances has caused great difficulty in our flour export trade, particularly this season; and unfortunately, an end to the difficulties is not yet in sight. Every practicable step will be taken to stimulate the flour export trade; and protests have been made overseas to the Governments concerned in regard to

the practice of unfairly subsidizing exports that are in competition with Australian flour. Yours sincerely, (sgd.) Wm. McMahon.

Before concluding I wish to place on record a few facts to emphasize the importance of the industry. In 1952-53 there were milled in Australia 80,000,000 bushels of wheat, 1,726,000 tons of flour, and 773,000 tons of bran and pollard. In 1952-53 we milled only 201,658 tons of flour in South Australia.

The Hon. Sir Frank Perry—Has the consumption of flour in South Australia dropped?

The Hon. F. J. CONDON—No, not with the increased population.

The Hon. Sir Frank Perry—I mean *per capita*?

The Hon. F. J. CONDON—No.

The Hon. Sir Frank Perry—I should say so.

The Hon. F. J. CONDON—The honourable member may be right; I have no figures on that.

The Hon. Sir Frank Perry—You ought to bear that in mind.

The Hon. F. J. CONDON—I know many substitutes are coming in. In 1952-53 we exported 135,106 tons from South Australia; in 1957 it fell to 86,787 tons, and today it is much lower. Over a period of years our export of flour has been about 50 to 52 per cent. I want every consideration to be given to the man on the land, who has to take a stabilized price; I am prepared to go 100 per cent with him. At the same time I do not want members to lose sight of the fact that other people and industries have to be considered.

The Hon. W. W. ROBINSON secured the adjournment of the debate.

ADVANCES FOR HOMES ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from October 23. Page 1369.)

The Hon. L. H. DENSLEY (Southern)—The Advances for Homes Act has been in operation for many years, during which many houses have been built in South Australia. It is interesting to note the maximum amounts made available from year to year to applicants by the State Bank and the Government for this purpose. In 1928 it was provided that maximum advances of £700 could be made. That was amended in 1949 to £750, in 1951 to £1,500, in 1957 to £2,250, and now this Bill increases it to £3,500. It provides not only for the granting of larger amounts on loan

for the purpose of building houses but also for a smaller percentage of down payment as a deposit. In 1928 one-seventh of the amount of the loan had to be available as a deposit from the applicant. This Bill provides for advances of up to £3,500, with a deposit of 5 per cent on amounts up to £3,000, and 15 per cent where the loan exceeds £3,000.

Clause 3, the main clause, provides that advances may be made to an applicant for the purpose of building a home—(a) to erect a dwellinghouse on his own land; (b) to purchase land and erect a dwellinghouse thereon; (d) to complete a partially erected dwellinghouse owned by him; and (e) to enlarge a dwellinghouse owned by him. It will be generally agreed that, as this Act was passed originally for the purpose of providing finance for people on lower scales of income, it is only reasonable that, where a larger amount is necessary for building a home, the applicant should be expected to provide a greater amount of deposit from his own pocket. No-one would quarrel with that.

I think perhaps there is a misprint in clause 3, new subsection (4), where both paragraphs i and ii say “three thousand pounds” in connection with 95 per cent. and 85 per cent. I suggest that the clause be looked at.

Clause 4 increases the period of repayment from 42 to 50 years, which again provides easier terms for those on lower wages. Generally speaking, the period of 42 years has been accepted for a long time and has made it possible for a home builder on a basic wage to meet his commitments. Many thousands of houses have been built by the State Bank and paid for over that period. The impact will be eased by the interest and principal repayments being spread over the longer period of 50 years.

Clause 8 provides relief for widows or widowed mothers in the repairing of homes rented from the State Bank, and clause 9 authorizes the bank to repair those homes.

It is popular to say today that we should build more homes. The South Australian Housing Trust has an effective application list for about 7,000 rental homes now. Obviously, for those 7,000 all to be satisfied will be a long job but it can be assumed that, when 1,000 people have had homes built for them by the Housing Trust, many empty houses will be left for other people to move into. Consequently, it is difficult to decide the actual number of houses required at any given moment to satisfy public demand.

For country members at any rate, the demand for houses has considerably slackened. Two years ago, applications were coming through almost daily from constituents for support in getting a Housing Trust home; but today that is a rarity, which may be taken as an indication that the demand for homes is being met fairly well. I do not believe that we should set out to catch up absolutely with the demand for homes. If we awoke tomorrow morning and found that the demand for homes had been met, it would probably be the greatest catastrophe we had suffered for a long time. Many builders would be looking for work and financiers who lend money to support the building industry would be in a sorry state. We must have a continuing demand over the years to keep the building industry stable. For that reason, we do not want to get our economy out of balance and build more homes than we can fill immediately.

It would not be in our best interests to set out rapidly to build more homes. There have been many cases of hardship from time to time and they must be met. The Housing Trust does its best to meet the demand of those exceptional cases. Sir Arthur Rymill, when speaking the other day, mentioned finance as the limiting factor in the number of houses being built, and also the various authorities that were set up for the purpose of supplying cash for home builders on long-term loans. He referred to the State Bank, the Savings Bank, the various superannuation schemes and the insurance companies and said that the trading banks did not make a practice of lending money on long-term for houses. It seems to me that possibly the greatest opportunity for providing money for houses lies with the insurance companies, who have not yet come into the building business to any great extent.

I have in mind that the A.M.P. a few years ago set out on a developmental plan in the South-East. It not only did a great amount of developmental work, which brought the company great advertisement, but gave the district in which it operated great publicity, resulting in a great rise in land prices there. It did a good job in the development of the land. With the tremendous increase in the number of insurance premiums and the business done by insurance companies, an approach should be made to them to meet the obligations of housing to a larger extent. It surely could be done much the same as the A.M.P. had its development scheme. They could have their own housing schemes, and

set aside a particular type of house, thus bringing themselves much publicity. I feel that the Premier or the Minister in control of housing from time to time should take up with insurance companies the question of the possibility of obtaining more money for building homes within this State. Premiums being paid are, I believe, seven or eight times more than a few years ago, and most of that money will go to other States if we do not make an effort in South Australia.

I make that suggestion, hoping that the Government may be able to negotiate with insurance companies with a view to their taking up housing finance on a big scale and so relieving Government finance. I approve of this Bill. I feel that the lifting of the maximum advance will allow people to use their own initiative and build the type of houses they require. I realize that we will not be able to build as many houses to meet the continuing demand as we could if we kept advances lower. Within two or three years there will be a very great increase in that demand. The numbers attending primary and high schools are double what they were a few years ago, and obviously there will be a great increase in the marriage rate within the next few years. We will consequently be faced with the need for again stepping up our housing programme, and if the Government takes this matter up with the insurance companies it may find that they could help in that regard. I have pleasure in supporting the Bill.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Clause 3—"Advances for Homes."

The Hon. L. H. DENSLEY—New subsection (4), paragraph I, states:—

If the advance exceeds £3,000, the advance may be of an amount not exceeding 95 per centum of the fair estimated value of the applicant's estate or interest in the holding and the permanent improvements thereon.

Paragraph II is in identical words, except that the figure of 85 per centum is mentioned. I draw the Attorney-General's attention to that, and ask him whether this clause has departed from the principle of the Bill.

The Hon. C. D. ROWE (Attorney-General)—I am indebted to the honourable member for directing my attention to this matter. I will investigate to see whether

there has been a misprint in this clause, and in the circumstances I move that progress be reported.

Progress reported; Committee to sit again.

RIVER MURRAY WATERS ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from October 23. Page 1371.)

The Hon. L. H. DENSLEY (Southern)—This Bill is typical of the work accomplished for South Australia over a number of years by the Playford administration. I compliment the Government and its officers on their tenacity and determination in the interests of the State. Water reticulation is the No. 1 priority of all the amenities in this State. I think we all agree that there is no greater necessity than water. The paramount importance of this Agreement has been deliberately played down by many people in the community, and many caustic comments have been made about the attitude of the Government in its determination to fight to obtain what the Government believes are the just dues of South Australia.

It is interesting to look at the position of the State regarding rainfall and the requirements of water for the population. I have statistics that show that 4 per cent of the area of South Australia enjoys a rainfall of over 20in. per annum. That is a very good rainfall, and there are not many water problems in those areas. The statistics further show that 14 per cent enjoys a rainfall of between 10in. and 20 in. per annum, and 82 per cent receives under 10in. per annum. Most of the latter portion receives much less than the 10in. to which I referred. Because of the necessity for development, Governments and officers over the years have attached great importance to the conservation and reticulation of water. I believe that no administration has approached the Playford administration in this regard. Over 96 per cent of the people of South Australia have the facility of water they can turn on from a Government tap on their property, and that is something of which the Government can be very proud.

We in South Australia have a great scarcity of rivers. If we had a river like the Murray traversing the State every hundred miles or so our water problems would not be so great. The shortage of water, rainfall and rivers makes the desirability of getting every gallon of water we can of great importance. The Government has done all it possibly could to provide water for distant parts of the State

which have no adequate rainfall. It has laid pipelines over many hundreds of miles in connecting the Murray with various parts of the State. We have the pipelines from Mannum to Adelaide, from Morgan to Whyalla, and on to Woomera, and there are many other small schemes such as at Tailem Bend, Murray Bridge, Renmark, Loxton, and Swan Reach.

In addition to the actual supply from the River Murray, the conservation of water in the various reservoirs has meant the building of about 8,300 miles of pipeline for reticulation purposes from those reservoirs, both in the metropolitan and country areas. It is interesting to note that pipelines have varied from 2in. to 70in. in width. In recent years the minimum has been 4in. in the metropolitan area and 3in. in the country, extending up to 70in. in some instances. We can see from the tremendous amount of work the Government has done that it has fully realized the great importance of water in an expanding industrial State such as ours.

A tremendous demand exists for water from the River Murray for irrigation purposes. The water taken from the Murray for Government irrigation in 1957-58 was 148,000 acre feet. Private irrigation absorbed 34,000 acre feet, and the amount taken from the normal storage basins, such as reservoirs, for stock and domestic purposes amounted to 66,000 acre feet. Those figures totalled 248,000 acre feet of water in that year. The pipeline from Mannum to Adelaide alone pumped over 14,000,000,000 gallons of water last year.

We need make no excuses for applauding the Government for the very great effort it has made to increase the available water to South Australia under the River Murray Waters Agreement. It must be remembered that for three years the Government negotiated, urged and threatened concerning the distribution of the Snowy water. It asked for a copy of the agreement between the Commonwealth, New South Wales, and Victoria, and for 18 months it was consistently refused the information contained in the agreement. It was finally supplied to this Government after it had been signed, and it was then found that the water being provided by the diversion of the Snowy River was to be divided between Victoria and New South Wales. The attitude of the Government in demanding that a percentage of this water be made available to South Australia is one with which we can be wholeheartedly in accord. I appreciate that many people feel

that this one thing alone would justify a continuation of the Playford Government for a long time to come; consequently some people may feel that it is not desirable to bring this matter continuously before the public to let them know what the Government has been doing.

When the Premier endeavoured to negotiate with the Commonwealth regarding an alteration to provide South Australia with the share of the Snowy waters which the Premier maintained belonged to us, and with some compensation for the diversion of the Tooma, he was consistently refused any sympathy. The Government thereupon took the responsibility of issuing a writ against the Commonwealth in the High Court. It was through the tenacity and determination of Sir Thomas Playford that an agreement satisfactory, and indeed highly beneficial to South Australia, was obtained. In the past two years South Australia has had a very good run of rainfall, indeed the best for many years, but the additional water under the agreement will be of particular advantage, providing in times of restriction for losses from evaporation, percolation, lockages, and dilution, which will be separately computed: This additional water will be allowed to pass to South Australia in addition to the water allocated for use.

Under the Murray Waters Agreement South Australia is allotted 337,000 acre feet, which, with the additional water that will be made available under the new agreement, will amount to 453,000 acre feet, a benefit of 116,000 acre feet. It is estimated by the authorities that South Australia could double its present use of Murray water without running the risk of serious shortages during a drought year. That means a lot to this State. Our industrial expansion has been fantastic in recent years and I see no reason why we should not progress at an immensely increased rate in the next few years. This is indicated by the Bills we have recently passed ratifying agreements and indentures for the establishment of new industries.

South Australia will benefit from the great storages of water in the eastern States which will provide the additional water required under the Agreement to be supplied during a drought year. The claims that the Government has insisted upon continuously for nearly three years will be effectively granted under the Agreement, to the substantial benefit of the State. Although South Australia has not

utilized all the water to which it was entitled, it is to be hoped that, with the additional water available under the Agreement, the State may be able to undertake further primary development. Many areas in South Australia could be developed substantially with great profit to the State if water from the Murray could be provided. I have in mind the Coonalpyn Downs where, because water is not available for stock, the land has remained in its virgin state for centuries and could be developed only slowly without a reliable supply. The Australian Mutual Provident Society had some of this area under its control for a period, but was unable to cut it into small blocks owing to lack of water. From Coonalpyn to Meningie is a strip of country that could be easily and profitably developed if an adequate supply of water were available. Also, other places could provide increased production. This agreement is one of which we can be proud and I therefore have much pleasure in congratulating the Government on its achievement.

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

INDUSTRIAL AND PROVIDENT SOCIETIES ACT AMENDMENT BILL.

(Second reading debate adjourned on October 23. Page 1375.)

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

LOCAL GOVERNMENT ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from October 22. Page 1330.)

The Hon. F. J. CONDON (Leader of the Opposition)—The Local Government Act consists of about 1,000 sections, more than in any other Act I know of. Usually a Local Government Act Amendment Bill is a Committee Bill. Clause 2 removes from the Act the provision limiting to £100 the allowance to the chairman of a district council. I think that the grant should be increased as the chairman is called upon to do much work on behalf of ratepayers. Clause 3 provides that a district council may appoint one of its members deputy chairman to preside at council meetings in the chairman's absence. I think this is a good move as sometimes councillors

are not very desirous of taking the chair for fear of criticism, whereas this is not the case if there is a recognized deputy chairman.

Clause 4, by deleting the amount which the minimum rate shall not exceed, enables councils to fix a low rate for a particular area with the proviso that this rate must apply to a whole ward. Clause 5 widens the council's powers for contributing to local associations and organizations to the extent of £100 instead of £50 as formerly. I think that this is a step in the right direction. Clause 6 removes the necessity for establishing a special fund into which revenue received from the sale of timber, etc., must be paid, while preserving the obligation to spend this revenue on tree planting. One has only to read the Auditor-General's comment on our afforestation projects to realize the value of tree planting.

Clause 8 deals with the council's powers in levying on adjoining owners for the cost of making roads, footpaths, etc. This has always been a controversial matter and I think that the amendment is an improvement in as much as it clearly defines council's powers and both ratepayers and councils will know exactly where they stand. Clause 9 amends section 28, which empowers councils to require the provision of septic tanks by enabling councils, with the approval of the Central Board of Health, to regulate the installation of all purpose tanks capable of dealing with sullage and waste water in addition to sewage. Some towns, particularly one large town in the Northern District, have great difficulty in establishing sewerage systems because of the nature of the soil, and in some instances septic tanks are the only answer, although even these are not always very satisfactory because of the nature of the subsoil.

Clause 12 increases the penalty for dumping rubbish on roadsides from £20 to £40. I am rather surprised that councils seek this power for many of them provide their own rubbish by their failure to clear the streets of weeds, etc. However, it is very desirable to have power to prevent the dumping of the rubbish that one sees so frequently along roadsides. Generally speaking, this is a Committee Bill, and I think that in the Committee stage one or two clauses may need to be carefully examined, so I shall reserve any further comment until that stage.

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

BROKEN HILL PROPRIETARY COMPANY'S STEELWORKS INDENTURE BILL.

Adjourned debate on second reading.

(Continued from October 23. Page 1377.)

The Hon. Sir FRANK PERRY (Central No. 2)—The purpose of this Bill is to ratify an Agreement between the State Government and the Broken Hill Pty. Company to establish a steelworks at Whyalla. It is a very big move in the development of South Australia and one that I think can be regarded with much favour by this Council. I have read the report of the Select Committee appointed in another place to examine this Bill. It is a lengthy document and indicates that the Parties on both sides of the House were satisfied with the Bill on the evidence tendered. It also received close scrutiny by the Government, which would not have entered an Indenture of this nature, granting concessions for a long term, without examining very closely all that is entailed and without having the assistance of all the officers associated with the control of the industry.

We have, therefore, the Government approving of the Bill, the Select Committee approving of it, and a long statement by the Chief Secretary when explaining it, covering all the details. Therefore, I think that this Council can accept the Bill as presented, and perhaps if I were following the temper of the House this afternoon I would finish there. I do not intend to do so, however, for I feel that the effects of this Bill should be noted and appreciation expressed of all the people who have built up the industry in South Australia.

The impression I gather from reading the Agreement is that the Government was much keener in seeking to have this Indenture approved than was the B.H.P. By this I do not mean that undue concessions were given by the Government, for I do not think that was the case, but I consider that the Government was far more desirous of bringing the Agreement to fruition than was the company. That may be easily explained. The company is going along very well; it has its rights in that district and all it wished to do was to expand the scope of its operations in the ore field. However, there are people, particularly those industrially minded as well as the Government itself, who felt that South Australia had something of a birthright in its iron ore and that, if possible, we should capitalize on that by having what every Government or people would desire—an

industry within the confines of the State which would aid its development and the welfare of its people. The company, on the other hand, could argue that its function was to supply steel as cheaply as possible for the whole of Australia. Whether, by the establishment of a steelworks at Whyalla, it is doing that I think it is rather doubtful about. However, the agreement has been made and the company has responded to the request of the Government, perhaps feeling under some obligation by virtue of previous promises.

The Hon. S. C. Bevan—Don't you think it will be of advantage to take the steelworks to the source of supply?

The Hon. Sir FRANK PERRY—That is open to question. At the time the steelworks were established in New South Wales it needed two tons of coal to one ton of ore to produce steel. Nowadays it is more like one ton of coal to one ton of ore, but we must remember that the great use of steel is not in this State but in the eastern States. Further, it is much easier to expand existing works than to erect new ones and I think that that reservation shows out in the Indenture. The Government has accepted a number of obligations: supplying water (which has to be conveyed some hundred of miles from the Murray), housing, electricity, and taking over the town's water service. It has given the company prospecting rights, rights regarding future leases on reserved land, harbour rights, and also certain reservations about land; it has also undertaken to assist, morally at any rate, in trying to get a railway built from Port Augusta to Whyalla.

I would say that a rough estimate of the Government's obligations in the establishment of this industry is between £10,000,000 and £12,000,000. These obligations are reasonable. Every citizen and industry expects to be satisfied with them. So, boiling it down, nothing has been given under this Agreement that would not be given to any other industry established on sound lines in South Australia. On the other hand, the B.H.P. Company has agreed to spend £30,000,000.

The Hon. E. Anthony—It will be much more than that, won't it?

The Hon. Sir FRANK PERRY—It may be, but I am sticking to the figure mentioned in the agreement: £30,000,000 on establishing a steelworks plant at Whyalla plus any beneficiation of ores that may be worked in the future. Unfortunately, the good quality ore at Iron Knob and Iron Monarch does not extend in unlimited quantities and it may be

found, though at the moment it is not so apparent, that that quality ore is not available in great quantities in other areas outside the places at present being mined. In addition to that, the company has undertaken to pay £12,000 a year for 20 years for work that the Government undertook in regard to mineral leases. I understand the cost to the Mines Department of that work was about £500,000, so the State has really paid something there.

Therefore, we can regard this Bill as something of a joint venture in a basic industry in which the company plays the major part but is backed by the Government in some directions. The Government, of course, expects the company to develop the area, and the State expects that the natural resources will be made available for its well-being. The effective result of the agreement depends largely on the status of the parties thereto. The State Government and the people of the State are regarded as progressive and up-to-date, desiring an expansion of industry and ready to do everything possible to carry out this agreement. On the other hand, there is the B.H.P. Company, a company of high standing in Australia, controlled by Australians. Most of its shares are held in Australia. I think that no company is more suitable for—indeed, I go further and say that no other company is capable of—establishing steelworks at Whyalla. Consequently, the association of the people of South Australia and this company should result in a successfully developed industry.

Mr. Condon gave credit to many people, both inside and outside the Government, but for some reason he failed to mention the man who, I feel, has the strongest claim for praise in connection with the agreement—that is, the Premier of South Australia.

The Hon. K. E. J. Bardolph—Why bring politics into it?

The Hon. Sir FRANK PERRY—I am not; I am trying, as I see them, to state the facts. As far as I can see, Sir Thomas Playford is the gentleman to whom a great deal of praise and thanks is due from us all for his untiring efforts in seeking the establishment of this industry within the State.

The Hon. Sir Arthur Rymill—He has been trying to get it for years.

The Hon. Sir FRANK PERRY—We all know that, and yet the Leader of the Opposition failed, to my mind, to give credit to the Premier for his magnificent work in this direction. With the Premier I couple the Minister of Mines, Sir Lyell McEwin, who

has helped establish this industry. We know, of course, that some pressure was put on the B.H.P. Company, that certain areas were kept from examination and that the company was refused the right of prospecting. I am afraid that was done deliberately.

The Hon. K. E. J. Bardolph—That is a rash statement.

The Hon. Sir FRANK PERRY—Whether it was right or wrong, evidently it had something to do with the final result, in that any company wishing to establish or develop an industry like the steel industry in Australia must be sure of its future supplies.

I remember a Bill introduced in about 1938, when the Iron Monarch quarry was expected to last for 75 years. Twenty years have passed but at the present rate of usage that ground would not warrant the establishment of the plant at Whyalla. Other sources of supply of ore must be obtained. I am pleased and gratified that it is now open to the B.H.P. Company to extend its reserves for the purpose of making steel.

The Hon. S. C. Bevan—What do you think made the B.H.P. Company change its attitude about that?

The Hon. Sir FRANK PERRY—I am not in the confidence of the B.H.P. Company. I do not know that, but there has always been a strong flavour of South Australian influence in the B.H.P. Company. I do not think that was entirely lost sight of. We regard our raw materials as a birthright, and it does not do to sell a birthright for nothing. We have examples of that. The Government and everybody concerned were obliged to see that the benefits of that birthright were available to us.

I also mention the former Director of Mines, Mr. Dickenson. I read several of his reports on the establishment of a steelworks at Whyalla. His proposals were rosy. Although he did not impress the B.H.P. Company as he impressed himself about the possible and probable developments of that area, he did much research and published his opinions in volumes that are well worth reading. They had some influence on the company but I give particular credit to the Premier for obtaining this industry for South Australia.

Monopolies are not always popular and an appreciation of the work and development of the B.H.P. Company and the additions to the economy of this State by such a company may not be out of place. It is not out of place as far as I am concerned: I do not know whether it is so far as this House is concerned, but there are people who do not give the company

the credit to which, I think, it is entitled for its ingenuity and forethought. I recall the starting of the B.H.P. steelworks in the early days of this century. It was a humble beginning. It was a company of good standing even then, and it tackled that problem, I am glad to say, successfully. It was originally based on Iron Knob, and the growth of the steel industry in Australia can almost be regarded as an industrial romance: Newcastle, Port Kembla, Whyalla, Rapid Bay, Yampi Sound, shipping lines, shipyards, tinplate, etc.—all from the efforts of this company. It would not, of course, have been impossible for another company to do it, but in Australia it is the B.H.P. Company that has done it. I pay my tribute to it for having done it and for the efforts it made to bring into existence a virile and well-developed steel industry.

The Hon. F. J. Condon—You have never heard me say anything against the B.H.P.

The Hon. Sir FRANK PERRY—No, I think the honourable member is a friend of the B.H.P., and he is not out of place in adopting that attitude. Steel tubes are now being made in this country and in this State, and wire netting, steel sheets and countless other products are being manufactured throughout Australia by companies with which the B.H.P. is associated. Thousands of users of steel depend on this company for their supplies, and consequently I claim that if any company has made a pronounced impact on the economy of this country it is the B.H.P. Its output has grown to 1,000,000 tons and it is now aiming at 3,000,000 tons annually.

B.H.P. steel is relatively cheap, and for the benefit of members I will quote some figures to illustrate this. These figures show the difference in favour of Australian prices, excluding duty, over British rates delivered c.i.f. and e. Australian ports in Australian currency. That really means that if we purchase steel from England and land it at Port Adelaide without duty and at the same time purchase steel from the B.H.P. and land it at the same place, the difference in price in Australian currency will be as follows:—

	£	s.	d.
Pig iron	11	12	2
Steel plates	18	16	8
Structural steel sections	19	11	5
Reinforcing bars	20	5	4
Merchant bars	22	4	2

Those differences mean that the British rates represent an increase of nearly 50 per cent on present B.H.P. prices to Australian manufacturers. I repeat that the impact of the work of the B.H.P. on the economy of this country

is very great. I regard its management as first class. It considers the industry first; indeed, it considers that the industry stands paramount. Although the shareholders have done very well, their interests have been subordinated to the welfare of the industry. If we examine the balance-sheets of the company over the years we find that much of the profit gained through the manufacture of its products has not been distributed to shareholders, as could easily have been done under the law of our land, but has been put back into the industry.

The Hon. F. J. Condon—The industry does not need to be defended.

The Hon. Sir FRANK PERRY—I am not defending the B.H.P.; I am paying it a tribute. It raised its capital in Australia. It has not revalued its assets over the years, and that is something of which any company can be proud. Very few companies have not taken advantage of the opportunity to increase the book value of assets in the inflationary times we have been through. It voluntarily raised its royalties from 6d. to 1s. 6d., and it has paid only reasonable dividends. I could with pleasure elaborate on every one of those points, but I do not intend to do so. It has been a fair employer. It has made every effort to keep supplies up to the users, and although it has not always been successful we cannot blame the company for that. Above all—as indicated by the figures I have quoted—it has charged only a fair price for its products.

In my earlier remarks I said that it is very desirable that the parties to any agreement should be responsible people and should accept the responsibility which the Indenture gives. We are fortunate in being in some way a partner with a company with the record of the B.H.P. I wish that company every success in the establishment of its steelworks, and I feel sure that such success will redound to the advantage of the people of the State and, I hope, to the company itself. I support the second reading.

The Hon. R. R. WILSON secured the adjournment of the debate.

LAND SETTLEMENT ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from October 22. Page 1331.)

The Hon. S. C. BEVAN (Central No. 1)—This Bill extends the operation of the Act for another 12 months. Over the last few years it

has been the custom to introduce legislation each year to continue the activities of the Land Settlement Committee for another year. I consider the committee has done, and is still doing, very good work in the development of the State. Prior to my election to Parliament and my appointment as a member of the committee, the committee did much work in the advancement of rural industry in our State, in conjunction with the Commonwealth Government under an agreement to settle returned servicemen of both wars on the land. The committee has from time to time been asked to inspect and report on various areas within the State regarding their suitability for closer settlement, and their allocation to returned servicemen.

The Commonwealth Government has now notified the State Government that it does not intend to continue the agreement with the State regarding soldier settlement. Apparently it considers that no further applications will be forthcoming from qualified returned servicemen, but I feel that that is far from the fact. I feel sure that other honourable members will share my disappointment that the Commonwealth has terminated its agreement with the State. I know that there are returned servicemen who would be applicants for land. Some qualified returned servicemen would be pleased to take up blocks for fruit growing, for instance, but at the moment no land is available for that purpose.

I feel that considerable areas of land are suitable for further development and many applicants with the necessary qualifications would, if given the opportunity, be only too pleased to settle on that land. The Minister of Lands has stated that in his opinion there is still a need for the Land Settlement Committee because of the availability of land in this State suitable for production, and therefore there should be an advisory committee to inspect land and to report on the advisability of developing it.

We can look to the South-East as an admirable example of the work that has been done and is still to be done. We know the potential of the South-East for further settlement. Some lands there are not being developed at all, and these could be brought under production. I feel sure that plenty of people would welcome the opportunity to place some of that land under production, provided they were given the assistance necessary. Years ago much land in the Millicent area was considered unsuitable for development, but drainage has changed that position. The

Land Settlement Committee has undertaken much inspection and inquiry in the South-East and it can accept some credit for the development that followed. I consider that it should be appointed permanently, and when it has exceeded its usefulness its services could then be terminated. I have much pleasure in supporting the Bill.

The Hon. E. H. EDMONDS (Northern)—Last year when a similar Bill was before the House to extend the committee's term for 12 months I gave a fairly comprehensive report of its operations, and therefore do not think it necessary to repeat that information now. As the Commonwealth Government has indicated that it intends to conclude its agreement with the State concerning war service land settlement I thought the Minister would have given some idea of what the future might hold regarding land settlement. Does it mean that the last word has been said by the Commonwealth in this active branch of repatriation or that the provision of land to meet applications from ex-servicemen already to hand will be a matter for the State Government alone? There is still much room for development. Much that has been done in this regard is only in the initial stages.

In this respect I mention the comprehensive report tabled this year following on the Land Settlement Committee's inspection relating to the drainage of the eastern division of the South-East. That is not the final report on the proposition. Further investigations will be necessary before additional money can be spent to bring development to fruition. The report dealt with one of the main drains, and the subsidiary drainage of this vast area will have to be considered later. As Mr. Bevan mentioned, there is the prospect of further development in the irrigation areas. I consider this will be one of the big projects in land settlement. We have agreed to a Bill providing for additional water supplies from the Murray, much of which will be available for the extension of irrigation settlements. The question of finding markets for the increased production will arise, but no doubt as time goes on that will be suitably dealt with. Agricultural science and investigation are reaching the stage where land once considered doubtful for settlement can now be expected to be capable of being brought into production. Land treatment is following new practices and as a result some of our lands in the low rainfall areas will

possibly provide suitable areas for settlement and thus meet some demands of ex-servicemen, who are mainly concerned in this particular development.

Another aspect of interest was brought before the Land Settlement Committee in its investigation into the drainage of the eastern division of the South-East. It is notable that the committee's reference was different from any previously submitted in that the committee was asked to inquire into and report upon whether the lands under consideration should be developed by the Government, the Land Development Branch, or private enterprise. Previously all inquiries by the committee related to development of land by the Land Development Branch. The committee, of which I am chairman, was particularly anxious to get a comprehensive expression of opinion on that point. During its extensive tour the committee invited evidence from anyone who cared to give it and, as a result, about 60 witnesses were heard. The consensus of opinion, which I was pleased to notice, was that many, including large landholders, were only awaiting drainage so that they could make their land available under closer settlement conditions. The committee's recommendation was to the effect that development could well be left to private enterprise. It obtained reliable information not only from individuals, but sensed that financial institutions and stock firms were anxious to do their part in aiding development, and therefore the committee was happy to report that that aspect could well be left to the private individual. The question of whether the committee will be kept busy or not is one for the land development authorities and the Government. I find it a very interesting job and members give their earnest attention to their duties. As chairman, I appreciate the services they have rendered. Since its inception, the committee has had as its secretary, Mr. Reginald Bleckly, who is to retire shortly. I place on record the committee's appreciation of the services he has rendered. He has done his job well and his reports have always been accepted, being evidence of his ability to discharge his duties faithfully and well. I support the Bill.

The Hon. R. R. WILSON secured the adjournment of the debate.

ADJOURNMENT.

At 4.59 p.m. the Council adjourned until Wednesday, October 29, at 2.15 p.m.