

LEGISLATIVE COUNCIL.

Wednesday, August 31, 1960.

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

MARGARINE ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from August 24. Page 737.)

The Hon. G. O'H. GILES (Southern)—I oppose the Bill, which the Hon. Mr. Condon introduced and explained last week in concise fashion. I commend him for doing so because it shows that this is a matter that must be treated with a great deal of care by each member, and the example set by the Hon. Mr. Condon was no exception to the rule. He was careful not to invite interjections, and he stuck very closely to the text of his speech. I think that was a sensible way to move for an amendment of the Act, but I was sorry that he moved as he did, because at this time this is a matter that many primary producers are watching carefully. I think the Leader of the Opposition has been held up as a guinea pig for the sake of his Party for it is obvious to me that it is thought to be a good thing that the Opposition should not have to express openly its opinion on the decontrol of margarine in South Australia.

The Hon. K. E. J. Bardolph—This is not a Party Bill.

The Hon. G. O'H. GILES—I realize that, and as I proceed I think I can convince members that that is not suggested; but we have here another example of a lack of proper feeling being displayed by the Opposition generally towards a depressed rural industry.

The Hon. F. J. Condon—You are not in Eudunda now.

The Hon. G. O'H. GILES—I am glad that the honourable member mentioned the district of Light, because in that area there exists a subsidiary industry to the production of butter. The pig industry represents a great deal of wealth to the State and is most important. It is a direct example of a by-product being available for the benefit of the farmers. It is an interesting example of what can be done after the making of butter, and we should take careful note of it.

The Hon. K. E. J. Bardolph—What about the statement you made in Light?

The Hon. G. O'H. GILES—I shall get around to that any time the honourable member wants me to, but I first want to refer to some inaccuracies in the remarks made by the Leader of the

Opposition. Quaintly enough, and I hope he knew better, although it may have been a slip of the tongue, he made a mistake about the price of a pound of butter. He was slightly out of date when he said it was 4s. 10d., because it is 4s. 11d. No doubt that pound of butter was bought at Myers on a sale day when prices were reduced considerably for the benefit, I might say, of private enterprise acting within the structure of price control. Sometimes in these stores the price of butter is 4d. a pound cheaper. This is borne out by inquiries made by the Commonwealth Agricultural Statistics Bureau, which said that the average price of butter in Australia over 12 months was 2d. a pound cheaper than the price we are used to quoting, 4s. 11d. That disposes of the first point.

Secondly the Leader of the Opposition when asking that the quota be increased to 792 tons—that is half as much again as the present quota—said that such action was warranted and he quoted statistics regarding population trends to prove his point. The honourable member is a very astute man and he put his argument extremely well but, boiled down, it meant that the consumption of margarine per capita in South Australia was 1 lb. in 1948. I disagree with the figures for 1960 quoted by the honourable member. He said that the consumption per capita was 1 lb., but I think he will find in fact it is 1½ lb. The point is that the consumption per capita of margarine is now higher than it was in 1948, when the quota fixed was 312 tons. I think that disposes of any argument that population trends in this State have cut down the amount of margarine consumed here.

The Hon. S. C. Bevan—The Department of Agriculture's figures may be wrong.

The Hon. G. O'H. GILES—A lot of figures may be wrong, but I would be delighted if the honourable member checked my figures.

The Hon. Sir Arthur Rymill—Mr. Condon quoted figures showing what the population—

The PRESIDENT—Order! The honourable member can make his speech later.

The Hon. G. O'H. GILES—I think that the Hon. Sir Arthur Rymill meant that the Leader of the Opposition attempted to substantiate his point by indicating population increases. That is right and proper, but I say that despite increases in population the consumption of margarine per capita is higher today than it was in 1948.

The Hon. Sir Arthur Rymill—How can it be if the quota has not gone up immensely?

The Hon. G. O'H. GILES—The answer is that the quota has gone up.

The Hon. F. J. Condon—What was the reason for the increase in the quota in 1956?

The Hon. G. O'H. GILES—Probably there was as sound a reason to increase it then as there is lack of a sound reason for increasing it today.

The Hon. F. J. Condon—Increased population was the argument.

The Hon. Sir Arthur Rymill—Based on the overall statistics.

The Hon. G. O'H. GILES—The point is that more margarine is eaten today than was eaten in 1948 and that is a solid argument because, in view of the existing conditions, it is obvious that a balanced view must be taken to weigh any advantage on the one hand against any disadvantage on the other hand when considering an increased quota. I would be happy to have the argument considered on that basis.

The fourth point is that the Leader of the Opposition said that new citizens—I imagine he meant New Australians—were partial to margarine. That point may be developed into an interesting argument because people who prefer margarine claim that it is a wonderfully cheap imitation of the true, balanced article. They claim that in fact one cannot detect any difference between the two products. Can we have our cake and eat it? The Leader of the Opposition on the one hand said that New Australians were used to margarine. How are they used to it? He said they were partial to it and I imagine he meant that they had become accustomed to the taste of it. I certainly do not think their preference for it would be due to its spreadability. On the one hand we are told that they became used to the taste of margarine in their country of origin and on the other hand we are told that there is no difference in taste and texture between butter and margarine.

If New Australians are to be brought into this argument perhaps I should refer to the pig industry. Mention has been made of the electorate of Light because in that electorate there is an industry in which New Australians are interested. They have a liking for pig meat because of the spicy type of food that can be prepared from it. I do not think that the argument involving New Australians holds much water. The Leader of the Opposition also spoke of pensioners, people on superannuation and people on the basic wage and lower incomes and he claimed that they were unable to purchase margarine. I was glad to hear the honourable member speak of people on lower

incomes because when he speaks of them and workers he must obviously incorporate the dairy farmers who are a depressed section of our primary producers. I hope that the honourable member made allowance for primary producers in that category. It is apparent to me that many sincere people who belong to the Party of which I am a member have adopted the attitude that people on lower incomes should be favoured by an increased margarine quota. I appreciate that argument and I assure the House that if it were water-tight or valid I would be the first to support it. However, it is not fact.

The Hon. Mr. Condon has asked for a huge increase in the quota—half as much again as the existing quota. If his argument is accepted and the quota is increased to 792 tons it will only make a difference of one pound of table margarine a year to pensioners and I think the cost of table margarine is 1s. 6d. a pound. Therefore, if the House votes for this big increase it will mean a difference of 1s. 6d. a year to pensioners and people on lower incomes. Surely that is looking facts in the face. I appreciate the efforts of any man who tries to help under-privileged or under-favoured sections of our community and I would wholeheartedly support any move that would make 1s. 6d. extra available to them, but I think we should consider the point that when doing this we are at the same time penalizing an industry worth many millions of pounds to this State. That is an argument that all honourable members should appreciate and it may excuse me for elaborating so much in my speech on the Bill.

The sixth point in the speech of the Leader of the Opposition referred to the argument used by those who would debar the manufacture of table margarine because it interfered with butter. Of course, that is precisely the fact.

The PRESIDENT—Is the honourable member quoting from *Hansard* from the other House?

The Hon. G. O'H. GILES—No, with respect, Sir, but from this House. Margarine is a direct competitor with butter, and there is no other way of looking at it. It is used for the same purpose. It is an excellent and beautifully put together imitation; so long as we do not go too far and look at the soles of people's feet in search of salmonella germs which have appeared in desiccated coconut. I think that Mr. Condon mentioned that the price of margarine made it a true competitor with butter. I could not care less whether it was the price or the art with

which it was wrapped or anything else. It is a direct competitor in the field with butter.

The Hon. A. J. Shard—What is wrong with that?

The Hon. G. O'H. GILES—Possibly nothing.

The Hon. A. J. Shard—I thought you believed in free enterprise!

The Hon. G. O'H. GILES—I will try to convince the honourable member on that in a minute. In his last paragraph Mr. Condon said that he had every sympathy for the dairy farmer. He is a man who has been held in high repute in this Chamber for many years and I am prepared to accept his statement, but I say that his practical demonstration of it is another matter. I do not think the dairy farmer will get a great deal of glee from the honourable member's expression of sympathy, because margarine is a real competitor with butter. If he has had as many communications as I and other honourable members have had demanding that we throw this legislation out, no doubt he would appreciate the seriousness of the position.

The Hon. Sir Arthur Rymill—If the increased quota means only 1s. 6d. to the pensioner, why does it mean so much to the dairy farmer?

The Hon. G. O'H. GILES—I will come to that later.

Members interjecting.

The PRESIDENT—Order! I must ask honourable members to stop interjecting. They all have the right of reply later.

The Hon. G. O'H. GILES—Having dealt with various remarks in the honourable member's speech, I shall now present arguments from my own point of view. Margarine is produced in this State in two types—table margarine, which is a wonderfully accurate copy of the real article, and cooking margarine, which is made largely from animal fats or lard. Table margarine is made from vegetable fats. It is interesting to me to consider the question of the peanut industry as it affects the production of margarine in Australia. The peanut industry in Queensland is pretty well protected and I do not think the argument is valid that keeping margarine production down can have any effect upon the Queensland peanut industry. That could not be the case. Practically all the products of the peanut industry are used in the luxury trade, such as in the form of peanut oil for medicinal purposes or in the production of peanuts. I believe that the percentage of vegetable fats produced by the Queensland peanut industry and used

in margarine is very small. It is surprising to find that the honourable member in introducing his Bill is, in fact, supporting not the ordinary hard-working small farmer, but big firms with international ramifications in some cases. He is not even supporting the primary producers in Queensland.

The Hon. S. C. Bevan—Who are the big firms you refer to?

The Hon. G. O'H. GILES—I suggest Unilever for a start. I do not believe that this issue should be kicked around as a political football for political expediency. This is a serious matter and there is no doubt that the small farmers in this State are undergoing some financial stress today. If we consider the poorer elements of the farming community, there is no doubt that the dairy farmer is at the bottom of the scale. In my opinion the dairy industry of this State will be a very important one in the development of our community life in the next 10 or 20 years. Many new thoughts and processes are cropping up. My belief is that because of the views of the South Australian Dairymen's Association, the South-Eastern Dairymen's Association, and various other primary producer organizations and letters in the *Advertiser*, and if we accept them as presenting a uniform opinion, it is a matter which must be watched very closely. I therefore ask all honourable members, particularly those who are members of the Liberal and Country League, to consider this matter very closely, as these factors will affect the lives of the people in this State over the next few years.

The Hon. F. J. Condon—Tell us some of the margarine quotas in the other States.

The Hon. G. O'H. GILES—I like to look upon the Government of this State as being years ahead of similar instrumentalities in other States, and even the Commonwealth Government. I am not one who would duck for cover if I were asked to compare anything done in this State with what is done in the other States. To say the least, the comparison would be odious and entirely in favour of the Government of South Australia. I will place before the Council several points that have a real impact upon the whole problem we have under consideration. Firstly, in view of the subdivision of land in close proximity to the metropolitan area and near the bigger country towns, there is a real case for more intensive agriculture to cope with the added land values and taxes affecting these areas. I believe that is beyond all doubt. If sheep are run fairly unintensively on areas where land values have

increased considerably in the last few years, in order to justify a continuation of this form of primary production on these areas one must of necessity adopt more intensive methods. Secondly, I refer to Dr. Peterson, who has made two tours of agricultural areas in Australia in the last 15 years. He is an American professor and is directly responsible for the fact that dairymen the world over today do not strip cattle when the milking procedure is almost completed. He is a great man in his field. He has been working for some time on a protective form of immunization which is in itself the very basis of the dairy industry. Honourable members will know that soon after a calf is dropped it is essential for it to have a drink from its mother, because of the high colostrum and anti-body state of the milk in the cow at this stage.

I point this out because it is the ability of a cow to mass produce anti-bodies which Dr. Peterson is trying to utilize in the way of mass immunization against a wide range of bacteria and in a wide medical field. I mention this because I believe that the dairy industry will be very vital to us over the next 20 years and I consider the honourable member's Bill could, and probably will, discourage people from taking up this occupation. Thirdly, I mention the use of casein and protein and by-products of the dairy industry in industry generally today. Casein is used, of course, in washable paints. Fourthly, there is the need of protein and sugar as a supplement to the carbohydrate diet of our near neighbours in Asiatic countries. The Federal Government is trying to increase exports to these countries, and this is a matter which should be watched carefully, because the export of condensed milk and processed powdered milk could develop into an export industry of some importance. I have dealt with the pig industry of this State. As honourable members know, once the cream is taken off and sold for butter-making, the skim milk left is the basis of the pig-rearing industry. That must be of some importance, as it affects this issue.

There has been a committee appointed to inquire into the future of artificial insemination in this State. This committee hopes that in the future added efficiency in the dairy industry will result from this move to increase the utilization of artificial breeding in this State. I bring these matters before the Council because to my mind this industry is a very important one, and I fail to see why we should risk discouraging people, or upsetting the

financial organization of it, by increasing quotas of margarine when the impact it must have on any person who wants to buy it is so small.

The Hon. F. J. Condon—Who introduced the first Margarine Bill into Parliament?

The Hon. G. O'H. GILES—I do not know and I don't think it matters.

The Hon. F. J. Condon—The late Hon. A. P. Blessing.

The Hon. K. E. J. Bardolph—What about the statement you made in Light?

The Hon. G. O'H. GILES—I will give it to the honourable member in writing later on. In answer to the Hon. Mr. Condon, that strikes me as being very incongruous indeed. The Leader of the Opposition wishes to increase the quota of margarine by half as much again. He is a member of the Labor Party which for many years now has made a great political issue of decentralization. I suggest that that is pure lip service, as this Bill is an example of the opposite being the case. His Party makes a song and dance about decentralization, and yet when the opportunity offers he tries to depress an industry with over 5,000 dairymen, let alone factory workers and carriers and others, and bring the manufacture of this commodity, or its equivalent, into the metropolitan area. The number of people employed in the margarine industry in this State today is 35. If the Labor Party sincerely wants decentralization, I cannot understand why its members wish to deprive a country area of an industry by bringing it back to the metropolitan area. No doubt it will be suggested that these factories could be organized in country towns. It could also be suggested that peanuts could be grown at Mount Gambier! It would be just about as apt.

The Hon. S. C. Bevan—You are trying to close down the industry,

The Hon. G. O'H. GILES—I am not.

The Hon. F. J. Condon—If you had your way margarine would not be manufactured at all.

The Hon. G. O'H. GILES—If the honourable member had his way it would be manufactured in unlimited quantities. I suggest that we must be realistic about this.

The Hon. Sir Arthur Rymill—If it is only worth 1s. 6d. to the pensioner, why is it so important to the dairy farmer?

The Hon. G. O'H. GILES—That is quite readily answered. It has been said that the margarine industry is the only restricted one operating in South Australia, but the butter industry is also affected by equalization. The quantity of butter produced in this State would

cover our yearly need, but because of equalization we have to bear the loss on export. Under Commonwealth equalization every State bears its proportion of loss on the export market.

The Hon. K. E. J. Bardolph—The subsidy makes up for that.

The Hon. G. O'H. GILES—Yes, but I point out that margarine is not the only restricted article. The question was, "Why should it mean so much to the dairy farmer?"

The Hon. C. R. Story—It is the principle, more than anything else, in a primary-producing State, isn't it?

The Hon. G. O'H. GILES—I thank the honourable member for his help, but perhaps it was unnecessary. There is a direct competition in these two fields. Any increase in connection with margarine is felt by the dairy industry. The danger is not the impact on those on low incomes because of the price they pay, but that people will be encouraged by legislation to replace a balanced article with an artificial one, especially as South Australia depends so much upon the export of its primary produce. This morning's *Advertiser*, under the heading "Mystery Disease", contained the following report from Holland:—

An estimated 55,000 people—about 0.5 per cent of the Dutch population—are affected by a mysterious skin disease which may have been caused by a new kind of margarine, states the Ministry of Public Health. Hundreds of people were being treated in hospital. Reports suggest that the disease breaks out about 10 days after the margarine is eaten.

I do not want this to be regarded as an important part of my argument on this matter, but the point is, once we start to tamper with an article like butter, which for many years has been responsible for the good health and vigour of Australians, we do not know where we shall end. I give much credit to the South Australian Government for its stringent laws and supervision in relation to margarine. These laws and supervision are entirely necessary, and we have in this Bill an example of where we can get if we tamper, by legislation, with food-stuffs. Why should we risk the health of the community by way of legislation? Members who have been away from Australia know that the physique and standard of Australians is second to none. Why, for the sake of 1s. 6d., should we risk upsetting something that has been proved to be second to none, and something which has an environmental influence on the people. I have tried to place before members the facts as I see them, and I

ask them to give much consideration to this matter, about which I feel so keenly. I invite everybody to look carefully at it. I am not happy with the depressed state of rural industries and I am sure that honourable members will join with me in opposing the Bill.

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

PUBLIC PURPOSES LOAN BILL.

Adjourned debate on second reading.

(Continued from August 30. Page 811.)

The Hon. C. R. STORY (Midland)—As I shall be away from South Australia for several months shortly I feel that I should make one or two observations on matters contained in the Bill because they will come up for attention in the near future. I am pleased that £250,000 is to be made available by the State Bank for loans to producers. The whole co-operative movement in the State is financed under this scheme.

The Hon. K. E. J. Bardolph—You are speaking for the co-operative movement?

The Hon. C. R. STORY—I am a director of a co-operative company, which I serve in an almost honorary capacity. I do not advocate anything sectional in this matter. I speak for the co-operative movement as a whole. The money is to be spent on the canning, wine, fishing and other industries, most of which would not at present be regarded as a good business risk, except by a bank set up for the particular purpose of assisting them, such as the State Bank in South Australia and the Rural Bank in other States. Our State Bank has generously supported certain industries through legislation and helped them to develop along proper lines. The wine industry has been for some time in difficulties in connection with payments to producers for grapes delivered to wineries. The additional money now being provided will allow greater storages to be installed in co-operative wineries. This year in the Address in Reply debate I said that the Prices Commissioner had recommended a general increase of £2 10s. a ton in the price of many varieties of grapes produced in the irrigated areas and £4 a ton in the non-irrigated areas with differentials on certain varieties. I said then that the recommendations of the Prices Commissioner were not acceptable to proprietary wine makers, who have played "ducks and drakes" with his recommendations.

The Hon. A. J. Shard—They helped the backyard wine makers.

The Hon. C. R. STORY—I have not had any experience with these backyard wine makers, but I have no doubt that they exist. I know that they do in other States. The proprietary wine makers did not honour an agreement which they more or less accepted under the Prices Commissioner's recommendations. They have not paid on a cash basis for all the grapes they have received, and in many cases some have not paid completely for the 1960 vintage. I feel that if they are cash buyers the terms of payment are defined in the code of normal business ethics. It is now seven or eight months since grapes were delivered to the proprietary wineries and payment has not yet been finalized. In many instances only two-thirds of the money has been paid. That is why it is necessary to have co-operative wineries. I have said before that but for the co-operative organizations many industries would go out of existence altogether.

The Hon. K. E. J. Bardolph—Now you are advocating Labor policy.

The Hon. C. R. STORY—No. I am advocating collective processing and selling so that the growers will have some control over the goods they produce. The difference in these two matters is that under the Industrial and Provident Societies Act the co-operative grower gets proper value for his article. If he is inefficient he gets the appropriate price for his poor article, but if he is efficient he gets a better price for his better article. Under Labor policy everything is levelled out.

The Hon. K. E. J. Bardolph—Who told you that?

The Hon. C. R. STORY—I know, and I have seen it in action. Many members of my Party do not fully understand the co-operative movement. They believe it is socialistic, but nothing can be farther from the truth. I am convinced that the answer to the wine industry problem is for growers to divert their grapes through the co-operative movement. Until they are strong enough, and completely support their co-operative movement, they cannot expect much consideration from the proprietary wine makers. This year the co-operative concerns will pay a greater upset price for grapes, and I hope that that will induce growers who are short of ready cash to put their grapes through the co-operative distilleries where possible. If a man is having difficulty in financing his property it is hard for him to put his grapes into a co-operative concern because if he does he is not paid on a cash basis. He gets an upset price but then has to wait some time for the balance.

In the end he gets more than if he had delivered his grapes to a proprietary concern. To the man established for many years that does not matter very much because he is continually getting back payments, but for the new man in the industry, who has no pool on which to draw, the position is different. I suggest to the co-operative companies that, if they are to compete successfully with the proprietary companies, they must lift the intake price to a higher level in order to obtain the varieties of grapes that are essential. The South Australian Canning Fruit Growers Association is at present negotiating with the Commonwealth Minister for an equalization scheme. If one is granted it may assist the South Australian canning industry, which at present is in a parlous condition.

The Fruit Canning Industry Inquiry Committee, presided over by Sir Kingsley Paine, has been investigating the South Australian fruit canning industry for some time and has taken much evidence. I had hoped that its report would be available long before this, but apparently the Committee is having difficulty in finding a solution of the problem. I hope that under an equalization scheme we shall get somewhere, and that such a scheme will considerably help the industry in South Australia.

The Hon. A. J. Shard—How many canning industries have gone out of existence in the last 12 months?

The Hon. C. R. STORY—One has been wound up. The can makers and the growers were the principal creditors in that case. Several other canneries are being kept alive by the generosity of State Bank finance under Government guarantee provided to retain an outlet for fruit and to keep people in employment.

The Hon. A. J. Shard—If the State Bank had not helped them would they be in the same position as the one you mentioned?

The Hon. C. R. STORY—Yes.

A sum of £150,000 has been provided for drainage for the south-western suburbs. That scheme is essential. The Public Works Committee has spent much time and thought on it, and the Government is also assisting. A similar situation has arisen on the other side of the city. I refer to the Elizabeth, Weapons Research, Salisbury, Houghton and Golden Grove areas. The task there will be almost the same as that encountered in connection with the South-Western Suburbs Drainage Scheme. I do not

know what cost will be involved, but it will be considerable. The Housing Trust has purchased large areas of land in the Marion and Henley Beach Road areas and tomato growers from those districts have, in the main, moved into the Virginia and Salisbury areas. As a result of building activities, stormwaters which were normally absorbed years ago through the pastures into the natural aquifer forming the underground water supply, is now much greater because of greatly increased paved areas and this creates a problem. People who pay exorbitant prices for land in that area to establish tomato growing properties of five or six acres may find themselves in jeopardy from inundation because much of the country is now subject to flooding. Something will have to be done in the near future to secure adequate disposal of the water to the sea. The main expense involved in this scheme is the disposal of water from the flat country through the Imperial Chemical Industry's property to the sea. The Commonwealth Government has been approached for assistance because it has a great interest in that area. The Weapons Research Organization contributes much water from its paved areas and the Commonwealth Government should assist the State in the scheme. Actually two schemes are envisaged; one is a local scheme to take water away from the area above the Port Wakefield Road and the other is a much larger scheme to deal with the Reid Murray subdivision, the land known as Rowe's land purchased by the Housing Trust, the Golden Grove area where much land has been developed, Tea Tree Gully, and the back of Enfield.

Dry Creek has to take all the water from these areas and when one sees the bed of that creek on the flats one realizes it is nothing but a few muddy pools. An effective outlet will have to be provided for this area and that will involve much acquisition of land to provide a drain wide enough to cope with the flow. Acquisition of land is always a costly business and any acquisition necessary in this area should be made as early as possible before people start to build up the area and subdivide it into small allotments, a practice which forces the price up.

I wish to deal briefly with woods and forests. Although I do not represent an area in which large scale forestry industry is established I am vitally interested in the products from forests and as the Government has done such a magnificent job in continuing the South-East forests and in

assisting industries established in connection with forests I issue a word of warning that the timber industry is in jeopardy as the result of a challenge from fibre boards. These boards are being made of a size suitable for the purpose of packaging many products. The result is a good type of box. Today dried fruit is sent overseas in 56 lb. boxes, which are very strong and of good appearance, but there is a definite challenge coming from the 32 lb. fibre board carton. The cartons are easier to handle and, if they are prepared to deliver the goods, the fibre board people could capture the market. The woods and forests people are doing everything possible to meet the challenge, but it is an ever present challenge.

The Hon. A. J. Shard—What are the fibre boards made from?

The Hon. C. R. STORY—Wood.

The Hon. A. J. Shard—What is the difference?

The Hon. C. R. STORY—My militant friend is ahead of me. I suggest that this challenge should be closely examined because it may involve the Government and other people in a costly changeover to keep the necessary machinery going if wood proves to be too heavy for transportation or too heavy and large for ordinary small packaging. I mention that because some of the larger fibre board firms are offering all sorts of sops to people who are prepared to use cartons instead of the ordinary wooden box.

The Hon. Mr. Condon yesterday said that the Morgan-Whyalla pipeline was the subject of a reference to the Public Works Committee. Morgan is a town that died with the paddle steamer and anything that can be done to assist it will be a good thing. It is a town not well endowed by natural advantages and the land around it is not good land; it is merely grazing land. If the pipeline did not start at Morgan that would make Morgan even more of a ghost town than it is.

The Hon. F. J. Condon—We assisted by giving them a prison farm.

The Hon. C. R. STORY—It did assist. In a small struggling place like that another 10 or 12 families in the community gives a little uplift. The butcher, the baker and the business man are getting a little more business as a result of the prison farm. If the pipeline is duplicated it will be a great thing for the township of Morgan. In addition to helping Morgan it will also further the policy of decentralization by establishing more industries in Whyalla.

The Hon. Mr. Condon yesterday also referred to a speech made by my colleague the Hon. Mr. Rowe in Wallaroo, which is part of the Midland district. I was amazed when I read Mr. Condon's speech in *Hansard* this morning because he is a man of great wisdom and experience. I think he let the side down because I know he thinks South Australia is a great place to live in. He does not honestly believe that the conditions of the workers in this State are the worst in Australia. He particularly referred to workers and those on the basic wage and margins. I like to think that the "workers" are the people of South Australia who produce something in any form, and when I think of them I think of all the people who make their living by honest means. I do not like to refer to sections of workers. I cannot believe the honourable member meant what he said because I do not think he believed it and I do not think those conditions prevail. South Australia is a good place in which to live and if it were not the State would experience a general exodus of its working population whereas, in fact, the population is annually building up. That applies even in the district of Light where, in the recent by-election, we were told that people had flocked away from the towns. Several days ago I had a request that eight new houses should be built in Kapunda. That is an amazing situation in a town from which so many people were supposed to have flocked. That town may require even more houses because industry there has increased. I was pleased to be able to visit a new mill that has been erected in Kapunda.

The Hon. F. J. Condon—Is it a flour mill?

The Hon. C. R. STORY—It is not a flour mill. The honourable member must remember that there are other mills besides flour mills. This new mill deals with lucerne, chaff and very many forms of poultry mix and things of that nature. That industry will employ a few more men and it indicates that the State is making progress in many ways. The Electricity Trust, as in the last few years, is still doing a remarkable job. However, it has not reduced its surcharges recently, and I sincerely hope that during the next 12 months it will be possible to bring back its zones one nearer to the metropolitan area. This would assist especially those who have put their own capital into the development of irrigation properties and the electrification of their farms, and also industries that have been prepared to go further

afield. This is the objective of the Government and also of the trust.

I notice that £17,000 is provided in the Estimates for the purchase of land under the Public Parks Act. It now seems the fashionable thing for everyone to clamour for more and more park lands. I agree with this practice, but not entirely with some of the methods adopted, and consider that portion of the cost of these park lands should be paid for by the public and not always be the gift of the person who is subdividing his land. Perhaps we are overdoing it a little, especially in country towns. The position is slightly different in the metropolitan area, where the aim is to establish green belts. Most country towns have large areas set aside for park lands, and some are seeking more. Some of these reserves are becoming breeding places for vermin and noxious weeds. I hope that the Council will give this matter consideration when the Act next comes before it. As this will be my last opportunity for some months to address the Council, I should like to thank all honourable members for their generous treatment of one who has been selected to represent the Australian State Branches at an overseas gathering of the Commonwealth Parliamentary Association, and to say how much I appreciate their confidence in selecting me to make this trip. I support the Bill.

The Hon. JESSIE COOPER secured the adjournment of the debate.

COUNTRY HOUSING ACT AMENDMENT BILL.

Second reading.

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

That this Bill be now read a second time.

The purpose of this short Bill is to authorize the Treasurer to make a grant of £100,000 to the Housing Trust out of moneys in the Home Purchase Guarantee Fund established under the Homes Act. As honourable members know, the Homes Act enables the Treasurer to guarantee loans made by specified institutions on the security of homes within certain limits and on certain conditions any such payments made by the Treasurer to come out of the Home Purchase Guarantee Fund established under that Act. The fund consists of amounts paid by institutions to which guarantees have been given from time to time. Under section 5 of the Homes Act, institutions to which guarantees have been given pay to the fund $\frac{1}{4}$ per cent of the amount guaranteed. The amount

credited to the fund at present stands at £99,739 and the amounts paid by institutions approximate about £16,000 per year.

Section 6 of the Homes Act provides that if there are not sufficient moneys in the fund to cover payment of any guaranteed amounts the deficiency comes out of the general revenue of the State. Since the fund was established, I am happy to say that there have been no calls upon it, reflecting a very satisfactory state of affairs. There is every reason to anticipate that continuing payments into the fund will be more than adequate to meet any calls that might arise in the future. It has seemed to the Government that there is no reason why this sum of money standing to the credit of a fund upon which no calls have hitherto been made should not be employed for the very useful purpose of providing further homes. The Government has therefore decided that £100,000 should be granted to the Housing Trust to be expended in the construction of houses in the country areas for persons of limited income in accordance with general provisions of the Country Housing Act. This grant will make it possible for much more to be done for elderly people in country areas than would otherwise be possible. The Housing Trust has up to the present performed a very useful service in its operations under the Country Housing Act, but it is obvious that with capital expenditure the funds available for the purpose are constantly diminishing. A grant of £100,000 at the present stage would enable the Trust to embark upon a building programme covering some forty houses and the Government accordingly introduces this Bill which I am sure will commend itself to all honourable members.

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

AMUSEMENTS DUTY (FURTHER SUSPENSION) BILL.

Adjourned debate on second reading.

(Continued from August 30. Page 821.)

The Hon. F. J. CONDON (Leader of the Opposition)—This Bill further suspends duty on amusements until 1964. Under the existing legislation the amusement duty would automatically come into force on July 1, 1961. Similar legislation was introduced by the Commonwealth Government, and in 1945-46 the tax collected amounted to £97,000. The Commonwealth Government continued to collect this entertainment tax until 1953, but found that this form of taxation was unsatisfactory, and

abolished it. It fell most heavily on those least able to pay, and also affected picture theatre proprietors, who appear to be the hardest hit by the introduction of television. This legislation was introduced in the first place because some bright person thought that the Government could thereby secure extra revenue. I hope that it will be unnecessary to reintroduce legislation providing for amusement tax, for to reimpose the tax would result in disability. Therefore, the Opposition will support the Bill.

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

STATUTES AMENDMENT (PUBLIC SALARIES) BILL (No. 2).

Second reading.

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

That this Bill be now read a second time.

This Bill, which provides for increases in salaries of certain public officers whose remuneration is fixed by Act of Parliament, follows the form of the Bill enacted last year. Honourable members are already aware that the Public Service Board reclassified the salaries of officers within the Public Service earlier this year, prescribing a scale of general increases ranging from £54 to £260. The reclassification was gazetted and the Government has been paying the prescribed rates as from and including the date fixed by the board, namely, March 7, 1960. The present Bill will increase the salaries of the Agent-General, the Auditor-General, the Commissioner of Police and the Public Service Commissioner by £260 each as from March 7, 1960. The salaries of these officers are fixed by statute, as are also those of the President, and the Deputy President of the Industrial Court, for whom the appropriate increases to bring them into line with the Public Service generally, are £275 and £250 respectively.

The effect of the Bill will be to accord substantially similar treatment to the officers mentioned to that accorded to members of the Public Service. The Bill also contains the usual provision concerning the salaries of the South Australian Railways Commissioner, the Commissioner of Highways and the Deputy Commissioner of Police whose salaries are by law fixed by the Governor. As the Government considers it just that these officers should receive increases based on the last scale laid

down by the board with retrospective effect to March 7, 1960, clause 8 of the Bill enables the Governor to make retrospective alterations of their salaries. Clause 9 contains the appropriation of moneys for the payment of arrears.

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

CELLULOSE AUSTRALIA LIMITED (GOVERNMENT SHARES) BILL.

Adjourned debate on second reading.

(Continued from August 30. Page 822.)

The Hon. K. E. J. BARDOLPH (Central No. 1)—I support the second reading. A brief history of the cellulose industry in South Australia would not be amiss. It will be remembered that it had its genesis in 1936. At this time the late Mr. Tom Barr Smith and his family invested thousands of pounds in the project, but with the advent of war the company found itself in some financial difficulty. The Government in 1941 appointed the Industries Development Committee and the first submission made to that committee was from Cellulose Australia Limited. The committee consisted of Mr. Charles Abbott (now Sir Charles Abbott), who was member for Burnside in the House of Assembly, Mr. M. R. O'Halloran (now Leader of the Opposition in the House of Assembly), Mr. John Bice (a member of this Chamber until the last election), Sir Fred Drew (who was the Under-Treasurer), and myself. In 1942, the company applied for £120,000 to meet current liabilities, including about £8,000 for sundry creditors and £20,000 or £30,000 for the Bank of New South Wales. The company was making chip board in its mill at The Snuggery to be used for all manner of packages other than food packages. With the advent of war the Australian Paper Mills, which was manufacturing manila and Bristol board for use in the manufacture of munitions, fixed the price. They had the monopoly, but I do not say that disparagingly as they were under the auspices of the then Government charged with responsibility of fixing the price for manufactured manila, Bristol, and chip board. Unfortunately for South Australia, the price fixed for the manufacture of chip board was lower than its manufacturing cost, and an application was made to the then Government. The price was raised and Cellulose Australia Limited was then on a better financial foundation.

The committee carried out exhaustive inquiries and made certain recommendations.

The late Mr. Chapman (Commissioner of Railways) was chairman of the board and I pay a tribute to his efforts and skilled training as an engineer in organizing the whole of the process of the manufacture of chip-board. He arranged for machinery, which could not be bought overseas because of the war, to be used for the grinding of the thinnings of the forest to make cellulose. This industry plays an important part in the afforestation industry in South Australia. I need not remind honourable members of the great strides which have been made in the development of forests in the South-East, and the implementation of various building materials brought about by the continuance of manufacture of flooring boards, scantlings and other material from the forests in the South East. The thinnings of the forest—that is, trees 4in. to 6in. in diameter—were of no commercial value; this industry was established by the Barr Smith family and a contract was entered into by the department for the firm to pay 9d. a tree from the thinnings.

After the guarantee was given and the committee increased the amount the company desired, by very efficient management it released itself from the guarantee in 1951, which I think honourable members and those in the business world will agree was a very laudable effort considering the handicap it had in the payment of interest. The company stands today in a very strong financial position and markets every type of board made from the thinnings of the forest. I would call it a gilt-edged security from an investment point of view. The Government had the first debenture in the early stages of the company's development during its financial crisis, and the Barr Smith family took a second debenture. This family showed a great South Australian spirit because with the lamentable death of Mr. Tom Barr Smith Senr., there were a number of beneficiaries in America and other parts of the world from whom sanction had to be sought for the purpose of allowing the Government to take a first debenture. There was no quibble on their part, and they unanimously agreed that the Government should take the first debenture in connection with the guarantee while they took the second. This was a commendable action on their part because when the industry was struggling, they put thousands of pounds into it, indicating their faith in the South-East and in South Australian industry. We may be charged that as members of the Labor Party we are supporting private enterprise.

I am not going to belabour that question, but after the Government had given its guarantee and it was discharged there were certain share rights accruing. The par value of the shares is £208,000, but with the appreciation in the market value the Government's interest is worth about £250,000. These shares are held in trust by the Government for the people of South Australia. There can be no objection taken to members of my Party for supporting this measure because the Government is the trustee of the shares in this company, which had a very small beginning and suffered great difficulties. In spite of the monopolies in existence when the company started events have shown that South Australian workers and South Australian executives can conduct a profitable industry in the interests of South Australians. I am happy to have been associated with the first application to the Industries Development Committee, for the Government investment is now £104,000, according to the Chief Secretary. Under the Bill the Government will be entitled to convertible notes of a total face value of £104,000 and also to shares of the same face value. The Government will not have a 51 per cent interest in the company, but it will have a substantial interest and receive good returns for the people of South Australia. The company has established a very large industry in the South-East, and has developed under the afforestation policy of this State. This is an industry of which every South Australian can be proud. I in particular am proud because I was one of the original members of the committee which brought down the report on which the Government acted.

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

PUBLIC FINANCE ACT AMENDMENT BILL.

Second reading.

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

That this Bill be now read a second time.

This short Bill will make two amendments to the Public Finance Act. The first of the amendments is the substitution of the Reserve Bank of Australia for the Commonwealth Bank of Australia in the principal Act, consequent upon the Commonwealth banking legislation which came into force earlier this year. Under that legislation the Commonwealth Bank of Australia has been continued under the name of the Reserve Bank of Australia. Clauses 3 and 4 (b) accordingly substitute

“Reserve Bank” for “Commonwealth Bank” in the principal Act. The other amendment is designed to give effect to the procedure adopted some time ago whereby payments from trust funds, which were previously made by orders on the Treasurer, are now made by orders drawn upon the Reserve Bank, which has thus taken over the functions of a paying bank previously exercised by the Treasury. Clause 4 (a) inserts the necessary amendments in section 34 (1) of the principal Act to give effect to this procedure. At the same time the right to issue orders to the Treasurer, if this should at any time be deemed necessary, has been retained. The Commonwealth banking legislation came into force on January 14, 1960, and accordingly clause 5 provides that it shall be deemed to have come into operation on that date.

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

MILE END OVERWAY BRIDGE ACT AMENDMENT BILL.

Second reading.

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

That this Bill be now read a second time.

The Mile End Overway Bridge Act of 1925 was enacted to give effect to arrangements made by the Municipal Tramways Trust, the Railways Commissioner, City Council and the Government regarding an overway bridge at Mile End known as the Bakewell Bridge.

Briefly, the arrangements were that the existing level crossing and roadway from Hindley Street were to be closed and the overway bridge constructed at the joint expense of the Tramways Trust, the Government and the City Council. The Act provides not only for the closing of certain roads, but, so far as the present Bill is concerned, that the bridge and all its abutments should be maintained by the Municipal Tramways Trust at all times. The trust has recently approached the Government asking that it be relieved of further responsibility in regard to this bridge, a certain bridge at Bowden and the subway at Millswood. None of these structures are, as members are aware, now used for tramway purposes in view of the changeover from trams to buses. The trust has thus become a minor user of the bridges and the subway, and the Government has agreed that, in view of the changed circumstances, as well as the fact that the trust makes contributions towards road

maintenance by way of road and diesel fuel, the Commissioner of Highways should assume responsibility for maintenance of the two bridges and the subway. No legislation is required in regard to either the Bowden Bridge or the Millswood subway, but it is necessary to amend the 1925 Act to cover the position of the Bakewell Bridge.

The Bill therefore reverts certain pieces of land in the corporation of the Town of Thebarton as part of a public street and, by clause 4, substitutes the Commissioner of Highways for the trust as the responsible authority for the maintenance of the bridge.

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

JUSTICES ACT AMENDMENT BILL.

Returned from the House of Assembly with the following amendments:—

1. Clause 3—After paragraph (a) to add the following new paragraph:—

(aa) by substituting for the words “or a solicitor or a police officer” in subsection (2) thereof the words “for any State or Territory of the Commonwealth or a solicitor duly admitted and entitled to practise as such in any State or Territory of the Commonwealth or a police officer of any such State or Territory”.

2. Clause 3—In new subsection (11) to add after “Council”, being the last word of paragraph (c), the following:—

- ; or
(d) of a county board constituted under or pursuant to the Food and Drugs Act, 1908-1954, or the Health Act, 1935-1960, or declared to be a county board by the Health Act, 1935-1960; or
(e) of a local board of health constituted pursuant to the Health Act, 1935-1960.

Consideration in Committee.

Amendment No. 1.

The Hon. C. D. ROWE (Attorney-General)—In 1957 we inserted in the Justices Act new section 57a, the effect of which was to enable a defendant to enter a written plea of guilty without being obliged to appear personally in court. Under the amending Bill this year the Government considered that the procedure could now be extended to charges for similar offences initiated by other public officers besides members of the police force.

Clause 3 dealt with that matter. Since the Bill was in this place last it has been pointed out that in the case of traffic offences persons who want to complete a statement may be outside the State and may want to complete their statement whilst outside, and the purpose of amendment No. 1 is to enable that to be done. Section 57a (2) of the principal Act provides that a defendant on whom forms of complaint and summons are served pursuant to that section may plead guilty to the charge by completing the form on one copy thereof and signing his name on the completed form before a Justice of the Peace or a solicitor or a police officer and serving the document in accordance with that section. Since that has been brought in the Royal Automobile Association has made representations that where the forms of complaint and summons are served on a defendant outside the State if the defendant wishes to plead guilty he could be obliged to complete the form before a Justice of the Peace, solicitor or police officer of South Australia, which could involve unnecessary delay and expense. The amendment was moved by the Government in another place and is intended to make it clear that the plea of guilty can be signed before a Justice of the Peace, solicitor or police officer of any State or Territory of the Commonwealth. As it furthers what we intend to do, I recommend that amendment No. 1 be accepted.

The Hon. F. J. CONDON (Leader of the Opposition)—I thank the Attorney-General for his explanation of the amendment but I think he was reading from the *Hansard* report of the debate on this matter in another place. I would like to study that report to see what this is all about.

The Hon. C. D. ROWE—If the honourable member feels that he wants an opportunity to study what happened in another place, I suggest that he can confirm the facts, as I have set them out, by reading the *Hansard* report of the debate in another place. I move that progress be reported, but point out that I was not reading from the *Hansard* report.

Progress reported; Committee to sit again.

ADJOURNMENT.

At 4 p.m. the Council adjourned until Thursday, September 1, at 2.15 p.m.