LEGISLATIVE COUNCIL.

Wednesday, November 1, 1961.

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

QUESTION.

POLICE RECRUITS.

The Hon. A. J. SHARD: Has the Chief Secretary a reply to the question I asked on October 26 regarding the educational standard required of police recruits?

The Hon. Sir LYELL McEWIN: The Commissioner of Police has reported as follows:

If any advertisements have appeared in the press for recruits with an educational standard equal to that of seventh grade, they have not had the official sanction of this department. Official advertisements in newspapers and brochures clearly set out that educational qualifications to Intermediate standard are desirable, however, it is not essential that a recruit be in possession of an Intermediate certificate. It is not considered that the entrance examination is fixed on a very high Intermediate standard. As far as can be traced, the last advertisement for recruits to the South Australian Police Force appeared in the *Advertiser* on July 11, 1959. It is understood that the Commonwealth police have issued a recruiting pamphlet stating that "a good primary education is required" for entry to the Commonwealth police service. A copy of the advertisement of July 11, 1959, together with a copy of a recruiting brochure, is attached to the report.

RESTRICTIVE TRADE PRACTICES.

The Hon. A. J. SHARD (Leader of the Opposition): I move:

That in the opinion of this Council, legislation should be introduced to prohibit monopoly, cartel and restrictive trade practices which operate to the public detriment.

No more vital question than this is facing the country today. The Commonwealth Attorney-General has repeatedly announced his intentions to do something, and this has been echoed by the Attorney-General of this State. But these statements of intention are getting rather stale—we still see no action. In 1958 the Joint Committee on Constitutional Review of the Commonwealth Parliament presented an interim report, and its final report was made to Parliament on November 25, 1959. On this issue the report was valuable in its analysis, specific in its recommendations and unanimous. I think that honourable members should know what it contained and it was as follows:

The committee reported in 1958 that the Commonwealth Parliament could make laws for the control of harmful restrictive trade practices in interstate trade and commerce but that its legislative power did not extend to harmful restrictive trade practices adopted in intra-State commerce or productive industry. The committee considered that the Commonwealth Parliament should have an express power to deal with restrictive trade practices so far as they were contrary to the public interest and, for the purpose of determining whether a business practice was contrary to the public interest, it proposed the re-constitution of the Inter-State Commission for which section 101 of the Constitution provides, with a minor change in the method of constituting that commission.

The committee has recommended (1958 report, paragraph 142) that the Constitution should be altered to provide for the following:

(1) The Commonwealth Parliament should have an express power in section 51 of the Constitution to make laws with respect to restrictive trade practices found by the Inter-State Commission to be, or likely to be, contrary to the public interest.

(2) For the purposes of the power described in subparagraph (1) above, the Parliament should have power to make laws for referring questions to the Inter-State Commission for inquiry and report, and the commission should be vested with power to make its enquiries and report to the Parliament.

(3) Section 103 of the Constitution should provide for members of the Inter-State Commission to hold office for terms not exceeding seven years subject, as at present, to removal within their respective periods of appointment on the ground of misbehaviour or incapacity.

The national Parliament is not without some power to pass laws for the control of restrictive trade or business practices. The power to legislate over interstate and overseas trade and commerce, which is found in section 51 (i) of the Constitution, would enable the Parliament to deal with harmful trading practices in the course of such trade. The Parliament also has a plenary power, under section 122 of the Constitution, to deal with restrictive trade practices in the Territories of the Commonwealth. At one time it was thought that section 51 (xx) of the Constitution, which confers power upon the Commonwealth to make laws with respect to foreign corporations and trading or financial corporations formed within the limits of the Commonwealth, would enable the Parliament to prohibit harmful practices of the corporations described in the paragraph. In *Huddart Parker & Co. Pty. Ltd. v. Moorehead* (1909) 8 *C.L.R.* 330, the majority of the High Court held, however, among other things, that a law of the Commonwealth Parliament which made it an offence for any of the types of corporations described in paragraph (xx)

to conclude a contract or combine with intent to restrain trade or commerce within the Commonwealth to the detriment of the public, or to destroy or injure by unfair competition any advantageous Australian industry, was *ultra vires*. The court also held to be *ultra vires* a Commonwealth law making it an offence for the corporations so described to monopolize to the public detriment trade or commerce within the Commonwealth. Chapter 16, dealing with the committee's recommendation concerning corporations, contains, at paragraph 787, an account of the reasoning of the judges in the case.

Commonwealth legal power stops short, therefore, of application to harmful business practices in connection with intra-State trade and commerce or productive industry. Early Commonwealth Parliaments were actively concerned with questions of restrictive trade practices and attempts to monopolize industries. In 1906 the Parliament passed the Australian Industries Preservation Act. Sections 4 and 5 of the Act dealt with restraints of trade and destruction of industries. Section 4 made it an offence for a person to enter into a contract, or combine in relation to trade or commerce, with other countries or among the States with intent to restrain trade or commerce, to the detriment of the public, or to injure or destroy by unfair competition an Australian industry which was advantageous to the Commonwealth, having due regard to the interests of producers, workers and consumers. Section 5 imposed a similar prohibition upon "any foreign corporation, or trading or financial corporation formed within the Commonwealth." That is to say, it extended the operation of the Act to the corporations specified in section 51 (xx) of the Constitution.

Sections 7 and 8 of the Act dealt with monopoly of interstate or external trade by persons, and the monopoly of trade in general with foreign corporations or trading or financial corporations formed within the Commonwealth. Section 7 made it an offence for any person to monopolize or attempt to monopolize or to combine with any other person to monopolize any part of the trade or commerce with other countries or among the States with the intention of controlling, to the public detriment, the supply or price of any service, merchandise or commodity. Similar action by foreign corporations or trading or financial corporations formed within the Commonwealth was prohibited under section 8. The Parliament's power to control trading practices and monopolies in the course of external and interstate trade was clear enough, but sections 5 and 8 of the Act, applying a similar interdiction to the corporations specified in paragraph (xx) of section 51, were as the committee indicated, successfully challenged in Moorehead's case. Following the decision, sections 5 and 8 were repealed. Accordingly, the Act in its present form, the Australian Industries Preservation Act, 1906-1950, is of a much more limited character than was originally intended.

Proposed constitutional alterations to enable the Commonwealth Parliament to legislate with respect to monopolies, sponsored by Commonwealth Governments of different political complexions, have been submitted to, and rejected by, the electors on five occasions, namely, 1911, 1913, 1919, 1926 and 1944. In some instances the proposed alteration was submitted along with other suggested legislative powers in one proposed law, and on some occasions the proposal was submitted as a separate proposed law. On the first three occasions the Commonwealth also sought power to nationalize monopolies. There has not been any instance of a proposed law to alter the Constitution to nationalize monopolies. There has not been any instance of a proposed law to alter the Constitution so that the Commonwealth Parliament should legislate over the subject of restrictive trade practices.

The committee has already had occasion in its report to remark upon the growing industrialization in Australia and the emergence since federation of a national economy in contrast with the position before federation when each of the six colonies maintained its own distinctive economy and pursued its own colonial interests without regard, if need be, to the general welfare of the population of Australia as a whole. These aspects of post-federation experience were described in the committee's report tabled in 1958, and the committee again referred to pragraphs 91 to 103 of that report.

Within the Commonwealth, although a very substantial proportion of the community's wealth is produced by primary industry, there has been tremendous progress and development in the manufacturing industries. These industries now employ double the numbers that were employed just before the outbreak of the last war and the products of the major industries, such as iron and steel, heavy machinery, motor vehicles, chemicals and textiles are distributed throughout the Commonwealth. The major primary industries, such as wool, wheat,

meat and dairying, have for long provided illustrations of the impossibility of dividing the economy in terms of State boundaries. For many years, moreover, it has been apparent that the general state of the economy can be substantially affected by the level of Australia's export earnings, which continue to be derived in the main by the export of primary products. The manufacturing industries now provide a further example of the economic interdependence of the people in every State of the Commonwealth. Thus, the volume and nature of production and the levels of employment and wages in one State concern the other States, and the people of all States have a common interest in building up and maintaining a flourishing export trade in the products of Australia's primary and secondary industries, and in the achievement of a satisfactory balance of payments position, to which the secondary industries are making an increasing contribution.

Industries which produce goods, of course, form only part of the entire Australian economy, which, like all modern economics, is made up of multifarious activities including, in addition to rural and secondary production, the importation of goods and the many kinds of services performed within the economy, such as by the operators of communication and transport facilities, the construction industries, wholesale and retail sellers, business and professional agencies and the financial institutions of the Commonwealth. State limits mean little, if anything, in the conduct of the many and varied activities which go to make up the economy, and there is, as the committee observed in its first report, an interdependence, not only as between the various segments of the economy, but as between any particular segment and the state of the economy as a whole.

Other countries, which have economies of a type not dissimilar to the Australian economy, but which have achieved more industrial maturity than Australia, have found it necessary in their experience to take some action against the consequences of unrestricted free trade and the concentration of resources leading to the limitation or exclusion of competition. In the opinion of the committee the experience of these countries indicates that the Commonwealth Parliament should have a power to legislate with respect to restrictive trade practices. The States already possess this power but the integrated nature of the Australian economy prevents them individually from acting effectively. At this stage of our economic development uniform policies are required to be adopted throughout the Commonwealth if the promotion of the economy, consistently with the public interest, is to be properly safeguarded against abuse. Restrictive trade practices are as old as trade itself. According to one authoritative English treatise, *Restrictive Trade Practices and Monopolies*, by Wilberforce, Campbell and Ellis, at page 2:

> They represent nothing more than the attempts of intelligent men to interfere, to their own advantage, or that of the industry in which they are engaged, with the free working of supply and demand and with the results of competition. As to practices, the advantages of cornering the market were known to the ancient Egyptians; papyri are in existence which show the existence of private monopolies in wool and cloth, and a schedule of merchandise which dates from about 3,000 B.C. is known, which shows an attempt to fix prices as against those prevailing in free competition.

The learned writers referred, at pages 2 and 3, to the historical antecedents to modern restrictive practices and legislative safeguards against them in the following terms:

> In Greek times the astronomer Thales, having ascertained from the stars that the olive crop for the forthcoming season was likely to be particularly copious, arranged some months in advance to hire all available olive presses, thus proving that philosophers, as well as academic economists, can achieve economic independence . . . Moreover, just as the practice of restriction is endemic in commerce, so the State has from the earliest time sought to interfere by legislation with sectional profit making. There are monuments in India, dating from some centuries before Christ, recording regulations to prohibit merchants and producers from making collective agreements to influence the natural market prices of goods by withholding them from trade; boycotts are mentioned amongst other punishable offences as well as any interference with buying and selling of others, and throughout history sovereigns, constitutional or otherwise, have attempted to repress private monopolies with one hand while often granting monopolistic privileges with the other. It was the Romans who first legislated against monopolies and restriction in a comprehensive way; in classical times the *Lex Julia de annona* established sanctions against combinations to raise the price of corn, and the famous Constitution of Zeno in the fifth century . . . set a precedent for . . . much demieval legislation . . .

Some restrictive trade practices benefit only the parties to them with complete disregard of the broader consequences which may be the forcing of competitors out of business with resultant unemployment, or to increase prices which consumers must pay for goods and services. The cumulative effects may be damaging to the economy and even affect the nation internationally. Other restraints upon

trade are not inherently bad if properly exercised and may bring about increased efficiency, the elimination of waste and lower prices. They may, at times, be necessary if an industry is to be protected from extinction or a new undertaking is to be commenced as part of the over-all programme of national development. Yet again, others may have been quite reasonable both in the interests of the parties and the nation upon introduction to serve the needs of particular economic conditions, such as a period of inflation or unusual boom, but having satisfied their original purpose, still persist with consequent general harmful effects.

Naturally, there is almost an infinite variety of restraints upon business which may be practised. Among the measures, which stand high in the list are those taken collectively or otherwise to prevent newcomers from entering a field of trade or commence, or to discriminate against an existing organization; the allocation by agreement or understanding of the available market between firms who are parties to the arrangement; price cutting to drive competitors out of business; many kinds of price maintenance agreements such, for example, as one under which a trader is obliged to resell at fixed prices under pain of being deprived of supplies from the same or other sources; payments of rebates to buyers who are members of selective associations or deal only with specified firms; arrangements to submit uniform tenders or to tender in such a way that a selected firm will be successful; tie-in arrangements under which the supply of certain kinds of goods or services is made conditional upon the acceptance of other goods or services; limiting production; and the prevention of the utilization of technical improvements, including patents.

The Restrictive Trade Practices Act, 1956, of the United Kingdom requires agreements to be registered which contain restrictions in respect of the following five categories:

(*a*) the prices to be charged, quoted or paid for goods supplied, offered or acquired, or for the application of any process of manufacture to goods;

(*b*) the terms or conditions on or subject to which goods are to be supplied or acquired or any such process is to be applied to goods;

(*c*) the quantities or descriptions of goods to be produced supplied or acquired;

(*d*) the processes of manufacture to be applied to any goods, or the quantities or descriptions of goods to which any such process is to be applied; or

(*e*) the persons or classes of persons to, for or from whom, or the areas or places in or from which, goods are to be supplied or acquired, or any such process applied.

The committee has no wish to embark on a survey of the extent and effects of restrictive trade practices in Australia. It is common knowledge that restraints exist in many branches of commerce and industry. In any event, the committee's case for a Commonwealth power over restrictive trade practices, rests not so much on what has already taken place in Australia, but on the need for the national government to have a power to deal with situations which may arise as the present trend towards greater industrialization continues.

Turning to our own municipal law, it is a general rule of the common law courts of England and Australia that agreements in restraint of trade and against public policy cannot be enforced. If, however, a restraint of trade or an interference with individual liberty of action is reasonable in the interests of the parties concerned and reasonable in the interests of the public and not injurious to the public, the restraint or interference will be upheld. The common law has also concerned itself with monopolies, which generally the courts condemn as being contrary to public policy and, therefore, illegal. Originally, a monopoly was the grant of an exclusive right by the Sovereign to produce, use or trade in something but the expression has for long been construed as covering various kinds of private monopoly in which the control of production, supply or trade in a commodity is in the hands of one person or combination, and the rules of law are also directed against conspiracies to monopolize.

The common law rules plainly indicate that questions of public interest are inherent in attempts to restrain trade or to monopolize an industry or trade. The major common law countries other than the United Kingdom are the three Federal States, Australia, the United States and Canada. Canada and the United States are both highly industrialized and they have supplemented the common law with legislation dealing specifically with monopolies and restrictive trade practices. The Federal Parliaments of the two countries have been able to do this because they have had the advantage of more appropriate legislative powers for the purpose than the Commonwealth Parliament possesses.

In Canada, the Dominion Parliament was the first in the field when it passed the Combines Investigation Act in 1889. The example was

followed a year later in the United States when Congress passed the Sherman Act, 1890, which laid the foundations of a continuous policy for the protection of trade and commerce against unlawful restraints and monopolies. In England itself, the home of common law, Parliament passed the State of Monopolies in 1624 regulating the grant of monopolies by the Crown. For many years, however, the United Kingdom Parliament was not much concerned to legislate on the subject and to a large extent the protection of the community rested on the application of judge-made rules to cases brought before the courts by private litigants. In 1948, the United Kingdom embarked on a policy of legislative intervention for the further protection of the public interest and passed the Monopolies and Restrictive Practices (Inquiry and Control) Act, 1948.

The countries which have employed anti-trust legislation have found it difficult to provide a satisfactory legal and administrative framework which will preserve the vigour flowing from competition but prevent that form of ruthless exploitation and competition which leads to one undertaking seeking out and destroying all its competitors. They have usually chosen to make laws directed against unfair trading practices as well. In the United States, for example, the Clayton Act, passed in 1914, deals with unlawful restraints of trade as well as monopolies and the Federal Trade Commission Act of 1914, which created a Federal Trade Commission, declares unlawful unfair methods of competition in commerce.

Since the end of the Second World War, more countries have been turning to the protection of their industries and community by legislating against restrictive business practices. The exercise of restrictive business practices may not only be harmful in its immediate effects, but can lay the seeds of injurious monopolization. In common law countries, the ordinary law has been found insufficient to deal effectively with restrictive trade practices in modern economic circumstances. For one thing the courts have had to apply their legal rules to economic matters in which issues of great complexity may arise in evaluating the effect of a trade practice on the public. As a result the courts have usually been unwilling to adjudge a restraint of trade held to be reasonable in the interests of the parties to be unreasonable in the interest of the public.

In Canada, the Federal Parliament amended the Combines Investigation Act in 1951 and 1952 to forbid resale price maintenance and to set up a Restrictive Trade Practices Commission with powers of inquiry into restraints of trade and monopolistic situations. A decisive step was taken in the United Kingdom where the Parliament passed the Restrictive Trade Practices Act, 1956, providing for the registration of agreements containing restrictive trade practices of the kind specified in the Act. The Act also set up a Restrictive Practices Court to inquire whether or not trade restrictions which required an agreement to be registered were contrary to the public interest. If any restrictions are found to be contrary to the public interest, the agreement is, to this extent, void.

In New Zealand, the Parliament has passed the Trade Practices Act, 1958, requiring registration of specific trade agreements and arrangements. Other countries to pass legislation for the control of business restraints in the post-war years include Denmark, France, Japan, The Netherlands, Norway, South Africa, Sweden and West Germany. On the spread of restrictive practices legislation beyond the shores of North America, Professor W. Friedmann of the United States commented recently as follows:

> In England as in the rest of Europe the only serious answer to the evil consequences of unrestricted free trade and concentration of resources, leading to the limitation or exclusion of competition, was, until recently, seen in the total or partial socialization of resources. It is only since the last war that legislation directed against monopolies and other restrictive practices has become a serious practical issue outside of North America. In such countries as Great Britain, Sweden or France, they are not generally seen as an alternative to public ownership or control, but as a supplementary control of private industry which in these countries retains by far the greater proportion of economic activity. (Anti-Trust Laws, Edited by W. Friedmann at pages 524-525.)

During the present century, industrial progress has been world-wide and industrial undertakings of unprecedented size have emerged. Australia, like several countries concerned with monopolistic and restrictive business practices, has participated in the two world wars of the century and encountered the harmful effects of inflationary booms and recessions which have characterized post-war living. These are conditions which provide breeding grounds for trade restraints and the committee has no doubt that the examples of other countries show the wisdom of the Commonwealth Parliament having an express power to legislate on restrictive trade practices as the need arises to prevent damage to the public interest and

general economic welfare of the Commonwealth which could occur as a result of the adoption of practices purely for the benefit of the private interests of the parties.

The harmful effects of restrictive trade practices has also evoked international interest. The treaty constituting the European Coal and Steel Community signed in 1951 by Belgium, France, West Germany, Italy, Luxembourg, and the Netherlands had the immediate aim to set up a common market for coal and steel in order to contribute to economic expansion, full employment and a higher standard of living. The treaty has several clauses directed against practices involving unfair competition, including Article 65 which reads in part as follows:

All agreements among enterprises, all decisions of associations of enterprises, and all concerted practices, tending, directly or indirectly, to prevent, restrict or distort the normal operation of competition within the common market are hereby forbidden, and in particular those tending:

(*a*) to fix or determine prices;

(*b*) to restrict or control production, technical development or investments;

(*c*) to allocate markets, products, customers or sources of supply.

In 1951, the Economic and Social Council recommended to member States of the United Nations that they take appropriate measures and co-operate with one another to prevent, on the part of private or public commercial enterprises, business practices affecting international trade which restrained competition, limited access to markets or fostered monopolistic control, whenever such practices had harmful effects on the expansion of production or trade, on the economic development of under-developed areas or on standards of living. The council also appointed an *ad hoc* committee to prepare a draft international agreement to give effect to the resolution. The preamble to the draft agreement which was submitted to the council in 1953, expressly recognized the effect of restrictive business practices on some of the aims of the Charter of the United Nations. The draft agreement commences with the following preamble:—

For the purpose of realizing the aims set forth in the Charter of the United Nations, particularly the attainment of the higher standards of living, full employment and conditions of economic and social progress and development envisaged in Article 55 of that Charter;

Recognizing the need for co-ordinated national and international action to attain the following objectives;

1. To promote the reduction of barriers to trade, governmental and private, and to promote on equitable terms access to markets, products, and productive facilities;

2. To encourage economic development, industrial and agricultural, particularly in underdeveloped areas;

3. To contribute to a balanced and expanding world economy through greater and more efficient production, increased income and greater consumption, and the elimination of discriminatory treatment in international trade;

4. To promote mutual understanding and co-operation in the solution of problems arising in the field of international trade in all its aspects;

Recognizing further that national and international action in the field of restrictive business practices can contribute substantially to the attainment of such over-all objectives.

Accordingly, the parties to this Agreement agree as follows:

Article 1 of the draft provided that each member country should take appropriate measures to prevent practices affecting international trade which restrain competition, limit access to markets or foster monopolistic control. The relevant part of the Article reads as follows:

Each member shall take appropriate measures and shall co-operate with other members and the organization to prevent, on the part of private or public commercial enterprises, business practices affecting international trade which restrain competition, limit access to markets, or foster monopolistic control, whenever such practices have harmful effects on the expansion of production or trade, in the light of the objectives set forth in the Preamble to this Agreement.

Comments by member governments acknowledged the harmful effect of restrictive business practices on international trade. Generally it was thought, however, that the time was not yet opportune to have an international agreement since its effectiveness would depend very heavily on co-operation between member States and the ability of each State to take decisive national action. Meanwhile, the Economic and Social Council has urged governments to continue the examination of restrictive business practices with a view to the adoption of laws, measures and policies to counteract the dangers which exist to the attainment of higher standards of living, full employment and conditions of economic and social progress and development. Recently, there have been attempts to bring trade restraints within the purview of the General Agreement on Tariffs and Trade and a committee has been appointed to decide the extent to which G.A.T.T. should act in the matter.

The international aspects of restrictive trade practices lend further support to the committee's proposals. The power that the committee suggests the national Parliament should

have is one to make laws for the control of those restrictive trade practices which are shown to be contrary to the public interest. It would, in the committee's view, be quite proper to leave it to the Parliament to decide what restraints of trade should be controlled as being contrary to the public interest or how inquiry into the question of public interest should be undertaken. Nevertheless, the committee considers it preferable that judgment upon public interest should, by constitutional requirement, rest with an independent specialized authority and it proposes the re-constitution of the Inter-State Commission for which provision is already made in the Constitution. Thus, the substantive legislative power of the Parliament would be exercisable only in respect of those practices shown to the satisfaction of the commission to be to the public detriment. There is no assumption that all restraints of trade are inherently bad.

The invocation of the commission in the constitutional alteration which the committee proposes, amounts to a qualification on the exercise of Parliamentary power. It is an acknowledgment that inquiries into the effects of trade restrictions usually necessitate, in the first instance, the examination of complex economic issues by persons with appropriate training and experience. It is for this reason also that the committee believes that the ordinary courts of law should not be required to perform the function of inquiry although it will fall to the court in the long run to construe the exact scope of the power which the committee proposes should be vested in the Commonwealth. The committee's proposal to make use of a specialized agency is in accord with the approach adopted in recent legislation in other countries, including the United Kingdom, Canada and South Africa. The Canadian Restrictive Trade Practices Commission is required to appraise the effect on the public interest of practices and arrangements disclosed in evidence. In South Africa, the special investigatory body is the Board of Trade and Industries. The United Kingdom Restrictive Trade Practices Act provided for the appointment of a special court, the Restrictive Practices Court, but that court may comprise, in addition to five judges, up to 10 laymen knowledgeable or experienced in industry, commerce or public affairs and the court has power to enforce its own decisions, a function which, under the committee's proposal, would be restricted to the ordinary courts. The recent New Zealand Act provides for a Commissioner and a Trade Practices and Prices Commission to conduct inquiries into trade practices. If the commission is satisfied that a trade practice is contrary to the public interest, it may make an order directing the discontinuance or modification of the practice. The Act also provides for a right of appeal to a Trade Practices Appeal Authority.

Something more should be said about the Inter-State Commission. Section 101 of the Constitution requires the appointment of the commission. The section reads:

> There shall be an Inter-State Commission, with such powers of adjudication and administration as the Parliament deems necessary for the execution and maintenance within the Commonwealth, of the provisions of this Constitution relating to trade and commerce, and of all laws made thereunder.

Other sections confer additional powers relating to railways on the commission. Section 103 provides for the appointment of members of the commission. In spite of the mandatory language of section 101, there has not been a commission for many years. In 1913, a commission of three was appointed pursuant to the Inter-State Commission Act 1912 and it began work by an inquiry into tariffs. In 1915, the Hight Court held in the *Wheat Case* (1915), 20 C.L.R. 54, that the commission has now power to issue an injunction. The court said that section 101 of the Constitution contemplated an administrative and executive but not a curial body and for that reason and others the commission would not be regarded as a court capable of receiving part of the judicial powers of the Commonwealth under Chapter III of the Constitution. The commission continued to conduct inquiries, but one commissioner resigned and, following the expiration of the terms of the other two commissioners in 1920, the commission lapsed for want of further appointments to it. In 1938, the Senate passed an Inter-State Commission Bill for the reconstitution of the commission with power to conduct investigations on a wide range of commercial and financial matters and rates of charge on the railways, but the Government did not persist with the measure.

The committee believes that the commission should be reconstituted in accordance with the Constitution. The commission would be capable of performing many useful functions in relation to the provisions of the Constitution relating to interstate trade and commerce. It could, for example, engage in expert fact-finding as an aid to the judicial process or inquire into the economic effects of legislation on interstate trade and commerce. Apart therefrom, the commission would be a most

appropriate body to inquire into the effects of restrictive trade practices. Use of the commission for this purpose would, moreover, avoid having to find a place in the Constitution for another special authority. Section 103 requires members of the commission to be appointed for terms of seven years. The section reads in full:

The members of the Inter-State Commission—

(i) Shall be appointed by the Governor-General in Council:

(ii) Shall hold office for seven years, but may be removed within that time by the Governor-General in Council, on an address from both Houses of the Parliament in the same session praying for such removal on the ground of proved misbehaviour or incapacity:

(iii) Shall receive such remuneration as the Parliament may fix, but such remuneration shall not be diminished during their continuance in office.

The committee proposes an amendment to this section to make it possible for the Governor-General to appoint commissioners for terms up to a maximum of seven years instead of for fixed terms of seven years, subject to the existing constitutional provision for the removal of a commissioner during the term of his appointment for misbehaviour or incapacity. In this way, it would be possible to have continuity of membership on the body. Any action which may be taken by the Commonwealth Parliament under a restrictive trade practices power, in so far as it affected interstate trade or commerce, would be subject to the operation of section 92 of the Constitution. As at present advised, the committee considers it unlikely that legislation directed to the control of the harmful effects on the public of restrictive trade practices would constitute an interference with interstate trade and commerce to an extent which section 92 inhibits. Rather, the committee is confident that legislation of this type would be consistent with the freedom of trade which section 92 postulates.

Accordingly, the committee has recommended that the Constitution should be altered to provide for the following:

(1) The Commonwealth Parliament should have an express power in section 51 of the Constitution to make laws with respect to restrictive trade practices found by the inter-state commission to be, or likely to be, contrary to public interest.

(2) For the purposes of the power described in sub-paragraph (1) above, the Parliament should have power to make laws for referring questions to the inter-state commission for inquiry and report, and the commission should be vested with power to make its inquiries and report to the Parliament.

(3) Section 103 of the Constitution should provide for members of the inter-state commission to hold office for terms not exceeding seven years subject, as at present, to removal within their respective periods of appointment on the ground of misbehaviour or incapacity.

Although this report was before the Commonwealth Parliament two years ago, we have not seen any proposals for constitutional alterations in accordance with the committee's unanimous recommendations despite the fact that the Australian Labor Party has repeatedly pledged its support on this issue to the Government. All we get is a vague promise and no action. In the meantime, in this State we have some early legislation on the books which the Government refuses to administer. The Fair Prices Act, passed by a Labor Government in 1924, provides that a combine is defined as follows:

"combine" means any contract, agreement, or arrangement, by or between two or more persons carrying on separate businesses which exists for the purpose of, or has, or is designed or likely to have, whether directly or indirectly, the effect of increasing or fixing the price of any article of trade or commerce to the extent of enabling them to determine or control the market price of such article, and includes what are known as trusts and monopolies.

Under section 3 the Minister of Industry may complain to the Board of Industry that a combine exists, and that by reason of its existence prices have been fixed or increased to the detriment of the public, and the board if it finds that this is so may make orders fixing prices or prohibiting the combine.

Combines were little in evidence in the depressed trade conditions when Labor was next in office, and under subsequent Liberal and Country League Governments combines have flourished in this State. Not only do they exist, but it appears that they are encouraged. Restrictive trade associations, with rules for the enforcement of stop orders preventing supply of goods to retailers who do not carry out resale price maintenance provisions, are openly registered in the Companies Office in South Australia. The British monopolies commission and every restrictive trade practice commission overseas have found that resale price maintenance is detrimental to the public.

Recently a case of stopping supply by a sedatives manufacturer was raised in another place. The reason for stopping supply was that the merchant concerned was not maintaining a resale price. The Prices Commissioner excused this by saying that the manufacturer had absorbed increased costs over a long period. This begs the question. It was not a matter of the manufacturer's costs, but the keeping up of a resale price to the public under competition. The manufacturer's costs were in no way involved. Here is a clear breach of the Fair Prices Act, yet the Government does nothing.

The Fair Prices Act, however, was early legislation in this field and subsequent experience has shown the necessity of having a commission constantly investigating monopolies, cartels and restrictive trade associations. More up to date legislation is needed. In the U.S.A. gaol sentences have been imposed on monopolists who have grievously fleeced the public. In Australia, and particularly in South Australia, they are encouraged, and acclaimed by the Government, whose Party benefits from their liberal contributions, feted and bedecked with imperial honours.

The oil companies are just another example of the workings of cartels here. It is small wonder that petrol resellers have called for control of the industry, a control which was proposed in another place by a Bill introduced by the member for Norwood in 1955. The oil companies clearly have an agreement among themselves, the aim of which is for oil wholesalers steadily to obtain control of petrol retailing and drive the small man from business.

As an example of a practice which is rousing the Automobile Chamber of Commerce to a high pitch of alarm, and it is not an isolated instance, in May of this year two petrol pumps on a suburban site of a motor repair and garage business privately owned and long established were withdrawn by H. C. Sleigh Ltd. The garage proprietor, who had in no way acted in breach of his agreement with the oil wholesaler, then tried to obtain petrol from other wholesalers. In each case when the other oil wholesalers found that he had previously had petrol from H. C. Sleigh they refused to supply him. The tendency to monopoly in this sphere is continued, but it appears to have the approval of the Government. I commend the motion to members.

The Hon. C. D. ROWE secured the adjournment of the debate.

POLICE OFFENCES ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from October 25. Page 1488.)

The Hon. G. O'H. GILES (Southern): I listened to the debate on this Bill with interest. When I first perused the legislation I felt inclined to oppose it because it was unusual and covered a field not previously covered by legislation in South Australia. It was introduced in another place by a private member and dealt primarily with making safer appliances like refrigerators, ice chests and ice boxes, and thus avoiding the possibility of children getting inside with the door locked and being suffocated. New section 58b (1) deals with the fitting of an internal fastener, even if there is an outside fastener, subject to the volume capacity of the refrigerator, ice chest or ice box. This is related to the refrigerator that is used in the average family home. It seemed to me that the Government and the private member who introduced the Bill had encroached upon a ground not normally covered by legislation, because it dealt with a matter that should be attended to by parents in caring for their children. Perhaps this Bill touches on the rights of family life that should not be dealt with by legislation. However, when re-considering this clause, I found that legislation had already been introduced in other countries on these lines, and that manufacturers of refrigerators are already geared to produce a type of refrigerator that will be safe so that there will be no possibility of children being locked inside. Modern refrigerators close on a latch with a small amount of pressure, or a magnetic closing device is used. It does not matter which method is used because from the inside the refrigerator is readily opened.

The other point that convinces me that this legislation is properly introduced is that because of the Chief Secretary's proposed amendment, this legislation will not take effect until January 1, 1962. Clause 2 (3) deals with the casting aside of certain domestic appliances and the necessity for removing from them parts by which children could be trapped and suffocated. I agree with this part of the Bill, and note that subclause (4) allows the application of this Bill to be much broader. There should be power for the Government to make regulations to protect children from any new type of appliance that might prove dangerous to them. Although this clause has a wide application it is one of the better parts of the Bill. I

am perhaps luke-warm in my support for the Bill, but approve of the wider powers given by this subclause. I believe the Bill will be sensibly administered for many years to come.

The Hon. A. J. SHARD (Leader of the Opposition): On behalf of the private member who introduced this Bill in another place, I thank the Government and honourable members who have spoken in the debate. I remind the Hon. Mr. Giles that it will be necessary to make regulations for the purposes of the subclause he referred to, and that the Subordinate Legislation Committee will consider those regulations. In addition, Parliament will have the last say as to whether they should or should not be allowed. I hope this Bill will be passed without further delay.

Bill read a second time.

In Committee.

Clause 1 passed.

Clause 2—"Enactment of s. 58b of principal Act."

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

To strike out "date of the commencement of the Police Offences Act Amendment Act, 1961", and to insert "first day of January one thousand nine hundred and sixty-two."

This has been sought by the manufacturers of the appliances and by the trade. It merely specifies a definite date before any penalties will apply, and gives dealers an opportunity to dispose of refrigerators that have already been manufactured and which would not comply with this legislation.

Amendment carried; clause as amended passed.

Title passed.

Bill read a third time and passed.

MENTAL HEALTH ACT AMENDMENT BILL.

Returned from the House of Assembly without amendment.

PUBLIC ACCOUNTS COMMITTEE.

Adjourned debate on the motion of the Hon. K. E. J. Bardolph:

(For wording of motion see page 1079.)

(Continued from October 5. Page 1082.)

The Hon. K. E. J. BARDOLPH (Central No. 1): I thank both honourable members who have spoken in this debate, and other honourable members for the attention they have paid to the speeches. This motion is not aimed at any of the functions that have been performed by the Public Works Committee, nor is it aimed at the conduct and control of Government departments by the respective departmental heads. I said earlier that I and my colleagues in this Chamber have the utmost respect for the ability and integrity of our Government officers. That does not alter the fact that over the last 15 to 20 years there has been a colossal amount of Loan money spent by respective Government departments on public works compared with what was spent over 20 years ago. The figures are colossal. It is for that reason, and purely in the public interest, that expenditure on this scale should be closely supervised, not merely by the departments responsible for the expenditure of the money and by the Minister, but by a Parliamentary committee which would take a detached view of the expenditure and the results obtained from it. I do not say that with any desire to cast any reflection on those responsible for the expenditure.

Objection has been raised on this and other occasions that a public accounts committee would trespass on the work already being done by the Auditor General. I remember that when the previous Auditor-General was in office he did not regard the setting up of a public accounts committee as a disability. I believe he regarded the proposal in a manner similar to that adopted by the Auditor-General in the Commonwealth sphere in relation to the Commonwealth Public Accounts Committee. Whilst the Auditor-General may direct the Government's attention to various aspects of expenditure he does, in my view, look upon the proposed committee only as a body to conduct investigations outside his province as Auditor-General. Consequently, a committee such as that proposed in the motion would assist the Auditor-General to go farther in probing the Government expenditure and would act as a further safeguard against any reckless expenditure that may occur from time to time. It appears to be nobody's business to carry out further inquiries after the Auditor-General has submitted his report.

I know that I may be told by members of this Council, and rightly so, that it is the responsibility of members of Parliament to peruse the Auditor-General's report. I agree with that, but apart from whatever comments members may make from time to time in this and another place, that is the beginning and the end of any criticism or any views they may express on it. I wish to make it perfectly clear, too, that nothing is further from my mind than that the activities of this committee

should formulate policy, but it would draw public attention (as the Commonwealth body does from time to time) to matters which the Auditor-General regards as outside his official province.

The Hon. F. J. Potter: Would you say it is appropriate for such a committee to criticize Government policy?

The Hon. K. E. J. BARDOLPH: No. I do not propose to make my remarks marathon this afternoon, but the public accounts committees in the respective States and in the Commonwealth do not criticize policy because they regard that as the prerogative of the Government. However, after the policy of the Government has been announced and the Government is committed to certain expenditure the public accounts committees come in, not for the purpose of being policemen, but for the purpose of giving advice and investigating how wisely the money has been expended. A public accounts committee also takes into consideration the variation of money values. It is quite true that a contract made today may, in three months time, be much more expensive.

The Hon. W. W. Robinson: What would they do about that?

The Hon. K. E. J. BARDOLPH: They would make allowance for the increase. There will be no decrease in money values particularly after the contract is signed. I think that is plain business practice.

The Hon. E. H. Edmonds: That would be obvious without having a committee to tell Parliament about it.

The Hon. K. E. J. BARDOLPH: That does not alter the fact that the Bell Bay inquiry was necessary in Tasmania and that the Mannum pipeline inquiry was required in South Australia because of formidable excess expenditure over the original estimates. Had there been a public accounts committee, I submit it could probably have put the Engineering and Water Supply Department on the right track to save much of the excess over the original contract price.

The Hon. Sir Arthur Rymill: It would not have any authority over the wages, would it?

The Hon. K. E. J. BARDOLPH: Not being an economist—and my friend not being an economist—I should say that wages would not be a major factor in the costs. If a primary producer sells his lambs at the abattoirs for 1s. a lb. and I pay 3s. a lb. in the butcher shop the difference must go to the middleman, who does nothing to produce the goods which I buy and he sells. I do not think my friend's argument will hold any water because, although wages are a determining factor, they are not the principal factor in the increased costs that arise from time to time. When wages go up the margin of profit often goes up more than proportionately to the increase in wages. I am not going to be sidetracked.

The Hon. F. J. Potter: The honourable member sidetracked himself.

The Hon. K. E. J. BARDOLPH: No, I did not. That is a matter of opinion and one legal opinion is always at variance with some other legal opinion. I am not a legal man. I hope honourable members will support this proposal because it is put forward on a non-Party basis. It contains no politics because, irrespective of which Government may be in power, this committee will be a watchdog for Parliament over important projects. Members may have a clear conscience in supporting my proposal and I close by asking them to carry the motion.

Motion negatived.

INDEPENDENT SCHOOLS: SUBSIDIES.

Adjourned debate on the motion of the Hon. K. E. J. Bardolph:

(For wording of motion see page 1156.)

(Continued from October 25. Page 1489.)

The Hon. G. O'H. GILES (Southern): I followed with much interest the two speeches on this motion. I agree wholeheartedly with many remarks made on this question, but on the other hand, as I have already conveyed to the mover, the Hon. Mr. Bardolph, I intend to vote against the motion. Naturally, most of my speech will be explaining the grounds on which I will cast my vote in that way. May I also say that I have discussed this topic with a headmaster and a headmistress of private schools many times, and it is a matter which interests me a great deal. I think the honourable member put his case extremely well. There is, however, one part of his argument that I suggest is a little illogical. I think in both the speeches made so far the question has been asked why should the parents pay twice who send their children to a private school. The argument used is that, firstly, the State Government saves £100 to £125 a year on each pupil and, secondly, the parents' income tax put towards education amounts, in fact, to a double payment for education. I imagine that those facts are irrefutable, but in this instance they are hardly logical. I like to look at this in this way—if I buy

an article when I could have the same article, only a different brand, for no cost, have I a moral claim for re-imbursement? The answer surely is, "No".

This brings me to the question whether the Government owes any responsibility in the field of private schooling. I suggest that any Government worthy of its salt should keep its eye on private schooling institutions. It is very much to the advantage of the State and the country that such schools, particularly schools with a proper religious background, should be in a healthy state. I believe that both the Commonwealth and the South Australian Governments in this regard have a proper responsibility and they exercise it to make sure that these schools are in a healthy state. Parents are helped by the Commonwealth Government on the question of an educational allowance, from memory I believe it is £100 per child per annum. As the Chief Secretary has already mentioned, school bus services and medical services are provided and also books to help parents in the South Australian educational field. I do not consider that in this field either the Commonwealth or the State Government ignores the importance of private schools.

The Hon. S. C. Bevan: Where are school buses provided for students of private schools?

The Hon. G. O'H. GILES: One runs past my front door. The honourable member is apparently unaware that children going to private schools may avail themselves of buses provided for public school children.

The Hon. S. C. Bevan: If room is available.

The Hon. G. O'H. GILES: Another matter that concerns me relates to figures put forward by the Hon. Mr. Bardolph regarding the number of children attending private schools, indicating that the number was keeping pace with the growth of the population. Perhaps we can accept the fact that the schools themselves in their ability to handle these numbers have kept up with the change in population. If there is a case, and the contention put forward is that there is a far greater demand today than previously, is it not equally logical to suggest that the greater demand is due to the increased standard of living? If we accept that proposition, is it not also equally logical to suppose that there is the ability further to increase the numbers of private schools in South Australia through that source? I believe that the Hon. Mrs. Cooper brought forward this point during her speech. One case regarding one school springs readily to mind where in fact a private sector of the community has done what I have pointed out. If the demand is there and there is a wider section of the people who want private schools, I suggest there is also the ability further to increase the number of private schools in this State by taking the strain off Government funds.

Another point that interested me and one that is inherent in private schools today is the degree of independence they are able to achieve. Does this independence mean that private schools are turning out people who will be worthwhile leaders of the community? There is no doubt in my mind that this is so. Offhand I can think of one school which has supplied about 80 per cent of the Australian diplomatic corps. I do not suggest that this is either a good or a bad thing. That school produces people who have become leaders specifically in that sphere and there is no doubt that this is a very fine thing for the community. That school probably gets through nicely on donations and it conforms to the principle of turning out people not only qualified in their particular vocation, but tends to produce people trained in Christianity, because that particular school is a church school. I agree with what both the previous speakers have said on that point.

The Hon. Jessie Cooper: Have you asked that headmaster what he thinks about it?

The Hon. G. O'H. GILES: I do not know which headmaster the honourable member is referring to. The honourable member also mentioned that there was the danger that independence in schools could be jeopardized by the Government subsidy to them or by Government interference.

The Hon. Jessie Cooper: I said "Not".

The Hon. G. O'H. GILES: The honourable member quoted the following from a statement that included the words ". . . provided only that conditions which prejudiced the independence of the schools were attached to the grant," and the honourable member said "I agree with all that."

The Hon. Jessie Cooper: No. I said I agreed with everything except that.

The Hon. G. O'H. GILES: I was not taking anything out of context. There is a real danger of a lack of independence along the lines argued by the Hon. Mrs. Cooper. I accept that if the Government puts funds into private schools they should have some say in the spending of the money, but

that runs foul of the honourable member's contention. Let me give an example. In Victoria an Old Boys' Association was split in two because of a move by the headmaster of a school who was not subject to anyone in particular. He was independent and had proper control of his staff. He decided that at 13 to 14 years of age the proper place for the development of a city boy was not in the classroom, but at a place near Mount Kosciusko where he could learn to rough it a bit and develop not only his mind but his body. What would be the position if the Government had put funds into furthering the capital development of that school, and the headmaster had built a place near Mount Kosciusko to house several hundreds of his pupils?

I agree with the Hon. Mrs. Cooper that it is most desirable that the full independence of schools should be retained. The schools I visualize are those where the headmaster runs his own staff, has continuity of staffing, and is not subject to dictates to an onerous degree. The spirit of the school should come from the ideas of the headmaster. I feel that as long as there is a shortage of proper schooling facilities for the average child in this State, there is, at this stage, no case for a subsidy for private schools. I accept some of the arguments put forward by the other two speakers on this motion, but I will not be a party to detracting in any way from the very fine work that such schools are doing in South Australia and in other States in providing high education for ordinary children. Their work is first class. I am all in favour of church schools, but it is worthwhile to remember what happened in the early days of the colony in New South Wales. The proper development of State schools was penalized by the attitude of the church schools because they did not allow the education of the children to proceed on a proper basis.

The Hon. F. J. Potter: That is old history.

The Hon. G. O'H. GILES: Yes, but I am only showing the difference. Later this afternoon we shall deal with a Bill that concerns me very much. It is related to the educational side, particularly for country children, and provides for the establishment of hostels. It is another instance of the vast help that I hope the State will be able to give to private schools. I think I have made clear my position on this matter, and I oppose the motion.

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

ROAD TRAFFIC BILL.

Read a third time and passed.

PUBLIC SERVICE ARBITRATION BILL.

Read a third time and passed.

WILD DOGS ACT AMENDMENT BILL.

Read a third time and passed.

BRANDS ACT AMENDMENT BILL.

Further consideration in Committee of the House of Assembly's amendment:

Clause 3 (*da*) (ii) After "substance" where second occurring insert "registered as a stock medicine under the Stock Medicines Act, 1939."

(Continued from October 31. Page 1617.)

The Hon. C. R. STORY: I asked that progress be reported on the consideration of this amendment because I wanted to further review the position. This morning the Brands Department spoke to me about it. Although I do not think the amendment covers the position, it is as near as the Parliamentary Draftsman can get towards achieving agreement on the matter. It appeared to me that in tying up the matter of brands with the Stock Medicines Act there would be a difficulty in using a medicine black in colour, but I have learned that the difficulty can be overcome. The stain from certain medicines is brown in colour, and although detrimental to the fleece in some degree people who use such medicines, as prescribed under the Act, will be exonerated from any penalty. Tar is not a prescribed medicine, neither are some other things which are detrimental to the fleece. I will not delay this Bill any further, because I have now ascertained what I wanted to know.

The Hon. A. C. HOOKINGS: I support this amendment. It was no doubt overlooked that there are some stock medicines used in sheep husbandry which leave a dark stain on sheep. One is a slate-grey powder which, after falling on the wool, makes the fleece a purple colour and eventually turns into a dark stain. This amendment will safeguard anyone who accidentally splashes this or any other medicine on to the sheep's wool.

Amendment agreed to. Committee's report adopted.

The Hon. K. E. J. BARDOLPH (Central No. 1): I rise on a point of order. Wednesday has always been set down as private members' day, and my motion in connection with subsidies for independent schools was before the Chair this afternoon. I indicated to the Whip of this House that I proposed

having a vote taken on it. I am rising to a point of order, because that is what is involved.

The ACTING PRESIDENT: What point of order?

The Hon. K. E. J. BARDOLPH: I want to explain the point of order involved. I have been informed by the Chief Secretary that my motion on school subsidies cannot come on until Government business has been disposed of. That could mean that no vote on my motion will be taken.

The Hon. Sir Arthur Rymill: That is what you have been waiting for for the last four or five weeks!

The Hon. K. E. J. BARDOLPH: Let me inform the honourable member that I will deal with my own business, and I do not need the honourable member to tell me what to do. I want to know what protection a private member has in connection with this matter, because if the adjournment of my motion has been done for a specific purpose, and I am convinced of this, it was done because someone apparently does not want a vote taken on the issue. I want to know how under Standing Orders a private member has protection for his business before this Chamber.

The ACTING PRESIDENT: This House is in charge of its own business. The position is quite clear.

THE CHURCH OF ENGLAND IN AUSTRALIA CONSTITUTION BILL.

Adjourned debate on second reading.

(Continued from October 31. Page 1607.)

The Hon. A. J. SHARD (Leader of the Opposition): This Bill has been introduced following a request by the Church of England authorities in Australia, and has for its object the giving of legal effect to the Church's constitution. It was referred in another place to a Select Committee and the report of that committee is now available, and states:

1. In the course of its inquiry, the committee met on two occasions, and took evidence from the following persons:
   - The Bishop of Adelaide (the Right Reverend Dr. T. T. Reed):
   - The Bishop of Willochra (the Right Reverend T. E. Jones):
   - The Venerable J. R. Bleby, Archdeacon of the Broughton:
   - Mr. G. E. H. Bleby, Solicitor for the Diocese of Adelaide:
   - Dr. W. A. Wynes, Parliamentary Draftsman.

2. Advertisements inserted in the *Advertiser* and the *News* inviting interested persons to give evidence before the committee brought one response only.

3. The Bishop of Willochra expressed concern at the inclusion of clause 8 in the Bill from the point of view of the unity of the Church of England in Australia generally, but as the clause does not apply to the Diocese of Willochra, the Bishop did not press the objection, and the committee is of opinion that the objection cannot be sustained.

4. The committee has endeavoured to safeguard by an amendment to clause 8 the position which might arise from the formation of a new diocese in South Australia, wholly from territory now part of the Diocese of Adelaide, and which might also desire to take advantage of the right to withdraw from the application of the new Constitution.

5. The matter of property given to the Diocese of Adelaide of the Church of England in Australia as constituted by this Bill, in the event of clause 8 becoming operative, has been carefully considered and the committee recommends that the clause be amended to make the legal position clear.

6. The committee is of opinion that there is no concerted opposition to the Bill if amended in accordance with this report, and recommends that it be passed with the following amendments:—

At this stage I ask leave to have the amendments incorporated in *Hansard* without my reading them.

Leave granted.

Schedule of Amendments.

Clause 8—

Line 24—After "Adelaide" insert "or the Synod of any diocese formed entirely out of the diocese of Adelaide as constituted at the date of the commencement of this Act".

Line 25—After "diocese" insert "concerned".

Line 35—Leave out "that diocese" and insert in lieu thereof "the diocese concerned".

Lines 38 and 39—Leave out "connected with or in any way relating to the property of the said Church in that diocese".

Line 42—After "passed" add "and all real and personal property of, or held in trust for or for the purposes of, the said Church within that diocese shall be and become the property of, or as the case may be held in trust for or for the purposes of, the Church of England in that diocese by whatever name it shall thereafter be known, freed and discharged from any right, title, interest, claim or demand by or on behalf of any person claiming under, or by virtue of the Church of England in Australia or the Constitution".

Line 44—After "apply" insert "in pursuance of this section".

Lines 44 and 45.—Leave out "the diocese of Adelaide" and insert in lieu thereof "a diocese concerned".

The Hon. A. J. SHARD: The Bill passed through another place with the amendments inserted, and as it appears to be in order and having great respect for the Select Committee's

report, I have no further comment to make. I hope the passing of the Bill will be satisfactory to the people who desire it, in which case we may not hear of it again.

The Hon. G. O'H. GILES (Southern): I support the Bill. It gives legal force to various provisions that are dealt with in the report of the Select Committee, and as the Hon. Mr. Shard pointed out, it has passed through another place. One of the prime motives of this Bill is to amalgamate various trusts under the one body of the church. Evidently it was possible for a split to develop or sectional groups to get control of certain trusts. The Hon. Mr. Shard has covered the point regarding the Bishop of Willochra, and it seems that the Bishop did not want to commit his own area under clause 8, which deals with the power of the Diocese of Adelaide to withdraw. As the type of vote necessary to withdraw is one taken by the Synod of the Diocese of Adelaide with the concurrence of the Bishop of the Diocese and at least two-thirds of the total clergy and Synod members present, I consider that that is a very adequate safeguard, and support the Bill.

Bill read a second time and taken through its remaining stages.

STUDENT HOSTELS (ADVANCES) BILL.

Adjourned debate on second reading.

(Continued from October 31. Page 1609.)

The Hon. K. E. J. BARDOLPH (Central No. 1): This Bill is one for which its sponsors deserve commendation. I think every honourable member who has had anything to do with the care of students living away from home and the matter of providing money for independent schools will appreciate that this Bill at least provides some measure of relief for the good people who conduct the institutions mentioned in the Bill. I am one of those people who, if there is any need for criticism, believe it should be made, but where there is a need for commendation I am prepared to give it fully. This is one occasion when I am pleased to extend that good feeling.

This measures contains one or two points that need some elucidation. Clause 2 provides:

> In this Act unless the context otherwise requires—
>
> "advance" means an advance made under this Act:
>
> "borrower" means a person who has obtained an advance:
>
> "the bank" means the State Bank of South Australia within the meaning of the State Bank Act, 1925-1958:
>
> "the account" means The Student Hostel Loan Account:
>
> "student" means any graduate, undergraduate, or pupil, of any age engaged for the whole of his time upon a course of study at the University of Adelaide, The South Australian Institute of Technology or at any technical, secondary, primary or other college, school or educational institution.

If that means what it says I thoroughly endorse the clause and agree with the proposal, which is one of the principles on which we had such a hullabaloo recently. According to my interpretation of the Bill it goes all the way, because it states that a student means any graduate, undergraduate, or pupil, of any age engaged for the whole of his time upon a course of study at the University of Adelaide, the South Australian Institute of Technology or at any technical, secondary, primary or other college, school or educational institution. Let me hasten to make it perfectly clear that this Bill does not provide grants to those institutions. It merely places the people who build the hostels for independent schools and the various religious denominations in the same category as a person purchasing a house from the State Bank. In other words, this is a means for an auxiliary to purchase homes and, therefore, it is a very good idea.

I know of some other honourable members who, in concert with myself, have approached the State Bank for a loan to build independent schools and I have the greatest admiration and express thanks for the manner in which the State Bank has lent money to these various independent schools. That comment, incidentally, applies equally to private banks, which have played their part in lending money to those interested in the further development of these schools. However, as everybody knows, the banks are run on a business basis.

The Hon. F. J. Potter: Will not this scheme be run on a business basis?

The Hon. K. E. J. BARDOLPH: I am coming to that. I can understand the honourable member's legal mind and that he is prepared to think more quickly than the other fellow, but I will say what I have to say in my own way. The private banks only have a certain amount of liquid funds and they apportion those funds to the various sections of the community. It was a matter of first in first served, but this is a totally different proposal. In this matter Parliament will allocate to the State Bank each year, at the request of the Treasurer, a certain amount of money, but there is no amount stated in the Bill.

The Hon. C. R. Story: It is with the approval of Parliament.

The Hon. K. E. J. BARDOLPH: Yes, and that means there can be no restriction by saying that this bank and that bank is out of liquid funds or that the State Bank has taken something out of this pool to put into the next pool. There will be a specific monetary allocation to the bank for the purpose of loans for building hostels.

The Hon. F. J. Potter: Clause 9 places a restriction on the borrower.

The Hon. K. E. J. BARDOLPH: How do you mean? No advances shall be made except on the security of a mortgage.

The Hon. F. J. Potter: Have a look at subclause (2).

The Hon. K. E. J. BARDOLPH: Many private schools have mortgages. There was a second mortgage on one property of not a very large amount, and one bank was going to advance another £3,500 on the first mortgage, but the second mortgagor would not agree, because it would lower his security. This Bill is on the same basis as the Advances for Homes Act. The Superannuation Fund will not look at second mortgages. This Bill will result in money being made readily available. If these people borrow from any person, they must put up a security. In some cases there is a demand for a collateral security. Clause 3 (2) provides:

> The Treasurer may make such agreements and arrangements with the bank as he deems proper for the purpose of giving effect to this Act.

And subclause (3) provides:

> The bank shall administer this Act in accordance with such agreements and arrangements.

Although the Treasurer is not of the same political complexion as members of my Party, he has often successfully used his good endeavours with certain lending institutions in the interests of private schools. This Bill will relieve him of that obligation, because the position will be determined by Parliament. I presume that boarding schools will come within the category of "hostels". Although the Government does not admit the good purpose of the motion that was dealt with a few minutes ago, this Bill, if properly interpreted, although it does not contain all that I desire, is the nearest approach to securing the capital cost for independent schools by their paying their interest, and submitting the necessary security. I commend the Bill to honourable members. It will meet a great need, not only for metropolitan students, but also for country students. The Hon. Mr. Densley could verify the statement that it is most difficult for country people, who send their children to the city for higher academic training, to get board for them, sometimes with relatives, at others with strangers, and sometimes at church hostels, which are always full. This will give them the satisfaction of knowing that their children will be properly looked after during their tertiary education. I am not supporting it for any political purpose, and I commend the Bill to honourable members.

The Hon. C. R. STORY (Midland): I support the Bill and commend the Hon. Mr. Bardolph for having looked into this measure very carefully. Its object is to enable advances to be made out of Loan funds, and for the State Bank to administer those funds exactly as it does advances under the Loans to Producers Act, Advances to Settlers Act, and the Advances for Homes Act and also for advances for water piping and so on. It will become the agent. I think it is a very good way to approach the subject, because instead of having another Government department to do the work, the State Bank will do it. After all, it will be treated as a normal banking risk. Clause 7 provides for the purchase of land with or without buildings, the construction of buildings, and also the purchase of furniture and equipment. Any approved organization interested in this type of work will be able to approach the bank, and if the object is considered to be worthy it will receive assistance, which it has not been able to obtain easily in the past. The money will be voted by Parliament, which will be able to see exactly how its money has been spent. From time to time the reports of the State Bank will give information to honourable members.

As the Hon. Mr. Bardolph has said, preference in the main will be to country areas. I do not know, and I do not think anyone else knows at the moment, just what the demand will be for this legislation. Many country children have to be transported big distances to their schools, or have to board. If organizations, such as the Country Women's Association, decide to acquire land and erect suitable buildings, it will assist country people in the secondary education of their children. I can think of children from such places as Blanchetown and Morgan who have to attend the Waikerie high school and have to travel long distances daily. If facilities could be provided in those towns and approved bodies became interested, it would be a great thing.

I also realize the need for the setting up of decent hostels in the metropolitan area, because it is a terrific problem to get board, especially for children attending such schools as Urrbrae high school. Boarding houses are generally not under much supervision, whereas at hostels with a matron, they could receive at least some semblance of home life, which they do not always get when boarding privately. I consider that the Bill is a very good provision. The term of advances for land and buildings is a maximum of 40 years, which is a very long-term loan, and it will give bodies that are not particularly financial an opportunity to spread their payments over that period. For furniture and equipment the maximum period is 12 years, which is very reasonable. Fifty per cent of the money will be advanced for equipment and furniture and up to 90 per cent for land and buildings, and that provides a safety margin. I have no reason to doubt that in time this will be on a subsidy basis. Now that the legislation will be on the Statute Book, and remembering the way in which we have progressed over the last 20 years, I visualize subsidies being provided in this matter. I support the Bill. Every country person interested in education will be pleased with it.

The Hon. G. O'H. GILES (Southern): I support the Bill. The Hon. Mr. Story has covered all its provisions so well that there is little left for me to say except that I am extremely delighted that the measure has been introduced. Since I have been a member of this place on two occasions I have taken up the case on behalf of schools with problems along the lines dealt with in the Bill. Clause 5 says, instead of Loan funds being appropriated for the establishment of hostels, that after the conclusion of every financial year the Treasurer shall out of the general revenue of the State pay to the bank the costs and expenses of the bank in the administration of the Act during the financial year, but that no such payment shall be made until the Auditor-General has certified in writing that the costs and expenses are reasonable. Clause 7 deals with the advances for student hostels and says that a loan can be obtained to enable the purchase of land with or without buildings. This is related to city schools that at a moment's notice have to increase their accommodation by purchasing nearby cottages. The Bill will help them. I know of several schools where boarding facilities are insufficient and I hope that they will be helped by the use of clause 7 (1) (*b*).

The Hon. F. J. Potter: What about clause 9?

The Hon. G. O'H. GILES: That refers to the conditions associated with loans. I agree that it could make a difference, and some private schools may be in a position better than other schools to take advantage of the provision enabling loans to be obtained. Whether voluntary labour or parents' associations will be able to pay off the mortgages is a matter for conjecture. All members want the Bill to have as wide an application as possible.

The Hon. L. H. DENSLEY (Southern): On many occasions during the past few years I have had the opportunity to discuss this matter with Government authorities and country people. Always the great disadvantage was that people wanted the Government to set up and conduct the hostels, but I pointed out that it might be all right for the Government to help set them up but it was undesirable for the Government to conduct them. Children are always likely to get into trouble and if the Government conducted the hostels parents would soon come down on it if their children got into any sort of trouble. Therefore, there was some limitation to the distance that the Government could go in this matter. The Bill gives groups of people the opportunity to set up boarding schools and it will be the responsibility of the boards under which they work to care for and protect the children in them. People living near a secondary school will be able to set up boarding houses to accommodate students. Many people have asked for this and the ball is now thrown back into their lap. Here is an opportunity for them to show whether they were sincere in their request.

The method of financing the scheme is intriguing. The Government will provide much of the money needed and the State Bank will be the administering authority. The Government will pay the State Bank for handling the scheme, which makes me think that the Government does not expect to make a profit from it. In fact, it could be that considerable losses will be incurred. People around the Bordertown district send their children 40 to 50 miles to school, but cannot send them to Adelaide to school because of the lack of boarding accommodation. These parents could, under the Bill, formulate a scheme and apply to the State Bank for financial assistance. Advances are to be over a longer period. Because the Government will provide 90 per cent of the cost of a hostel there is the opportunity for people to establish one without having much capital. Security is an important matter. The State Bank will want a reasonable security for

a loan and the body getting one will have to supply the bank with a mortgage. That offers the opportunity for a church or other school which has land, but which has not sufficient capital, to apply under this Act to get the assistance necessary to build additional premises for boarders. Many people have asked for this Bill, and it is designed mainly to meet the requirements of country people. The Government has exempted certain chattels and other things that may be contained within the boarding house from any claim as security, and if the people are happy to find the money and carry out their obligations, then this Bill will provide them with that opportunity, and consequently I support it.

The Hon. A. C. HOOKINGS (Southern): I support this Bill, because it is one which will be welcomed throughout the State, particularly in country areas. For many years there has been agitation for the provision of some type of hostel accommodation for children from the West Coast to be built at Port Lincoln, and for a hostel to be established to assist in the care of the students at Urrbrae Agricultural High School. I am sure the measure will be fully supported by every honourable member. I point out that the Urrbrae Agricultural High School is providing a wonderful service to this State because of the type of education which can be obtained there. Parents of the students have found it difficult to find suitable board and lodgings for their children, and this applies particularly to those living in country areas. This legislation may be the beginning of some incentive to assist in providing a hostel for students attending that school.

Many high schools and higher primary schools in the remoter parts of this State do not provide education to the Leaving Honours standard, and the parents of students attending those schools cannot send their children to Adelaide for higher education, because they cannot find suitable acommodation for them in the city. As a consequence, the children miss the higher form of education which they so richly deserve. This Bill is a step in the right direction and may give them that opportunity.

Bill read a second time.

In Committee.

Clauses 1 to 8 passed.

Clause 9—"Advances to be secured by mortgage."

The Hon. F. J. POTTER: The Bill is commendable in all respects, but I wonder whether or not the advantages which the Government is offering will be restricted by the terms of this clause. I would like clarification of it, because it seems to me that the way it is drawn could lead to the inference that it is necessary to give a mortgage over all one's estate and the interest in all land including that on which improvements are made.

The Hon. K. E. J. Bardolph: Further on the honourable member will see it is on terms and conditions laid down by the Premier.

The Hon. C. D. Rowe: If it meant "all his land" it would say "all his land".

The Hon. F. J. POTTER: I would like to be as confident of that interpretation as the Attorney-General appears to be. I am not so confident as all that. However, this is not an easy matter to decide. I am mentioning for the benefit of honourable members that I think there is some doubt about this particular wording. The linking word is "and". In other words, they want security over his land and the land over which the improvement is made.

The Hon. Sir Arthur Rymill: The banks always like security if they can get it.

The Hon. F. J. POTTER: Exactly, and I am not objecting to it. I do not know whether it is the intention of the Government to make money available to private schools for the purpose of extending their boarding accommodation. Several members have expressed the hope that that will take place.

The Hon. K. E. J. Bardolph: I interpreted it that way.

The Hon. F. J. POTTER: The honourable member has, and other members have, and I hope that is what the Government intends. I question, however, and am not prepared, at this stage, to say positively that there will not be some difficulties for those colleges or schools which have already encumbered and mortgaged their properties, as so many of them have, up to the hilt in respect of their present buildings.

Clause passed.

Remaining clauses (10 and 11) and title passed.

Bill read a third time and passed.

PULP AND PAPER MILL (HUNDRED OF GAMBIER) INDENTURE BILL.

Adjourned debate on second reading.

(Continued from October 31. Page 1608.)

The Hon. A. J. SHARD (Leader of the Opposition): I support the second reading of this Bill which has as its object the ratification

of an arrangement made by the Government with the recently formed company known as Harmac (Aust.) Ltd. The company intends to establish a pulp and paper mill in the South-East of the State. This Bill was referred to a Select Committee and I would have thought that many of the committee's findings and extensive investigations into the Bill would have been referred to by the Chief Secretary in his second reading explanation. I know that explanation was given rather late last night, but the Select Committee appointed by another place did a really good job and the Council should know the contents of its report. Printed copies of the report are not yet available, but I have, by the courtesy of the Clerk in another place, managed to obtain a copy of the committee's report, which is very revealing and satisfying. Members should know what the committee's finding was and I shall read its report, which states:

The Select Committee to which the House of Assembly referred the Pulp and Paper Mill (Hundred of Gambier) Indenture Bill on October 17, 1961, has the honour to report as follows:

1. In the course of its inquiry, the committee held six meetings and took oral evidence from 23 witnesses. It also inspected the proposed site of the Pulp and Paper Mill near Mount Gambier and the source of the water supply for its operations in the Eight Mile Creek area.

2. Advertisements were inserted in the Adelaide and Mount Gambier press, inviting interested persons desirous of submitting evidence concerning the proposals covered by the Bill to appear before the committee.

3. Your committee heard evidence from the following persons: Mr. E. Alstergren, Director, Harmac (Aust.) Ltd., Mr. P. E. Fitzgerald, Secretary, Harmac (Aust.) Ltd., Mr. J. S. Kendrick of Vancouver, Canada, Consultant Engineer to Harmac (Aust.) Ltd., Sir Edgar Bean, solicitor to Harmac (Aust.) Ltd., Mr. L. C. Hunkin, Chairman of the Forestry Board, Mr. B. H. Bednall, Conservator of Forests, Woods and Forests Department, Mr. E. R. Beattie, Director, Apcel Ltd., Mr. J. D. Brookes, Technical Director, Australian Paper Manufacturers Ltd., Mr. J. R. Dridan, Engineer-in-Chief, Engineering and Water Supply Department, Mr. W. M. Anderson, Chairman, South-Eastern Drainage Board, Dr. W. A. Wynes, Parliamentary Draftsman, Mr. E. P. D. O'Driscoll, Senior Geologist, Department of Mines, Mr. J. A. Fargher, Commissioner of Railways, Mr. F. D. Jackman, Commissioner of Highways, Mr. J. R. Sainsbury, General Manager, South Australian Harbors Board, Mr. R. K. Sowden, Registrar of Companies, Mr. A. M. Ramsay, General Manager, South Australian Housing Trust, Mr. D. V. O'Dea, Director of Lands, Mr. O. Bowden, Chairman of the Land Board, Mr. R. Kirby, Chairman, District Council of Mount Gambier, Mr. R. M. Chant, Chairman, District Council of Port MacDonnell, Mr. E. Thomas, dairy farmer, Eight Mile Creek and Mr. S. G. Yoannidis, cheese factory owner, Deep Creek.

4. In addition to the above oral evidence, written submissions were forwarded to the committee by the Premier (the Hon. Sir Thomas Playford, M.P.), Mr. C. E. Piper, Managing Director, Cellulose (Aust.), Ltd., Mr. J. R. Dridan, Engineer-in-Chief, Mr. L. C. Hunkin, Chairman of the Forestry Board and Mr. B. H. Bednall, Conservator of Forests, Mr. E. Alstergren, of Harmac (Australia) Ltd., Dr. W. A. Wynes, Parliamentary Draftsman, Sir Edgar Bean, Solicitor to Harmac (Australia) Ltd., and Sir Fred Drew, Chairman, The Electricity Trust of South Australia, and were incorporated with the Minutes of Evidence.

5. The question of availability of timber from the State forests was not raised in the Bill. However, as doubts were expressed by some witnesses as to the ability of the department to meet all its commitments, the committee gave close consideration to the matter.

6. In the light of the evidence before it from all relevant sources, your committee accepts the opinion expressed in the joint statement made by the Chairman of the Forestry Board and the Conservator of Forests that in making provision for Harmac, "the Department is honouring all present commitments to present customers and to the departmental mills".

7. The joint statement added that "in making agreements with users, (the department) is careful that the conditions of sale are such as to place no hardship on users, and to guarantee as far as possible, continuity of supplies to the industries concerned".

8. Your committee approves of this policy and considers that arrangements for the supplies to the new company and existing competitor companies and others have been made in conformity with that expressed policy.

9. Your committee concentrated particular attention on the possible effect of clause 7 of the Indenture upon the settlers and others in the Eight Mile Creek area. Clause 7 enables the company, without payment, to draw from Ewens Ponds and Deep Creek in the Hundred of MacDonnell such quantities of water as it requires for the purposes of the construction and operation of the mill.

10. Several witnesses contended that the pumping of water from these sources would lower the water table in the Eight Mile Creek settlement and adversely affect the productivity of the land.

11. On October 24, 1961, a conference was held on this subject between the Engineer-in-Chief (Mr. J. R. Dridan), the Chairman of the South-Eastern Drainage Board (Mr. W. M. Anderson), and the Company's Consultant Engineer (Mr. J. S. Kendrick). The conference agreed that the water table could best be satisfactorily maintained by the construction of weirs in Eight Mile Creek; the type and number of weirs to be decided following a full investigation.

12. Recommendations from this conference were made as follows:

(*a*) That Harmac (Australia) Limited be responsible for meeting the cost of the first weir downstream of Ewen Ponds: and

(*b*) That financial responsibility in respect to any other weirs which were considered necessary as the result of a detailed investigation or subsequently proved necessary after pumping of water commenced be determined by negotiation between the South Australian Government and Harmac (Australia) Limited.

13. The company informed the committee that it accepted these proposals made at the above conference, and your committee is satisfied that the Government assumed the responsibility as outlined.

14. Your committee accepted the undertaking given in evidence by the Director of Lands (Mr. D. V. O'Dea) that "the Government will protect the interests of the settlers in the area".

15. The committee is of the opinion that the interests of the settlers at the Eight Mile Creek area will be adequately safeguarded.

16. By clause 5 of the Indenture, the State undertakes to have built in reasonable proximity to the mill, a number of houses not exceeding a total of 500, which are to be offered to employees of the company as tenants or purchasers upon reasonable terms and conditions.

17. Evidence of this matter was given by the General Manager of the South Australian Housing Trust (Mr. A. M. Ramsay). Your committee concurs in Mr. Ramsay's view that provided adequate finance is available the trust can fulfil its part in the commitment provided in the Bill.

18. The Chairman of the District Council of Mount Gambier (Mr. R. Kirby) stated in evidence that the council definitely wanted the industry to come to the district, and that he "approached the matter in the spirit of helping Parliament to get the industry into the district". Mr. Kirby affirmed that his council, by resolution, had agreed to accept the amounts of rates as set out in the Bill.

19. However, he expressed the concern of the council that the definition of "mill site" in the Bill was very wide. Your committee considered, after reading written opinion from Sir Edgar Bean and Dr. W. A. Wynes, that the definition in the Bill was sufficiently restrictive to meet the council's stated objections.

20. The cost of construction and maintenance of district roads will undoubtedly increase substantially with the great increase in tonnages carried over the roads consequent upon the establishment of the mill. In this regard, your committee has noted the Hon. the Premier's letter of July 20, 1961, to the District Council of Mount Gambier wherein it is stated, *inter alia*:

> "Whereas it is recognized that there are considerable areas of Crown forests within your council areas which do not pay rates, the Government will give special consideration to that factor, and to any representations you may desire to make from time to time in relation therto, when determining road grants for construction or maintenance."

Your committee considers that this assurance should allay the concern expressed by the council.

21. The site of the mill is contiguous to the existing railway from Mount Gambier to Portland (Victoria). No State railway will be required except inside existing railway land —a connection to the main line. The South Australian Railways Commissioner (Mr. J. A. Fargher) informed the committee that "we would give a connection at our railway boundary to the private siding of the company".

22. Although the Electricity Trust of South Australia is not directly involved in the Bill or the Indenture, your committee afforded an opportunity to the trust to submit oral evidence if it so desired. However, the trust did not wish to give evidence to the committe, but intimated by letter that it had "no objection to the particular terms of the Indenture".

23. Clause 5 of the Bill enacts that any pipeline or electrical transmission lines or other structures erected or laid down by the company in exercise of rights granted by the Indenture shall not be ratable property within the meaning of the Local Government Act, 1934-1959.

24. The Chairman of the District Council of Port MacDonnell (Mr. R. W. Chant) complained to the committee that his council was left out of earlier discussions on the proposals for the new industry; and also, the council felt that it should not have to forgo its rating rights on pipelines, or electrical transmissions or other structure, erected or laid down by the company in pursuance of the Indenture.

25. The committee, bearing in mind the magnitude of the proposed industry and the benefits that would accrue to the district as a result of its establishment, considered that no amendment of the Bill was warranted to meet the objections raised by the District Council of Port MacDonnell in a matter of a comparatively minor nature.

26. Your committee is of opinion that the establishment of the proposed pulp and paper mill near Mount Gambier will provide a great stimulus to the further development of the State, and recommends unanimously that the Bill for the ratification of the Indenture between the State of South Australia and Harmac (Australia) Limited be passed without amendment.

I consider that the Select Committee did a thorough job. However, there are some things in the Bill which we could perhaps look at with a side glance. Because of such an illuminating list of witnesses and because of the unanimous decision of the committee, I support the second reading and trust that the industry will be as prosperous and as much in the interests of the State as has been predicted by the committee.

The Hon. L. H. DENSLEY (Southern): The Leader of the Opposition has given us much valuable information in his reading of the report of the Select Committee. The Bill indicates the tremendous amount of work the Government has done in reaching an agreement with the series of companies for the disposal of timber from our south-eastern forests. It

would take a decentralization committee a long time to get the decentralization that has been achieved by the Government under this Indenture. It is proposed to build 500 houses in the early stages for employees of the undertaking. The estimated number of men to be employed later means that many more houses will have to be erected. In the past it has been difficult for timber millers to get the timber they needed to meet orders, not because they could not get the timber promised by the department, but because the work they were doing became outdated and they had to go in for other manufacture.

According to the press the Select Committee accepted the statement of the Chairman of the Forestry Board and the Conservator of Forests that in making provision for this new pulp mill the department will be able to meet in full the requirements of its customers and departmental mills. It is expected that there will be sufficient timber available to keep the pulp mill in operation, which will be a tremendous fillip to the south-eastern forests. The Government had to agree to many concessions in order to get the Indenture signed. One concerned the provision of the water needed by the mill. People who have watched the Eight Mile Creek area grow know that it was once a tea-tree swamp whereas today it is a lush area carrying cows. These people are impressed by the possibilities of the area. There were repeated requests for the area to be drained and two or three years ago the Government supplied another drain, with the settlers being responsible for its upkeep. Water in the Eight Mile Creek has run into the sea at a rate of 50,000,000 gallons a day. The two creeks concerned in the Indenture now have a flow of 46,000,000 gallons a day, which shows that the quantity of water is falling.

Some of the settlers felt that because their land was becoming dry the drainage had done them more harm than good. The Government is dealing with the matter and Harmac (Aust.) Ltd. will have to build a weir near Ewens Ponds for the water it requires, and the Government will build one towards the outlet of the Eight Mile Creek into the sea. This should enable the water requirements of all the settlers in the area to be met. In the long run it will do them much good. The settlers there have had a hard row to hoe. At times it seemed that the settlement would be a failure because of the boggy conditions and the incidence of disease amongst the dairy cattle. In the last few years the position has improved greatly, and although the settlers have some concern about the matter I believe their interest will be taken care of by the building of the two weirs.

The houses built by the Housing Trust in Mount Gambier have been of good quality and I hope that standard will be maintained in the building of the 500 houses for the pulp mill employees. From time to time there have been complaints about the roads in the area. This matter of roads has been dealt with in the Indenture, and incidentally the Government deserves great credit for successfully getting it completed. There have been bitter disappointments on occasions because of road problems in the Mount Gambier area. The transport of heavy logs for milling purposes has taken great toll of the roads and the council has had difficulty in maintaining them, but the Premier has given an assurance that the road position will be met, thus putting it in its proper perspective. The Government has had to play its part in this undertaking. It is not getting something for nothing. Much organization has been needed and still much expense will have to be incurred.

There has been some discussion on the rating by the council of the 500 acres of land taken over by the mill. At present the rating is not to exceed £2,500 in 1963 and 1964, £3,500 in 1965, 1966 and 1967, and £5,000 in 1968. The value of the land will be determined in relation to any increase or decrease in the basic wage paid to the employees. It is evident that all bodies in the South-East have co-operated very well with the Government in this matter of establishing the mill. The negotiations continued for some time, and essentially the matter was one of great privacy. The Government made much progress with this matter before any news leaked out in the district, and this enabled the company to acquire the land which they required at a reasonable price.

The Government has agreed that the company will pump its own water and put up its own electricity plant and not be charged for those facilities. Under normal conditions it would have to pay the same for water as anyone else if within a mile of a pipeline. The company will also receive special concessions regarding the laying of pipelines either in the sea or on land, and for the erection of electricity poles. The company will not be assessed for full water or sewerage rates. A problem arising from the erection of the mill is the tremendous quantity of water required, and another is the disposal of the effluent, which has an unpleasant odour. As I understand it, water will be piped

from Ewens Pond, and the effluent will be returned to the sea. The Government is relieving the company of any responsibility in regard to any action taken because of the unpleasant odour.

The Government should be commended for its action in this matter, and I hope that within 18 months the agreement will be signed and the undertaking working smoothly. It will be of tremendous benefit not only to the South-East, but to this State, and I support the Bill.

The Hon. C. R. STORY (Midland): I support this Bill because it is an extremely good thing. I do not know much about the pulp industry or the South-East, but this undertaking will have a beneficial effect on the economy of the State because of the production of articles which will be made from pulp and paper produced in that area. This applies particularly to the making of cartons and of fibre board containers. At present the Australian Paper Mills organization has virtually a monopoly of Australian-made pulp, although some other firms import it. A.P.M. has not done much to endear itself to carton manufacturers, because certain organizations have been virtually tied to this company. They have formed an association and it will be a good thing when some good healthy open competition comes into the manufacture of fibre board containers in this State.

The Hon. K. E. J. Bardolph: In 1941 A.P.M. tried to get hold of Cellulose.

The Hon. C. R. STORY: Yes, and we have seen the marriage of two firms which might finish up like many marriages, on the rocks. An unfortunate position has arisen in the fruit industry in which timber boxes have been used for many years for the packing of fruit and canned goods. The price of these boxes has steadily increased, to such an extent that the use of ordinary timber boxes is almost prohibitive. At the same time, the fibre board container is being reduced in price. It is a sad thing that we should see our own milling industry tied up in an association with the rest of the trade. It would have been better had it remained outside that association, so that competition might have caused a reduction in the price. In the dried fruit industry alone, 2,170,000 56 lb. containers made of pinus timber were used by the South Australian and Victorian co-operatives in 1959. By 1960 that figure had dropped to 1,710,000; in 1961 there was a further drop to 552,000, and in 1962 the figure will be lower still. There is no less fruit produced, but the dried fruit industry, particularly in the Victorian area, is turning to fibre board containers because of the reduced price. They are being used for both export and the home market. The position follows almost the same pattern in the citrus trade. The fibre board container is very suitable for carrying citrus fruit, and I saw many thousands of them in the markets of Singapore and Malaya to which countries the famous "Sunkist" orange from America is exported solely in fibre board slotted containers. They are not the solid type of box that we have used, but the strength is obtained through the flutes.

In the apple industry packing in this cell type of box is becoming more prevalent. For many years we wrapped the apple and exported it in a wooden box, but now the tendency is to pack the fruit in a cell-type box, which reduces bruising considerably. By this legislation, an organization is being set up in this State which can use a great deal of the timbers which were previously used in the wooden boxes. Because it is necessary to have a blend in the long and short staple types of wood, perhaps it would be practicable for this company to use the extensive red gum resources of parts of this State which may be lost when the Chowilla Dam is built. Eucalypts are used from forests in Tasmania and Victoria, but I suggest that some consideration should be given to the immediate use of our red gum, none of which will be available when the dam is built.

The Hon. K. E. J. Bardolph: Couldn't it be used for commercial purposes and for building?

The Hon. C. R. STORY: Yes, but I must not transgress because the President will call me to order if I get on to that other hobby-horse. The red gum timber can be used for other purposes and the Housing Trust now takes much of it. This Indenture will be of extreme benefit to the State and it certainly will be of benefit to the South-East. I have much pleasure in supporting the second reading.

The Hon. A. C. HOOKINGS (Southern): I cannot allow this occasion to pass without adding a few words to the excellent speeches of my colleagues. I know that every honourable member welcomed the proposal for the establishment of the paper pulp industry near Mount Gambier. I was particularly interested in the Hon. Mr. Story's remarks of the changing pattern in relation to timber used in the packaging of fruit and the change from timber boxes to cartons. That trend has been very obvious to country people who now see

goods delivered in cardboard cartons whereas previously they were delivered in wooden cases. A point that has always impressed me is that the cardboard cartons are mostly destroyed by fire after use whereas the old wooden cases are mainly used again. That portends that a tremendous amount of timber fibre will be used in the coming years after the establishment of the pulp mill. It is interesting to note the changes that have taken place in the South-East since 1939 when Cellulose Australia first became established in those difficult years and then, about 20 years later, when Apcel started making tissue paper. I remember that Cellulose Australia mainly converts timber fibre to paper board whilst Apcel converts softwood fibre to tissue paper. I understand that Harmac (Aust.) Ltd. will produce a pulp which will be used to manufacture paper for cartons and brown paper which is often used in the manufacture of cement bags. A few years ago all the superphosphate used in this country was delivered in jute sacks, but today much of the superphosphate is sold in paper bags. Admittedly, bulk handling of superphosphate is coming in, but quite a few tons of the superphosphate used in Australia is contained in paper bags of the type which will be manufactured in the new mill in the South-East.

Nobody will deny that the establishment of this mill will be a great boost to the pine industry of South Australia. The Select Committee appointed to inquire into this project should be congratulated on the thoroughness of its examinations. I have spoken to members of that committee and I am quite satisfied that it examined every angle and left no stone unturned to see that all aspects were safeguarded. The committee took evidence from people who live on the land in the vicinity of Eight Mile Creek, people who depend on the growing of timber in the South-East, the fibre millers, the private millers around Mount Gambier and also representatives of the Mount Gambier City Corporation. Every aspect has been thoroughly examined and the report is very favourable.

I wish to refer to one particular matter. Approximately 500 homes will be needed in Mount Gambier for the employees of the new industry. Last week I asked whether the Government would consider erecting those houses of radiata timber or partly of radiata timber and partly of Mount Gambier stone. It would be of great advantage in a pine growing area such as the lower South-East to have the homes erected of that material. If honourable members visit some of the newer suburbs east of Adelaide they will see some very attractive houses of varnished timber. Some are built partly of stone, but some are built totally of timber. Some very attractive designs are available and the Housing Trust should at least consider using half Mount Gambier stone and half timber in those houses. I do not mean that I would like to see half a house built of stone and the other half totally of timber, but variable designs would make that settlement one of great attraction and in keeping with the pine-growing area. It was once said by an American who came to look at the city of Mount Gambier that one-half of the town looked like a cemetery because of its regular white stone houses. If some timber houses are erected they may add to the beauty of that area. In conclusion I wish to state that I have watched the progress of the industry in close proximity to the projected Harmac mill and I have watched the other paper industries in the South-East. I have seen them grow alongside the forest industry and I have great hopes that the projected industry will prosper greatly and will be of great advantage to the locality and to the whole of South Australia.

Bill read a second time and taken through its remaining stages.

GAS ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from October 31. Page 1609.)

The Hon. A. J. SHARD (Leader of the Opposition): The object of the Bill is to remove the present limitation on the dividend rate of the South Australian Gas Company and to enable the directors to contribute towards a provident fund and to receive retirement benefits. It was referred to a Select Committee, which recommended that it be passed in its present form. The principle of retiring allowances and the payment of superannuation has my blessing and therefore I support the second reading.

The Hon. Sir FRANK PERRY (Central No. 2): This is a short Bill. The rate of interest agreed to by the company when issuing its shares a few years ago was fixed at five to six per cent. It also issued bonds in lieu of shares and I believe they were at a fixed rate of interest. It is possible under the Act for the Treasurer to increase the dividend, and that has been done. The return of six per cent for investment in the Gas Company shares is

not a high rate. It is a sure company and the proposed increase in the dividend to seven per cent for such a large company is quite in order, as it is subject to the approval of the Treasurer and Parliament. As the Bill was inquired into by a Select Committee we can accept its recommendation.

The proposal to provide directors with superannuation is a comparatively new practice. There are two types of directors—the permanent executive director and the part-time director, who may attend board meetings weekly, fortnightly or monthly. The Bill proposes to give directors of the company the same superannuation privileges as those of a full-time officer or employee of the company. This practice is developing and in the main I think it is all right with this particular company, but the practice could be abused.

In the Bill we are asked to approve of the principle. However, I should like the practice to have been more uniform before Parliament was asked to pronounce on the principle one way or the other. I should say that the Gas Company board is a hard-working one. I understand that it meets once a week and that the company's operations are extensive. It is provided that authority to pay the directors' superannuation benefits must be approved by the company at a general meeting. I do not oppose the suggested payments to the directors, but there are so many types of directors and types of companies that I should hesitate to approve of the principle, although not with a company like the Gas Company. If we approve the provision it will give other companies the incentive to ask for it. It will be said that the principle has been approved by Parliament, and to that I object. The Government, another place, and a Select Committee have approved it, so despite my doubts this superannuation scheme for part-time officers is deemed to be satisfactory. I support the Bill, but I hope it will not be said that I approve the principle for all companies.

Bill read a second time and taken through its remaining stages.

[*Sitting suspended from* 5.49 *p.m. to* 7.45 *p.m.*]

WORKMEN'S COMPENSATION ACT AMENDMENT BILL.

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

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

That this Bill be now read a second time.

Its object is to make certain amendments arising out of a report of the Workmen's Compensation Advisory Committee recently submitted to the Government.

Clauses 4, 5 and 8 increase rates of compensation. Honourable members will recall that last year rates were increased by roughly ten per cent, the maximum for incapacity and death being raised by £250. The present Bill will make a similar increase in both cases, bringing the maximum in case of death to £3,000 and the maximum in case of incapacity to £3,250. Other changes will be an increase for the minimum on death from £900 to £1,000 with a corresponding increase for each dependent child from £90 to £100. The weekly payments for dependent children in cases of incapacity will be raised from 25s. to 30s. and the weekly amount for a dependent wife from £3 5s. to £4. Weekly payments to a workman in cases of incapacity will be raised from £14 5s. to £15, the corresponding rates for single men being raised from £9 15s. to £10 5s. Lastly the minimum amount payable to a workman during total incapacity is raised from £5 to £5 10s. per week. All of these proposed increases are recommended by the committee unanimously.

The other amendments cover various matters. Clause 3 will alter the present Act which provides cover for a workman travelling during working hours between his place of employment and a trade school which he is required to attend, but does not cover a workman unless he is travelling from his place of employment and during working hours. It is proposed to extend the cover to cases where an apprentice travels between trade school and his place of residence, provided that the apprentice travels in accordance with arrangements concerning the journey made with the employer. Provision to cover workmen travelling to and from trade school and home is found in most of the States of the Commonwealth.

Subclauses (*b*) and (*c*) of clause 5 will make provision for the payment of compensation in respect of wives who were not actually dependent on the workman at the time of the accident. The principal Act provides for such payments only where the workman had a wife dependent on him at the time of the accident. There are two particular cases which can and do occur and for which no provision is made. In the first place, a wife may not be dependent at the time of the injury to the husband because she is employed herself. Upon the happening of the injury to the husband or if for some

other reason after the injury the wife ceases to be employed she thus ceases to be independent. There is also the case of the engaged couple where the workman shortly before the marriage for which all the arrangements have been made suffers a compensable injury. The wedding takes place and here the wife becomes dependent very shortly, perhaps immediately, after the accident but is not covered by the Act because she was not a dependent wife at the time of the accident. The committee agreed unanimously that provision should be made to cover these cases.

Clause 6 amends section 18a of the principal Act in two respects. The first will add to the special services for which compensation is payable such as artificial teeth, spectacles, etc., damage to clothing to a maximum of £25. Subclause (*b*) of clause 6 is designed to make it quite clear that where a man suffers a very slight injury which perhaps does not entail more than some local first-aid treatment but yet has, for example, his glasses broken as a result of the injury, he will receive compensation for the glasses, provided of course that the accident is otherwise within the terms of the Act. The committee was of the opinion that this point was already covered, but it appears that some doubts have been expressed and the committee agreed that some amendment should be made to remove them.

Clause 7 will amend section 25 of the principal Act which provides that in a case of partial incapacity the maximum weekly payment is the difference between the average weekly earnings before the accident and the average weekly earnings after it. Cases occur where average weekly earnings are increased by way of award or otherwise shortly after the accident. Thus two persons might suffer injuries within a few days of each other. The first man's weekly payment would be based on the average weekly earnings before the accident, while if there had been a change in rates for the second man's accident, his average weekly earnings would be based on the higher rate. The committee agreed that provision should be made so that account could be taken of such variations, and clause 7 is designed to do so. As on previous occasions the new provisions are to apply only in respect of accidents occurring after the commencement of the amending Act. I submit the Bill for honourable members consideration.

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

CHILDREN'S INSTITUTIONS SUBSIDIES BILL.

Adjourned debate on second reading.

(Continued from October 31. Page 1610.)

The Hon. K. E. J. BARDOLPH (Central No. 1): I support this Bill and in doing so offer my congratulations and appreciation to the sponsors of it. Everyone will agree that these institutions do a noble work, although fortunately for South Australia there are not many orphanages or kindred organizations. Those people who are connected with them know of the disabilities from which they suffer with regard to their upkeep, provision of food and equipment, and the necessary housing. Whilst I agree with the proposal in this Bill, I suggest that perhaps the £50,000 which is to be appropriated is not sufficient. There seems to be a distinction between this proposal and one we discussed this afternoon which was in the form of a loan, whereas this measure is in the form of a grant.

South Australia, in comparison with other States has become renowned over the years for its charity to organizations, particularly to the Children's Hospital and other charitable institutions, and there have been notable people in this State who have bequested large amounts of money to charitable organizations. About two or three years ago a proposal was submitted to the Government regarding unfortunate children who entered orphanages because their parents neglected them. There was no method of securing payment for their upkeep until the Attorney-General and the Chief Secretary arranged that those who were in those institutions for 12 months could be declared wards of the State by a judge in Chambers. The ordinary amount was paid for their upkeep in State institutions and that considerably lifted the financial resources of the people who took the children. The Children's Welfare and Public Relief Board, which I commend, has also played its part. This legislation, because of its humanitarian nature, has my wholehearted support.

The Hon. JESSIE COOPER (Central No. 2): This Bill deserves the wholehearted support of all honourable members. It will bring a measure of security and happiness to many unfortunate children in this State. In the past few years I have been most impressed by the unselfish compassionate work of many church groups that are looking after children who are in desperate need. Many institutions have depended largely on private charity, badge days, fetes, etc., but always there has

been anxiety and fear that their expenses will become so large that their work will be impeded.

Clause 3 provides that £50,000 is to come from the general revenue to meet the grants made to such institutions and further amounts may be appropriated from time to time. I believe that this Bill will be of great help indeed to many fine charitable organizations that care for the needy young. I have pleasure in supporting the Bill.

The Hon. A. C. HOOKINGS (Southern): I wish to add a few words in support of this Bill. This represents new legislation coming into this State and I commend the Government for commencing to provide an incentive to any bodies trying to care for children who are in dire need. Unfortunately, throughout the world there are children who are affected by domestic disputes and disturbances and unless some care and attention is given by some capable authority these young people would not get the opportunities that many other people have. It has often been said, and I firmly believe it, that good parentage is one of the greatest gifts of life. Although £50,000 is not a great amount it is at least a start in this State to give encouragement to people or bodies to do something to assist children who need much help. This State has organizations of church bodies that have wonderful ideals and they will get some benefit from this measure I have much pleasure in supporting the Bill.

The Hon. L. H. DENSLEY (Southern): I support the measure also, but I point out that clause 4 provides that this assistance is a subsidy as well as a grant, because it only provides for sums to be paid to the exent of half the amount raised by the individual institutions. That does not leave a great deal of room for new institutions to be set up. However, as this was not mentioned in the second reading explanation I thought it desirable to draw the attention of the Council to it. The grant is only a subsidy to the extent of 50 per cent, which the Minister may decide to provide if circumstances are applicable to a particular case referred to him. I agree that 50 per cent is quite a good subsidy for any institution engaged in this work, but it may be as well for us to consider some individual institutions that are not in a position to provide the 50 per cent that would entitle them to get a subsidy. I support the Bill.

The Hon. Sir LYELL McEWIN (Chief Secretary): I do not wish to quibble on words but it is becoming a custom, particularly in my department, to distinguish between subsidies and grants. Subsidies are something which usually are referred to as being recurrent. A subsidized hospital is one to which an annual subsidy is paid. Although the rate may be adjusted from year to year the payment is of a continuing nature. However, the word "grant" is used in the Bill because it is a grant to establish something. Although the amount paid is to subsidize an amount raised by an institution, it is a grant and not a subsidy. That is the distinction between a grant and a subsidy. I say that only because it appears that there may be a misunderstanding. When we refer to a subsidy, it is usually interpreted as being something which is continuing rather than something which is confined to a specific object, in this case building. As the Bill reads it is to "provide, acquire or construct buildings, and equipment therefor, intended for the accommodation, care or training of children". The grant is for the purpose of assisting in capital expenditure rather than in the nature of a subsidy.

Bill read a second time and taken through its remaining stages.

PRICES ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from October 31. Page 1594.)

The Hon. Sir ARTHUR RYMILL (Central No. 2): This Bill was introduced into the Chamber on Tuesday of last week, when we heard the second reading speech by the Minister. The debate was adjourned by the Hon. Mr. Shard. On Wednesday it was made an Order of the Day by the Government for Thursday, and on Thursday it was made an Order of the Day for yesterday, also by the Government. Yesterday afternoon the Leader of the Labor Party spoke on the Bill and I asked for the adjournment, which was given on motion. Subsequently, the Bill was brought on again. I moved that it be further adjourned and I am grateful to members for granting me that privilege, which I always understood was granted unless time was so pressing that it was impossible to do so. After the Hon. Mr. Shard had spoken I wanted to consider some of the things he had mentioned, particularly as he foreshadowed an amendment, and I also wanted to reconsider various portions of my own speech. I am grateful for the time that has been allowed me.

The Hon. Mr. Potter is very fond of talking about members doing their homework. I hope

that I do my homework, which I have done on this Bill for some time. In addition to homework, there is also a matter called housework. The Hon. Mrs. Cooper may not differentiate between homework and housework, except in the Parliamentary sense, because, as I understand it, as far as Parliament is concerned homework is housework done in the home, and housework is housework done in the House. I have always found it difficult—I do not know whether other honourable members have also done so—to listen to debates and do my homework and also at the same time concentrate on the preparation or repreparation of speeches. There seemed to be some urgency regarding this Bill by the Government last night and consequently I was rather surprised to find today that it was right at the bottom of the Notice Paper, where it has stayed all day. So I can only conclude that in some inscrutable way the urgency has passed.

I am not surprised at the reintroduction of this legislation. I expected, as other honourable members did, that it would provide for a continuation of price control for another 12 months. I must confess that I am disappointed with the Bill coming along again. I hope for better things next year, because I am not sanguine enough to think that I should have the numbers to be able to block its passage this year.

The Hon. K. E. J. Bardolph: You are hoping for a Labor Government next year!

The Hon. Sir ARTHUR RYMILL: A Labor Government would be more likely to perpetuate it than to continue it from year to year, and therefore I should rather support the Liberal Party policy than the Labor Party policy. I am also disappointed with some of the terms used in the Minister's second reading speech. I have been in this Parliament almost six years and I find the least pleasurable thing that I ever have to do is to criticize a measure of the Government. It is not fun or pleasure, and particularly is it a displeasure to disagree seriously and intensely as I do with a Bill brought down by a Government which I admire and esteem in practically every other respect. However, it is my duty to express my views and to place before the Chamber the facts and to vote according to my principles. If I were not prepared to carry out those duties, I should have no wish to remain a member of the Council. If the Government brings along Bills that I regard as contrary to Liberal policy, I have no option but to say what I think about them. I believe that this Bill has no place in Liberal policy. I think that this was instanced very clearly by the Hon. Mr. Shard's speech yesterday when he said that not only does he want to support this Bill, but to perpetuate it. If there is any proof wanted that it is Labor policy and not Liberal policy, I imagine that is it. If it became perpetuated, I should regard it as the final tragedy in respect to price control. I will do my best not to be over critical, but I do consider that the second reading speech of the Minister was foreign to the normal outlook of the Government. It seemed to be redolent of the outlook of bureaucrats.

I was very disappointed with the reference to the superphosphate companies, both here and in the House of Assembly, when it was claimed by the respective Ministers who delivered the second reading speeches that in five years almost £1,000,000 had been saved by the price control of superphosphate. Apart from that being what I regard as a reckless claim—and I use the word "reckless" in a legal sense, with deference to the Hon. Sir Frank Perry—I do not like the implications of that statement. We have three superphosphate companies in this State, all of which I believe to be companies of the highest repute. What is the implication of the statement that the Prices Commissioner and not the superphosphate companies over the last five years has saved primary producers an average of £200,000 a year on superphosphate? The only implication I can find is that the superphosphate companies would have charged that amount if they had been allowed—would have overcharged their customers and would have profiteered by that amount. I can see no other construction of the phrase used. I happen to know some of the facts about superphosphate and I know it is a fact that during the last three years the superphosphate companies have not applied for any increase in the price of superphosphate, so this statement can relate only to things that happened four or five years ago; but that is not what the Minister's speech said.

I also know that one superphosphate company this year advocated a reduction in the price of superphosphate, but the Government or the Prices Commissioner in its or his wisdom decided to put up the price of one of the components of superphosphate and thereby leave the price to the consumer unchanged, although, of course, that action had the effect of reducing the return to the superphosphate company. I believe that the standard of honour of South Australian companies ranks among the highest in the world, let alone in Australia.

I do not think the Government should use these implications in relation to reputable South Australian companies.

Another matter mentioned was petrol. I do not know so well the story of petrol, but I hope that I have a reasonable memory. The second reading explanation said that the Prices Commissioner had initiated every decrease in the price of petrol and had saved the consumers about £8,000,000 over a given period. I remember once not so long ago when the petrol companies complained that when they intended to introduce a price decrease themselves the Prices Commissioner got in first with the announcement. I think it would have been more acurate if the second reading explanation had said that the Prices Commissioner was the first to announce the decrease in the petrol price.

Another matter in the second reading explanation concerned lower building costs, and it was claimed that the costs in this State were about £750 lower for an average five-roomed brick dwelling than for the same type of dwelling in another State. I find it difficult to get a comparison in these matters. I know that other people also have had that difficulty, because State conditions differ so much, and so do the requirements of local authorities. I feel that although the statement can be justified on some mathematical calculation the position becomes different when the compensating factors are included. It is well known that the building trade in South Australia has been in the doldrums and that prices have been competitive. I do not think that the Prices Commissioner would want to take credit for the building trade being in the doldrums because no-one wishes to see any industry depressed, but the fact remains that it is still in the doldrums. I hope that it is now moving upwards again. It is not good to get prices that are too low, because this makes industries uneconomic. People depart from these industries and then prices rise rapidly.

Ministers will agree that good competition is far more effective than any price control ever invented. An instance of this is the present situation with regard to eggs. I think that the wholesale price of eggs is 2s. 7d. a dozen at present, which is a record low for many years. We have a producers' board (the Egg Board) which has attempted to maintain stability in the egg market, and at times it has done so with some effect. I have often wondered what sort of place a board like that has in relation to price control. I have often wondered whether the board operates under a maximum limit fixed by the Prices Commissioner. I have not heard of that, but I have heard producers complain many times that when eggs get scarce they do not get the prices that they think they should get, seeing that the prices are controlled by a board. I have felt that it has been a paradox when there is a board to keep prices up and another body, appointed by the same over-all authority, attempting to keep prices down. I cannot see how these two things work in relation to each other. I think I can correctly say that the prices today of eggs in South Australia are the lowest anywhere in Australia, and that the prices here are practically always lower than elsewhere. Why that should be so I do not know, but if the prices are low to the consumers they are also low to the producers. I know that the present prices are below costs of production, which is not good for any industry.

The Hon. K. E. J. Bardolph: Is it not all due to supply and demand?

The Hon. Sir ARTHUR RYMILL: It is not supply and demand when a board stabilizes the prices. I do not criticize the board to the extent of saying that it is not doing its best, because I think it is doing its best under its charter. However, the prices today are below costs of production and that need not be in the ultimate weal of the consumers of eggs because when that happens producers have to get out of business. I believe that some poultry farmers are losing £9 to £10 every week on present prices, and some more than that. When in a small way a producer cannot continue to lose like that. A large company with backing might do so, but the smaller man cannot; consequently, when that position is reached prices can rise inordinately. If the board does not regulate maximum prices I believe that it is incompatible with this Act. If it does so, I do not think it operates in the full interests of the producer. I do not know about these things. I am merely making a comparison between the two controlling authorities, which seem to be incompatible.

The Hon. K. E. J. Bardolph: Do you suggest that both controlling bodies are incompatible?

The Hon. Sir ARTHUR RYMILL: I suggest that if there is one for the purpose of keeping prices up and another for the purpose of keeping them down, then there is incompatibility. Last year the New South Wales Labor Government was urged by a section of the trade unions to re-introduce price control in that State, especially for foodstuffs. The Government got a report from its Prices Commissioner—and

there is still a Prices Commissioner in that State although practically nothing but petrol is controlled (though there may be another commodity)—which showed that it is possible to get facts to justify not having price control just as it is possible to get facts, as the second reading explanation said, to justify price control. The report of the New South Wales Government stated, among other things, that in the absence of price control in other States as well New South Wales consumers could go short, and that control of clothing, fruit and vegetables, meat, sugar, petrol and other essential commodities would not be justified while these articles were plentiful. It then said something with which I would heartily agree, that it would be more beneficial to continue to encourage free competition so that the law of supply and demand might have full rein.

That is the report obtained by the New South Wales Labor Government and acted on by it, and it seems in direct contrast to the Labor point of view in this State which I find curious, because the Leader of the Labor Party in this House yesterday advocated and foreshadowed an amendment perpetuating price control in South Australia. I cannot find those things compatible. During the Minister's second reading speech unforgivably I muttered. The Minister said, "The Hon. Sir Arthur Rymill wants the facts but he keeps muttering that things are not true." Actually, that is not what I muttered but I may have said something that could be construed as that. The Minister also said, "If he wants the facts I have them in the file but I have no desire to disclose what I consider private dealings between the department and the firms concerned, but if the honourable member wants the facts I am prepared to give them to him."

I would like briefly to analyse that statement. In my opinion facts are facts and either they should be given or not be given. If they should be given then the Government has a duty to give them, and should have given them, if it felt it had that duty, long ago. If it should not give them, then I consider that statement is getting fairly close to a threat to me to "pipe down or else." To me that is redolent of the whole spirit and atmosphere of price control. I have had a fair bit of experience of price control in a practical sense, and that is the sort of thing you get. I do not wish to make any further comment than that.

I believe one of the greatest threats today—and I heard a wise man saying this at lunch today—to the capitalistic system which I think we all enjoy living under and which I believe is the best system of living yet conceived, is the creation of great monopolies. The Hon. Mr. Shard this afternoon gave us a tirade when he read a pretty long speech on this subject. I also believe, and I have said this before, that one of the evils of price control is that it continues to drive the small man out. I think the Hon. Mr. Shard will remember the case of the baker in the eastern suburbs some years ago. We know of plenty of other instances, because in my experience the small man is the man that price control is hitting rather than the big man. I believe in the small man in business and I believe that if we do not keep him then it is going to be so much the worse for us. If we create monopolies we open up the way for easy Socialism which some of my Labor friends would like to see, but I certainly would not.

There are portents that I do not like. There is a Uniform Companies Bill which is mooted but I do not know if we are going to see it. I hope we are not, because I believe our present Companies Bill is operating in the interests of everyone, but there are certain provisions in the Uniform Companies Bill that I believe will place, if it goes through (particularly in its provisions relating to take-overs), practically all South Australian businesses at the mercy of the bigger shows from the eastern States and overseas.

I am sure that the Government would agree with me wholeheartedly. I am sure it wants to keep the small man in business, and I am sure it does not want to form big monopolies. I feel, however, that it does not agree with me, but I am entitled to my opinion, that the trend of price control is in that direction and I believe that it is unnecessary. In my opinion the question of profit margins causes a good deal of confusion to the man in the street. It is often said that the manufacturer of goods makes 5, 7½ or 10 per cent profit, whereas the retailer is making 30, 40 or 50 per cent on the same goods. That sounds bad if you regard it speciously, but people do not think about it deeply and what they do not realize is that the manufacturer's profit is a net profit on the goods after deducting all his material charges, overhead, and other costs, whereas the retailer's profit is a gross profit out of which has to come payments for staff wages, premises and every other thing that goes to make up a store. By the time it is finished he may only have 2½ per cent left of his 40 per cent. Things are not always what they seem to the casual observer.

I mention this because there are a lot of things that must be taken into consideration in relation to this subject.

After speaking of profit margins, I would like to talk about profits. All that price control can do is reduce profits. It has become profit control because it cannot do otherwise. It could have started as price control during the war because at that stage there was some criterion of prices, but all the Prices Commissioner can do now is to say you cannot make more than such and such profit. There is no other criterion of price control he can have unless he goes elsewhere where goods are in open and free competition, and that may not be a guide for South Australia. The Prices Commissioner cannot reduce costs; he does not run businesses. He cannot reduce the prices, but all he can do is reduce profits. I would like to point out to my honourable friends in the Labor Party that profits are healthy things, and in my opinion the sooner the Labor Party gets that into its head the better, because it is only out of the profits or out of the profit-making companies that it can get better conditions for the men it represents.

The Hon. K. E. J. Bardolph: The Labor Party does not object to legitimate profits!

The Hon. Sir ARTHUR RYMILL: I am glad to hear that because I have not always understood that.

The Hon. A. J. Shard: I think I gave a very good speech on that point one day.

The Hon. Sir ARTHUR RYMILL: I think the honourable member did, but that is not necessarily the policy of his Party. I think the Hon. Mr. Shard is a very broadminded man and sees some of these things fairly clearly. Businesses making good profits are the ones that can expand, employ more and more people, and provide good conditions. Businesses whose profits are stifled cannot afford to do these things. They have to stay put, diminish employment, and they have no elbow room to advance the status of the employees. I know from my experience that that is absolutely true, and the companies that can make reasonable profits are the first to be very happy to alleviate the lot of their workers, because it is also to their own benefit. I am a member of a company that has always paid jolly good wages and, although it is a smaller company than some others, we always think we have our full reward for paying those good wages because we have the enthusiasm of our staff. I know there has to be a limit to these things, but nevertheless a company that can afford to do so and is broadminded enough to do so can well profit by that action.

The Hon. K. E. J. Bardolph: Hasn't that been the attitude of the trade union movement?

The Hon. Sir ARTHUR RYMILL: I have never quite had the impression that the honourable member has. My impression of the trade unions' demands is firstly that they are constant and never relaxing, and that they do not take enough account of the economic conditions prevailing and, secondly, that they are made on companies whether they can afford to pay them or not. That is where I join issue with my friend. On the question of wages the Labor Party supports this Bill and, in fact, it wants to perpetuate it, but surely the effectiveness of this Bill—if it is effective—can only be to limit the basic wage. My honourable friend will say that wages are pegged. I know that is always the reply to this, but wages always will be related to some extent to the consumer price index as it is now or to the C series index as it was previously. Members cannot get away from that. Wages have to be pegged for a while, but sooner or later they have to rise and if this Bill is effective (I do not say it is because I think it has lost its effect) then the effect can only be to limit the basic wage, because price control is now normally on the necessities and fundamentals of existence; and the luxuries that people like to have, and that any decent-minded person wants to see them have, are determined by the basic wage plus margins. The Labor Party is really denying to the people they represent better wages by supporting this Bill. I cannot see any other construction.

I would like to deal with costs very briefly in relation to price control in industry. I have heard it said in another place that price control costs the Government about £65,000 a year. I do not regard that as serious. It is not a large sum in today's parlance, but I do regard as serious the cost of price control to the businesses that are being controlled, because I am one of those people who believe (and again I join issue with my honourable Labor friends) that sooner or later all these costs have to find themselves as components of the cost of goods. Every time there is a basic wage rise a scream goes up in the Labor Party that business ought to absorb the rise. I have watched the basic wage go from the pre-war amount of £3 odd to the present amount of £14 or £15 and no-one on earth can possibly

tell me that industry could have absorbed anything but a fraction of that. However, this scream goes up nevertheless. The point I am trying to make is that the cost to businesses of price control is pretty severe and I have gone to some pains to find out what the cost is. I have approached, per medium of another (a very reliable man)—

The Hon. L. H. Densley: Does the honourable member mean the cost of implementing it?

The Hon. Sir ARTHUR RYMILL: The cost of supplying the Prices Department with what it wants. The general answer is that it has to keep a lot of records and employ a lot of staff it otherwise would not have to keep employed or, to put it more happily, who might well be employed on productive work rather than non-productive work. I had four companies approached to see what they considered price control was costing them directly, that is, what the cost to them was of keeping the records and staff to answer queries coming along, or to be in a position to answer them as they were required to do so. The four companies gave this answer: the first that it cost it £1,750 a year; the second, £2,000; the third £4,000; and one said it was costing it £24,000 a year. I have no means of verifying those figures, and I do not wish to make extravagant statements. I have been criticizing other statements I thought to be in that category, but those are the answers I got and they were based on costings the various companies took out for my intermediary at my request.

If members cared to add to those four companies all the other companies under price control in their varying sizes, they would see that the cost to businesses must be pretty substantial even if those figures are depreciated. I believe it is a case of the minority bearing a very onerous burden for the total community, and I have never liked that. I do not like it in price control any more than I have liked it in rent control. As we said yesterday, when dealing with rent control, we have got to the stage where a handful of people bear an onus which is completely unfair to them. As the Hon. Mr. Potter pointed out, in a very good speech, the result is very limited in the cost structure.

I shall now refer to what one of the Commonwealth Government Ministers said a few years ago. It was addressed to him by the Labor Party in the Commonwealth Parliament that price control should be re-introduced by the Commonwealth. As a matter of fact, I doubt whether the Commonwealth had powers to do that, even if it wanted to do so. In reply the Commonwealth Minister referred to people who were prosecuted under the Commonwealth price control regulations, which were the wartime regulations taken up by the South Australian Government afterwards. He said, referring to those people who were prosecuted —and I think he said fines totalled about £200,000—that "most of them were ordinary Australians wanting to carry on their business in an honest fashion but caught by an unfair and pernicious system". That is what a Liberal Commonwealth Minister thought about price control and that is the reason he gave for not wanting to re-introduce it. There are many things going to make up the components of the price structure and Governments are not free of blame, any more than anyone else is for putting up prices. I just mentioned that sooner or later price rises or costs of any sort find their way into the cost of goods.

We have been debating, in this session, a Land Tax Bill and we have seen how much the land tax assessment has gone up. Someone has got to find the extra money to pay that land tax and surely that has to be a component of the price structure. We know the Housing Trust charges increased rents because we were asked, a session or two ago, to agree to an increase there. The Housing Trust charges rents far in excess of the pegged rents these unfortunate landlords I have mentioned get, and that goes into the cost structure somewhere. In 1956 when I came to this House I made an analysis of the reasons given by the Government over the years for a continuance of price control. I think that honourable members will find these interesting. I gave fairly long extracts on that occasion, but on this occasion I will be brief. These extracts were taken from the Minister's second reading speeches. I hope that I picked them out fairly and not out of their context and I believe they are a fair statement of what was said. In 1948 it was said, "Price control will not cure an economic evil", and referring to profit control, "Under that system there is no incentive to keep costs down to the lowest figure." In 1949, referring to devaluation of sterling it was said, "Under those circumstances I think it is Parliament's duty to see that no exploitation takes place." In 1950, "Price control as a permanent measure has no attraction for the Government."

The Government has certainly not brought it in as a permanent measure, as the Labor

Party wants it to do, but it has been brought in year by year in the last 11 years. However, hope springs eternal, and while it is not made permanent their may be some chance of getting rid of it sometime. Or should I say, *dum spiro spero*. In 1951 the statement was, "The strong inflationery tendency now prevailing renders the continuation of the Act more necessary than ever." In 1952, "The Government believes that freedom from control is in the public interest, provided that adequate supplies of goods are on the market and there is no trade arrangement designed to defeat competition." In 1954, "The Government would be very glad if price controls could all be taken off without detrimental effects. The fact is, however, that supplies of some essential goods and materials are still substantially below requirements." I do not think they can say that today, as all goods are in full supply, and the lifting of the import restrictions resulted in our receiving more goods than were required.

In 1955 the statement was, "South Australia must keep its costs of production as low as possible." In 1956, "There is not at present sufficient free competition to protect consumers against excessive prices. Price fixing arangements of many kinds are common and effective." In 1957, "Price control is still necessary in the interests of economic development." In 1958 the statement was, and this will have a familiar lilt to honourable members in relation to this year's speech, "It is significant that an average five-roomed brick dwelling can be built here today for about £800 lower than the same type of house in any of the other States." It has now got down to £750, but otherwise the statement is identical. In 1959 the statement was, "In seeking an extension of the Prices Act for a further 12 months, the Government is motivated by strong evidence of inflationary tendencies." That is going back to the statement made in 1951.

Last year and this year various reasons have been re-iterated. I do not think there is anything of any great moment except, as I mentioned, the cost of a five-roomed brick house is £750 lower this year as against £800 in 1958. So, one can see that over the years quite diverse reasons have been given for the continuance of price control, often changing with every change in the economic wind, except that this year, because of the economic squeeze, the conditions of deflation do not suit a continuance of price control, we have not had an economic reason given. If the economic reason were raised this year, it would be a very good reason for getting rid of price control so as to give things a bit of a lift, which would be in the interests of my Labor friends as well. In my opinion this Bill should be dead and buried. I read in yesterday morning's press that there is to be a vacancy in a tomb about 13,000 miles away and I suggest that that would be an admirably suitable place for the South Australian Prices Act to be interred in for ever. I think I have made it clear from my remarks that I propose to vote against the second reading.

The Hon. A. C. HOOKINGS (Southern): I congratulate the honourable member on his excellent speech and on the great amount of work he has put into its preparation. I do not wish to weary the Council, but as I spoke against the measure on my entry into this Chamber and again last year, I feel that I should say a few words this evening, because my mind has not been changed in the meantime. This measure has reached the stage where it is causing some concern in many circles. I shall give an instance that occurred at Mount Gambier recently where there is a firm that originated many years ago in a small way and has grown from a one-man shop to an emporium. Here, one may buy groceries, clothing and hardware. A few weeks ago officers of the Prices Branch visited Mount Gambier and went along the street and after full investigation it was found that this one firm, which had no branches elsewhere, was the one place where officers found breaches of the Prices Act. Prosecution followed, and although on some articles the margins were very slight, fines were imposed. On investigating the reasons, it was found that one was that this firm had all its books at Mount Gambier available to the inspectors to inspect, whereas other competitors down the street, with headquarters in Melbourne and with a branch in Mount Gambier, did not have any of its books available, and therefore the officers were unable to investigate fully the charges it was making on various articles.

There was one very small matter—I think it concerned woollen cardigans—and there was an increase on the allowable price of about 3d. The manager found that the business was too big for him to keep his eye on every branch, and the lady in charge of this particular section made an honest mistake. Woollen cardigans for ladies are not under price control, but children's cardigans are. A little more was charged for the children's cardigans than was allowable—

in other words, the margin for woollen cardigans was placed on the women's cardigans and therefore a fine was imposed. That type of action is greatly handicapping private business people. Interstate businesses can get away with things, but the smaller firms cannot do so. I oppose the Bill, as I have done on former occasions.

The Hon. G. O'H. GILES (Southern): I support the Bill. It is not easy to do that in the face of the oratory we have had tonight, and at the same time put up a good case. I am pleased to have the opportunity to put my views in support of the Government. Whenever we support the Government we should have good reasons for doing so. I have several reasons that I hope to develop now. I congratulate the Chief Secretary and his advisers, or whoever was responsible for the wording of his explanation of the Bill this year. It made it easier for me to support the Government. Usually the speech includes the cure-all for inflation. Such an argument was put forward last year, but this year the second reading explanation was extremely good. It did not deal with anything airy-fairy or half measures. I missed any insinuations that Sir Arthur Rymill picked up. To me the explanation was a down-to-earth, realistic summing up of what had taken place regarding the prices of commodities, including country areas. I make no bones at all about the fact that I am interested in the people who get their living from the land. Where the price structure on the land is subject to overseas price fluctuations and variations in marketing, such as we shall have under the European economic market scheme, and alterations in the views of buyers of raw materials, the Government is not behind as suggested, but is well to the fore when it comes to legislating on price control.

The Hon. Sir Arthur Rymill: You would not like the price fixed for a bull or a cow.

The Hon. G. O'H. GILES: I cannot see how that has anything to do with the matter before us. I appreciate the remarks of Sir Arthur Rymill because the profit motive is essential in a democracy in order to substantiate the well-being of the whole population. I thought that was a point well taken by Sir Arthur. We are now living in conditions different from those of pre-war days. I do not believe, and I may be wrong, that true competition really exists in many fields of commerce in Australia today. If it did we would not have the demonstrations that we have, such as the Leader of the Opposition today reading for some time a most inspired document. We would not have the Attorneys-General of the various States getting together and discussing legislation on restrictive practices. We would not have one of the top legal authorities of the century (Sir Garfield Barwick) working endlessly towards trying to produce legislation to cope with something that is basically not true competition. I have often sold bulls where there has not been great competition, and I appreciate the point raised by Sir Arthur Rymill. Returning to the realistic attitude taken by the Government on this matter, we must consider the things that are important to the people. I liked the point made by the Chief Secretary when he said that every time there is a rise in the basic wage more spending power is let loose in the commercial world. He said that extra costs of labour were always put on to the consumer, and it became a matter of the cat chasing its tail. I do not think that price control will ever control inflation, but obviously the wage earner can buy far more with his money if prices are tempered by control.

The Hon. Sir Frank Perry: He can spend more but he may not be able to buy more.

The Hon. G. O'H. GILES: My point is that he is able to buy more.

The Hon. Sir Arthur Rymill: For a short time.

The Hon. G. O'H. GILES: Exactly. I was talking about tempering it down for a short time. The continuity of ability to pay is important. Sir Arthur Rymill delved into the prices of eggs. I had the impression that he was not necessarily in favour of low prices during a glut. He insinuated that the peak price was not high enough. I rather felt that he was labouring the variation in prices rather than the continuity of prices at a level. I thought he said that on the one hand there was a board trying to uphold the prices of eggs whilst on the other control was trying to keep them down. I did not know that eggs any more than bulls were subject to price control. I was at a loss to understand his line of argument. I agree with any measure that enables the continuity of prices to continue, and any measure that allows the basic wage earner or a Parliamentarian to get the best for his weekly wage when he goes shopping.

Housing, under the control of building materials, in South Australia enables us to have the proudest record of any State in Australia, bearing in mind that we are short of only a small number of houses today.

The Hon. K. E. J. Bardolph: There is no control of building materials.

The Hon. G. O'H. GILES: The honourable member suggests that. I would like the honourable member to look at the list I have here of building materials. I did not suggest it was basic materials that were controlled, but there are plenty of things on this list, and I stick to my point. This is one reason, not the only one, why houses in this State are built considerably more cheaply than in other States, and why, with the same proportion of allocation of Loan funds, more houses are able to be built here.

In a State with the problems that there are in South Australia, we have to look at matters of State finance in a slightly different fashion. The added distances involved to the centres of population and to markets for most of our manufactured goods are inherent disadvantages that must be overcome.

The Hon. K. E. J. Bardolph: Why disadvantages?

The Hon. G. O'H. GILES: The honourable member seems to think that a distance of 600 miles to a market is not a disadvantage. I was under the impression it was a costly one. We must look on certain business principles in a different way.

The Hon. Sir Arthur Rymill: Keep wages down?

The Hon. G. O'H. GILES: Wages in this State have been down compared with other States for many years.

The PRESIDENT: I think the honourable member is beginning to drift away from the Bill.

The Hon. G. O'H. GILES: I apologize, Mr. President, but I do not think that I have been encouraged to stick to it. If these disadvantages do exist, then there must be slight limitation on the profit margin. No reasonable person would expect one section to be penalized more than another. What I am saying is that under our environment and with our distances from markets, a bit of give and take must go on, and price control is a small part of that process. I believe that the ability of the South Australian Government to keep down the cost of housing, petrol and other commodities that are essential to the well-being of the farming community has meant that costs have been kept down and enables us to trade, although at a disadvantage, on eastern States markets and still sell at a profit. It is just as important to me to enable the people to have a good standard of living as some of the Hon. Sir Arthur Rymill's contentions that it must of necessity mean a high profit margin in order to achieve the same thing. I agree with his argument up to a point, but I also think mine has a point too.

I refer now to some of the special jobs given to the Prices Commissioner. I do not necessarily agree that it has always been wise for him to make some of the utterances that he has, but I give him credit for the inquiry made into the wine-grape prices. His decision satisfied both sides, and what could be more important to any industry than to have peace and accord in both parties. This function of carrying out investigations has suddenly appeared, and the Prices Commissioner seems more than capable of handling it diplomatically. He also did a useful job on what I believe was called the meat fair price list. There is no reason why he should not produce lists such as this if it is considered that exorbitant prices are being charged. I am not necessarily saying that they have been charged, but I was amused to hear that the wonderful Labor Government in New South Wales had no price control! I have a cutting which states, among other things:

> A year ago, when the Government re-pegged petrol prices, Mr. Maloney warned that any organization contemplating increases should take the precaution of first consulting the Prices Banch.

That does not seem to me to be a State that does not resort to price control. In fact, I believe that in New South Wales petrol, bread and beer are under price control.

As a primary producer, I believe that the attitude of the South Australian Government has kept the price of fuel below the price in other States and that price control has played a part in the angling about prices from one State to another. When I first made a speech on price control not many years ago I quoted the differential prices between fuels in the capital cities. I see now that the differences in the price of petrol are even greater than then. One State only was level with us on the lowest price when I spoke two years ago. Now the basic price of petrol is 1½d. cheaper in this State than in any other State. I suppose not many honourable members use standard grade petrol, but it still can be used in this State on old cars for those on lower incomes.

The Hon. A. J. Shard: The best isn't too good for the worker.

The Hon. L. H. Densley: What the fuel companies lose on the swings they gain on the roundabouts.

The Hon. G. O'H. GILES: I could not understand that interjection when I heard it two years ago, and I am still at a loss to understand it. It is important for this State to have the ability to maintain this lower price, and I believe that the negotiating under price control has a lot to do with it. One could suggest that the State Government, helped by price control, has virtually set the price level of petrol in Australia over the last few years, and for 12 successive alterations in this State the price has been reduced. I appreciate the attention honourable members have given me and I feel quite flattered. I support the Bill.

The Hon. JESSIE COOPER (Central No. 2): I am completely opposed to this Bill. We have heard tonight a brilliant and most courageous speech by the Hon. Sir Arthur Rymill, and we have heard a very well-considered and illuminating one by the Hon. Mr. Hookings. Since I came into this Chamber I have heard similar speeches and I do not propose to make now a long speech and waste my time and effort. I therefore say briefly that I am opposed to this Bill, which is clearly profit control rather than price control, because it is an artificial measure and I say to the Hon. Mr. Giles that no matter what he thinks, economic laws are still economic laws.

This artificial measure was devised at a time when Australia was fighting for her life, and is now being carried on in a sort of permanent impermanency for an apparently inexhaustible source of reasons which seem to change from year to year. These reasons as listed by the Hon. Sir Arthur Rymill tonight are so prolix and so woven into a complex pattern that if we were dealing with music, which we certainly are not, it would make Johann Sebastian Bach look to his laurels. We have been given a series of figures which purport to show what price control has saved this State in each year.

The Hon. G. O'H. Giles: Do you deny it?

The Hon. JESSIE COOPER: Yes, of course I do. The figures show not any saving to the State, but rather the saving to the purchaser of goods at an equivalent loss to the producers of those goods. Economics, my dear sir! The figures do not show what the State has, in fact, lost; that is, the reduction in the growth of its industry due to enforced and unreasonable profit control. I am glad that the Hon. Sir Arthur Rymill mentioned tonight the honour and upright conduct of South Australian companies, because the people who suffer most under this unnecessary legislation are, of course, our small South Australian firms which have built up their businesses over a number of generations in the country, I would say, as well as in the city. These South Australian firms now face competition from those oversea and other State companies which are not handicapped by such measures. Therefore, I would like to congratulate the Hon. Sir Arthur Rymill for fighting for the cause of South Australian industry, and I will vote against the Bill.

The Hon. S. C. BEVAN (Central No. 1): I rise to support the second reading. I have been interested in the debate, especially in the statements made by the Hon. Mrs. Cooper, who has just resumed her seat. She said that this measure followed from the war years when Australia was in a serious position. I agree that that is the position, but I ask this question: What prompted the Commonwealth Government to introduce legislation under the National Security Regulations for the purpose of imposing price control, if it was not for the purpose of stopping exploitation? That was the whole purpose of the legislation when introduced in the early stages of the war.

The Hon. F. J. Potter: Wasn't it because the laws of supply and demand did not work?

The Hon. S. C. BEVAN: It was introduced because there was a complete shortage of goods owing to our war effort and because industries were diverted into manufacturing munitions. It was well-known that there would be a shortage of consumer goods and that the consumers would be exploited, so the Government immediately introduced legislation to control prices and have an equitable price for the manufacturer and the consumer. I have been really interested in many of the utterances made tonight, especially those from the Hon. Sir Arthur Rymill, who has given us one side of the question only: apparently the side in which he is most interested, the side of profit making. He was not keen to give us any indication of the other side of the question relating to the consumer or whether the consumer should get some protection. Apparently the Hon. Sir Arthur thinks the consumer is not entitled to any protection but that the profit-making person should be protected by the immediate repeal of this legislation so that he will have a free hand to do everything he desires to do.

The Hon. Sir Arthur Rymill said that companies operating in South Australia had a very high reputation as far as their activities were concerned. That statement was reiterated by the Hon. Mrs. Cooper. Some firms may have that high reputation; others may not have it. Before I resume my seat tonight I shall

attempt to prove how these things work out and how reputable some of our South Australian firms are. The Hon. Sir Arthur Rymill also mentioned good competition. In other words he said it is the best stimulant we can have. If this legislation were not continued for a further period South Australia would not have any good competition at all despite the fact that supplies of consumer goods are plentiful. All members are well aware that there is no shortage of goods now, but if this legislation were not re-enacted as a deterrent prices would skyrocket. The consumer would not get any advantage at all. He would be the one to suffer.

The Hon. Sir Arthur Rymill dealt with land tax and he said that the increased rates would be passed on. Members know very well that they will be passed on. Increased costs have always been passed on and the one who pays ultimately is the consumer who buys the goods. According to the honourable member that consumer should not have any protection, but the side he represents should be able to pass everything on. In the final analysis it comes down to the fact that the consumer must foot the bill all along the line. Mention has also been made of supply and demand and that that is the factor that controls the market. In other words, if there is a plentiful supply goods will be cheaper and if the supply is short prices will increase. There is no argument that consumer goods are not in plentiful supply. At a recent conference a statement was made along those lines and I took a cutting from the press which indicated that there was a plentiful supply of all goods in Australia. The President of the Retail Traders Association, Mr. C. C. Burfield, said that there was a plentiful supply of goods in Australia and that freedom without controls would benefit the consuming public. That statement was made last June. Consumer goods are now in even more plentiful supply. We have been told of our economic situation. The Hon. Sir Arthur Rymill said price control is tied up with wages and he said that members of the Labor Party always referred to wages being pegged in this State. I have never heard the honourable member say that wages should not be pegged and that unions should have the right to approach the Arbitration Court for the purpose of having wages released from control. The honourable member will advocate that this legislation should be discontinued and that it should go out of the window. He said it should be "dead and buried."

The honourable member should also advocate a lifting of any wage pegging that has been in operation in this State, if he is to be consistent. This State produces goods more cheaply than any other. It is the cheapest wage State in the Commonwealth and it is only natural that unions should continually go to the Arbitration Court for wage increases based on increased costs. The Hon. Sir Arthur Rymill knows as well as I know that there is always a lag between wages and costs, and usually it is 12 months before any adjustment can be made. Therefore, any costs incurred during that time are passed on to the worker all the time. The basic wage in this State is as low as that applying in any other State. This State has advantages over the eastern State competitors in its wage structure, but the prices charged are on the same level as those in other States. The press statement mentioned that a price war was in operation because a person had opened a shop in Glenelg and had the audacity to charge a halfpenny or a penny less on certain items than the maximum price fixed under price control. There is nothing to stop a person from selling his goods below the fixed price, but he must not sell over it. He was told to charge the same as others or his supplies would be cut off. That is not an isolated case. I could mention many similar occurrences in the city where a discount is being allowed and pressure is brought on the offending trader, who is told to sell at a stipulated price, or he will not get any further goods. These are the reputable firms that the Hon. Sir Arthur Rymill mentions. What would happen if the legislation were discontinued?

The Hon. Sir Arthur Rymill: We did not get on badly before the war when we did not have price control.

The Hon. S. C. BEVAN: There was a different set of circumstances. In the 1930's people did not have the money to buy goods, except a few who were able to get them at a reasonable price because there was not the demand. We had a repetition of that recently and that is why goods are now in full supply. The demand has been decreased as many people are not in a financial position to buy the goods. Possibly that is the position that Sir Arthur Rymill would like to see remain. Apparently, some honourable members believe there should not be control over anything that would personally affect them, but that the control should apply only to other things. The Hon. Sir Arthur Rymill has not advocated in this Chamber that the Betting Control Board should be wiped out.

From this board the Government receives a fair amount of its revenue from the betting tax. If this legislation were lifted at the end of the year there would be an immediate upsurge of prices. When controls were taken off meat, butchers were warned that if they did not do the right thing control would be re-imposed. But many butchers considered that they would rather be back under price control, because they were able to do better than when prices were de-controlled. We must continue this legislation. I do not apologise for advocating that it should become permanent. If we retain the machinery, it will be a deterrent to the unscrupulous person who is concerned only with profits and not the interests of others. Otherwise, such people would immediately increase their prices to satisfy their greed, irrespective of the effects on others. I support the second reading and hope that the legislation will be continued for at least another 12 months.

The Hon. L. H. DENSLEY (Southern): I oppose the Bill, and as I have opposed it for many years it is not necessary for me to reiterate what I said on other occasions. Perhaps one of the main reasons why I oppose it is the training of the individual to lose his initiative and to make his own judgments. This is perhaps one of the things that operate extensively under this particular type of legislation. I believe in free enterprise. We have got along very well without price control and I believe that we can continue to advance just as well in future. I listened with some concern to the Hon. Mr. Bevan's reference to betting control. Apparently there is not any great hardship on the average person today, because last year the amount invested in betting was £31,000,000 as against about £29,000,000 the previous year. So the people have had at least a couple of million pounds more to play with on betting. People are not in the dire circumstances as to their wages that some honourable members would lead us to believe. In this morning's press appeared an article which took my eye and it included the following:

It was completely wrong to say that retailers, particularly butchers, were charging exorbitant prices and making excessive profits, the president of the South Australian branch of the National Farmers' Union (Mr. R. J. McAuley) said yesterday.

He agreed with Sydney graziers that there was a very marked difference in the prices received by graziers and those paid by consumers.

But this was due mainly to the high cost of production and transport.

[New South Wales graziers are reported to be blaming high meat prices on middlemen's costs and profits.]

"Costs are crippling almost all industries in Australia and transport is the greatest contributing factor," Mr. McAuley said.

"Transport costs in Australia are some of the highest in the world and can add as much as 39 per cent to the costs.

"I feel content in my own mind that the retailers are not overcharging, except in a very few cases.

"This can be seen by the number of butcher shops that are being forced to close down in the metropolitan area.

"From the time the butcher buys his meat to the time it is taken out of his door, 1s. a pound can be added to the price."

This shilling rise was a result of the cost of power, insurance, transport, rent, wages and depreciation, Mr. McAuley said.

The primary producer was not getting adequate returns, nor was the retail butcher, and the consumer was being forced to pay high prices.

Something would have to be done soon to rectify the position by lowering the cost structure.

Mr. McAuley is a primary producer, and he spoke for a section of the community that we have heard nothing about tonight. Labor members regard the working man as the base in this matter, but there is one lower in the scale of things that must be considered. I refer to the primary producer who has no opportunity in most cases to pass on costs. He must produce in good and bad seasons and trade in the markets of the world, doing the best he can. In tonight's *News* there is an article concerning free trading in potatoes. It said:

Considerable "black marketing" of potatoes was going on in South Australia at present, Mr. B. A. Carman, a vice-president of the South Australian Mixed Business Association, said today.

"We believe as many potatoes are being sold behind the Potato Board's back as through it," said Mr. Carman.

He said the meeting would ask that the Potato Board be dissolved, and a return to free trading be granted.

"The Potato Board is a growers' board," said Mr. Carman, "yet growers are using it only if it suits them.

"Only recently it was brought out in Parliament that the Potato Board did not know what stocks were being held in South Australia, yet it had raised the price £16 a ton."

These things show that there is something wrong with the system. The other day I referred to the Transport Control Board and said that it added a 10 per cent charge on special licences for certain transport. Up to that stage it controlled the matter, but when there was a 30 to 40 per cent difference between the prices of road hauliers and the Railways Department the Prices Commissioner was called in. Undoubtedly the man at the

bottom of the ladder in these things is the primary producer. Even Labor members must accept the position that if costs are built up because of applications for increased wages they must expect trouble in industry. The second reading explanation by the Chief Secretary was different from what we usually get on Bills of this nature. He said:

With the highly competitive export trade it is necessary in the interests of both primary producers and industry that costs be kept to a minimum.

He did not say how we can do that. He also said:

Restrictive trade practices can take many forms, and in a number of cases require delicate handling by a specialized staff. The Prices Act gives a fair measure of control over restrictive trade practices and in some cases the department has, by its adaptability, been able to negotiate favourable agreements, in view of which restrictive practices in this State are by no means as prevalent as we know them to be in some other States. With a specialized and experienced staff which is able to distinguish what is a fair trade practice and what is an unfair trade practice, continuation of the Prices Act will serve to keep restrictive trade practices to a minimum and to deal with them effectively where they are harmful.

We know that if we are to have a system of restrictive trade practices it must be a federal system. The Chief Secretary continued:

Since the uniform Hire-Purchase Agreements Act became law in this State the Prices Department has been policing this Act also, and has already provided a valuable service to both the trade and the public. Already a number of complaints lodged have been investigated and in certain transactions the department has successfully taken action to ensure the hirer his entitlements.

I could continue quoting similar practices adopted on behalf of the State by the Prices Commissioner. We know that supply and demand must play an important part in the cost of goods, and that we must abide by Arbitration Court awards. One of the first things to do in this State is to ensure more individuality and reliance upon a man's personality. People should be made to think and then act. If that were done it would be the better for all of us. We are training people to act in a manner they would not have thought of doing before this innocuous legislation came in. During the early stages of the war we had the cost-plus system, and surely we have got back to something close to that. I remember an employee of a well known machinery factory telling me, and I accept his statement, that most of the night employees played cards whilst two or three watched to see if the boss came round, which he did not, because it was in his interests to have high costs just as much as it was in the interests of the workers to get more pay. It is undesirable to maintain a system which produces the results I have mentioned. I oppose the Bill.

The Hon. K. E. J. BARDOLPH (Central No. 1): I support the Bill, but concede to those who oppose it the right to express their views. During the time I have been here we have always had the same old theme song. Tonight the Hon. Mr. Densley referred to the cost structure. He said that if wages increased prices must increase also. He also referred to the cost-plus system during the last war. In those days I was chairman of a manpower committee and I know that in one or two instances that sort of thing did happen, but the workers could not be blamed for it, only the people controlling industry. Some of them had no regard for the safety of the country, and if these things did happen I do not blame the workers. Those who oppose this Bill have every right to do so. Sir Arthur Rymill said there are some reputable companies in South Australia and I agree because South Australia is pre-eminent in its business integrity, not only in the minds of people in other States, but overseas. This Bill was introduced because some people were not prepared to submit to a standard, and the people who are playing the game must be covered by it.

The Hon. L. H. Densley: People have not the ability to perceive what is being done.

The Hon. K. E. J. BARDOLPH: There should be some sort of control of these companies in order to bring them into line, in the same way as trade unions were brought into line by the Trades and Labor Council on certain matters. I compliment the Prices Commissioner, and consider that he has done excellent work on behalf of this State. I have had experiences of submitting claims to him on behalf of constituents, and after an investigation those accounts were considerably reduced. It is because some people are not prepared to maintain and uphold the proper standard that this legislation is necessary. Perhaps there is not a more criticized person in the Government service than the Prices Commissioner. He is of course in the limelight when he takes certain actions, so he receives both favourable and adverse criticism.

It is not generally known that the control of raw materials has been lifted, but after the raw materials are manufactured the price is then fixed by price control. In some cases the prices of raw materials have increased by 300 to 400 per cent. The point is that if there

is to be a general control and a planned economy, it is incumbent upon all people to play their part. In order to have effective price control throughout Australia the only method is for it to be on a Commonwealth-wide basis such as we had during the war years.

The Hon. L. H. Densley: We are not the Commonwealth Government and we cannot do that.

The Hon. K. E. J. BARDOLPH: The honourable member will agree that when the Commonwealth Government lost this control after the war because national security regulations were no longer valid, it was necessary for the States to continue the controls. The Hon. Sir Arthur Rymill mentioned that New South Wales had abolished price control.

The Hon. Sir Arthur Rymill: I did not say that.

The Hon. K. E. J. BARDOLPH: You said it was abolished there in relation to some things.

The Hon. Sir Arthur Rymill: In practically everything, but they still have price control.

The Hon. K. E. J. BARDOLPH: It has not been eliminated from the Statute Book there.

The Hon. Sir Arthur Rymill: That is what I said.

The Hon. K. E. J. BARDOLPH: It has remained there as a deterrent the same as it has in this State, because it is necessary to have it if people are not prepared to play the game. After the war Great Britain borrowed millions of dollars from America to purchase capital goods to make up for the devastation that had taken place. America lifted price control, and when Great Britain purchased the goods necessary for its rehabilitation it was found that the prices had increased to such an extent that the dollar loan calculated to last for 18 months was dissipated in 6 months. Where there are rapacious people not prepared to look at the national welfare of the community, then there must be some law to compel them to conform to the decencies of community life. Every wage increase that has been granted in industry today has been fully investigated and the employers, manufacturers and employees have the right to approach the court and state their claims.

The Hon. C. R. Story: And the Government too?

The Hon. K. E. J. BARDOLPH: Yes, as an employer. After submissions have been heard the tribunal determines the wage which has to be paid. There has been talk of the wage structure producing an increased price structure, but this is not so. The price charged for goods should be determined on a correct and equitable basis under the same conditions that wages are determined.

The Hon. S. C. Bevan: Wages are 12 months behind prices.

The Hon. K. E. J. BARDOLPH: I know that. I am pointing out the principles which apply as regards wage increases. It has been said that the Labor Party desires this to be permanent legislation, but all that it desires is that the rights of the community be preserved, and this legislation prevents the people who would flout the law from doing so.

The Hon. E. H. EDMONDS (Northern): I do not desire to record a silent vote on this Bill, and in making some observations on it I shall be delivering something in the nature of a swan song in this House. I assure honourable members that it shall be more of a little ode than a song. I have consistently supported price control over the years. Admittedly, I did so early with some degree of reluctance. It was a reluctance that arose out of my experience when wartime controls were introduced. There seems to have been some confusion of thought by some honourable members when they raised the question of the controls being associated with the shortage of commodities. Of course the prime reason why controls were introduced at that time was to control the black marketing of the limited supplies of goods and materials. Under the system of black marketing the person with the most money had the most chance of getting what he wanted. That was the prime reason why controls were introduced by the Commonwealth Government as a war-time measure, and I suggest that that reason has not been completely disposed of, so there is still a case for the continuation of price control.

During the war the word "control" was used so much that we who were brought into close association with it regarded it as anathema. I was concerned in primary production and I assure honourable members that I, and those associated with me, appreciated the value of price control over goods of an essential nature in the operation we were undertaking. During the course of debates, not so much here this evening but on other occasions, something has been said to the effect that a continuation of price control is against certain principles. It has been said it interfered with supply and demand, it restricted initiative and enterprise, it was not price control but profit control. However, it has always

seemed to me that we have lost sight of the fact that if it is against certain principles that statement cuts both ways, because we know perfectly well that the manufacturer, distributor and retailer all band together with a view to conserving their interests. No doubt in the course of their banding together and in the operation of their affairs, both individually and collectively, they do arrange matters to safeguard their particular interests. We have had an example from Mr. Bevan on price fixing, from another angle.

I have no objection to the manufacturing interests or to the distributor and the retailer banding together for that purpose, but it seems illogical that the consumer should be debarred from having some protection in the form of price control legislation. Sauce for the goose is sauce for the gander and, therefore, I believe that the consumer is entitled to protection, not so much by the fixing of prices, but by the fixing of a fair price, and it is along that line that I consider the Prices Department should proceed. The department does not fix an arbitrary price. So far as I am able to ascertain its methods are to fix a fair price giving a fair profit to the distributor, the manufacturer and all the others right along the line.

I regret having heard doubts cast on the veracity of statements made by the Premier and the Chief Secretary, who gave the second reading explanation in this Council, when they referred to savings effected by the operations of the Prices Department. Admittedly, the amount involved did seem startling to me. I did not have the faintest idea that anything like that sum of money had been saved, but I know that price control has had an influence in fixing a fair and honest price between the parties concerned in commercial transactions. I give my full support once again to the prices legislation and I conclude by reiterating a remark I made in the Address in Reply debate at the opening of Parliament. I said that I had come to the conclusion that price control was here to stay. I believe I went on to elaborate that statement a little by explaining that in my opinion it was part of the economic set-up of the State and that, in the way it was functioning, it had achieved a very useful measure of stability and had helped to achieve stability in the commercial life of the State. I am still of that opinion and, although I shall not be here to influence any thoughts in the future on those lines, that may be something that could well be kept in mind. I have indicated that my sympathies are all with those who are receiving the benefits, not only the consumer, but those right throughout commerce. The State and the people are receiving benefits from price control.

The Hon. Sir LYELL McEWIN (Chief Secretary): I do not wish to extend this debate, because I notice that in some quarters there is some irritability arising out of the lateness of the hour and the length of the debate. However, I hope that some forbearance will be shown to me in the same way that I offered forbearance this afternoon. As one who has listened to the whole of the debate, having been patient and silent, I can say without prejudice and without sorting out anybody in particular, because they have expressed different views regarding this measure, that I do congratulate everybody who has spoken in this debate. It has been an interesting debate and every member has given his view clearly. The views expressed have been appreciated by the Council. The few comments I make will be quite simple rather than going into a specialized debate. One point is that if price control has been such a bad thing for South Australia it is rather exceptional that we should have such a keen attraction for overseas capital to come here. Only last week I opened a new industry and heard an exposition by a gentleman, representing foreign capital, who quite openly gave his reasons for coming to South Australia. I was very proud to hear those reasons.

Another point, which is worthy of note, is that we have been able to absorb migrants in this State to a great extent per capita than any other State in Australia. A further significant thing, in spite of what the Hon. Sir Arthur Rymill said regarding petrol—that it was competitive and he did not believe the figures given—is that nevertheless standard grade petrol in South Australia is 1½d. a gallon cheaper than in other States of the Commonwealth. Are we more favourably situated? Can petrol be brought here more cheaply than it can be taken anywhere else? I think the figures speak for themselves and I do not wish to debate them. I was asked by the Hon. Sir Arthur Rymill to say something on the figures I gave about superphosphate. I went to some considerable trouble previously when he asked a question rather reflecting on the Premier's remarks in another place. The figure was that £1,000,000 had been saved on superphosphate for the consumer over the last five years. I

cannot see that the statement in any way reflected upon the superphosphate companies. It was purely a general statement regarding the savings that had taken place. There are other ingredients in the price of superphosphate apart from its manufacture, so in view of the request that I should give the composition of those figures the following indicates the actual savings over the period:

	£
Refusal of distributors' claims for increases	197,000
Price reductions and refusal of claims of one company on sulphuric acid	449,750
Reduction of prices requested by another company	260,730
Reductions in prices of iron pyrites	126,600
Refusal of price increases requested and costs absorption required by superphosphate companies	314,000
Total savings	£1,348,080
Savings claimed by department	£1,000,000

Over the last five years the savings referred to by the Hon. Sir Arthur Rymill on phosphate rock have been negligible and the department did not take this into its calculations. In 1957-58 the price of phosphate rock per ton of superphosphate increased by 8s. 9d. In the next year it was reduced by 12s. 1d. and in the next the price remained unaltered. In 1960-61 it was reduced by 3s. 2d. and for the new season again remained unaltered. In effect over the five years the price was only reduced by 6s. 6d., but as a greater percentage of Christmas Island rock (lower grade) had to be used this increased the cost by 3s. 6d., which resulted in a net reduction of only 3s. per ton of superphosphate over the five years concerned.

In each of the five years distributors have made applications for increased margins. In the first two years only portion of the increases sought were granted and in the last three years increases asked for have been refused on each occasion following investigation and a conference between distributors and the Prices Commissioner. These things have been carried out by negotiation and have resulted in these extensive savings in charges. On acid supplied to the superphosphate companies the following price adjustments have been made by the department in the past five years:

	£ s. d.	Reduction. £ s. d.	Increase. £ s. d.
Approved October, 1956	10 12 6		
Approved August, 1957	9 0 0	1 12 6	
Approved December, 1957	7 17 9	1 2 3	
Approved September, 1958	7 8 6	0 9 3	
Approved August, 1959	6 13 6	0 15 0	
Approved August, 1960	6 13 6	No change	
Approved September, 1961	8 3 6		1 10 0
		3 19 0	1 10 0

The only increase of £1 10s. per ton was approved this year following withdrawal of the bounty, equivalent to a loss of £216,000 per annum. The company sought an increase of £4 a ton. Over the last five years the price has been reduced by £2 9s. per ton, in addition to which the department has refused certain price increases. In the past five years the department has effected the following reductions per ton on sulphuric acid:

	Requested. £ s. d.	Approved. £ s. d.	Saving. £ s. d.
1957-58	15 14 11	14 10 0	1 4 11
1958-59	12 12 6	12 0 0	0 12 6
1959-60	11 16 7	11 3 0	0 13 7
1960-61	11 10 3	10 11 6	0 18 9
1961-62	9 0 0	8 19 0	0 1 0

Although not controlled, the department has called up both financial accounts and production costs each year on iron pyrites and has pressed for reductions as a result of these surveys. In five years the price has come down by £9 per ton, but £4 of this amount is due to a bounty which was received from January this year. The Hon. Sir Arthur Rymill claims that the superphosphate companies have not sought increases in recent years. In view of the above, it can be seen that it is simple for the companies to say they desire no increase, as this is obviously only on the condition that the Prices Commissioner either reduces the prices or refuses to grant increases on such items as sulphuric acid

and distributors' margins and also assists by demanding a reduction on iron pyrites. Actually in the past five years the superphosphate companies have asked for increases in either their prices or margins totalling at least £1 a ton during the first two of these years. In the last three years, due to competition in the South-East, manufacturers have not desired increases, but it is certain that prices could not have been held had not the Prices Department required the manufacturers themselves and other associated industries to absorb increased costs or in certain cases to have effected substantial reductions on items used.

I hope that that explanation will clear up any misunderstanding that I had attacked the superphosphate companies. Mine was only a general statement covering the whole field of manufacture and distribution. I would not have risen but for this misunderstanding and because the honourable member asked me to give the figures. I thank honourable members for the attention they have given to the measure.

The Council divided on the second reading:

Ayes (11).—The Hons. K. E. J. Bardolph, S. C. Bevan, E. H. Edmonds, G. O'H. Giles, A. F. Kneebone, Sir Lyell McEwin (teller), W. W. Robinson, C. D. Rowe, A. J. Shard, C. R. Story, and R. R. Wilson.

Noes (6).—The Hons. Jessie Cooper, L. H. Densley, A. J. Melrose, Sir Frank Perry, F. J. Potter, and Sir Arthur Rymill (teller).

Pair.—Aye—The Hon. N. L. Jude. No—The Hon. A. C. Hookings.

Majority of 5 for the Ayes.

Second reading thus carried.

In Committee.

Clauses 1 and 2 passed.

Clause 3—"Duration of Act."

The Hon. A. J. SHARD: I move:

To strike out the words after "is" and insert "repealed".

In the second reading debate I explained the reason for moving in this way. I want to make this legislation permanent rather than have it extended from year to year. One good reason for accepting the amendment is the time taken in discussing the Bill here and in another place. Tonight we have spent 2¼ hours debating it. I join with the Chief Secretary in saying that it was a good debate to listen to, but surely no member is vain enough to suggest that whatever was said caused anyone to change his vote. I agree with the Hon. Mr. Edmonds that price control legislation must be with us for some time, even if it is not always in its present form. We must control people who will not do the reasonable thing. Until we have something different, let us have this legislation permanently on the Statute Book.

The Committee divided on the amendment:

Ayes (4).—The Hons. K. E. J. Bardolph, S. C. Bevan, A. F. Kneebone, and A. J. Shard (teller).

Noes (14).—The Hons. Jessie Cooper, L. H. Densley, E. H. Edmonds, G. O'H. Giles, A. C. Hookings, Sir Lyell McEwin (teller), A. J. Melrose, Sir Frank Perry, F. J. Potter, W. W. Robinson, C. D. Rowe, Sir Arthur Rymill, C. R. Story, and R. R. Wilson.

Majority of 10 for the Noes.

Amendment thus negatived; clause passed.

Title passed.

Bill read a third time and passed.

SCAFFOLDING INSPECTION ACT AMENDMENT BILL.

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

The Hon. C. D. ROWE (Minister of Labour and Industry): I move:

That this Bill be now read a second time.

The main object of this Bill is to widen the scope and application of the principal Act. Under paragraph (*e*) of subsection (1) of section 3 of the principal Act the application of the Act could be, and from time to time has been, extended by proclamation of the Governor to portions of the State besides those portions mentioned in paragraphs (*a*) to (*d*) of that subsection. Under subsection (2) of that section the Governor is also empowered by proclamation to revoke or vary any earlier proclamation extending the application of the Act, and to declare that the Act shall cease to apply to any municipality or district council district mentioned in paragraph (*d*) of subsection (1). The Government considers that if the powers now exercisable by proclamation were exercisable by regulation, Parliament would have a more effective control over the application of the Act in the future.

Clause 3 accordingly provides that, in future, the powers now exercisable by proclamation under section 3 may be exercised by regulation. The new paragraph (*da*) inserted by clause 3 (*a*) in subsection (1) of section 3 of the principal Act preserves the validity of all proclamations made prior to the time when this Bill will become law. The remaining provisions of clause 3 merely make such consequential

amendments to section 3 of the principal Act as are necessary to substitute a regulation making power for the existing proclamation making power.

With the increasing use in recent years of explosive powered tools and power-driven equipment in all phases of building operations, it has become necessary to ensure the safe use and operation of such tools and equipment. Regulations governing their use and operation are in force in the other States, and it is proposed to bring the use and operation of such tools and equipment within the scope and application of the principal Act. With that object in view clause 4 defines "explosive powered tool" and "power-driven equipment". That clause also clarifies the definition of scaffolding so far as it applies to such gear as steps and planks or trestles and planks. At present such gear, usually used for painting, paperhanging, and decorating or for riveting iron, is excluded from the definition of scaffolding unless workmen are required to work thereon more than ten feet above ground level or floor level. It follows that if such gear is usually used for those purposes, it would still be excluded from the definition of scaffolding even when used for other purposes, unless workmen work thereon more than ten feet above ground level. The words "usually used for painting, paperhanging, and decorating and for riveting iron" therefore serve no purpose and accordingly are struck out.

Clause 5 is designed to extend the application of the principal Act to a much wider range of work than it covers at present. Within its present framework the Act could apply only where scaffolding or hoisting appliances are erected in connection with building work, and it would seem that such application is dependent on the erection of scaffolding or hoisting appliances. It is now a common practice for mobile cranes to be used in connection with many large scale building operations, and in fact such cranes are in common use in the construction of multi-storied buildings around the city. As mobile cranes are not erected, it is doubtful whether the Act could apply to work involving their use. Under the new section 5a inserted in the principal Act by clause 5, the use of such crane is included within the range of work to which the Act applies. That range is also extended to include work involving the demolition of any building exceeding twenty feet in height, and excavations for building foundations exceeding five feet in depth, because the hazards associated with demolition of large buildings and excavations in connection with multi-storied building work could, in some cases, be greater than those experienced by workmen on scaffolding engaged on building operations to which the Act at present applies.

Section 6 of the principal Act requires that the person intending to erect any scaffolding or hoisting appliance shall give notice to the Chief Inspector before commencing to erect the same. This provision creates difficulty where a person who contracts to erect a building engages a sub-contractor to do all or most of the work. A legal opinion obtained in connection with this provision expresses the view that a contractor who engages a sub-contractor to do all the work is not obliged to give the notice, but in such a case the sub-contractor is the person who must give the notice. In these circumstances it has proved most difficult to police the section. Accordingly paragraphs (*a*) and (*c*) of clause 6 amend section 6 so as to place the obligation to give the notice and to pay the prescribed fee on the principal contractor, before any work to which the Act applies is commenced. Subsection (3) of section 6 provides that no notice shall be required to be given for the erection of scaffolding on any ship or boat. The Government considers that this provision should be limited to the erection of scaffolding in connection only with the repairing, cleaning or painting of any ship or boat, and should not apply to the work of constructing a ship or boat. Paragraph (*b*) of clause 6 accordingly makes this clear.

A considerable amount of maintenance work is undertaken in large factories which are registered under Part V of the Industrial Code or under the Country Factories Act. Those factories are already subject to regular inspection and an annual registration fee is paid under those Acts. The maintenance work in those factories is usually undertaken by their own regular maintenance staff, and in many instances the scaffolding is erected and dismantled on the same day. In the circumstances it is proposed to exempt such factories from the obligation to give notice under section 6, and this proposal is given effect in the new subsection (6) inserted in that section by paragraph (*c*) of clause 6. The exemption, however, applies only to the giving of the notice and the payment of the fee, but any scaffolding, hoisting appliance, gear or power-driven equipment used in such factories will be subject to inspection and the direction of inspectors and will have to comply with the Act and the regulations.

Section 7 of the Act requires all scaffolding, gear and hoisting appliances to be in conformity with the regulations and to be set up, erected, maintained and used in accordance with those regulations. Clause 7 repeals and re-enacts section 7 to extend its application to power-driven equipment and to all work to which the Act applies.

Section 8 of the principal Act, *inter alia,* provides that the Chief Inspector shall be notified of every accident which occurs in connection with any scaffolding, gear or hoisting appliance, and which causes loss of life or which causes any person to be absent from work for at least one week, or in which any load bearing part of the scaffolding, gear or hoisting appliance is broken or damaged. Under that section an injury to a person which occurs in the course of building operations and is not connected with scaffolding or hoisting appliances is not reportable. Clause 8 repeals and re-enacts section 8 to extend its application to every accident occurring in the course of work to which the Act applies, and which incapacitates a person from work for more than 24 hours.

The section as so re-enacted will require the employer of any person injured in the accident to keep a record relating to the accident containing certain specified particulars, and if the accident causes loss of life or loss of working time of three days or more, also make a written report to the Chief Inspector. The present requirement of the section regarding the reporting of accidents in which any load bearing part of any scaffolding or hoisting appliance is broken or damaged has not been altered. Section 11 of the principal Act deals with the general powers of inspectors under the Act in relation to scaffolding, gear and hoisting appliances, and also in relation to the giving of directions for the purpose of removing or reducing certain risks to which men engaged in building operations may be exposed. Paragraph (*a*) of clause 9 re-enacts subsection (1) of that section in better form so as to extend its application to power-driven equipment and to bring it into line with the more appropriate wording of section 7 as re-enacted by clause 7.

Paragraphs (*b*) and (*c*) of clause 9 amend subsection (1a) of section 11 by extending its application to risks to which men engaged in any work to which the Act applies are exposed. Paragraph (*d*) of clause 9 merely clarifies subsection (1a), and paragraph (*a*) of that clause makes two consequential amendments firstly in subsection (2) and secondly, in subsection (4) of section 11. The Government is always keeping under consideration the question of extending the application of the principal Act to additional portions of the State as is provided by section 3 of the Act, and in the last two years its application has been so extended to all the country districts where the volume of building operations has warranted such action. The Government considers that that policy, combined with the amendments proposed in this Bill, will improve the effectiveness of the Act and provide the means whereby the working conditions of workmen engaged in the building industry may be made as safe as is reasonably possible.

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

POLICE OFFENCES ACT AMENDMENT BILL (No. 2).

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

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

That this Bill be now read a second time.

Over the last few years my colleague, the Minister of Education, has received numerous protests about the high pressure tactics of certain book salesmen from nearly half the members of this Parliament by questions, correspondence and discussions. He has also received scores of complaints from representatives of school committees and innumerable individual complaints from parents, who find that they have been victimized by these people who purport to be acting under the authority or on behalf of the Education Department, when selling certain sets of encyclopaedias and other reference books.

The practice of certain companies and firms is to have incorporated the word "Education" into their business names, which are used in their literature and contract forms. Many of their salesmen claim to be representatives of the Education Department. Some have even named high officials of the Department as having recommended that they should call on parents in the interests of the children's education. In nearly every instance they call in the day time when only the housewife is at home and they make false and fraudulent misrepresentations about the Education Department. These salesmen use the fear complex with mothers and allege that their children will be deprived of proper education without the use of these books. They also suggest to these mothers that they cannot have the true welfare of their children at heart if they are not prepared to purchase these books.

My colleague has made numerous public statements on this matter from time to time at the request of various honourable members on both sides of another place and on his own initiative. The press and radio and television stations have given much publicity thereto, but the nuisance and annoyance caused by these people still continue. Over a year ago the Minister placed the matter in the hands of the Director of Education (Mr. Mander-Jones) and the Deputy Director (Mr. Griggs) for their personal and detailed attention. They and other responsible officers of the Department have since been dealing with numerous individual complaints. On his authority, the matter was referred to in the *Education Gazette* and circulars were issued to the heads of over 700 of our schools. The most recent of these circular letters issued by the Deputy Director was dated May 24 this year and read as follows:

During recent months further complaints have been received from members of Parliament, school committees and especially from parents that high pressure salesmen are again visiting many homes and are attempting to persuade parents to buy sets of encyclopaedias and similar reference books, alleging that if these books are not in the home the children will be at a disadvantage in their school work. A particularly unfortunate aspect of this campaign is that the salesmen often urge a parent to sign an enrolment form or an order form for the whole of an expensive set of books with a down payment of usually only £1.

Sometimes too, the salesmen produce letters purporting to have been written by heads of schools or by teachers praising the value of such books. The effect on many parents is often strong enough to influence them to sign the order form and to pay the small deposit required.

It is particularly requested that heads of schools and members of their staffs should refrain from giving book salesmen any statement, either in writing or orally, which could in any way be used to influence parents to buy sets of books.

These travelling salesmen have not in any instance been authorized by the Education Department and embarrassment has frequently been caused by their carefully worded hints that they have the endorsement of senior officers of the department or of individual heads of schools.

Heads of schools are advised that they may inform parents, through the children, that visiting book salesmen are not in any way connected with the Education Department, and that this Department does not recommend the purchase of any particular set of encyclopaedias.

On several occasions the directors of these interstate companies have interviewed the Minister and principal officers of the department and have offered to dismiss the unsatisfactory salesmen and to substitute honest and reliable ones. However, if these salesmen have been dismissed their successors have proved just as unreliable as those who were dismissed.

Despite the earnest endeavours of the Minister and departmental officers to put an end to these deplorable practices they still appear to be widespread. A particularly unfortunate aspect of the whole matter is that when the women who have been persuaded to sign up for the purchase of these books are unwilling or unable to continue with the purchase, they receive summonses issued out of interstate courts, thus making the cost of defending the proceedings totally prohibitive.

Some time ago my colleague referred the matter to me and the advice I received from the Crown Solicitor was to the effect that under the existing law no really effective remedies could be availed of by the persons so victimized. The aid of the police was also sought. The Commissioner and the Deputy Commissioner were extremely helpful, but could not render any real relief under the existing law. Considering that these companies and firms and their salesmen should not be allowed to continue their operations in South Australia in this disgraceful manner, the matter was then submitted to Cabinet and approval was given for the introduction of this Bill.

It is a very short Bill and its object is to make it a specific offence to induce persons to purchase books or educational matter by the representation that the seller or his agent is a representative of the Education Department. Clause 3 (1) of the Bill accordingly so provides. Subclause (2), which is based upon a provision in the Land Agents Act (concerning sales of subdivided land), is designed to enable persons who are induced to enter into contracts to buy books or educational matter by unreasonable persuasion to avoid their contracts.

As has been stated previously, the Government has endeavoured to prevent these activities, but in the absence of some specific legislation is unable to prosecute. This legislation will enable action to be taken in proper cases. At the same time it will help those people who find themselves committed to a contract to buy something as a result of unreasonable persuasion by salesmen. It is hoped that it will not be necessary to put the penal provisions of this Bill into practice, but that its mere enactment will have a strongly deterrent effect.

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

ADJOURNMENT.

At 10.45 p.m. the Council adjourned until Thursday, November 2, at 2.15 p.m.