APPOINTMENT OF DEPUTY PRESIDENT.

Capt. F. J. C. CORDON—The Clerk having announced that, owing to the unavoidable absence of the President, it would be necessary to appoint a Deputy President, the Hon. Sir LYELL McEWEN moved that the Hon. Sir Wallace Sandford be appointed to the position.

The Hon. F. J. CORDON—I second the motion.

'Motion carried.

The DEPUTY PRESIDENT—took the Chair and read prayers.

QUESTIONS.

BRITANNIA CORNERS TRAFFIC ISLANDS.

The Hon. K. E. J. BARDOLOPH—in view of the imbroglio between the Norwood and Burnside Councils regarding the traffic islands at the Britannia Hotel corner can the Minister of Local Government, say whether the Commissioner of Highways has the authority to determine whether or not traffic islands shall be placed there in and, secondly, is the Commissioner of the opinion that they are necessary?

The Hon. N. L. JUDE—Under the Act the Commissioner of Highways acts as referee between two councils as to their opinions, as to what roundabout or traffic island is desirable. In the case in question a deadlock occurred and the matter was referred to the Commissioner by one of the councils concerned and he found that the design suggested by the other council was unsatisfactory. The matter was then referred back to the council and at the moment there appears to be a further deadlock. If it is again referred to the Commissioner I am sure he will make some recommendations. The Commissioner has stated that it is desirable to have some form of traffic casement at that corner.

STORM WATERS.

The Hon. F. J. CORDON—Has the Minister of Local Government a reply to the question I asked last week regarding the disposal of storm waters near the Port Adelaide wool stores?

The Hon. N. L. JUDE—I have received the following reply:

Although the discharge of these storm waters is primarily the responsibility of the local governing bodies, assisted in some cases by a grant from the Commissioner of Highways where a main road is concerned, the disposal of such water would interfere with the demonstrational work being carried out by the Arbitration Board in that area. In consequence, this office was asked to design a scheme which would only satisfy its requirements, but also be acceptable to the other parties concerned. When the scheme as designed, roundwaters would be collected in the vicinity of the road area and conveyed by means of an open channel to a proposed disposal basin in Magra Road. The proposals have been drawn up so that the river will involve the minimum capital cost necessary to ensure an effective scheme. Even so, the estimated cost is well in excess of £200,000, which would necessitate a statutory levy by the Public Works Standing Committee. As a preliminary to Cabinet consideration of the scheme, the Minister of Mines will convene a conference of the Harbours Board, together with representatives of the concerned councils and the Commissioner of Highways to work out a plan for distribution of its costs involved.

ADVANCES FOR HOMES ACT.

The Hon. K. E. J. BARDOLOPH—Has the Chief Secretary a reply to the question I asked last week regarding the increasing list of housing loans under the Advances for Homes Act?

The Hon. Sir LYELL McEWEN—Yes, I have a reply from the Treasurer stating that the amount of money available for the 1955-56 financial year will all be expended. This means that if the amount of the advances is increased any applicants will not receive any assistance and the funds would be insufficient. Under those circumstances it is not considered advisable to increase the amount of the advances.

DANGEROUS DRUGS ACT AMENDMENT BILL.

Read a third time and passed.

BULK HANDLING OF GRAIN BILL.

The Hon. Sir LYELL McEWEN—We have received a reply to the question I asked last week regarding the disposal of storm waters near the Port Adelaide wool stores.

That this Bill be now read a second time.

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

That this Bill be now read a second time.
Bulk Handling of Grain Bill. [COUNCIL]

The first election of directors must take place as early as possible after the completion of the works. The company is given exclusive rights over the handling of wheat and the directors consider that as a corollary of these rights the company should have the right to meet all requirements of the public at all times, and that its business is not obstructed in any way. All elections of directors will be fixed by the Auditor-General.

Clause 6 provides that the initial rate of distribution of wheat must be fixed by the Minister and must not be altered without the approval of the Government. Clause 7 sets out the number of directors appointed by the Minister to require that the company affecting the Government guarantee in the order of priority of the works shall be approved by the Minister of Agriculture for the time being.

Clause 8 enables the company to hold its first meeting under the Companies Act at any time not later than six months after the date of its registration. The meeting should be held within three months of incorporation or, owing to the negotiations with the Government, it has not yet been held and the company has asked for an extension of time. The meeting may be held in accordance with the Companies Act 1965,

Clause 10 sets out some of the general powers of the company to purchase, lease or hire bulk handling facilities or sites for such facilities, or any right to use land, in any way, for the ordinary course of the business of the railways.

Clause 12 sets out the procedures for determining the amount of charges made to the company and the amounts charged to non-members shall be approved by the Auditor-General.

Some other minor stipulations of the Government were that the initial rate of distribution of wheat should be fixed by the Minister and that all elections of directors should be held not less than one month after the last meeting of the directors appointed by the Government.

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Bulk Handling of Grain Bill.

[OCCASION]

Bulk Handling of Grain Bill.

Clause 21 provides for the assessment of dockages as against growers and merchants, and for the settlement of disputes as to the amount of dockages. Clause 34 provides that if the wheat is wrongly handled otherwise than as a licensed receiver of the Wheat Board it must issue a warrant in the appropriate form containing the prescribed particulars and clause 35 provides for the凭着 of the Wheat Board to dispose of all wheat received by it and provides that the Wheat Board in its capacity as such shall be the owner of all wheat received by it and that all wheat shall be disposed of by public auction.

Clause 35 requires the company to handle and sell wheat and also bulk grain other than wheat in the Wheat Board's capacity as such. The Wheat Board in its capacity as such shall sell all wheat received by it and that all wheat shall be disposed of by public auction. In cases where the Wheat Board is not the owner of all wheat received by it, the Wheat Board in its capacity as such shall sell all wheat received by it and that all wheat shall be disposed of by public auction.

Clause 37 provides that if a person delivers wheat to the company to which he has no title and the company incurs any liability by reason of handling the wheat and the person delivering the wheat must indemnify the company. Clause 38 requires the company to insure all the wheat in its bulk handling system in its fullest value against destruction, loss or damage by fire, storm, tempest or other such risks as may be named in the policy.

Clause 29 deals with handling charges and provides that these charges are to be fixed by the company by notice in the Gazette. Different charges may be fixed in respect of wheat of other grades and qualities respectively by the Board and the company and the charges payable by the company shall be approved by the Auditor-General before they are gazetted. In determining the amount of these charges the Board may have regard to the cost of handling the grain, the nature of the grain, the method of handling and the amount of work involved.

Clause 30 to 32 set out the obligations of the company to deliver wheat. So long as the Wheat Board remains in existence, the conditions of delivery are to be as agreed between the company and the Board. If, however, the Wheat Board goes out of existence, the conditions of delivery to warrant holders will be as prescribed by the Act and regulations.

Clause 34 lays down that a warrant holder is entitled to receive from the company the quantity of wheat recorded in the warrant and the company must be of a grade substantially equal to the grade specified in the warrant. It is also laid down that in bulk handling variations in grades are allowed for and this is recognized by the Bill as providing that wheat shall be deemed to be substantially equal in any other wheat if it does not differ from that wheat to a greater extent than is permitted by the regulations.

Clause 51 requires the company to handle and sell wheat and also bulk grain other than wheat in the Wheat Board's capacity as such. The Wheat Board in its capacity as such shall sell all wheat received by it and that all wheat shall be disposed of by public auction.

Clause 34 provides that the company shall not be liable for any damage caused to the Wheat Board in the execution of its duties and that the Wheat Board shall indemnify the company for any loss or damage sustained by it in the performance of its duties.

Clause 35 provides for the summary disposal of proceedings for offences against the Act, and lays down that the general penalty for an offence under this Act is a fine not exceeding £100.

What I have said will give a general idea of the details of the Bill. I realize, however, that many problems will arise in working a bulk handling system and that some members may find it difficult to understand how it is intended that some of them should be dealt with.

Clause 21 is laid down that the prescribed charges and dockages for wheat delivered by growers and merchants are to be exhibited on a board or placard set up on or near each bulk handling establishment. Clause 32 enacted that the company is obliged to receive all wheat in bulk offered to it for handling unless the wheat is below the lowest permissible grade and differs from that grade to a greater extent than is permitted by the regulations. If there is any dispute about the quality of any wheat it must be decided by a referee.

Clause 22 provides for the assessment of dockages as against growers and merchants, and for the settlement of disputes as to the amount of dockages. Clause 34 provides that if the wheat is wrongly handled otherwise than as a licensed receiver of the Wheat Board it must issue a warrant

The Hon. F. J. CONDON—Because we wanted to explore every avenue. The committee went beyond Australia to get information so that it could arrive at a scheme which would be satisfactory to farmers. It has done everything possible. My statement regarding an adverse report has been publicly supported by the present Minister of Agriculture, who was chairman of the Public Works Standing Committee for some years. I therefore resent the criticism levelled by the Opposition. He and I know as much about the interests of farmers and bulk handling as any man in the community. We must respect his opinion. Since I have been a member of the committee there have been six statements of the committee of which were country members, often farmers, who understood the problems of the man on the land. I defy any member to show that either I or my Party has ever done anything against the interests of primary producers. I have at every opportunity supported legislation which was for their benefit.

The Hon. E. Anson—You did not support the first report.

The Hon. F. J. CONDON—I come to that directly and tell the honourable member why, under the same conditions, I would do it again. I shall not be bluffed by telegrams as to what I should do; and I hope that members will at least vote according to their conscience. I have listened to a few addresses over the air on the subject, including public meetings, and I do not know why we are discussing this legislation, because in a broadcast on June 12, Mr. T. C. Stott, M.P., said that now that the bulk handling Bill had been passed the election of seven directors of the company would commence the building of terminal port installations at Wallaroo first. Threates
will not get anyone anywhere, and it would be just as easy to defeat as for it to be carried. I will not in any way prejudice those farmers who have asked for bulk handling, and as far as I am concerned they will get it. In a broadcast over the air last Sunday it was stated that farmers representing in the gallery were not impressed by some of the speeches and actions of members in the House of Assembly, who had better look out because they would be remembered in the future. What does that mean? Farmers should be satisfied to know that they have the support of the Opposition on this Bill.

Bulk handling has been under consideration in South Australia for almost 60 years. On January 22, 1909, a Royal Commission was appointed on the marketing of wheat, and consisted of seven members of the House of Assembly. They reported that they would not be justified in recommending bulk handling. On July 10, 1914, the question was raised again and later John Metcalfe & Co., a Canadian firm, was commissioned to make a report. On August 23, 1916, a motion was submitted to the House of Assembly concerning the supply of terminals, Port Adelaide, Wallace, Port Pirie, and Port Lincoln and such country elevators as might be required. Exclusive of the cost of lands, the estimated cost was $2,100,000, but after discussion of this debate, in 1922 a farmers' co-operative company entitled Farmers Bulk Handling of Grain Co-operative, Limited took over the Metcalfe plans on certain conditions, but a Bill to give effect to the conditions was not passed until the third reading.

The next official step was taken in October, 1931, and in March 1934 a recommendation was made for a bulk handling scheme at Wallaroo. No motion was taken on that report, despite the fact that we have had a Liberal Government in office since 1935. I dissented from that finding, which was as follows:

That in the interests of the wheat producers it is desirable to introduce a system of bulk handling of wheat into South Australia on the lines recommended by the Bulk Handling of Wheat Sub-Committee to the Public Works Standing Committee, but the Public Works Standing Committee recommends that the establishment of bulk handling facilities to the Port Adelaide zone be not approved until the Wallaroo system is operated successfully both from the point of view of the farmer and the bulk handling authority.

With the Honourable R. S. Richards I dissent for the following reasons:

That the introduction of bulk handling in South Australia would seriously affect the labour market by increasing the volume of unemployment, and that a scheme that involved such a large expenditure of Government money and was not economically sound was not justifiable. Any scheme so embarked upon until adequate guarantees were made for the absorption of the labour so displaced would not be embarked upon until adequate guarantees were made. Members who voted for that scheme were wise, and we did not want to add to it. Although conditions today are different, the same objection will be displaced at Wallaroo, and I warn the member for that district (Mr. Nelson) for trying to defend the town that he represents. We should see that some industry was established there to absorb these men who have had their homes there for years and have left the town, otherwise they will have to go to the metropolitan area. Consideration of the report of the 1934 committee was that the bulk handling industry should be constituted and function as recommended. The former should be responsible for the installation of the system.

This followed a recommendation of a sub-committee consisting of Professor Perkins, representative of the Harbours Board and representative of the Railways. Why was the Bill not proceeded with then?

The Hon. E. Anthony—Wasn't it a case of finance?

The Hon. F. J. CONDON—No. I do not think Parliament approved of the recommendation because it was not satisfied that it was in the interests of the State. I am supporting this Bill I have my doubts whether the scheme be successful. I do not think that the people concerned know the true picture. The secret of the Australian Primary Producers Association has said the same thing. I am questioning the honesty of the people concerned, who conscientiously believe that it is an economic proposition. I do not think it but if I am wrong I will be the first to say so. But if I am not I want to add a word of caution. It is not a question of what district or Party I represent. I have been on the Public Works Committee for five years and at its meetings politics are not mentioned. It is the desire of every member to do what he can in the interests of his State. I pay a tribute to them for the useful work they have done for this State. I am prepared to give a system of public works to them.

The Hon. F. J. CONDON—No. South Australia is the smallest exporting State. Our wheat production was 48,000,000 bushels; in 1923-24 it was 30,000,000 bushels, and in 1927-28 it was 20,000,000 bushels. South Australia is the smallest exporting State. Our wheat production was 48,000,000 bushels; in 1923-24 it was only 30,000,000 bushels, and in 1927-28 it was 20,000,000 bushels. The same thing has happened in Australia, and we cannot compare 30,000 bushels with foreign countries. It has happened in the case of wheat. In 1923-24 it was 60,000,000 bushels, and in 1927-28 it was 20,000,000 bushels. This was a scheme that the Australian wheatgrowers wanted. They have an opportunity to sell their wheat on the best market. South Australia has a problem different from other States. New South Wales has had a terminal point at Darling Harbour for a number of years and I believe that some of the wheat is now shipped from the northern part of the State. Victoria has one terminal, Western Australia has three, but South Australia will have six. I can remember the time when wheat was loaded at Port Augusta, Port Pirie, and Port Lincoln, and sold in the principal elevators and other places. Apart from these we have 80 small outports and in a number of cases wheat was transported by stages from these outports to the larger towns. I have no idea what the motion involves. If we only had one terminal port we would have had bulk handling years ago, we have not been successful because we have not had the money for each terminal. The average wheat crop over 10 years has been 35,000,000 bushels, but in 1923-24 we had 60,000,000 bushels and in 1927-28 we had 20,000,000 bushels. The growers were not satisfied, and industries were not satisfied with the results. The Government had to take it over at considerable loss.

The Hon. R. R. Wilson—They paid $10,000,000.

The Hon. F. J. CONDON—I think the guarantee by the farmers was for $30,000.

The Hon. Sir Frank Perry—I thought you supported the Bill.

The Hon. F. J. CONDON—So do I, but that does not prove my expressing an opinion on it. I am not a yes man, but am here to express my views whether they please or offend.

The Hon. Sir Frank Perry—You are shaking everyone else’s opinion.

The Hon. C. R. Oudmuro—You are easily shaken apparently.

The Hon. F. J. CONDON—Now I come to a very important matter on which members have heard me before—the milling industry. I said earlier this afternoon that in 1927-28 we produced 8,500,000 bushels of wheat. I have endeavoured to assist the milling trade but no one here appears to be very sympathetic towards it, and today it is in a worse condition
than it has been for many years. The millers will be called upon to meet considerable expenses under this Bill and what return will they get? In the last couple of years the people of South Australia have paid an increase of 11c. per 25 lb. loaf and what will happen with the extra charges that will have to be met? Consumers have paid the extra price in order to provide a 14s. bushel home consumption price. I believe that a man is worthy of his hire, and if he puts his money into land is entitled to a decent profit. If everyone else is guaranteed the basic wage with marginal allowances, the farmer is entitled to the same consideration, but I point out that in view of this extra expense there are others interested in this measure as well as the farmer.

The Bill was amended in the House of Assembly and I want to see further alterations in order to give protection to an industry that has meant so much to the economy of the Commonwealth. While we were able to send our wheat overseas nobody was much concerned about the milling trade. What did those who were getting their price care about that?

The Hon. E. Anthony—We are not sending much overseas today.

The Hon. F. J. CONDON—Exactly, and I will tell you why; other countries are subsidising about 96 per cent of their exports, so what chance have we? That is the unfair competition facing us today and that is why we are not selling our wheat and flour abroad. While they were able to get another farthing a bushel no-one worried about idle mills and unemployed. Did those who are looking for our support today give any consideration to the milling trade then?

The Public Works Standing Committee explored every avenue to evolve a scheme that would be satisfactory to all concerned and I draw attention to its first and third progress reports. In 1952-53 the amount of flour manufactured in South Australia was 202,000 tons. That has fallen considerably. The milling industry means as much to the farmer today as his overseas markets. I know of sales that have taken place at less than the 14s. 1d. home consumption price, although there have been some at higher prices. In 1954-55 grain sold for wheat amounted to 1,610,000 bushels, which represented 235,000 acres lower than in 1953-54. Last year proved better than was anticipated and our crop yielded 31,000,000 bushels and I hope that in the not far distant future we will again reach our peak of 45,000,000 bushels, in which all will receive assistance to this programme. Has anybody of this place seen a copy of the agreement between the Government and the company? The Hon. S. C. Beran—It is one I have.

The Hon. F. J. CONDON—Yes, but you know what it contains. I think, are entitled to that information. First, does anyone know anything about the issue of the shares of the company? How many of the shares of the company? That is the point of association of the company? That is the point of association of the company? That is the point of association of the company? That is the point of association of the company?

There is no provision made in the Bill to show that those small places? If the company is to be a charter it will involve the State in an considerable expense. Some people do interference because they say they are in the money, although the Bill provides for Government nominees on the board for so long as the State remains. In my opinion that will be for ever.

Parliament is asked to grant a money and therefore the State should be paid. There is nothing unreasonable about the company having estimated the cost of operating a belt gallery at 2s. 2d. a ton, and still with quick shipment it would probably be the same cost at 4s. For the belt system Ardrossan there is a straight run and practically the same length as the one erected at Wallaroo, and yet the Wheat Pool has to pay 2s. 2d. a ton to the R.H.P. Co. for the use of its plant. Therefore the belt handling company do it for less? When it was suggested that the wheat plant should be constructed the same as the other plant before the Public Works Committee and they were interested in it, they altered it to $75,000, but actually cost $250,000. I consider that costs worked out for the belt system at Wallaroo are not correct. I am prepared to accept the figures of the R.H.P. Co. rather than those suggested by the public company representatives.

When the agreement was entered into the R.H.P. Co. it was owing to the Public Works Standing Committee that costs were reduced. The committee sent the matter to the Minister for investigation. Farmers in Ardrossan have been saved thousands of pounds because of the action of the committee. Of the two systems considered by the Public Works Standing Committee, one, the pneumatic system, costs about $12,000, a ton for handling 1,200,000 tons and the other three times that. The other end of the R.H.P. system is 2,600 ft., with a head of 800 ft. The charge for handling 2,800,000 tons is 1d. a ton up to 1,200,000 tons a year. For each 2,000 tons by the tonnage exceeds 30,000 the price to be reduced by 1d. and will apply to the tonnage handled in that year. For example, for 4,000 tons the price would be reduced to the total exceeded 70,000 tons a year or the price 70,000 a year the rate would be subject to review.

To the Hon. J. L. S. Bice—What do the farmers pay for belt gallery at Ardrossan?

The Hon. F. J. CONDON—I have been trying to find out for a long time. Farmers who in future deliver wheat in bulk at Ardrossan will pay a toll of 6d. a bushel for a period of not less than eight years, at which period, according to the evidence tendered to the Public Works Standing Committee by Mr. Sturt, M.P., a member of the company, it was expected that the bulk handling facilities would be completed. Farmers should understand that under any company's proposal a toll of 6d. a bushel will be levied from the time the first deliver is made in bulk until the installations throughout the State are completed. That will be many years. Who will decide when the installations are complete?

The first progress report of the Public Works Standing Committee shows what the income and expenditure will be over a period of years. In the report the committee gave costs for the belt method by 6m. costly from skins. Handling charges are practically the same for each company, but the public company's advantage is that, being in the port, a total of 3s. 6d. a ton. In what report the Public Works Standing Committee shows that the cost of handling with overseas is cheaper than the belt system, that is why it is recommended. I notice that in the report the people wanted it. Although I have no doubts, I doubt the scheme. The benefit of the draughtsman should be very careful with this Francisco. His protection to the public is entitled to the public and supporting the Bill is it, but that does not mean the right open my opinion. I support it because it is the right thing to do, and because of my duty to do it.
the charter for which cartage the shipping owners specify that a certain tonnage shall be loaded every day; if that is not reached demurrage has to be paid, and if it is improved upon the shipping owner gets aodesh money as a bonus. As a result the shipping people have a preference for ports where they can get dispatch, and the ports with the bulk handling are those that can provide this. That is one of the reasons why, since Arrarana has been in operation, ships go there at every opportunity to load wheat.

I frankly admit that in the early days when some of these schemes were submitted I was not enthusiastic about them but conditions then were entirely different from those of today. Our geographic position has always been a stumbling block to the introduction of bulk handling because we have so many ports and outlets which were quite satisfactory for bagged wheat handling. However, many of our customers who previously showed a preference for bagged wheat are now equipped with bulk facilities at the receiving end, and the tendency is for the countries to show a preference for grain in bulk. In the first report of the Public Works Standing Committee there is a full explanation of the financing of the scheme contained in the evidence of Mr. Stanley, the South Australian Wheat and Wool Growers Association, the sponsors of the scheme, and I commend it for the consideration of members. This contains much fuller information than I can provide on the financing of the proposal.

I am somewhat at a disadvantage in following so closely on the second reading speech which is rather an unusual procedure. This scheme to all intents and purposes follows the pattern of that which has been operating successfully in Western Australia for many years. No doubt the wheat growers are inferior in intelligence and ability to those in Western Australia. The administration of the scheme in that State is practically the same as ours will be, it is governed and financed by the farmers themselves. We can with justice claim that the scheme has been successful in Western Australia there is no reason why it should not be successful here. Members who visited Western Australia and had the opportunity to inquire first hand about the installation there will have no misgivings about our scheme, because our administration will not be lacking in comparison.

The company proposes to borrow $2,000,000 from the Commonwealth Bank to establish the first terminal at Wallaroo, and this money will be backed to the extent of $500,000 by the State Government. It would appear for interjections that this will be a basis of financing in that the Government is committing itself, but I point out that this is nothing new. From the time of the passing of the Sugar Development Act in 1941 the Government repeatedly guaranteed certain industries, sometimes for very large amounts. The case in point is Arrarana, which is the cement industry to which the Government guaranteed $200,000 to bolster the production of cement for building and Government projects, the Haypirits undertaking, which was guaranteed in the extent of $800,000, and the food production industry in the same way the arrarana scheme is guaranteed $500,000.

After all, this is only a guarantee and the Government may never be called upon for it, although I frankly admit that I will be surprised if it is not. I have a lively recollection that on last year's Estimates $500,000 was provided for the Municipal Tramways Trust so that it could go on carrying passengers in the metropolitan area for a further cost of providing the service. The position was exactly the same or even a lean, but we went on the Board to a deficit, so how many members of the Government standing behind this organization to the extent of $500,000 for this project? The conditions are laid down in the committee's progress report and it seems that a basis for determining the income of the company has been taken as $7,000,000 bushel but Mr. Coulson has voiced very much the same doubts as I have as to whether this would be a basis upon which to base the financial arrangements. It will be remembered that in the initial stages it was proposed to levy a toll on all farmers who delivered their wheat through the system, irrespective of whether they agreed to the proposition or not but that was ruled to be unconstitutional. It appears to me that there will have to be some modification of this basis or it will take a longer than 11 years to bring it to fruition on the five points mentioned. But even if I am not satisfied with the scheme provided people realize that even if they have to go at almost indefinitely making contributions by way of tolls, not only to build but to maintain the installation, the scheme is worth while and in fact appears to me that we have reached the stage where, being the only State in the Commonwealth without bulk handling facilities, we must provide them. It is not a question of whether or not we can afford them but whether we can afford to be without them. I cannot tell the shipping people that we cannot accommodate their boats and give them the dispatch they want, for they will simply go elsewhere.

The Hon. E. Anthony—They are not leaving our wheat behind, are they?

The Hon. E. H. Biscoe—They may reduce our opportunities of getting into the market where we want to get into it. They say that South Australia if they can get their wheat in States where there is quick dispatch and leave us until we can choose when to ship. Therefore, it appears to me that the shareholders will have to reconsider their position because they may be called upon to subscribe for a longer term and, perhaps, to a greater degree than they have been led to believe. I am not suggesting that anyone has tried to pull the wool over our eyes. Having been associated with the farming community all my life I have a pretty fair conception of their common-sense and I cannot think they would be led on or mislead by any optimistic proposals submitted to them. Just how long it may take to install all the terminals is anyone's guess, but even so farmers have expressed the opinion to me that, although it may be quite a while before they get their proposal into action, they will get financial support even though they are not benefit directly at once, because sooner or later it must be done.

I am supporting the second reading, but I will listen with interest to what other members have to say. I am not soliciting a request that has come to me, and probably other members, through a sheaf of telegrams and letters. It would not be right for me to sign those. I have always conceived it to be my duty to suggest that department should write and to consider every point of view put forward, whether in opposition to mine or otherwise. Therefore, I certainly am not going to say that I will support the Bill as it stands, but I will support the second reading in order that the committee may consider that as Committee to consider any other point or amendment that may arise, and beyond that I am not prepared to go.

The Hon. J. L. S. Biscoe (Southern)—I rise with considerable delight to support this measure. For some time, in fact, others have enunciated the right to use my own discretion when the Bill is in Committee. This Chamber has reserved that right throughout its history and is not likely to depart from it now. I commend the Chief Secretary on his comprehensive survey of the Bill and extend my congratulations to my colleague on the Public Works Committee, Mr. Frank Condon, on the way he addressed himself to the measure. I also find myself in agreement with many of the facts set out by Mr. Edmonds. The principle embodied in this Bill is very similar to those contained in the numerous Bills to which the Chief Secretary referred, and in endeavouring to inform myself on this subject I had considerable pleasure in reviewing the action of the Peake Government in 1916. The Government then approached John S. Metcalf & Company to submit a plan for a system of bulk handling, for which it paid £9,000. However, that administration was defeated at the next elections and the Vaughan Government came into office. In 1922 Mr. Cowan's father, the Hon. Sir John Cowan, introduced a measure in this Chamber, and our respected President was responsible for a small amendment which gave the right to any person or company to establish a bulk handling system in South Australia.

The Hon. E. Anthony—No-one ever did it.

The Hon. J. L. S. Biscoe—The Bill lapsed because of the action of the House of Assembly in stilling the original measure. I find the history of this subject very interesting. In 1934 the Public Works Committee, of which Mr. Anthony was a member, submitted a recommendation for the establishment of a bulk handling scheme. In 1939 a Select Committee was appointed in the House of Assembly, and I commend its report to members' attention because I was a member of that enormous amount of information. The 1935 inquiry covered over 250 pages of evidence which was taken from some of our most progressive farmers. It is pleasing to note that several of those witnesses are still supporting a bulk handling scheme, and I believe that the experience of the farmers of Yorke Peninsula, and from as far away as Koolunga, shows what they think of this method of handling grain.

I am convinced of the soundness of bulk handling when the Public Works Committee visited Western Australia in 1947. We journeyed as far as Wagga Wagga, almost to Geraldton, and there we saw farmers delivering their wheat with great enthusiasm, which convinced me that there must be something in the scheme to their advantage. We have experienced the delivery of wheat into ships' holds by slitting bags, a very unsatisfactory method, and I think we have reached the stage where...
we must take a definite stand. We have a Bill before us under which the farmers will subscribe to the capital cost and I believe that is the proper method to be adopted.

During the past few days approaches have been made to me by about 50 people asking that the Bill be passed as presented. They should know that the Legislative Council, as in the case of the 1927 Bill, will not listen to what its opinion is best for the State. I can assure them that in a general way I intend to support the Bill. I draw members' attention to the proposals submitted by the Public Works Standing Committee in its recent report, and I feel that some of the criticisms levelled at it for its apparent tardiness in presenting its report. Although the committee had the reference submitted to it in 1947, there was hardly a murmur from the farming community for the report to be submitted to Parliament. That action is easy to understand when one realizes that from 1950 to 1953 a premium operated on bagged wheat varying from 6d. a bushel to as much as 9d. a bushel, but it ceased in May, 1953. That shows why no great pressure was put on the committee to submit its report.

As Mr. Condon said, the committee was concerned with the tremendous factors associated with establishing this system here. The various costs and prices experienced in recent years have been staggering. For instance, the committee first recommended the Mamnum-Adelaide water scheme the cost was estimated at about £3,000,000, but the work actually cost £9,000,000. Therefore, it will be seen that difficulty is experienced in overcoming cost fluctuations. It is only a natural corollary that Wallaroo, with the broad gauge railway system functioning to that port, should be an ideal place to establish bulk handling. A depth of 23ft. of water is available and almost any grain ship can be handled there. Wheat would be delivered from a radius of 30 to 40 miles. It is much better situated than Ardrossan. The Railways Department continued the committee that it could deliver wheat to Wallaroo at the rate of 20,000 tons a week.

I stated that because of the fast railway system to Wallaroo and the limited distances it has to carry grain and because of the large quantities which could be handled by road, the proposition at Wallaroo will be particularly attractive. The committee recommended the adoption of the pneumatic system of grain handling rather than the belt gallery system at Wallaroo. On page 10 of the committee's report the capital cost of the belt loading system at Wallaroo is shown as £155,000, with a capacity of 300 tons an hour, but for the pneumatic system the capital cost is estimated at £150,000 and it is capable of handling to 690 tons an hour; therefore the latter system has much to commend it. The committee expressed its appreciation to representatives of two companies, one in its effort to try to supply the State with a plant which would provide an effective means of handling our grain.

The Hon. E. A. Austin—It will be cheaper but will it be as good?

The Hon. J. B. S. Bux—From the committee's inquiries, it will be a first class method. Adopting this method we can cheaper costs of loading into bins at Wallaroo, and will also be possible to load direct from trains into the ship's holds. The idea is to establish eight of these portable pneumatic plants so that at least two or three holds of a ship can be loaded simultaneously. This will result in earning a considerable amount of quite dispatch money. At Fremantle the committee was informed of the tremendous saving farmers gained from using the pneumatic system. In those days the farmers paid a fixed price for every-from his. I do not regard that as the duty of Parliament, but I give that as a reason why I feel incapable of supporting the Bill without asking a few questions as to how it will work. The third preamble to the Bill states:

...and whereas it is desirable to confer certain rights and powers upon the said company and the said control and control of the handling of wheat and other grain in South Australia in order to ensure that proper service is given to those millers, merchants, and other persons interested in the marketing, handling, and dispatch of wheat and other grain. That is very nice, but what about the interests of the taxpayer and the consumer? They are not mentioned, therefore it is desirable that anyone should look at the matter from their point of view before legislation of this sort is carried. In that connection I remind the House that the guaranteed price of wheat was £100,000,000, and the guaranteeing this company to the extent of £20,000. It has been truly said this afternoon that other big guarantees have been given and that the Government has had to come in on certain occasions and take over concerns that were not successful, and that may happen in this case. There are quite a number of questions that I would like answered. The Minister explained quite clearly what the various clauses mean. Although I do not understand everything, it is a most extraordinary procedure that we could be asked to pass a Bill for the purpose of giving to the company named in the Bill the sole right to deal with the bulk handling of wheat and other grain—which seems to have been rather grudgingly added—without anybody putting what is in the Bill. Where are the memorandum and articles of association? Why are they not put before the House, and why are we not told who are the provisional directors to whom the Bill gives all power? I do not know who they are and where they are, because we have not been given any information on that. Members who are farmers may have seen the agreement that farmers have signed for 13,000,000 bushels, but what have they undertaken to do if they are not satisfied? I do not know. It seems to me to be absolutely wrong that we should be asked to pass a Bill like this without knowing exactly what the position is, and I certainly have not the least idea. At the beginning of the Bill we are told that it is a company limited by guarantee, but what is a company limited by guarantee? Has anyone concerned himself about this? The essentials of such a company are:—

The memorandum must state—

(a) the name of the company with the word "Limited" as the last word in its name;

(b) objects of the company;

(c) that the liability of its members is limited;

(d) that each member undertakes to contribute to the assets of the company in the event of its being wound up while he is a member or within one year after he ceases to be a member, for payment of the debts and liabilities of the company contracted before he ceases to be a member and for satisfaction of the costs, charges, and expenses of winding-up, and for adjustment of the rights of the contributories amongst themselves, such amount as may be required not exceeding a specified amount.

What is the specified amount? Is not the House entitled to know what farmers are letting themselves in for? Do they know? I certainly do not. I draw attention to these things because I do not think we should be asked to pass a Bill of this sort until we have full information on these subjects and the time and opportunity to study them.

In the first report information is given that it is a non-profit making company, and how it will be financed is described, but in effect we are giving something, I do not know what, the sole right to do deal, with bulk handling of wheat if they succeed. They will make a profit, or at least they will get their money back, and they think they will get the benefit of better handling of their grain. If they do not succeed the Government will be called upon for its guarantees and will probably have to take the whole scheme over. I have no
There is another very important thing from the point of view of these who signed up as taxpayers. We know in a general way that they will pay 2d. a bushel in the first year on bulk wheat and 3d. thereafter, and 2d. a bushel for bagged wheat to cover the capital cost, but they will have to pay handling charges also, and when people who are members will simply be charged enough to make a reasonable profit on what is done for them. I am not at all clear on many of these things and I am putting them up because I want the answers.

Now the scheme got on if the non-members only pay a handling charge, of say a halfpenny a bushel, whereas the members have to pay 2d. as well as a handling charge? How long will they stay in it if that is the real position?

The Bill has to be read in conjunction with all this other stuff which is not in it and not sufficiently tied up to it. We can appreciate the fact that during the last two years or so there has been a tendency for less wheat to be grown, and I am scared to hear ahead for the barley grower if he cannot become a member of this monopoly company and gets his barley handled for much less than the unfortunate fellow who is paying the capital cost of the hope that he will have the luck, when the lottery is drawn for 12 or 13 years hence, to get some of his money back.

Possibly all this can be explained, and if so I would like to hear it.

To sum up my views shortly—and I do not intend to go into all the details—we are the custodians of the taxpayer, and we have to look very carefully at this scheme to see whether or not it is letting the Government in for a large expenditure. We also represent the consumers of wheat. It may be said that that is more the subject of the farmer, but that is not the reality of the position. We should look at it from the point of view of the effect of the Bill, and as far as I can see neither the Public Works Committee nor anyone else has considered the consumers' point of view. We are not generally in favour of creating monopolies by Act of Parliament. If this Bill provided for the Government to undertake bulk handling of wheat I would be much more in favour of it. We would then know just what we were doing, but at present I do not know what it is. I know in a general way that they will pay 2d. a bushel in the first year on bulk wheat and 3d. thereafter, and 2d. a bushel for bagged wheat to cover the capital cost, but they will have to pay handling charges also, and when people who are members will simply be charged enough to make a reasonable profit on what is done for them. I am not at all clear on many of these things and I am putting them up because I want the answers.

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It will be seen that there has been no case with regard to bags over those years, and we are forced back to the position that it has been very difficult to sell bagged wheat than it was prior to the period. During that period consequently there is some case for bulk handing.

Another thing gained by the length of time taken by the Public Works Standing Committee is the better understanding of existing installations, particularly those in Western Australia, the adoption of which it has recommended up to a point. We have had three interim reports from the Committee. The first was given late last year and was the result of an application by the farmers' company, and was adverse because of the constitutional position. The second report was little more than an assurance of the legality of the constitutional position and the third was favourable for the setting up of bulk handling in the Wallaroo area, with a terminal at Wallaroo and bins at stations within that division. It provides for a less expensive system than that in operation in some States. Although the Western Australian scheme has been favourably commented upon by many people including the Committee it has not, perhaps, been entirely satisfactory in as much as they are at present changing over to an improved system. I am glad to see that this year, because of wet weather, the weevil position in Western Australian wheat stocks is very bad. It is difficult to treat them in that type of installation. Anyone who has followed the reports of the Wheat Board will appreciate the position in that State and the board's anxiety regarding wheat storage facilities there in view of the large carry-over.

The Hon. J. L. Corvan—Is not bagged wheat subject to weevil infestation?

The Hon. L. H. DENSLEY—It can be effectively treated for weevil, and this has been done for 20 to 40 years. The difficulty is greater under the Western Australian system of handling, but in the vertical type bins in the other States is dissipated. From what I have seen there is one bin to another and the wheat more adequately treated for weevil.

The Hon. Sir Frank Perry—Whose responsibility is it when the wheat is in storage?

The Hon. L. H. DENSLEY—The Wheat Board should have this responsibility, and it is somewhat disappointing that the Government has not undertaken the installation of bulk handling. This is one activity it should have undertaken, because in the first place it owns the railways. For many years the Public Works Committee has been inquiring into the subject and this has led people to believe that the Government would ultimately bring in a system of bulk handling. The Government owns the wharves and the facilities for shipping wheat. I feel that we should have been a Government responsibility and is one we would have happily supported. It is undesirable to have an additional authority disposing of farmers' wheat, and ultimately I do not think it will be in the best interests of farmers. I have some fear of the financing of the company. I do not like the proposed system and think it is horrible and cannot find anything in it which gives me any pleasure. I am against this whole idea of a orthodox system of finance whereby the Government borrows money and makes a charge covering interest at working costs and amortization. I question whether the financial arrangements have been properly understood by the farmers who were supporting the scheme.

Mr. Condon mentioned that there were about 64 sidings in the Port Adelaide division which would not handle 30,000 bushels a year and consequently would not have bulk handling facilities. I am sure all those sidings are in my electorate. I am not satisfied with the Minister, therefore, in acquitting my constituents of the position. The revolving system of finance provides that in the first year all wheatgrowers who sign up a member of the company will be charged 8s. a bushel on an installation delivered before the installations are affected. After the installation is completed those who have their wheat handle in bulk will be charged a toll of 8s. a bushel; for wheat delivered in bags the charge will be 3d. The tolls will continue for 15 years and then it is anticipated that the installations will have been paid for. Many of those who pay the 8s. for bagged wheat will probably never have a bulk installation, but after an installation is delivered by the end of the period for which the tolls are collected, namely, 12 years. Consequently, they will pay a considerable sum towards the installations throughout the State without getting any benefit from them. Some of these sidings and the Commonwealth Wheat Marketing Act shall be a first charge in priority to any other claims or monies paid under the said Acts in respect to such wheat, and the Australian Wheat Board may, and it is hereby authorized to, deduct the amount of the said tolls from any such moneys and pay same to the company on behalf of the members.

I do not think the position is being well pleased with that provision. It would have been more desirable if we had a system of finance which most of us understand better. There is not much doubt that the company will be able to get adequate finance. The Wheat Board is prepared to pay 7½ per cent on the capital cost of all installations to meet interest and depreciation. With that and the revolving system of tolls a big amount will accrue to the company, and it should therefore offer adequate finance. It is interesting to study what the revolving tolls may be. If a person lends money for a long enough period at compound interest, the original amount doubles itself. Many farmers will have to get money by overdraft in order to meet the tolls, and the rate of interest paid will be about 5 per cent. In a period of 12 years on an amount of £100 they would pay about £80, and this is what the farmers will lose in the way of interest over that period on their tolls. That is an aspect which many farmers have not carefully considered.

To carry the matter a little further, if the farmer is growing 6,000 bushels of wheat annually and marketing in bags the amount of his tolls over a period of 12 years will be £695, and he will thus be making a donation to the company of £500. Particularly on behalf of those who will not have the good fortune to be recompensed for their tolls of £8, I would point out that they will go on and on for all those years and get nothing out of the scheme. There is no question that that scheme of finance should be buoyant, but it is desirable that farmers generally should understand the position before signing up, and having signed up, they should be given the opportunity by ballot to say whether they desire to go on with the matter.

The Hon. Sir Frank Perry—Can they withdraw?

The Hon. L. H. DENSLEY—I would not think so, as the guarantee has been given. The idea of setting up a system at Wallaroo first is a good one. We all realize that this is the port that has handled somewhere near sufficient wheat to be entitled on a comparable basis to a bulk handling system. No complaint has been made about that, and if installed the Government would have considerable knowledge of the implications of the scheme and whether it could be extended from time to time. With the rising population and the lessening of wheat production probably most of the wheat grown in the Port Adelaide division will be required for home consumption, and consequently there will not be an urgent demand for bulk handling there. Second-hand bags have a definite value and very little
difficulty is experienced in realizing on them for use with other grain.

It has been mentioned that bulk handling facilities are being installed overseas and consequently it is becoming more difficult to sell bagged wheat. However, a demand is springing up for various types of premium wheat, both in Japan and Africa, and it would be difficult to meet that demand unless the grain is isolated in stacks. It would be difficult in the warehouse system to isolate it, so we are likely to lose these connections that we have built up. Japan wants a grain of 11 per cent protein and there is a demand in East Africa for soft wheats. We must realize that we have to face up to an increasing amount of second grade wheat in America, so should take every advantage of selling good quality wheat for which there is a premium.

I am a little concerned about barley, although Mr. Cudmore has covered that point very fully. I do not know whether this company will be an overall body for handling and disposing of wheat and other grain, but it could easily develop to that stage under this Bill. If that is not the case I have misinterpreted it, and I would like the Chief Secretary to explain the position. However, if that is not so I see no reason for some of the clauses.

The Hon. Sir Lyell McEwin—There is provision for other interests.

The Hon. L. H. Densley—That is.

At present I would say that 99 per cent of the farmers are quite happy with the Wheat Board, and I cannot see any reason for the clauses. I do not see why we should give a monopoly to this company, not only for handling, but also for the purchase and sale of all the grain. During the debate in the last vate much has been said about the engine for the Western Australian Bulk Handling Company, who has been quoted on many occasions as the best authority in the world on bulk handling. However, the type of engine constructed while he was with the Western Australian undertaking is giving much trouble today, and it would be wise to look into the matter before any definite commitments are made. I hope that if the Government sees its way clear to give us a bulk handling system at Wallaroo and new extensions are made later this aspect will be thoroughly investigated.

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

ADJOURNMENT.

At 5.24 p.m. the Council adjourned at Wednesday, June 29, at 2 p.m.