

is nothing we can do about it. I merely mention that this huge area of the State is in a drought condition.

I only want to make one brief reference to the oil search in the North. It is well known that Wapet has carried out an extensive oil-drilling programme, and it will be carrying out a much bigger drilling programme in the future. It was, perhaps, a little unfortunate for the company and for some of the investors throughout Australia—perhaps overseas as well—that oil was found in the initial drill, because it encouraged the company to get ahead of the work of its seismograph crews and scientific advisers. At the oilfield recently I was amazed to see where several holes had been put down around that which members have seen, and still no oil was discovered in exactly the same strata. As I see it, this oil search is a complicated business; and apparently oil, like gold or fresh water, is where you find it. I will conclude by saying that the drillers and all concerned with the search for oil are enthusiastic. They say they feel certain that, although it may take a long time, they will be successful in discovering oil somewhere in our North-West.

On motion by Hon. A. F. Griffith, debate adjourned.

House adjourned at 10.42 p.m.

Legislative Assembly

Tuesday, 20th September, 1955.

CONTENTS.

Questions :	Local authorities, fire rates, metropolitan districts	Page
	Fishing industry, wet fish sold locally and exported	652

Questions—continued.

Bread, tabling report of Wheat Products Prices Committee	652
Traffic, mechanical devices, Leederville	652
Fruit cases, orders, output, estimated production and cost	653
Water pipes, concrete lining, estimated life, etc.	653
Agricultural adviser, reason for resignation of officer	653
Babbage Island, granting of freehold to leaseholders	654
Bills : Marine Stores Act Amendment, 1r.	654
Bank Holidays Act Amendment, 1r.	654
Commonwealth and State Housing Supplementary Agreement, 3r.	654
Honey Pool, 3r.	654
Jury Act Amendment (No. 1), report	654
Marketing of Barley Act Amendment, Message, 2r.	654
Soil Fertility Research Act Amendment, 2r.	655
Parks and Reserves Act Amendment, 2r.	656
Prices Control, 2r.	656
Rents and Tenancies Emergency Provisions Act Amendment, Council's amendments	658

The SPEAKER took the Chair at 4.30 p.m., and read prayers.

QUESTIONS.

LOCAL AUTHORITIES.

Fire Rates, Metropolitan District.

Hon. J. B. SLEEMAN asked the Minister representing the Chief Secretary:

What was the annual general rate struck and the annual fire rate struck by each of the local governing authorities within the metropolitan fire district during the year 1954 and the current year?

The MINISTER FOR HOUSING replied:

Municipalities (on annual values unless otherwise shown) :

	1953-54.		1954-55.	
	General Rates.	Fire Brigade Rates.	General Rates.	Fire Brigade Rates.
City of Perth	s. d. 2 2½	d. 1½	s. d. 1 10½	d. 1½
City of Perth (Endowment Lands) (Unimproved Capital Values)	0 3½	½	0 3½	½
City of Fremantle	2 4	2	1 5½	2½
City of Subiaco	2 5	2½	2 5	2
Municipality of Claremont	2 6	2½	1 7½	2
Municipality of Cottesloe	2 6	Nil	2 5	Nil
Municipality of East Fremantle	2 6	2	1 9½	½
Municipality of Guildford	2 6	2½	2 6	2½
Municipality of Midland Junction (Unimproved Capital Values)	0 6	½	0 6	½
Municipality of North Fremantle	2 6	2	2 4	1

Road Boards (unimproved values, no fire brigade rates) :

	1954-55.	1955-56.
Bassendean	d.	d.
Bayswater	8	4½
Belmont Park	7½	3½
Canning	7½	6½
Melville	5	6
Mosman	3½-4½	2½-3½
Mundaring	9	9
Nedlands	3	3
Peppermint Grove	4½	4½
Perth	4	4
South Perth	3-9	3½-5
Swan	7½-8½	5½-8½
	3-4	3-5

FISHING INDUSTRY.

Wet Fish Sold Locally and Exported.

Mr. NORTON asked the Minister for Fisheries:

Will he inform the House—

- (1) The weight and variety of wet fish sold by auction at the Metropolitan Markets?
- (2) The weight and variety of wet fish forwarded to the Eastern States?

The MINISTER replied:

(1) The weight of each type of fish sold at the market is not available. However, the total weight sold for the 12 months ended the 30th June, 1955, was 1,156,675 lb.

	Approximate percentage of total.
Yellow-eye mullet	40 per cent.
Cobbler	25 per cent.
Mullet	20 per cent.
Ruff (sea herring)	5 per cent.
Whiting	4 per cent.
Tailer	2 per cent.
Others	4 per cent.

100

(2) Weight of wet fish forwarded to the Eastern States for the 12 months ended the 30th June, 1955—

Whiting	84,120lb.
Others	238lb.
	84,358lb.

BREAD.

Tabling of Report of Wheat Products Prices Committee.

Mr. HEARMAN asked the Premier:

In view of the announcement of the 14th September in "The West Australian"—

Bakers Want a Report Tabled.

The Bread Manufacturers' Association (Perth and Suburbs) yesterday referred to a suggestion made in a

sub-leader in "The West Australian" on September 5 that the report of the Wheat Products Prices Committee be tabled in the State Parliament.

The president of the Association (Mr. J. G. Burnett) said that his body was agreeable to this being done "provided the report covers full details of the information and the source of information on which the Wheat Products Prices Committee based its findings."

does the Government propose to table the report of the Wheat Products Prices Committee, including the information desired by the master bakers?

The PREMIER replied:

As the report to the Minister only summarised the results of the committee's investigations and did not contain the detailed information mentioned, it would appear that no good purpose would be served by tabling the report.

TRAFFIC.

Mechanical Devices, Leederville.

Mr. JOHNSON asked the Minister representing the Minister for Local Government:

(1) As the traffic count on the 22nd February, 1954, showed eight vehicles per minute passing the Leederville school, Oxford-st., will consideration be given to installing mechanical traffic control devices in Oxford-st.?

(2) Will traffic counts be taken eventually at—

Oxford-st.-Cambridge-st. corner;

Loftus-st.-Newcastle-st. corner;

Oxford-st.-Vincent-st. corner?

The MINISTER FOR TRANSPORT replied:

(1) Consideration to traffic control signal installations in Oxford-st. will be given in due course by the special committee set up for the purpose of recommending priorities of intersections for these installations.

(2) Counts will be taken at the intersections of Cambridge-st. with Oxford-st., and of Vincent-st. with Oxford-st., when the special committee considers further priorities for traffic control signals.

A count has already been taken at Loftus-st. with Newcastle-st. intersection. Reference to this count was not made in a previous reply to the hon. member because it was understood that his question referred to his own electorate.

FRUIT CASES.

Orders, Output, Estimated Production and Cost.

Mr. HEARMAN asked the Minister for Forests:

(1) Can he say if orders for fruit cases have been placed any earlier this season than in previous seasons?

(2) Have any large exporting fruit firms been remiss in the matter of early lodgment of fruit case orders?

(3) What is the planned output of fruit cases from the State Saw Mills for this coming season?

(4) How does this year's programme for fruit cases from the State Saw Mills compare with last year's programme?

(5) Does this year's programme envisage a greater proportion of sawn sides to sliced sides than in previous years?

(6) Have any advances been made in the technique of slicing sides for this season?

(7) Can he say how the estimated production of fruit cases from private sawmills compares with last year's output?

(8) Does he think that there will be any need to import fruit cases for the coming season?

(9) How does the current cost of locally produced cases compare with that of imported cases?

The MINISTER replied:

These questions are all taken as applying to apple dump cases. The answers are—

(1) As affecting State Saw Mills—yes.

(2) As affecting State Saw Mills—no.

(3) Firm orders have been accepted for 503,000 complete cases. Surplus production, if any, beyond this figure will be small.

(4) Last year's deliveries totalled 421,000 complete cases with additional ends for 146,000 cases, equivalent in all to approximately 480,000 complete cases.

(5) Yes.

(6) Average quality of sliced boards will be better, due to type of machine being used but no outstanding advance in technique is claimed.

(7) Case supplies are coming from many sources including mills operating on private property and are being handled

through several channels. I am unable to state the estimated production of fruit cases from private sawmills.

(8) Information is not available on likely crop at this stage or of total case supplies but, judging by pressure on State Saw Mills for supply of cases, some importation may be necessary during the coming season. However, this State has the potential to supply all fruit case requirements, provided the supplies are spread over the full 12 months' period and not as rush orders just prior to the fruit season.

(9) The local standard export dump will cost growers 3s. 6½d. per case in shocks ex Pemberton or Deanmill. Some cases were imported last year at a landed cost of approximately 4s. 11d. per case in shocks.

WATER PIPES.

Concrete Lining, Estimated Life, etc.

Hon. C. F. J. NORTH asked the Minister for Water Supplies:

(1) Has the policy of lining water pipes with concrete proved successful?

(2) What is the estimated life of a pipe thus treated?

(3) Has any research been undertaken with a view to increasing the life of the householders' water pipes in the ordinary suburban homes?

(4) What is the estimated life of such water pipes at present?

The MINISTER replied:

(1) Yes. Dirty water complaints, maintenance and replacement costs have been vastly reduced.

(2) At least sixty years, probably longer.

(3) Yes, and is continuing. Cement lined galvanised iron tubing and fittings will shortly be available in this State. Copper tubing can also be used. Both of these tubings are of higher cost, but have a much longer life than galvanised iron tubing.

(4) Life varies according to quality of galvanising—fifteen to twenty years—although postwar tubing sometimes corrodes after six years.

AGRICULTURAL ADVISER.

Reason for Resignation of Officer.

Mr. RHATIGAN asked the Minister for Agriculture:

(1) Is it a fact that John Lawson, agricultural adviser, stationed at Derby, has resigned?

(2) If this is so, will he advise the House the reason for this very capable officer's resignation?

The MINISTER replied:

(1) Yes.

(2) To accept a position with the Australian Broadcasting Commission.

BABBAGE ISLAND.**Granting of Freehold to Leaseholders.**

Mr. NORTON asked the Minister for Lands:

(1) Has he given further consideration to the granting of freehold to those people on Babbage Island who are in possession of leasehold blocks upon which they have built their homes in which they are now living?

(2) If the answer is "Yes," is it his intention to grant a freehold immediately?

The MINISTER replied:

The matter of granting freehold of blocks to certain lessees on Babbage Island, upon which the lessees have built their homes, is still under consideration.

BILLS (2)—FIRST READING.

- 1, Marine Stores Act Amendment.
- 2, Bank Holidays Act Amendment.

Introduced by Mr. Johnson.

BILLS (2)—THIRD READING.

- 1, Commonwealth and State Housing Supplementary Agreement.
- 2, Honey Pool.

Transmitted to the Council.

BILL—JURY ACT AMENDMENT (No. 1).

Report of Committee adopted.

BILL—MARKETING OF BARLEY ACT AMENDMENT.**Message.**

Message from the Governor received and read recommending appropriation for the purposes of the Bill.

Second Reading.

THE MINISTER FOR AGRICULTURE (Hon. E. K. Hoar—Warren) [4.45] in moving the second reading said: In introducing this small Bill, at the outset I would like to indicate that it is only presented in this House as a result of a deputation from the barley and oats section of the Farmers' Union that waited upon me. It contains three provisions.

Firstly, it seeks to provide for all fractions of less than $\frac{1}{4}$ d. per bushel to be retained by the Marketing of Barley Board from any pool, to be used at its discretion for the benefit of the industry. Secondly, it proposes to authorise the board to make deductions, on the authority of growers, for payments to be made into the fund established under the Soil Fertility Research Act, such contribution not to exceed $\frac{1}{4}$ d. per bushel.

Thirdly, due to the fact that most of our grains are marketed by bulk handling rather than by the old method of bagging, the position may arise whereby the board, on behalf of the oats and barley growers, may wish to handle the grain in

bulk and owing to the legislation governing this industry being restricted to a period of three years there is no real security of tenure for Co-operative Bulk Handling Ltd. to enable it to embark upon some large scale investment on behalf of the growers.

Therefore, the third objective of the Bill seeks to increase this three-year period—which has been the recognised period in the industry—to 20 years, which will bring the legislation into line with the Act which governs the existence of Co-operative Bulk Handling Ltd. and this would mean that, unless Parliament otherwise directs, the legislation will completely disappear from our statute book in 1975. The growers are naturally anxious to see the board in the position of having some money at its disposal to expend on certain matters for the well being of the industry.

For example, the board may eventually require some headquarters for itself. There are also quite a number of items that one can think of even at this moment on which the board could expend some of its money to the benefit of the industry as long as the contributions to the fund do not exceed $\frac{1}{4}$ d. per bushel. As this is a voluntary scheme and no compulsion whatsoever is being placed on the growers to make any contribution, I do not think members will see any objection to this measure.

It is also known that the wheatgrowers in this State have initiated something which is to their everlasting credit and that is that instead of depending on government finance and officers for research work they have inaugurated a fund to which they contribute $\frac{1}{4}$ d. a bushel for the purpose of conducting research work in the industry. That money passes through the university channels and today I am informed it has reached a sum of approximately £28,000, which is quite considerable.

When one reflects that this is purely a voluntary scheme and that 90 per cent. of the growers of the State contribute to the fund, it illustrates how the wheat-growers generally place such great value on the work of continuous research in their industry. It also speaks well for the growers who, of their own volition and without coercion of any description, have approached the Government with a request to assist in this work which is so worth while for the wheat industry in general.

Irrespective of which Government is in office, every member should be pleased that there is such a type of farmer in Western Australia. There is no doubt that the production of barley is not comparable in magnitude or value to its sister industry, namely, wheat production, but nevertheless it does play a very important

part in the agriculture of this State. For the 1954-55 season just concluded, actual deliveries of barley to the board were:—

Six-row barley—1,000,000 bushels.

Two-row barley—360,000 bushels.

This came about mainly as a result of the poor season experienced earlier in the year. The anticipated barley production was approximately 2,250,000 bushels, but during the season the State was unfortunate in receiving a smaller quantity. The anticipated production for next year is no less than 4,000,000 bushels, which indicates that the industry will benefit the State considerably, and also to a large extent other States and other countries, which will take the surplus, after the requirements of Western Australia have been satisfied.

Hon. Sir Ross McLarty: In what direction do you anticipate the research work to be carried out?

THE MINISTER FOR AGRICULTURE: In exactly the same manner and through the same channels as the funds are expended on behalf of the wheatgrowers. The Department of Agriculture will not be able to influence the expenditure of this fund. It will go through the same channel that applies to the wheat section, namely, the University of Western Australia. It is anticipated that a large amount of research work will be carried out in that respect. In the course of time, no doubt with the expenditure of such large annual amounts, the research will not only benefit the barley industry, but once it has received an impetus, it will in the long run, because of the additional training of officers and the facilities for study in this branch of agriculture, benefit the Agricultural Department by creating a better qualified type of officer.

Mr. Ackland: The work to be undertaken by the Institute of Agriculture will benefit the agriculture of this State as a whole, not only the bigger growers.

THE MINISTER FOR AGRICULTURE: That is so. I take this opportunity of paying a warm tribute to the wheat, barley and oats growers of this State on their voluntary contribution to the fund which will eventually benefit every section of agriculture. I say that in the long run the facilities for research and study will produce a better type of officer for the State, whether he works for the Agricultural Department eventually or for other organisations. It will create an opportunity for people to learn about the research to be conducted with the aid of such contributions, and this must prove to be of great value in the years to come.

I have already mentioned the three points in the Bill; firstly, power is sought to collect voluntary contributions from growers of fractions of less than ¼d. per bushel; secondly, the board is to be able to contribute to the Soil Fertility Research Fund an amount not exceeding ¼d. per

bushel; thirdly, the life and tenure of the board is to be extended to the year 1975. I move—

That the Bill be now read a second time.

On motion by Mr. Ackland, debate adjourned.

BILL—SOIL FERTILITY RESEARCH ACT AMENDMENT.

Second Reading.

THE MINISTER FOR AGRICULTURE (Hon. E. K. Hoar—Warren) [4.56] in moving the second reading said: As a result of the Bill which has just been introduced covering the marketing of barley, the Bill before us becomes necessary in the opinion of the Government. It has been introduced at the request of the Farmers' Union. The Soil Fertility Research Act was passed last year, and as members will recall, it provided for the establishment of a fund known as the Soil Fertility Research Fund.

As I indicated when speaking to the previous Bill, all the contributions to this fund are provided voluntarily by the wheatgrowers at the rate of ¼d. per bushel. The fund is controlled by five trustees, namely—

President of the wheat section of the Farmers' Union;

two vice-presidents of the wheat section of the Farmers' Union;

the Director of the Institute of Agriculture, University of Western Australia;

a person nominated by the trustees of the Wheat Pool.

The fund is to be used in assisting the Institute of Agriculture in its research work.

The Bill under consideration is not really essential to enable barley and wheatgrowers to contribute to the fund, because they are free to do so in any case, but in regard to representation on the board of trustees this Bill is essential. If the growers of barley and oats are to contribute for the purpose of research work, similarly as the wheatgrowers are, and their contributions are to be controlled by the board of trustees, then it is only reasonable for them to have representation on the board.

All that the Bill seeks to do is to increase the number of trustees from five to six, by adding to the existing trustees, the president of the barley and oats section of the Farmers' Union. The board of trustees will be thus formed in a manner whereby all sections contributing to the fund will be represented. I move—

That the Bill be now read a second time.

On motion by Mr. Ackland, debate adjourned.

BILL—PARKS AND RESERVES ACT AMENDMENT.

Second Reading.

THE MINISTER FOR LANDS (Hon. E. K. Hoar—Warren) [5.0] in moving the second reading said: The purpose of the Bill is to enable any board that is appointed under the Parks and Reserves Act to become a body corporate. At present, various persons are appointed under the Parks and Reserves Act to comprise boards to control and manage various reserves. In many instances, such areas are controlled, not by boards but by individuals appointed under the Act. When we look at our coastline and bear in mind the increase in population, we realise that an obligation rests upon the Government to develop some of our reserves to a considerable extent in order that they may cater for the growing desire of the public for recreation facilities, etc. Therefore, we can imagine what the future holds for us in view of the number of appointments created under the existing Act.

Great difficulty is experienced by these boards when desiring to undertake any of these works. To follow the correct legal procedure, whenever there is a change in the personnel of a board, either through death or other reason, it is necessary to revoke the existing vesting order and issue a fresh order in the names of the members of the board, although some of the members may have been reappointed. Most members of this House, at some time or other, have to undertake business on behalf of organisations in their districts and have found themselves hamstrung because some of the trustees had gone and matters had to be held over for months and, in some cases, for years, before a decision could be made.

In cases where leases are in course of completion, it is necessary to have fresh documents prepared to show the names of the new members, and it is also necessary for the document to be executed by all the members, instead of by the board, as they would be executed if the board were a body corporate.

Many difficulties have arisen through lack of incorporation, one of the most notable being in connection with the reserve at the foot of William-st. This reserve was vested in the State Gardens Board in 1938. The board leased a portion of the reserve to a private company, which conducted thereon a business for private gain. When the City of Perth sought to rate the company in respect to its occupation, the company objected and returned the notice because it felt that it had no responsibility to the council. Consequently, the State Gardens Board became seriously involved. A case was taken to the Supreme

Court, and finally to the High Court, but it was eventually dismissed on the ground that the land occupied by the company was not rateable. One of the judges described the State Gardens Board as a nonentity and expressed surprise that no action had been taken for its incorporation.

That is the weakness in the present setup. Not only is the State Gardens Board affected; other boards are the Abrolhos Island Board of Control, the Albany Reserves Board, the Emu Point Reserve Board, the King's Park Board and the Rottnest Board of Control. Possibly in future a number of other boards will be similarly affected. Administration under the present Act is most cumbersome, and a great deal of work could be short-circuited if these bodies were incorporated so that the board concerned could make a decision instead of having to get the acquiescence of each individual member.

When constituted a body corporate, a board would have power to borrow money. No such power exists at present, but it is considered desirable that the power should be granted. To provide a safeguard against any abuse of this power, the Bill provides that approval for the raising of a loan and its expenditure must be given by the Governor. This is a very small measure, which the experience of officers of the State Gardens Board over the years has proved to be necessary but, for some strange reason, nobody has brought the proposal before Parliament. Members will find that the Bill will facilitate departmental work and that of members of Parliament, and also will benefit the public generally. I move—

That the Bill be now read a second time.

On motion by Hon. L. Thorn, debate adjourned.

BILL—PRICES CONTROL.

Second Reading.

Debate resumed from the 13th September.

HON. A. V. R. ABBOTT (Mt. Lawley) [5.7]: This Bill is probably one of the most important to be considered by the House during the present session. Its object, as I understand it, is to assist in giving the highest possible standard of living to a majority of people in the State. I think the Government will admit that this is the whole aim of the measure, and the problem we have to consider is whether it will assist in doing this or will have the reverse effect.

I have no hesitation in submitting to the House that price control is no answer to or assistance in solving the problem. We on this side of the House are just as keen and interested in obtaining the

highest standard of living for the majority of the people as is the Government, and the only matter we are concerned about is, will this Bill help achieve it?

Personally, I think it can be safely admitted that the economic structure of Australia may be correctly described as a managed economy. The principal factors affecting the economy are, firstly, the Commonwealth Government; secondly, the Arbitration Courts; thirdly, the Commonwealth Bank; and fourthly, the Customs Department. All of these bodies are comprised of highly skilled and trained men armed with all the data that the Commonwealth can supply and, in addition, data that can be provided by such other authorities as the Australian Council of Trade Unions and the Employers' Federations.

Would price control, if imposed by this State, be a worth-while factor in assisting the economy of the State in addition to the authorities and influences I have mentioned? The Minister has not produced a single authority to assist the House in coming to a conclusion. All he says amounts to a broad allegation that company profits are too high, or that the margins of profits received by traders and manufacturers are too great. In my view, such a mere assertion is of little assistance to the House in coming to a proper conclusion whether price control would help the State.

Mr. Johnson: Whose opinion is that?

Hon. A. V. R. ABBOTT: We realise that each one of us wishes to receive as much for his goods or services as possible and, at the same time, wishes to obtain the services and goods of others which he requires at as low a price as possible. That is only a natural trait of the human being. We know that any proposition, which a large number of people consider to be of assistance in this direction, will be very popular, and therefore a political advantage to those who advance it. I feel that this Government and other Governments are resorting to price control as a matter of political expediency. In other words, with elections due next year, it is a political adventure. This House is charged with the responsibility of ensuring, so far as lies in its power, the best economic system for the community, even though it may not be the most popular one. We are all aware that very often what is best for us is not what is most popular and pleasing to us.

It must be admitted that since price control ceased in this State, there have been price increases in some commodities and services, but in any case rising costs have been the reason. None has meant more profit for profit's sake.

The Minister for Housing: Who wrote all that for you?

Hon. A. V. R. ABBOTT: Mr. Hegney, and I am reading it just as he read his.

The Minister for Labour: I wrote my own few notes.

Hon. A. V. R. ABBOTT: And I, too, wrote my own few notes.

The Minister for Housing: You are reading every word of your speech.

Hon. A. V. R. ABBOTT: The Minister read his speech the other day.

Hon. Sir Ross McLarty: I have noticed some of the Minister's colleagues reading their speeches.

Hon. A. V. R. ABBOTT: I propose to deliver my speech as I think fit.

The Minister for Housing: Your own reading.

Hon. A. V. R. ABBOTT: No, my own speech. It must also be borne in mind that there have been price falls, too. The question arises: Have these price rises been greater than they would have been had price control been in operation, and would a return to arbitrary artificial control be an effective answer? In both cases, the answer is "No."

Mr. Heal: That does not sound like your speech.

Hon. A. V. R. ABBOTT: In the price control years from 1948-49 to 1952-53, the "C" series index rose 11 per cent., 10 per cent., 14 per cent., 22 per cent., and 10 per cent. in the respective years. During the price-free year, 1954-55, the index rose by 7 per cent. The Minister made some play on the fact that the basic wage would have been increased by 30s. a week had the price index been followed, and he quoted food, 12s. 2d.; clothing, 11d.; rent, 15s. 10d., and miscellaneous 1s. 1d., a total of £1 10s. Obviously, the biggest increase in the "C" series index has been rent, and there had been no economic adjustment of rent over a number of years. Consequently, when rent was freed from control, there was bound to be an economic adjustment. That must be admitted.

Let us consider the increase in food, 12s. 2d. Many of those items were under price control. There were under price control potatoes, onions and butter, all of which are included in the "C" series index. In addition, we know there has been a fairly heavy increase in the price of meat because we know that the price of cattle on the hoof seriously increased. Who is to say that the farmer is getting too much? For many years he was at a grave disadvantage.

Mr. McCulloch: The farmers reckon the butchers are getting the profit.

Hon. A. V. R. ABBOTT: No, the farmers are. Let us see whether this is so or not. The figures I quote are from an economic survey made by the University of Western Australia. In 1946-1947 the income from

unincorporated farms—individual farmers—who were not limited liability companies—was £13,100,000, or 16 per cent. of Western Australia's total income, which was £81,900,000. In 1952-1953 that income had risen to £53,600,000 or 21.9 per cent. of the total income of Western Australia. That was an increase of 309 per cent. during that period. With primary products increasing in value to that extent, naturally there would have to be some rise in the "C" series. Members can see why we would expect a rise in the food item when meat is such a big constituent of it.

As I have pointed out, the increase in farm income from 1946 to 1953 was 309 per cent. So, I do not see that the Minister's argument in this connection has very much to do with price control, because price control would not control meat on the hoof. It has not been suggested by any Government as being something that is feasible. It just cannot be done. Not even in Queensland has it been successfully carried out. In that State they tried to do it in every way; they tried so hard that Parliament actually gave power to the Government to vest all cattle in the Government, but they never did it. We know that the rentals charged by the State Housing Commission for its houses have increased from year to year. That will affect the economic cost of housing in this State because the Housing Commission is our biggest landlord.

Mr. Johnson: But it does not enter into the "C" series index.

Hon. A. V. R. ABBOTT: That is so, but it will affect the cost.

Mr. Johnson: Not as far as your argument is concerned.

Hon. A. V. R. ABBOTT: So I ask again: Would a return to arbitrary artificial control be an effective answer to such rises as have taken place? On past experience, it would not be. Fixation of prices is not a new idea. It has been tried for thousands of years. I have read where it was tried in Babylonia as long ago as 2230 B.C. when King Hammurabi imposed rigid control over production, wages, prices and consumption. There has been a steady stream of price and wage-fixing down through history—

The Premier: Are you quoting Major Treloar at the moment?

Hon. A. V. R. ABBOTT: No, but I am probably quoting this from the same source. As I was saying, there has been a steady stream of price and wage-fixing down through history and it has not been successful once in the hundreds of attempts that have been recorded. I took the trouble to get a little information on the subject from America because, after all, that country is the home of free enterprise, which is our political faith. America is one of the most successful countries in the world.

I shall quote from a treatise of Dr. F. A. Harper, published by the Foundation for Economic Education Inc., New York. This is rather interesting—

This quotation from Henry J. Taylor, of what Goering said in an interview long after Goering, Ribbentrop and others had been goaled following the surrender of Germany, is revealing.

What follows now is Goering's quotation:

Your America is doing many things in the economic field which we found out caused us so much trouble. You are trying to control people's wages and prices—people's work. If you do that, you must control people's lives. And no country can do that part way. I tried it and failed. Nor can any country do it all the way either. I tried that too and it failed. You are no better planners than we. I should think your economists would read what happened here.

Germany has been beaten, eliminated, but it will be interesting to watch the development of the remaining great powers, the stupidities they practise within their home lands, their internal strife, and their battles of wits abroad.

Will it be as it always has been that countries will not learn from the mistakes of others and will continue to make the mistakes of others all over again and again?

The treatise continues—

It is not, perhaps, entirely a coincidence that the man who was the administrative head of German Price Administration until 1923, when their inflation exploded, came to the United States, wrote the book entitled "Price Control in the War Economy" in 1943, and became chief consultant in the Office of Price Administration.

Now, rather than being at war with a national socialist Germany, we are involved in a "cold" war with communist Russia. Let's take a look at the advice from that quarter. Not that there is much difference between the communism of Russia and the socialism of Germany prior to World War II. Communism is merely socialism in a hurry. Even Marx spoke of what we now label "communist" as being socialist, and the Soviet state was named the Union of Soviet Socialist Republics. Moreover, the Communist Party in the United States, in its advice about recruiting new members, says that it should be easy to recruit a socialist by showing him that the Communist Party is the only real fighter for socialism in America; that the most effective way to help attain his ideals is to join the Communist Party.

In 1848 Karl Marx, the "father" of communism, listed ten measures for a successful communist-socialist revolu-

tion. Among them are several which specify controls by the state of prices in their various forms, and also the confiscation of private property.

In 1950, Earl Browder, former leader of the Communist Party in America, discussed the American trend toward communism. He listed 22 specific attainments which he said had furthered the communist programme in this country even beyond that attained in Britain under their much-maligned Labour Government. Among those listed were controls over prices, credit, money, labourers and businesses; also bribes in the form of special privileges to various groups.

That is just a quotation, for what is it worth, from a distinguished organisation in America.

Mr. O'Brien: It is not worth much, but this Bill is worth a lot to the old-age pensioners.

Mr. Heal: Did you ever introduce a prices control Bill?

Hon. A. V. R. ABBOTT: Throughout the worst inflationary period of the postwar years, it did little more than register increases in the spiral; and the Minister knows that. It became an irksome interference with the supply of many commodities, and a frustrating restriction on healthy competition.

The Minister for Housing: What made you introduce it, then?

Hon. A. V. R. ABBOTT: I would like to make another quotation, which may not be regarded as an authority by the Government, but the organisation concerned is very much respected. I wish to quote from the "Monthly Summary of Australian Conditions" of the 10th August, 1955, published by the National Bank of Australasia Ltd. This is what it says—

A Retrograde Step.—Postwar experience in Australia has definitely shown that, unless price controls are part of a programme of overall detailed economic regulation, they can have little effect in keeping prices down in the face of mounting inflationary pressure. The elaborate and costly mechanism which must be established becomes engaged in investigating and recording cost rises, and then sanctioning the inevitable adjustment to prices. Prices authorities cannot prevent inflation. The very most that can be achieved is to delay the operation of increases for a period at the expense of aggravating distortion in our industrial and commercial enterprise.

The Premier: Your trainers look as though you are putting up a very poor gallop!

Hon. A. V. R. ABBOTT: That might be so—

If, for a time, price control succeeds in holding some prices lower than at free market levels, a considerable degree of distortion must ensue. Demand for the "controlled" goods is stimulated but their production is discouraged. Concurrently, more purchasing power is released to bid for the "uncontrolled" goods, whose production is thereby encouraged. This is, of course, the reverse of what is really needed, and induces shortages of the more essential products usually selected for control. The overall result must always be to create heavier pressure for higher prices.

Maximum prices always tend to become minimum prices, especially when "official sanction" has been given. It is extremely unlikely that any attempt will be made to reduce a "fixed price" even if some producers find themselves able to provide the goods at lower cost than their competitors. What is more important in the Australia of today is that the incentive to reduce costs is removed because, in most cases, higher costs can be recouped on application to the prices authority.

The Minister knows that is only too true. The extract continues—

Other more obvious objections include the inevitable uneconomic costs of administration, the difficulties of enforcement and the encouragement given to blackmarketing.

Any return to the controls from which the economy has so lately been freed must be regarded as a retrograde step. If it is true that inflationary pressures are now mounting, controls will not only fail to prevent prices rising but will add to the pressures by an attempt to maintain an artificial level of prices against market forces; production and efficiency will be retarded and the beneficial effects of competitive enterprise will be denied to the economy.

This is not an authority to be laughed at. The Minister did not quote one authority but I have attempted to give some to the House, and this journal is published with the assistance of highly skilled economists.

Mr. Johnson: Who are they?

Hon. A. V. R. ABBOTT: The principal weakness of price control lies in its failure to deal with causes. It might help temporarily as a palliative, but even then to be at all effective it must be national in its scope and application. It cannot stand alone. I think the Premier has pointed that out on more than one occasion. As part of the pattern of controls used for the wartime economy, such as wage-pegging, direction of labour, direction of capital issues and many others, it probably had some value. I remember hearing in

this House more than once the Premier stating that if price control were introduced, if necessary he would favour wage pegging. I do not know whether he is now of the same opinion; but if the Government applies one control such as this in the hope of maintaining a stable price structure, it must also introduce wage pegging, direction of labour and other such controls.

The reintroduction of price control would bring back blackmarkets, artificial shortages and cumbersome costly departments, not gainfully employed but merely applying irksome controls. It would increase the overheads of traders and manufacturers because they would have to reintroduce the expensive accounting and recording systems which would be necessary to meet the requirements of the Prices Control Branch.

Mr. Moir: Did you get this from "The West Australian"?

Hon. A. V. R. ABBOTT: No, I did not. What I am saying is commonsense. The Minister mentioned that when the Prices Control Branch ceased operations it was costing something like £55,000 per annum. It would cost even more today because in those days it was administering only a partial control. In addition, that figure was not the only cost. Every trader would have to comply with the requirements of the prices branch, and that can be very expensive. All those additional expenses have to be added on to the cost of goods as overheads; they are allowed and always have been as additional costs on goods and services. The prices branch knew that firms had to employ skilled accountants and incur heavy expenses or costs in connection with the system, and those costs were allowed in the price of goods.

Mr. O'Brien: And the workers pay it.

Hon. A. V. R. ABBOTT: Of course.

Mr. Johnson: Did not the firms have accountants before that?

Hon. A. V. R. ABBOTT: Of course, but as the hon. member knows, a great deal of additional work had to be done to keep records as required by the prices branch.

Mr. Moir: Rubbish!

Mr. Johnson: That is not strictly accurate.

Hon. A. V. R. ABBOTT: Price control would stifle competition and prevent competitive selling. It has been found that when there is a fixed price, that price is adopted by all as the minimum. In my experience as a Prices Minister, that was invariably the effect of price controls.

The Minister for Housing: That is when you were a socialist.

Hon. A. V. R. ABBOTT: That was the effect as far as I could see and the present Minister must also have found the same position applying.

The Minister for Works: If what you say is true, business must be very bad in South Australia.

Hon. A. V. R. ABBOTT: If price controls operate the fixed price is adopted by all traders as the minimum and that does away with competition.

The Premier: Why, when you were Minister, did you bring in each year a Bill to continue this awful system?

Hon. A. V. R. ABBOTT: I will explain that to the Premier before I finish.

Hon. Sir Ross McLarty: We were releasing goods from control by the pagefull.

The Premier: Was it because your leader made you introduce the Bill?

Hon. A. V. R. ABBOTT: The open markets that are now flourishing would not flourish under price control and there would be no bargain sales for the shoppers. One would not see large business houses advertising extensively in the paper to attract customers. During the time of price control one never saw the competition or the advertising that one finds in all the newspapers today. The Minister ought to look at some of the old papers; he would find that what I have said is true. In the days of price control the shops did not need to advertise in order to attract custom.

The Premier: That was during your regime.

Hon. A. V. R. ABBOTT: And during the time of the present Minister for Labour. The Premier ought to be fair. What I have said is definitely true.

Hon. L. Thorn: Too right.

Hon. A. V. R. ABBOTT: I can find no economic authorities to support price fixing under conditions now existing.

Mr. Johnson: You have not looked very far.

Hon. A. V. R. ABBOTT: The Government certainly has not quoted one.

The Premier: We will.

Hon. A. V. R. ABBOTT: In fact, the only ones I can find consider it a failure. I do not think the Minister can quote one economist or one authority that this House would respect who would say that price control has functioned successfully under conditions operating today.

The Minister for Labour: What about Tom Playford?

Hon. A. V. R. ABBOTT: As far as I know Dr. Coombes of the Commonwealth Bank, and Mr. Roland Wilson of the Commonwealth Treasury, have no faith in price control.

Mr. Moir: What does Tom Playford think of it?

Mr. Lawrence: Did not "The West Australian" support it at one time?

Hon. A. V. R. ABBOTT: If one studies this problem it will be seen that the overwhelming majority of economists today regard private enterprise as an indispensable ingredient of a progressive democratic economy. At the moment, indeed, the trend of much economic thinking in high places is towards more free enterprise rather than less, and there is certainly an aversion to control for the sake of control.

I wish now to quote an article published in the "International Labour Review" of July of last year, volume LXX, No. 1, page 18. This article deals with price control and reads as follows:—

If price controls on the home market had been sufficient to stop the rising cost of living and consolidate the purchasing power of wages, we should not be so blind as to oppose them. The fact is that there is nothing to prove that the countries that have put their trust in such expedients have succeeded in avoiding or restricting price increases, and it is impossible to overlook the fact that such controls often have anti-economic consequences such as the appearance of blackmarkets and the flight of capital to unproductive investments, all of which in time mean a higher cost of living.

That is a reputable and well thought-of journal published by the International Labour Office at Geneva.

The Minister for Works: If what you say is true, South Australia must be in a bad way.

Hon. A. V. R. ABBOTT: I know a little more about South Australia than the Minister thinks.

The Minister for Works: Tell us about it.

Hon. A. V. R. ABBOTT: I will.

The Premier: When.

Hon. A. V. R. ABBOTT: In a few moments.

The Premier: Good.

Mr. Johnson: Does the member for Mt. Lawley know what is in the rest of the speech or does he have to read it?

Mr. Wild: The economic adviser coming out now!

Hon. A. V. R. ABBOTT: The writer of the article I just quoted was F. M. de Nadal, vice president of the General Economic Federation of the Argentine Republic.

The Minister for Works: But he has been liquidated.

The Premier: He has had the bomb.

Hon. A. V. R. ABBOTT: He was the writer of the article.

Mr. Yates: Is there anything wrong with him?

The Premier: The member for Mt. Lawley has ruined his quotation altogether.

Hon. A. V. R. ABBOTT: Price control is always detrimental to free enterprise.

The Minister for Works: Have you got something from Ecuador?

Hon. A. V. R. ABBOTT: The home of free enterprise is America, and America gives its people the highest standard of living in the world.

The Minister for Labour: To some.

Hon. A. V. R. ABBOTT: We all know that what I have just said is true, and it is something that we hope will happen in Australia. I have with me a little treatise entitled "Business Conditions in the U.S.A.," published in May, 1955, by the Irving Trust Co. of New York. The Irving Trust Co. is one of the largest banking and economic organisations in the United States of America. This extract deals with America because it is a report to Americans and states—

With the volume of goods expanding faster than the population, living standards will continue to rise. The number of hours worked by each man will probably decline further. The country's output, measured by the total quantity of goods and services produced in all industries, is expected to increase by nearly one-half in the coming decade.

I hope we find the same position in Australia. Here is another interesting piece of information—

The aggregate output of goods and services has been growing about 3 per cent. per year.

That is in America and is something we should envy. The Government of Great Britain only recently did away with price control with great success and lower prices.

The Premier: They have a crisis on their hands at present.

Hon. A. V. R. ABBOTT: Incentive is the only human stimulant that has ever proved effective in obtaining the maximum effort and efficiency. Do away with incentive and we do away with the urge to work harder and do better. We all know that. Any worker who exercises skill and hard work is rewarded more highly for his services than one who is lazy and unskilled. If he is not so rewarded he soon drops back. That, too, is something we all know.

The Minister for Works: You are a bit contradictory.

Hon. A. V. R. ABBOTT: No, I am not.

The Minister for Works: Yes, you are. You said that the business houses could still make profits under price control.

Hon. A. V. R. ABBOTT: The same principle applies in manufacture and trade as well as in every other form of economic production. Our standard of living depends on the maximum production of goods and services in the most efficient manner.

Every encouragement should be given for more and more efficiency. Price control is detrimental to production and that I think is admitted by every economist. I have looked at this problem and the more I look at it the more I realise the impossibility of price control. I have studied the problem because I realise the importance of this Bill to the people of Western Australia.

The Minister for Works: But some firms control prices themselves. Take razor blades as an example. Their price is controlled.

Hon. A. V. R. ABBOTT: Price control is no answer to our problems.

Hon. L. Thorn: Why take razor blades!

The Minister for Labour: They had a sharp rise the other day!

Hon. A. V. R. ABBOTT: I propose voting against the second reading of this Bill because the Government has put forward no reasons why we should support it. The Government did not submit anything to show that our economic conditions would be better if the Bill were supported. The only suggestion I can make is that in the Government's opinion some people were receiving more than they should obtain.

Hon. J. B. Sleeman: This Bill is the only commonsense way of going about it.

Hon. A. V. R. ABBOTT: I do not think that is a reason for disturbing the economy of Western Australia or putting a clamp on the incentive to increase efficiency and production. This Bill will be an encouragement to blackmarketing and I oppose the second reading.

MR. HEARMAN (Blackwood) [5.43]: I had hoped that some member on the Government side would follow the member for Mt. Lawley because I realise that price control is one of the planks of the Labour platform which members opposite purport to believe in and yet, strangely enough, we have found on more than one occasion in this House that when it comes to a debate on certain planks of their platform back-benchers particularly are reluctant to speak. We had an experience last year when we discussed the Local Government Bill. I expected that back-benchers would be prepared to come forward and carry their party's banner a little more readily than has been the case.

For my part, I saw that you, Mr. Speaker, were about to rise, otherwise I would not have spoken at this early stage because I thought a Government member would have followed the member for Mt. Lawley. However, in view of the fact that so far, apart from the Minister who made a very perfunctory speech in introducing the Bill, no Government member has spoken in its favour and I feel I must take this opportunity of putting my views before the House.

I said earlier that I thought the Minister's speech was an extremely perfunctory one. After all, a Bill of this nature should have been one of the foundations, one might say, of the Government's economic policy and I was a little surprised at the rather rapid manner in which the Minister introduced the measure. He merely said that it was practically the same as the Bill we had dealt with before, except that it was longer because it was necessary to put into it all the regulations which were previously in vogue under the Commonwealth regime. I thought the Minister would have been able to quote some concrete instances of malpractice and profiteering which would have been affected by the passage of this legislation.

I would like to draw your attention, Mr. Speaker, to the fact that there are only eight Government members in their seats, as that would appear to show the interest they have in this legislation.

Mr. Johnson: It depends on the member speaking.

MR. HEARMAN: I could understand the member for Leederville not appreciating what I have to say, but, of course, that is expected of him. It does seem, however, that there is far greater interest being taken in this measure by the Opposition, than by the Government side of the House. It occurs to me that, if they really believe in its legislation, Government members should give it the appearance of support by their attendance in the Chamber.

Before I digressed I was discussing the question of the Minister's speech, and the fact that he did not give any instances of what he considered to be profiteering or unreasonable practices. I would like to quote the reasons he gave for the Government having decided to introduce this Bill. This is what the Minister said—

It is the considered view of this Government that the present measure is necessary because of the upward trend of the prices of essential goods and services.

He did not say that had legislation of this nature been in existence, there would have been no upward trend. We know from past experience that price control did not prevent prices from rising; in actual fact I think they rose rather more rapidly during the period we had price control than since. I am not suggesting there has not been a rise, and I am not suggesting that a further rise in goods may not occur in the near future irrespective of whether this legislation is passed or not.

There are certain factors which cause the prices to increase whether there is price control or not; certain elements which cannot be excluded from the cost of goods. I refer to the cost of materials and the cost of wages. We know marginal increases have been granted and that recently there has been a rise in the basic

wage. The Minister, however, never suggested for a moment that if there were a further rise in the basic wage prices would not have to increase with it. As I have said, we know from practical experience that price control cannot prevent price increases; it merely records them.

If the Minister really wants to justify the inclusion of this legislation in the statute book, then it is fair enough to expect that he might have cited some instances of what he considered to be quite improper profits being made by certain retailers. There is nothing in the part of his speech that I have quoted to suggest that. He merely suggests, and gives as the reason for the introduction of the measure, the upward trend of prices. I suggest that is no reason whatsoever. We know perfectly well that this Bill cannot prevent prices from rising further if economic trends are such that they dictate a rise in prices.

However, the Minister did make some play on the statistician's figures, but what relation that has to the Bill is a little obscure. I have read the Minister's speech—indeed I have read it twice—and all he said was that the Arbitration Court had not passed on certain increases in prices, but he did not suggest that those increased prices such as rent—which would not be affected by this Bill—food and groceries which was 12s. 2d., and clothing which was 11d., would not have occurred if we had price control. That I think is the basis on which the argument should have rested if he wanted to make a case along those lines; because the increase in clothing of 11d. is a small one.

Food and groceries are the only ones that could be affected by this legislation and the amount of increase in that direction was 12s. 2d. I think everybody knows that the grocery trade is highly competitive at the moment. I do not think the Minister would attempt to suggest—and I would be interested to hear some member from the Government side try to point this out to the House—that we should reduce the price of groceries; that there are excessive profits in groceries. As a matter of fact, the tendency at the moment indicates that competition is getting more and more rigorous and a number of small grocers are feeling the pinch of competition very heavily at this moment.

I think it possible that under price control it might be evident that some of those grocers have not been getting an adequate margin, and there might be a tendency to increase the price of groceries rather than decrease them. Legislation of this kind must cover the question of average costs, and it does not take the standard set by the most efficient or the most inefficient to determine this aspect. The effect in the grocery trade would be that little or no incentive would exist to bring

prices down, because there would be a pre-ordained standard to which the grocers had to measure up.

Even if the prices came a little below that standard they would still attract additional trade without losing on turnover. Recently there was an increase in the price of butter, but a great many stores did not pass that increase on, and, as a representative of the dairying areas, I think it is a very good idea. A number of stores are handling butter at a figure a little above cost, and certainly at a lower figure than any price control authority would regard as a reasonable profit. Accordingly, I do not think the Minister can make an effective point by taking the statistician's figures with respect to the basic wage, because those figures do not show that price control would have reduced price increases at all.

We have prices increased from time to time. We know that the mere fact that prices rise does not necessarily mean that they are unjustifiable. Comparatively recently an increase was agreed upon by the Associated Sawmillers in the price of timber. One hears a lot of talk about the sawmillers being at it again; that they have made plenty and that they are going to make plenty more. We find, however, that the State Saw Mills also put their prices up as did the others.

Are we to infer from that that the Associated Sawmillers are unjustified in agreeing to that increase? If they were unjustified, then the Government was not justified in increasing the price of timber from the State Saw Mills. So here we see a price increase which the Government considers is reasonable because the Government itself is a party to it. The Government has not suggested that there is any question of improper practice on the part of the sawmillers. The mere fact that prices have gone up is not in itself, and by itself, a complete reason or justification for bringing in a measure of this nature.

I think the Minister's speech was significant for what he omitted to say rather than for what he said. If the Minister was able to point out that excessive profits were being made, that there were serious shortages of certain consumer goods which enabled exploitation of the public to take place, then there might have been some justification for this Bill.

Hon. Sir Ross McLarty: Where is the Minister?

The Minister for Lands: Would you have approved of the measure even then?

Mr. HEARMAN: I am coming back to that point, and I hope the Minister for Lands will listen. The member for Mt. Lawley was chided because he had brought in several of these Bills. That raises the

point as to under what circumstances would a measure such as this be justified. To my mind there is no disputation at all about it.

Where there are conditions such as existed during the war—where the more normal supply of goods had been materially and considerably upset; where there was a state of affairs in which the demand for certain goods and services was far greater than the supply, and where there appeared to be little or no prospect of bridging or reconciling that gap in any way, and there was the opportunity for unscrupulous people, not necessarily all genuine members of any trade, to come in and exploit the position; where there was a state of affairs due to circumstances which were largely outside the control of the State Government, such as a state of war—then the Government would be justified in bringing in a measure of this nature.

If we had a state of affairs which continued to exist for some time after the last war—partly due to the aftermath of the war, partly to our excessive migration programme and to no small extent to the amount of industrial unrest that existed in Australia at that period—where the demand was far in excess of supply, then the Government might be justified in continuing a measure of control. But I think the objective should be to do away with control as soon as possible, because I believe that controls are to a great extent restrictive. I also feel that we would possibly have emerged from the era of post-war shortages rather more quickly had we been more ready to lift controls.

If anybody wants to know why I think control of this nature is no longer justified, I would say that if after the last 10 years or so—and the war has been over for about 10 years—we are still at the stage where essential goods are in short supply, and it leaves an opportunity for excessive profits to be made and exploitation to be indulged in, the Government and Parliament should ask themselves why these goods are in such short supply?

Why have we taken 10 years to get back to a degree of normalcy? After all, before the war we did not talk about price control. We went through a period when, in many instances, business people were making no profits at all. In those days we relied on competition to maintain prices at a reasonable level; and I think that the man in the street hopes fervently that we shall get back to the stage where goods were in adequate supply, a good selection was available, and he could make his choice. I believe that is a much more satisfactory state of affairs than one under which there is an attempt by legislation to decide how much shall be paid and under which there are restrictions and malpractices.

Everybody knows that once price control is established on articles—let us say, women's shoes—they are classified and fall into certain price categories. The manufacturer gets to work and decides what he can do to put a certain pair of shoes in a higher price category. An extra 3s. or 4s. can be added to the price because some fancy stitching has been included. Such trends do not make for good value for money paid. They do not protect the purchaser, who is much better off if he can pay a price determined by proper competition.

I am well aware that this legislation is part and parcel of Labour socialistic policy. The Labour Party believes in a controlled economy, and price control is part of that policy. I think that is the real reason for the introduction of this Bill. If the Minister really felt that there was an economic reason and justification for it, and that excessive profits were being made, he should have cited them in support of his Bill. But he did not give a single instance.

The late Mr. Chifley is often referred to as having been an advanced socialist. Although many of us may have disagreed with his political theories and philosophy, I think we should all have respected him, and did respect him, for being a frank and forthright socialist. He made no secret about his socialistic theories. He believed in them, and preached them, and stood for them, and made no secret of the fact that price control was merely one of a number of controls that the Labour socialistic theory of a controlled economy called for.

Speaking from memory, I think it was in 1945 or 1946 that wage-pegging was abolished at the behest of the Labour movement itself and, at the time, Mr. Chifley was bitterly opposed to its abolition because he felt—and I quote his own remarks—that it was the keystone to the arch of their controlled economy. He realised that controls were complementary to one another and that one of them could not work efficiently and properly without the others. As the member for Mt. Lawley pointed out, it is necessary to have wage-pegging, direction of labour, direction of material and of capital issues and other sorts of controls, including credit control, which go with a completely controlled economy, and the only way for any control to work properly and efficiently would be as complementary to other controls. We have either to have a completely controlled economy or else a reasonably free economy.

The Minister for Labour: Do you think that combines could be controlled?

Mr. HEARMAN: As a matter of fact, I do not think this Bill will do very much towards controlling any combines, because combines of any consequence exist outside this State; and if the Minister thinks he

will get at them—for instance, at the oil companies—through this Bill, he is beating the air.

The Minister for Labour: I had in mind the free enterprise Bill.

Mr. HEARMAN: Perhaps the Minister did have that in mind. If that is so, I suggest that he bear in mind what the Leader of the Country Party had to say about that Bill—namely, that he did not know of any instances in this State where combines were working. In fact, I think he based his whole argument on the fact that his Bill was a preventive measure. I think the Minister cannot hope to make much profit out of his argument if he bases it on the speech of the Leader of the Country Party, because that speech tends to cut the ground from under his feet. It would have been much wiser if he had kept that interjection to himself.

I am not satisfied that any large combines which the Minister might seek to deal with could be controlled by State legislation. I think that a good many of them could not be dealt with by Commonwealth legislation, because they are of an international character, and it is particularly difficult to run all such operations down. We know what the position is in Queensland where there is control of petrol. We know that the effect has been to deny the people the opportunity to purchase petrol for which modern cars are designed; and to that extent, the people are placed at a disadvantage by price control. I do not know whether the Minister has any idea how to overcome such a situation, but it would be interesting to hear him on the subject.

Again I reiterate that I am well aware this is part of Labour policy; but if the Labour Party has not the courage of Mr. Chifley to put the whole socialistic programme into effect, I do not think it can expect any great advantage to flow from the introduction of legislation to effect control of small portions of the economy. All controls are complementary and have to be handled together; otherwise, we are much better off without them. I do not think there is any such thing as a little control; it is like saying that one must have a little discipline. One either has or has not discipline.

Amongst other wanderings during his speech, the Minister apparently took the Retail Grocers' Association to task because in its journal it purported to disagree with the idea of price cutting. I do not know where the Minister's logic leads to. For many years, the trade union movement has tried to assure work being done for not less than a minimum wage. It has never believed in the idea of people competing for jobs by offering to work for less. It felt that the standard of living of the workers had to be maintained,

and for many years has organised to ensure that that standard of living shall be maintained by a strict observance of the arbitration laws, with particular reference to seeing that nobody works for less than the award rates.

On numerous occasions it has taken drastic action against individuals who have worked for less than award rates. It has coined the word "scab" for such people and, generally speaking, has decried such a policy. The retail grocers have not a trade union such as a trade might have, but they have an association; and because that association endeavours to employ the same principles as the trade unionists, apparently it is to be decried by the Minister.

The Minister for Labour: The court fixes the wages of trade unionists.

Mr. HEARMAN: I know. That is a bit like the flowers that bloom in the spring: it has nothing to do with the principle.

The Minister for Labour: It has a lot to do with it.

Mr. HEARMAN: The trade union movement has never denied the importance of ensuring that people work for the accepted and ruling rates of wages and is very hard on people who offer to work for less.

Mr. Lawrence: Do you relate that to prewar days or today?

Mr. HEARMAN: It applies today the same as it did 20 years ago.

Mr. Lawrence: You are wrong.

Mr. HEARMAN: Does the hon. member want to argue that the trade union movement encourages people to work for below award rates?

Mr. Lawrence: I worked for a farmer for 15s. a week and kept before the war, and I managed the farm.

Mr. HEARMAN: Was the hon. member a member of a union?

Mr. Lawrence: There was no union to cover the situation.

Mr. HEARMAN: In that case, the hon. member's argument breaks down.

Mr. Johnson: Your argument breaks down, because you are trying to compare a human problem with a business problem, and they are not comparable.

Mr. HEARMAN: I am saying that what is sauce for the goose is sauce for the gander. If it is good enough for a trade union to set a standard and take action against people who do not observe that standard and tend to undercut it, there is nothing wrong in principle with retail grocers saying that the standard they believe in should be observed and with their not wanting to encourage people to undercut prices. I do not know whether the Minister wants to argue that it is good enough for the trade union movement to

oppose undercutting of wages, but that it is wrong for the Retail Grocers' Association to protect the standard of living of its members in the same manner. After all, that is what it amounts to—the standard of living of these retail grocers. The Minister knows that price cutting is indulged in in the grocery trade, and that quite a number of smaller grocers are feeling the pinch.

In fact, I am led to believe that, in the metropolitan area, numbers are finding it difficult to carry on because margins are so small that, unless there is a big turnover, the grocer gets a pretty small wage. The Retail Grocers' Association seems to be attempting to deal with price cutting below what might be regarded as a reasonable and proper margin. I do not know whether the Minister has any quarrel with that as a principle. It seems to me that he should not have any such quarrel.

Mr. Johnson: The Liberal Party should not have any quarrel with it.

Mr. HEARMAN: I have no quarrel with the Labour movement's attempting to stop wage cutting by people working for less than the established standard. I do not necessarily subscribe to that. But I say that if it is good enough for unions to do something to protect their members, surely it is good enough for the Retail Grocers' Association to do likewise.

Mr. Johnson: It is wrong by Liberal philosophy, because it is opposed to competition.

Mr. HEARMAN: That may be so. But there is this difference: No legal action can be taken to prevent a person from undercutting.

Mr. Lawrence: How do you suggest that they protect their members—by putting up the price?

Mr. HEARMAN: No; by simply saying that nobody shall work for less than the agreed standard. It would not manifest itself in the price of the article. The association has set what it considers to be a reasonable figure and wants its members to observe that in the same way as the trade union movement does.

The Premier: Do the unions fix wages?

Sitting suspended from 6.15 to 7.30 p.m.

Mr. HEARMAN: Before tea I made the point that the retail grocers have just as much right to set standards to protect their livelihood and ensure a reasonable return for their labours as has any other section of the community. I could not altogether follow the Minister's logic when he suggested that there was anything wrong about that, and I think the basic assumption which appears to prevail in the minds of the Government in connection with price control—that everybody in business is fundamentally dishonest—is an unworthy one. I do not think there

is any reason to suppose that purely because a man sets up in business his moral and ethical standards are then in any way lower than they were before, or that they necessarily suffer by comparison with the standards of those following any other walk of life.

The idea that tradespeople generally should be policed to ensure that they give proper value for money is just as likely to be repugnant to them as the suggestion that trade union members should be policed to ensure that they give a full day's work, would be to them, because whether or not a man is overcharging and whether or not he is working as hard as he reasonably could, in the final analysis it all comes back to the question of whether one is giving value for the money received. It seems to me that there is no reason to suppose that retail traders are necessarily a bad lot, and I believe the implication is an unworthy one, amounting to what might be regarded as a gratuitous insult to those traders and one which is not justified in the circumstances.

A great many traders, over many years and long before price control, worked on the basis of small profits and quick returns. Many years ago, that became something of a catch cry in the retail trade and it was the basis upon which many of the large chain stores unquestionably provided a form of competition which had the effect of bringing prices down, and while it is possible under price control it does not seem to be encouraged by such controls. That is one of the bad features of legislation of this kind.

The basic situation, which I mentioned earlier as one requiring price control, is where there are not nearly enough goods to meet the demand. If that position obtained at present—I do not say it does—it would be a reflection on the Government of the day, because it would mean that ten years after the cessation of hostilities in World War II we are still in a position of not yet having, as a State or nation, produced sufficient consumer goods to meet the demand. If the position were such that we had not sufficient consumer goods, it would be reasonable to expect some indication from the Government as to what steps it intended to take to increase the supply of goods in order to introduce greater competition into the retail trade. Actually, we have had no mention of that from the Government. There was nothing about it in His Excellency's Speech, and nothing of that sort was said by the Minister when introducing the Bill.

If we are still in the position of not having enough goods to go round, we are entitled to know what steps the Government proposes to take to overcome the difficulty. If that is the position, or if we find unhealthy practices developing in the

retail or any other trade. It is preferable that the Government should endeavour to deal with the causes rather than to try to cope with the effects, and at best price control can only pretend to cope with the effects of a shortage of goods which leads to exploitation of the public through excessive profits being made by retailers. With sufficient goods available, that should not happen.

I feel that what is required is leadership on the part of the Government to persuade those engaged in trade and industry generally to approach any difficulties which may be present, in a spirit of national helpfulness rather than to imagine that we can bring about a more desirable state of affairs purely by means of restrictive legislation. I have always thought that the British Labour Party has set a good example to the English nation, and the world generally, by the forthright statements that from time to time emanate from its leaders during trade union conferences and so on which are representative of literally millions of trade unionists.

The rather forthright statements that those Labour leaders are prepared to make indicate not only that they are aware of some of the basic economic difficulties confronting the country but also of the solution. I have noticed that they have never failed to stress the importance of keeping costs down through greater production and greater effort. That is not to say that they are unmindful or unaware of the responsibility which other sections of the community have to bear, but they are well aware of the responsibilities of the trade union movement, and they give that movement, in England, every incentive to put its shoulder to the wheel and do its share.

Contrary to what appears to be the feeling locally, the idea in England seems to be that they should strive towards community efforts, with the activities of various sections of industry complementary to one another rather than in opposition to each other. They realise that one gets the best out of the other chap by giving of one's best. That might be politically unpalatable to some people who do not think, but among those who think intelligently the holding of that opinion should earn nothing but respect.

I am prepared to give the trade union leaders in England full marks for the bold and enlightened policy which they formulate and put forward without reservation from time to time. Leadership of that kind would be very useful in this country at the moment, and it would do far more towards bettering the lot of the people generally than would the passing of restrictive or coercive legislation such as the measure now before us, which I think would be much more likely to bring out the worst in the business community generally. I do not think a good case was

put forward by the Minister to support the allegation that excessive profits are being made by the business community.

For my part, I believe there are good indications that business is becoming more competitive every day and I am convinced that the degree of competition is likely to increase owing to the generally lowered national income with which Australia is confronted. At the moment, the indications are that there will in future be less opportunities for exploitation than there have been in the past, and although I am not prepared to say that I do not think prices will rise—as I think they may rise because of increases in wages and so on—I do not see how we can expect industry to absorb an unlimited amount of the increase in wages.

Even if this legislation became law, I do not think the Government could give any guarantee that prices will not rise in future, and I noticed that the Minister was particularly careful to say nothing that would indicate that prices can be kept down. He was prepared to go no further than to say that the Government considered it had a clear obligation to give the general public all possible protection against any industry or trade which might be tempted to charge unduly high prices and make excessive profits on essential goods owing to prevailing circumstances.

The Minister has not pointed to any particular line of business that is making excessive profits, and the Government has given no indication that such a situation does prevail where excessive profits could be made. It has certainly given no sign of any steps it proposes to take to alter circumstances which would lead to that state of affairs, and in the light of that I hardly think it reasonable for the Government to expect this Chamber to pass the Bill when there has been no case established for doing so, and no indication has been given of the steps the Government proposes to take to alter a situation which would make such legislation necessary.

MR. ACKLAND (Moore) [7.44]: If I thought for one moment that the passing of this legislation would make it possible for the primary products of Western Australia or of the Commonwealth as a whole to meet overseas competition on anything like a favourable footing, I would gladly support the Bill, but I cannot see that the passing of the measure will do any good at all.

Quite recently there appeared an article in the "Daily News" to the effect that someone had suggested that price control would be as ineffective in preventing inflation as one dozen hankerchiefs would be in curing a man's cold. I believe that price control will fail to prevent the cost

of commodities rising. Had the Government decided to introduce some legislation supplementary to this measure; had it expressed its intention to peg wages during price control; had it decided to provide, by legislation, that workers were to give a reasonable output of labour in the 40-hour week and that there would be an obligation on all people—whether they be managers, operators or general workers of any description—to work to the full during the 40 hours, I would have seen some merit in it.

I believe that if measures of that description had been taken, some control of prices in this State would be warranted. So, as I have already stated, I feel that this proposed legislation can do nothing more than aggravate the existing state of affairs; that it will cause artificial shortages and will bring in its wake all the ramifications of blackmarketing. Members may not believe me when I say I would gladly support the Hawke-Tonkin Administration if I thought it would do something to make this State solid.

In my opinion we are in for a particularly bad time. Our costs of production are becoming so terrifically high that some day, some Government will be forced to take action to stem ever-rising costs. However, this legislation by itself cannot bring about that most desirable effect. I wish the Premier, instead of laughing, had read the report of a debate that took place in the House of Commons at the opening of its present session. If he had done so, he would have obtained a very different picture from what was said by the leaders in the Labour Party and trades unions of Great Britain.

The member for Blackwood has already referred to the remarks that have been made by the trades union leaders in that country. I would also like to quote a reference made by Sir Anthony Eden, which is taken from the Parliamentary Debates of the House of Commons dated the 9th June, 1955. It reads—

I was interested to read the other day—and that is what encouraged me to mention it this afternoon—an article by a Professor Arthur Lewis. I understand that Professor Lewis is regarded as a considerable authority by the party opposite. He writes a very interesting article in the "Socialist Commentary", which must be extremely reputable because it has a message from the right honourable gentleman the Leader of the Opposition at the beginning and it also contains an article by the right hon. gentleman the member for Leeds (Mr. Hugh Gaitskell), who was Chancellor of the Exchequer in the Socialist Administration, and also an article by a former Minister for Labour.

During the Prime Minister's remarks Mr. Herbert Morrison interjected that it was a most reputable periodical. The Prime Minister then went on to say—

The first is what this gentleman Professor Arthur Lewis has to say about nationalisation. He says:

... our ideas about the nationalisation tool are in ferment ... It doesn't solve the problem of labour relations; it reduces private wealth in importance, but only gradually; it raises unsolved problems of control; and it raises the issue of how much power we want our governments to have. If the party is to tolerate private enterprise while desiring a rapid growth of the standard of living, it must also rejoice when profits are high. It is traditional in our Party to burst a blood vessel whenever the word "profits" is mentioned.

Finally, the solution, which is what I found the most encouraging of all. He says that the solution is

... to spread property ownership widely instead of merely destroying private property.

There we have one of the most prominent men in the English Labour movement suggesting a way by which the cost of living can be controlled other than by legislation similar to that which is now before us.

In "The Daily Telegraph", dated the 16th July of this year, there is an article headed, "Home Truths for the Unions." It reads—

At the conference of the Transport and General Workers Union, which ended yesterday, Mr. Tiffin, the new general secretary, met the wilder demands of the rank and file with the same directness that used to distinguish his predecessors. Faced with demands for the nationalisation of insurance, the docks, engineering, flour milling, sugar refining and tea distribution, he asked the conference "not to go on record as wanting nationalisation everywhere and anywhere ... There must be some real hard thinking before the next election." The resolution demanding a 40-hour week though it was carried against the advice of the executive, brought him to a fine pitch of scorn. "We are short of workers," he said. "There is work to be done. Are you going to do it by working a 40-hour week? If it is an increase in basic rates you are after, say so ... It is hypocrisy."

I have here several newspaper clippings which report the leaders of the Labour Party in England and the members of the trade union movement as stating that they are all out to increase production to bring

about the solvency of the nation and to increase the standard of living in that country.

I do not believe for one minute that the trade unionists are the only people who are not pulling their weight in Australia. I consider when that awful cost plus system was introduced into this Commonwealth, it was the greatest incentive to high costs that we ever had. I believe that the manufacturers and the distributors are equally, if not more, responsible for the conditions that existed in this country than the members of the trades union movement. However, we find again in the United Kingdom that industry, with the assistance of labour, is bringing about greater production together with a reduction in the cost of articles and increases in the pay envelopes of the workers.

Another article that I have mentions factory costs and the way they have been reduced. It reads—

**Factory Cuts Costs by 21 Per Cent.
Success of Work Study Methods.**

Higher production and improved labour relations have been achieved by British chemical firms during the past five years through work study.

Results obtained by 14 firms using such schemes were described by Mr. W. J. Worboys, chairman of the Association of British Chemical Manufacturers at a Press conference in London yesterday. In one factory labour costs were cut by 21 per cent., while wages rose by 30 per cent.

Another chemical firm which employs 1,400 people reported that in all cases where work study had been applied, operating costs had been substantially lowered usually due to the greater output achieved from the same plant and labour. The gains have been significant, sometimes amounting to over 50 per cent. within a few months of the application of work study.

Thus, in the United Kingdom, there is a totally different attitude both by the magnates of industry and the workers, instead of introducing legislation to again bring in price control with all its ramifications.

It will be seen that the people comprising both parties in England are getting to work; one side telling the man that he must give a reasonable day's work for the wages he receives and the other side telling the employers that by reorganising their methods of working they can share the profits with those that work with them. Another cutting from "The Daily Telegraph," dated the 6th July, 1955, reads as follows:—

**Miners Told to Think of the Public.
Go-Slow Challenge:**

It was time for those in the coal-mining industry to think of others, the public, said Sir Hubert Houldsworth,

chairman of the National Coal Board, today. He was addressing the annual conference, here, of the National Union of Mineworkers.

You know you have been dealt with fairly under nationalisation. You know that there are few of your members that would like to return to the past.

We must work together to improve the output and efficiency of the industry. It is worthwhile, even, for the self-interests of your members. It is certainly worthwhile for the country.

If there were a political party in this country that was willing to adopt the attitude that has been taken by the people of Great Britain, although I have been elected to represent the people of my electorate in the interests of the Country Party, I would be very glad indeed to support the Hawke Administration in any move that it took to make this State solid.

Mr. Brady: Do you think that farmers ought to peg the price of wheat?

Mr. ACKLAND: I think the price of wheat is already pegged and has been for many years. I am glad the hon. member has asked that question because I will give him some information in regard to what the wheat farmer has done for him, for me, and for everybody else in this State.

Mr. SPEAKER: Order! I think the hon. member is getting away from the Bill.

Mr. ACKLAND: I would like to give some figures to the hon. member which would give the lie direct to the suggestion that wheat farmers are not pulling their weight. However, there will be another opportunity to do so and I will be pleased to supply such information to the member for Guildford-Midland. It is relevant to the subject, in my opinion, but in deference to you, Sir, I will not mention it at this stage. However, the fault does not lie entirely at the feet of the members of the industrial movement nor does it lie at the feet of the manufacturers. Nevertheless, I have in my possession a letter which has a great bearing on price control. It was written to me by a man whom I have never heard of before and who lives at Manjimup. His letter deals with the excessive profits made by the middleman and I would like to read that portion which is relevant to the Bill. The writer says—

I am a fruit grower—in the main—for a living handling stock and at times vegetables. The following are facts and if required I would make a statutory declaration as to the truth of same. Name of greengrocer supplied if required. February 1954. I sold Gravenstein apples (early desert variety) to local greengrocer at 15s. per case or 4½d. per lb. approximately; these apples were retailed at 1s. per lb.

August-September 1955, I have sold and am selling swedes. I am paid £2 per 140 lb. bag, approximately 3½d. per lb. The same swedes are and have been retailed at 9d. per lb.

You may wonder why I do not send to Perth. Most of my apple crop is export and in any event one gets no better returns in Perth after expenses. You will notice I get approximately 35 per cent. of the retail cost of articles mentioned. The shopkeeper gets 65 per cent. for selling. Incidentally, produce is delivered into his shop by me in price quoted so I really get 35 per cent. for growing and cartage.

One might consider that is a good illustration to support price control. I believe it would be ineffective because one would find resistance from the storekeeper and under the lap he would buy his requirements at possibly a lower price than that now ruling. I think that the resistance of the public would be a very potent weapon to use in preventing these tremendous profits, an example of which is given. I consider that this measure taken by itself can do no good. On the contrary, it will do a tremendous lot of harm.

If the Premier really wants to reduce costs and if he really wants to make price control effective, he could do a tremendous lot on his side. Instead of supporting all these wild resolutions coming from the industrial group, he could suggest first of all that the workers gave service to the community and that they gave a full day's work for a full day's pay.

Hon. J. B. Sleeman: I like that! It is a lot of cheek to hear that from you!

Mr. ACKLAND: If that were done, I believe enough pressure could be brought to bear on the Leader of the Opposition and the Leader of the Country Party to use the influence they have on the manufacturing section of the community to do the right thing and to take a reasonable profit for the services which they give.

Mr. Johnson: You agree that they are not giving fair service now?

Mr. ACKLAND: That is the opinion of the hon. member.

Hon. J. B. Sleeman: You have just been away on a six month's holiday. How about doing a bit of work yourself?

Mr. ACKLAND: If the hon. member had worked as hard as I have, he would realise what hard work was. I know something of his history.

Hon. J. B. Sleeman: You have got very cunning since then.

Mr. ACKLAND: The passing of this legislation will not have the desired effect. It will bring in its train a tremendous amount of abuses and I intend to oppose the Bill.

MR. BOVELL (Vasse) [8.5]: In introducing the Bill, the Minister said very little. On this occasion it is wise to reflect on the need for price control in the war years. Manpower was then diverted to the defence of the nation and in view of that there was a great depletion of the labour force in industry. As a result there was a great shortage of goods. For that reason, protection of the public was necessary and temporary legislation was introduced and carried on from year to year until the emergency had passed. I believe that the emergency passed some years ago and the legislation was allowed to disappear from the statute book. In introducing what I might call a vicious measure of 52 pages with 66 separate provisions, the Minister said—

The Minister for Labour: The same provisions were introduced by your Government in the first place.

Mr. BOVELL: —very little about the measure. It was only through an interjection by me that he admitted it was the intention of the Government to make this a permanent measure. Even during the darkest years of war, no Government in Australia, irrespective of its political colour, considered that price control was necessary.

The Premier: That is not correct.

Mr. BOVELL: It is.

The Premier: It is not.

Mr. BOVELL: Perhaps it is not. Perhaps the year 1921 was in the minds of those who framed the Bill, who felt, it was necessary for the Government to socialise production, industry, distribution and exchange. I believe that this measure has been introduced in an attempt to complete the pledge of the socialists in 1921, when the Labour Party completely changed its political complexion with the object of socialising Australian production, industry, distribution and exchange.

Mr. McCulloch: What was the name of the Liberal Party in 1921?

Mr. BOVELL: The Minister gave no valid reason for introducing this measure, let alone one for making it a permanent piece of legislation. Today in industry competition is greater than ever before. We can study the storekeeper who deals in groceries.

The Premier: What about the price of petrol?

Mr. BOVELL: If the Premier is at all serious in his so-called endeavours to help the working man, he should be concerned with the items in the "C" series index which today are all in ready supply. If the Bill is passed, competition will disappear completely.

The Premier: Drivel.

Mr. BOVELL: Today there is competition in the sale of groceries. In our democratic country we believe that competition is the

best means of making goods available to the consumer at reasonable prices. Competition in the clothing industry is very keen today. Let us go back to the war years when it was difficult to buy a suit of clothes and when it was difficult to purchase groceries included in the "C" series index. Exploitation might have resulted had not certain measures been taken, but today all those commodities are in ready supply. There is no reason at all for introducing this measure now. Let us look at some of the provisions in the Bill. One is that the commissioner or any authorised officer may enter upon and search any premises, and inspect any documents, books and papers, and may inspect and take samples of any stocks of declared goods or of any other goods.

The Minister for Labour: That was what your Government agreed to six years ago.

Mr. BOVELL: A further provision says that the commissioner or an authorised officer may impound or retain any documents, books and papers produced to him or inspected by him in pursuance of the legislation.

The Minister for Labour: You accepted that in 1949.

Mr. BOVELL: That is socialism in its worst form. Competition in the sale of goods has never been keener than today. All the vicious provisions in the measure are not only going to hamper free trade, but they will mean building up an army of public servants whose services could be better utilised in other respects.

Mr. McCulloch: Better utilised in Malaya.

Mr. BOVELL: They could be utilised in the production of commodities that are needed by this country. The Minister did not inform the House of the number of officers that would be employed in the control and administration of the Prices Control Branch. He did not say what it would cost the taxpayer. He passed over these vicious matters in the Bill.

Hon. Sir Ross McLarty: The Minister said it would cost over £1,000 per week, but he would not be able to do it for anything like that amount.

Mr. BOVELL: That would be £52,000 per year. In a measure of this nature, which is all-important and which, in my opinion, savours of the worst features of socialism, the Minister should have spent a longer time in informing the House of the provisions and the effect they would have on industry. I repeat that had it not been for an interjection on my part, he would not have disclosed in his speech that the measure was intended to be a permanent one.

The Minister for Labour: That is obvious because there is no term stated in the Bill.

Mr. BOVELL: That is the worst feature of the Bill and it emphasises the fact that the Government is endeavouring to continue on its path of socialism.

Mr. McCulloch: In 1921. What about saying that?

Mr. BOVELL: I want to record an emphatic protest at the introduction of this measure.

Mr. McCulloch: You are full of complaints tonight.

Mr. BOVELL: It is beyond my comprehension why the Government should have introduced such a measure. The only conclusion I can come to is that it had hoped to make some impression on the electors in the two recent by-elections for the Legislative Council, but if the electors had been impressed with the Government's sincerity of purpose, I am sure that the result of the by-elections would have been vastly different. I notice that the Premier is finding it very difficult to keep a straight face. He is trying to cover up his discomfiture. He knows that the whole object of this measure is to further socialism which his colleague in the Federal House has stated is a dead letter because it does not meet with the wishes of a majority of the people of Australia today.

Reference was made by the member for Moore to the Premier and his association with the industrial groups. I wish to disabuse the mind of the member for Moore. The Premier is opposed to the industrial groups and is a supporter of Dr. Evatt.

The Premier: Brilliant!

HON. C. F. J. NORTH (Claremont) [8.17]: I cannot let this occasion pass without taking an opportunity to speak. In our Standing Orders there is a provision dealing with tedium, which is not permitted. It is termed "tedious repetition." It is not the repetition that is forbidden; it is the fact of being tedious. So I say that this is a question that should be dealt with by means of a pamphlet or article. Fancy our rising to talk on this difficult and abstruse question when "The West Australian" took pages to deal with it!

When the war was on, I was greatly struck with the success of price control at that time. Under the original provisions, there was hardly any rise at all in prices for years. Surely it was realised at the time when there were torpedoes, shells and bombs smashing up goods that great losses were occurring, and yet prices hardly rose at all. But at that time we had subsidies amounting in England to hundreds of millions a year and in this country to millions a year, and under those conditions price control, in my opinion, worked extraordinarily well. We must bear in mind, however, that during

the same period there was wage control; wages were pegged and it has been realised that this control might have to come again.

Then came a change. Those who had the duty of advising the Government proposed that the subsidies should be withdrawn. This was done, and control has operated less and less until today we are back to free competition, which is another form of control. The question is whether we should revert to the former control without subsidies or whether we should have control by private enterprise. I am convinced that without the provision of large subsidies, we shall never get stabilised control.

When it comes to a question of subsidies, we have one set of people saying that subsidies are provided from taxation and therefore are of no real value. Others maintain that subsidies are costless because they are accompanied by an enormous increase in the issue of Treasury bills, and this applies in England as well as in Australia. This means that subsidies under orthodoxy are really inflationary and dangerous. So we get back to the original position where we are asked to enforce controls without subsidies in order to make them palatable.

Mr. Ackland: Subsidies in the United Kingdom amount to £290,000,000 a year.

Hon. C. F. J. NORTH: And they were much greater during the war, I believe. There is a third system between open competition and price control which was brought forward during the war by Major Douglas. The other night when I was speaking, some interjections were made on this point, but I avoided them because I did not want to spoil the trend of my remarks. Tonight there is an opportunity to deal with that matter, so the few minutes available to me to speak will be devoted to this third system, which might very well have been proposed as an amendment to this measure had it been tested elsewhere.

There is a country named Alberta which three times voted for this system. It is called, not price control, but price assistance. The object of it is to enable a man to sell his goods at a reasonable price and to enable decent wages to be maintained without anybody being ruined. I think that is a fair statement of the position. The people of Alberta went to the polls on three occasions and voted in order that the system might be tested.

What was the result? A constitutional rebuff from Ottawa. They were not permitted to put into operation what they desired because it was unconstitutional. The blue prints were made, the machinery designed and the people voted in favour of this system, but they were not permitted to try it. No one yet knows what the result would have been because the system has never been tried. This system is based on

production. If production failed, prices went up. However, the system has never been tried and so we are no better off.

This brings me to my next point. When Sir Ross McDonald was a member of this Chamber he said that it should be possible to arrange for one country to try a certain system and for another country to try another system. This does not imply that any particular system would be right, but by a process of trial and error, we might get nearer to the truth. Today we are merely floundering. I can sympathise with the Government in its having introduced this measure. It knows, as we all know, that the present system is not all it should be. By way of analogy, we know the position in this Chamber and the benefit of the beautiful lights. If we had rush lights, there would soon be complaints and inquiries as to why we could not have something better. So in regard to prices, we are trying to do the best we can, and we are quarrelling over a historic method as against an up-to-date economic method.

Tonight I am able to produce one or two cuttings containing remarks made, not by a member in this Chamber, but by a university professor. I wish to stress that this does not reflect the Liberal, Labour or Country Party viewpoint; it is the opinion of a man who is not tied down by party and who is able to think for himself. Speaking of the conditions of modern life, he said that prices must be decreased or incomes raised. That is exactly what we are all striving to bring about. That is what Major Douglas wanted to do; it is what the people of Alberta wanted, but they were told it was unconstitutional. They were not told that it was right or that it was wrong; they were merely told that it was illegal.

However, the opinion of a person outside this arena is that we must reduce prices or increase wages. How is this to be done? The Government says we must prevent overcharging. That is what it is aiming at. We were told by the member for Nedlands about the new commerce where automats are being used to turn out goods without the aid of manpower. Can we carry on under those conditions without some change? The professor was right in saying that prices must be decreased or wages raised.

During my years in this Chamber, I have tried to devise various ways of meeting the situation. On one occasion, I suggested that the Government should offer £100,000 to the person who could devise successful means of attaining the desired object. Of course, nothing came of that suggestion, although the chairman of the Bank of England allotted a similar amount for inquiries to be conducted along the same lines. I am told that Britain is prosperous and is doing well under her present economic system.

The point I wish to make is that while I commend the Government for having brought this measure forward as an effort to meet the situation, it will not be successful. There is room for further inquiry, something along the lines of the inquiry by the Banking Commission that sat some years ago. With all the new factories and new methods, there will be a further demand, not only for shorter hours, but also for lower prices or increased wages. The question is: How can this be brought about? Just as we had an Edison in the lighting world, we need someone in the economic world. We are not here to devise these plans. As Mr. Curtin once said, if a bridge is wanted, we decide to have it, but it is not for us to tell the experts how the bridge should be built.

There is another point to which I wish to refer—a crying question that ought to receive consideration, and here I must thank you, Mr. Speaker, for the latitude you have allowed me so far. There is a section of the community that is suffering under the present system more than is the average person; I mean those people who are on fixed incomes. The measure, might, if it were to become law and it stopped prices rising, help that section but not as much as if that section were dealt with separately. I refer to those who draw fixed incomes from savings, pensions or superannuation. For instance, ex-members of Parliament go out with a few pounds a week, and they do not get any benefits from inflation.

It has been suggested, and I believe it is so, that over a period of, say, 10 years, the real wages increase. I am not saying, this month or this week, but over a period. On the whole it is claimed that while inflation is very devastating—that is, a rise in prices and profits—the fact remains that the real wage of the community—goods and services—is increasing. If that is so, there is very little excuse for this country to permit that section which is on fixed wages, to suffer.

The Premier moved in the matter with the Prime Minister with regard to another side of the question, as to what were the causes of inflation. Having established the fact, if it could be established, that there is a definite rise in the real wage of goods and services, I think the real wage increase should be covered by an equalisation fund, which is a simple matter for economists and bankers to work out, but not members of Parliament. As a result of that fund, those people on fixed incomes should not be penalised, but recouped as prices rise. That would alter the whole outlook of the trouble of mild inflation, which is nothing more than ink, if we were all in it. If everybody in the country were involved in mild inflation, it would not hurt anybody.

The Minister for Health: Does that not apply to America, to a certain extent?

Hon. C. F. J. NORTH: I think so, but that does not alter the matter. When it is shown to the community, under this Bill, that the real wages of the country are being raised, we can no longer escape that duty. With these few remarks, I will leave the measure now for the next speaker.

MR. OLDFIELD (Maylands) [8.33]: Once again we have before us a Bill aimed at introducing price control into this State. Legislation of this nature is important to the degree in which one is interested; and also depending on the political point of view one takes of it. When the Minister introduced the measure, he put forward certain reasons and thereby tried to point out the virtues of price control and to establish the necessity of having price-fixing legislation when, in fact, the real reason why the Minister introduced the measure was because it is part of the platform of the party to which he subscribes.

I am not criticising him for introducing it. He has done his duty to the party which he supports, and which supports him. He has introduced legislation to conform to the platform of the Australian Labour Party. Written into that platform is the fact that it will at all times work for complete price control of goods and services. Therefore those on the Government side are bound to support the legislation whether they agree that it is necessary or not. They will support it because it is part of their platform. Conversely, we on this side of the Chamber will oppose it because it is part of our policy to oppose price control and any other form of control which can be termed socialistic.

The Minister for Labour: Since when?

Mr. OLDFIELD: The parties on this side of the House are opposed to price control.

The Minister for Labour: Since when?

Mr. OLDFIELD: I know what the Minister is aiming at. He is going to suggest that for six years the Liberal and Country Party Government retained price legislation.

The Minister for Labour: Yes.

Mr. OLDFIELD: If the Minister will allow me to continue, I will state why it was introduced for certain periods. Price control, as the previous speaker mentioned, was originally introduced into Australia during the war. Wages and prices were pegged for the general economic welfare of the nation which was then, as I have said, caught up in a war. The legislation was introduced, if I remember correctly, by a Federal Liberal-Country Party coalition government for the economic welfare of the country at the time.

Once the war was brought to a conclusion, it was not considered possible or desirable from an economic point of view

to do away with wartime controls immediately. The Federal Labour Government, at the end of the war, found it necessary to continue these controls. We well remember the referendum dealing with price control, which was defeated by the people of Australia. As a result, the then Chifley Government decided to hand back all price control powers to the States each of which, at the time, decided it would be preferable to retain price control legislation on its statute book for a little longer.

The problem every State was faced with was this: When would it be possible and desirable to do away with such control? That is something which will always face governments in the future—when to do away with controls that are imposed in times of necessity, such as wartime, times of depression or of economic chaos. We could always adopt the line that the time is never right. We never know whether it is right until the step is taken. If the step is taken and the control is done away with, and chaos ensues, there is always the alternative of putting the measure back on the statute book. If chaos does not ensue, then the action of removing the legislation has been justified.

We must remember that price control, as a policy, is aimed at upsetting one of the natural laws; or of endeavouring to control what has been a law of nature from time immemorial. I refer to the law of supply and demand which has stood the test of time, despite what some people may say about it. They will talk about times of shortage when costs reach a figure beyond the pocket of the common man; they will speak from the producer's point of view and say that when goods are in plentiful supply the producer is held to ransom. Organised and orderly marketing may, to a certain extent, overcome some of these difficulties.

But when we speak of price control, are we, by legislation of this nature, aiming at controlling each and every article and service? Are we going to say that we will have price control of labour, as well as of goods and services, as was the case during wartime? Are we going to control the price of goods to the primary producer, which was not the case when we previously had this legislation? Are we, under price control, going to compel the primary producer to sell his goods or produce at the fixed price? We can certainly prevent him from selling at more than the fixed price, but can we prevent him from withholding his produce from the market?

We well remember only three years ago when the retail butchers in the metropolitan area were paying more on the hoof for the meat they retailed in their shops than was the permissible maximum price. That meant that the butcher, in order to remain in business—a number went broke, so they all must have been guilty—had to

sell at blackmarket prices; that is, at prices in excess of what was permissible. If not, he had to sell an inferior product.

Mr. Yates: Look at the trouble there was on the Goldfields; and weighing light.

Mr. OLDFIELD: The principle of weighing light is much the same as selling beyond the price permitted. It is cheating the law. The public were aware of the position the butchers were in. They knew the butchers were breaking the law, and so did the Prices Control Branch, because we saw very few instances of butchers being prosecuted. The prices branch kept away from the butchers' shops; evidently the inspectors did not go to them as they did to the greengrocers and general storekeepers, because the branch was well aware of how the butchers were situated, and the farcical position that could arise from prosecutions aimed at the butchering trade.

We must examine how the butchers found themselves in that position. It was because the price to the primary producer was not controlled, and no one could compel the primary producer to put his beef or mutton into the market. There was trouble in Kalgoorlie, as the member for South Perth suggested. I think the butchers there brought in beef from the Eastern States at one stage. At the time the butchers were just about fed up because of the exorbitant prices they had to pay.

That was not only so far as the primary producer was concerned, but because it was in excess of what they could economically pay and then be able to retail within the margin allowed by the Prices Control Branch. The butchers decided they would pay only a certain amount for a particular quality of beef, and we had the spectacle, because of the bidding not reaching the reserve price put on by the primary producer, of the cattle being shipped back to the farm. That happened on more than one occasion.

Hon. A. F. Watts: They will fix them under this Bill. Look at Clause 50.

Mr. OLDFIELD: I understand it does give power to fix it.

Hon. A. F. Watts: Not fix the price, but the producer.

Mr. OLDFIELD: Be that as it may, if we must have price control, I find nothing wrong with that. I find it impossible to subscribe to the view that we should have a maximum retail price fixed whilst the price to the producer is not pegged. We previously had that ridiculous state of affairs. Another obnoxious side of what existed previously was the cost-plus system. That was the most iniquitous system of fixing prices ever introduced, and I would say that the cost-plus system was nothing but a premium on inefficiency.

We had the position where a backyard manufacturer could decide to start producing a certain class of goods which were in short supply. There was no need to advertise such goods.

The backyard manufacturer could go to any retail or hardware store and quit the whole of his output without any effort at all. In such instances, the retail store-keeper would say to him, "We will take them. What price can we sell them for?" So the manufacturer would go to the Prices Control Branch, and its officers would say, "What is your cost of production?" They would examine his books, discover his cost of production and then tell him that on top of that he was entitled to charge 5, 10 or even 20 per cent., depending on the type of article. So the article would be fixed at cost-price plus a certain percentage. The retailer, in turn was entitled to put his margin of profit on top of that.

So one could go in to a retail store and see two articles side by side, both designed for the same purpose. One would be an inferior article but it would be far dearer than the other, which would be made in a factory where efficiency prevailed and where mass production was the order of the day. The retailer was making a greater profit and charging a higher price for the inferior article than for the superior one. Consequently, under such a system efficiency was not the keynote; it just did not pay.

We also saw the spectacle where unscrupulous manufacturers realised that for the goods they were producing there was no maximum price; only a maximum margin, which was tantamount to profit control. The manufacturer could see that the only way to increase his profits, apart from increasing production which might have necessitated extra effort that he perhaps was not prepared to make—or perhaps it required extra capital for more efficient machinery which he was not prepared to outlay—decided that he could make so much more per week by increasing his cost of production.

He would give £1 a week rise to his employees. He might try to entice an efficient workman from one of his competitors in the business, and so he might offer wages far in excess of the award, thereby increasing his costs. In such an instance, all he would have to do would be to apply to the Prices Control Branch for an increase in the price of his goods. That was automatically granted because the manufacturer could produce figures to show that his cost of production had increased. It was like the little dog chasing its tail; it had no end.

If raw materials were in short supply, some manufacturers had no hesitation in offering ridiculous prices for them knowing full well that they would be recouped

upon application to the prices branch for an increase in the price of goods manufactured. Every increase, of course, naturally increased the margin. So, if one examined the position thoroughly, one would find that the inflationary trend from 1949 to 1952 was possibly caused by the cost-plus system; at least, it would be one of the main contributing factors.

I know the desire behind this measure—to keep prices within the reach of the common man's pocket and to keep a turnover of goods and the wealth of the country circulating. As the member for Cottesloe pointed out, the Government of the day proposes to keep prices at their present level, or to attempt to lower them, and thus increase the purchasing power of the pay envelope through the medium of price control. Another school of thought is to allow prices to remain where they are and increase the pay envelope; still a further idea is to leave both as they are, increase production and prices will fall automatically by virtue of competition. I favour the last mentioned.

If we want to find a cure for our economic ills, I think we should look further than price control because, as I stated earlier price control should be introduced only in times of necessity or danger when we need to apply a brake to give us time to look around for some alternative. We already have legislation before this Chamber which could well deal with the problem. I cannot refer to that legislation, but in other parts of the world the same type of measure is in operation and it makes it illegal for people to conspire to control goods in short supply or—

[Mr. Hill took the Chair.]

The Minister for Labour: To influence the prices.

Mr. OLDFIELD: Yes. It prevents people from putting their heads together to influence prices one way or the other. I think that legislation along those lines would be the most efficient and surest way of dealing with this problem. We could then allow the law of supply and demand to operate.

The Minister for Labour: I do not quite get you.

Mr. OLDFIELD: We should have legislation to prevent the manipulation of markets to create shortages or surpluses—

Hon. L. Thorn: Where are all our potatoes?

Mr. OLDFIELD: —which does happen from time to time. So I cannot bring myself to regard this measure with any great favour because, although it is aimed at doing what we would all like to see done, I do not think it is the proper way to tackle the problem. There are other ways of doing it. For a start, this legislation is restrictive; it will create a premium on inefficiency and will, in some instances, do away with incentive in some industries.

After all, it is the hope of reward that sweetens labour; and therefore we cannot expect industrialists to increase production in their factories if there is no incentive for them. Likewise, we cannot expect people to enter businesses if they know they are to be controlled by the method proposed under this legislation and are to be permitted to make only a certain amount of profit in any one year. Even then, the Federal Government takes a huge bite out of it in taxation. So, in the interests of the future expansion of industry; in the interests of the future efficiency of industry and progress, and having the economic welfare of the State at heart, I oppose the Bill.

MR. ROSS HUTCHINSON (Cottesloe) [8.55]: I oppose this Bill as strongly as I opposed a similar measure last year. Indeed, I believe that the whole of the Opposition strongly opposes it, and it might be said, with no little truth, that the day when no voice is heard in opposition to a price control measure, the power and the splendour of the individual is largely lost. As other speakers have pointed out, price control is a socialist measure and one that seeks to achieve what the law of supply and demand would achieve if left untrammelled.

I could on this occasion have quite simply referred to the speech I made on the second reading of a similar measure last year and I could refer members to "Hansard" of last year, at page 835; they would find that that speech would adequately cover the situation as far as I am concerned, and possibly as far as the opponents of price control are concerned. Like the member for Maylands, I believe that price control has its place—a very restricted place—in times of extreme national danger, such as during a war. The Minister, in his second reading speech, said that it was the Government's considered view that the present measure was necessary because of the upward trend in the prices of essential goods and services, and therefore he intended to put a blanket control on those goods and services.

A previous speaker pointed out that a number of essential goods and foodstuffs are already well controlled and price control will have no effect upon them. I might mention bread. That commodity is controlled at present through the bringing into operation of the Profiteering Prevention Act. Butter and sugar are both controlled federally because of agreements that have been reached, and potatoes and onions are controlled by boards. So, too, are eggs controlled. There we have bread, butter, sugar, potatoes, onions and eggs which are controlled, and that by no means represents an exhaustive list; it is one I have just jotted down. They are controlled at the present time, in effect, because of the action of boards or equalisation schemes.

The Minister for Lands: Prices are not controlled in all those cases.

Mr. ROSS HUTCHINSON: The prices are, in effect, controlled.

The Minister for Lands: Potatoes are not controlled to the consumers.

Mr. ROSS HUTCHINSON: In effect, the industry is controlled and the price is the one that fits the board's measures at the time.

The Minister for Lands: The wholesalers and the retailers dealing in potatoes can charge what they like.

Mr. ROSS HUTCHINSON: The Minister cannot get away from it. It is board control of that commodity.

The Minister for Lands: We are talking about price control.

Mr. ROSS HUTCHINSON: I have mentioned six essential foodstuffs. I now ask: What about meat? Is it intended that the Government will again control the price of meat?

Hon. Sir Ross McLarty: Let the Minister for Lands have a look at Clause 50 and tell us what he thinks.

Mr. ROSS HUTCHINSON: We know what happened when meat was controlled. In my speech on a previous occasion I pointed out rather fully the extraordinary and dangerous situation into which the meat industry fell because of price control. It is not beyond the memory of this House that a select committee was appointed to inquire into meat supplies and it published its report on the 22nd November, 1950.

I think it would be appropriate at this stage for me to quote several passages from that report because it has a direct bearing on the select committee's findings regarding price control on meat. At this stage I might state that there was no minority report; further, two present Ministers of the Crown were members of that select committee. The Ministers to whom I refer are the Minister for Labour and the Minister for Railways. I would like to mention again that there was no minority report on the findings of that select committee: Among other things the select committee found—

All witnesses except the Prices Commissioner have also agreed that price control on meat is ineffective in most areas and in the only part of the State where it was effectively enforced, meat supplies decreased seriously and the area, the Eastern Goldfields, is receiving less than 40 per cent. of its meat requirements through its butchers' shops:

Members have only to cast their minds back to those days to appreciate the truth of that statement.

As a member of that select committee, I can remember the evidence that was given by Eastern Goldfields butchers. One

of them in particular had tears in his eyes when he was telling us of the straits to which he was reduced in order to make a living. The report of the committee continued—

As price control on meat is ineffective, it cannot have any material effect on prices paid for livestock on the hoof but witnesses have generally agreed that price control, even though ineffective, discourages producers of livestock for slaughter by creating uncertainty.

They are the things we know.

Mr. Yates: Did those two Ministers agree with that finding?

Mr. ROSS HUTCHINSON: As I pointed out, there was no minority report and those two Ministers agreed. Members have only to cast their minds back to those days to recall into what condition the meat industry had fallen and in what a parlous position the butchers found themselves. I think the member for Maylands mentioned that the butchers were driven to extremes to which they did not desire to go, but in order to exist they had perforce to engage in wrongdoing. Further in the report we find the following:—

The ineffectiveness of price control on meat is also having a serious effect in lowering standards of business morality in the butchering trade.

That was the point I was beginning to touch on when I said the butchers were driven to desperate straits in order to make a living. That is why the butcher from the Eastern Goldfields who gave evidence before the select committee was reduced to tears when giving his evidence. There is a further interesting paragraph that reads—

A further serious aspect is that the basic wage is adjusted according to official ceiling prices, but consumers can obtain little meat at such prices and therefore suffer to the extent of the difference between such official ceiling prices and the actual price that most meat is retailed at.

There is much more in the report that goes on in the same vein but I think it might suffice if I give the principal recommendation of the select committee. It was as follows:—

That price control of fresh meat be discontinued and price control of frozen meat be restricted to control of the profit margin between cost of the frozen meat out of the freezer and the consumer.

The select committee found that price control of meat should be discontinued and the present Minister for Labour and the present Minister for Railways also found along those lines; there was no minority report. They knew at that time

just what effect price control had on that industry. Price control has the same effect, not necessarily as bad, but it has the same deleterious effect on other essential foodstuffs. What truth is there in the Minister's assertion that the Government finds it necessary to impose price control because of the upward trend of the cost of essential foodstuffs? As I pointed out, most of the essentials are already under some form of control.

The Minister further said that he made no apology for indicating that the Government considered it an obligation to give the general public all possible protection against unduly high prices. For the life of me I cannot see that it will give the public all possible protection. The idea behind the introduction of the measure is to give the public that protection, but it is fallacious to imagine that it will do so. I admit that it has a dubious advantage, but what it does is to create a number of attendant evils.

In my speech last year I referred to the hydra-headed shadow of price control in the shape of the attendant evils that spring up. The Government does not want these attendant evils but they come about regardless of the Government's desires. These evils bring about a loss of production with the resultant shortage of consumer goods. There is the evil of black-marketing, and the evil of queues. We find that goods become poorer in quality and that there is a lack of incentive, and a lack of competition.

There is also the tendency that price control has of driving production into luxury trades. That is generally accepted. Price control tends to create an increased demand for goods, but the production of such goods decreases. On top of that, as the member for Maylands mentioned, eventually through the imposition of price control we have a system of cost plus which records price increases. I feel I could say very much more along the lines of my speech last year, but I wonder at the necessity to do so.

Before resuming my seat, I feel I should say that from what I have been able to ascertain, the weight of educated opinion and the weight of thought is along the lines of resisting price control; of letting price control be the last resort as a desperate expedient, when a country is in desperate straits. All over the State one finds the weight of thought against price control. Of course, the proponents of price control are to be found mainly among the ranks of the Labour Party. They make no bones about it; it is part of their policy and they endeavour to put it into effect. But we must oppose it with all the strength we have.

I have been able to find some information from various States of the Commonwealth and have culled material from various papers. The first paper from which I

desire to quote is "The Daily Telegraph" dated the 12th August. This directly concerns price control and reads—

It is possible that the State Government has achieved a degree of popularity through reimposing price control. Cuts made so far could not benefit any family by much more than a couple of shillings a week but even this is welcomed by the hard budgeting housewives. Mr. Cahill and his Ministers, though, should not be allowed to get away with the Father Christmas act they are putting on. Reimposing of controls and lopping halfpennies off the prices of a few lines does not call for prodigious feats of statesmanship nor administrative skill. The purpose of this trumpery is to create the impression that he, Mr. Cahill, has no hand in sending prices up. In fact, though, Mr. Cahill is a major culprit, he and his government give the inflationary spiral as many violent twists as anyone.

That indicates what governments frequently do. In order to avert public suspicion that they are not doing anything to try to prevent the upward trend of prices, they feel that the popular thing is to introduce price control measures. I think that the extract I read from the "Daily Telegraph" gives point to that remark. In "The Canberra Times" of the 11th August appeared the following:—

The grave error is to look upon price control as a single remedy that can protect consumers against forces which lie beyond its reach. . . . The most important aspect of price control, if it is to be effective, is the control of costs. If price control merely accepts increases in costs that have to be borne by industry and trade, and adds to those prices a determined margin of profit, it ceases to give protection where it is needed. Price control is illusory if there is no cost control. . . . The Australian economy bears a flushed appearance which is not in all cases the high colour of health but the outcome of hectic extravagances. Plenty of people are willing to diagnose exactly what is wrong and to prescribe a remedy. Some clamour for price control in much the same manner that castor oil was once ordered irrespective of the ailment.

That, of course, hits upon another truth. Price control as a measure to control upward trends of prices is sadly lacking in efficiency. The only other extract I shall read is from the Hobart "Mercury" of the 27th July. It is as follows:—

. . . it is a mistake to think that the reintroduction of a system of control, costly in itself, can prevent prices from soaring . . . before the basic wage was pegged . . .

The role of a price controller is apt to become one of giving official approval to price increases that are inevitable anyway. And, as ever, when the maximum price is fixed it becomes the minimum.

Largely because of the reasons I gave in a speech last year, and for the few reasons I have offered this time, supported by various selections from newspaper reports, I oppose this measure.

THE PREMIER (Hon. A. R. G. Hawke—Northam) [9.18]: Someone should tell the member for Cottesloe that the newspapers from which he quoted have a very big axe to grind in connection with this question of price control.

Mr. Ross Hutchinson: I do not believe that at all. I believe those were fair and unbiased statements.

The PREMIER: I am not concerned whether the hon. member believes it. I am simply saying that someone should tell him that in this question of price control the newspapers from which he quoted have a very big axe to grind.

Mr. Ross Hutchinson: Do not you think that they have the welfare of the country at heart?

The PREMIER: Not when it clashes with their own financial interests.

Mr. Ross Hutchinson: This is a vital point concerning the welfare of the country, and you cannot deny it.

The PREMIER: I am simply saying that when the public welfare clashes with the financial interests of the big newspapers, the managements of those newspapers consider first their own financial interests.

Mr. Yates: I do not think that is so.

Mr. Ross Hutchinson: I do not think so either.

The PREMIER: I think it is true.

Mr. Bovell: You must have a distorted view of the truth.

Mr. Ross Hutchinson: I think someone should tell the Premier he should not be so biased.

The ACTING SPEAKER: Order!

The PREMIER: I am sorry that the member for Cottesloe is becoming so upset; but I still think what I have already said twice should be told to the hon. member by someone. One of the speakers this evening said that the introduction of price control by the Government was an act of political expediency, and that this Bill was introduced only because there was a general election due early next year.

Hon. Sir Ross McLarty: I think they said it had something to do with the recent Legislative Council by-elections.

The PREMIER: I am referring at the moment to what was said by the immediate lieutenant to the Leader of the Opposition, who presumably conferred very closely with his leader before he prepared those voluminous notes from which he quoted. In those circumstances I have no doubt that what the immediate lieutenant to the Leader of the Opposition remarked was said with the complete prior approval of the leader himself. So we will stick at this stage to what the Leader of the Opposition approved should be said by his immediate lieutenant.

Hon. Sir Ross McLarty: There is no conspiracy of silence on this side.

The PREMIER: No. I think that if there had been, the Opposition would have been much more effective in this debate than has been the case up to date.

Hon. Sir Ross McLarty: You certainly have not been very effective from that side tonight.

The PREMIER: If this had been the first time the Government had introduced such a Bill, there might have been a shadow of substance for the allegation. Actually, as I think every member of this House knows, price-control legislation was, in fact, inherited by this Government from the Government that immediately preceded it in office.

Mr. Ross Hutchinson: That does not make it right.

The PREMIER: The member for Cottesloe is far too profound to be a member of this Assembly. He should be in Canberra.

Hon. Sir Ross McLarty: With the doctor against him?

The ACTING SPEAKER: Order!

The PREMIER: When this Government came into office early in 1953 there was price-control legislation on the statute book, and it did not find a place upon the statute book by accident. It was put there by design, and by the deliberate action of the previous Government, the members of which are now in Opposition. That act had been continued in operation during the year 1953 by a measure which the now Leader of the Opposition—who was Premier at the time—introduced in Parliament towards the end of 1952, only a few months before there was a change of Government.

So members on the Opposition side, when they were on the Government side late in 1952—even though that was seven years after the war—considered that it was important, in the interests of the economic welfare of Western Australia, that this legislation should continue for a further 12 months; and the member for Vasse, who is an unqualified supporter of the Government, voted for the Bill.

Mr. Yates: For one year. This gives it everlasting life.

The PREMIER: If that is the only objection that the member for South Perth has to the Bill, I think that we can accommodate him.

Mr. Yates: Only one of the objections.

The PREMIER: Ah! The member for South Perth justifies the action of his own Government in introducing continuance legislation late in 1952 because the legislation was to be continued only for another year. He opposes our move on this occasion because we propose that the legislation shall not be in operation only from year to year. When we offer to meet him on that point, he goes into reverse gear and tells us that is only one of his objections.

Mr. Bovell: There is no need for this legislation in 1955 whatever the position may have been in 1952.

The PREMIER: If the same Government that was in office in 1952 and until early 1953 were still in office, the price-control legislation would be continued in operation from year to year.

Hon. Sir Ross McLarty: No.

The PREMIER: And the member for Vasse, instead of standing up in Parliament opposing the legislation, would be a silent supporter of it.

Hon. Sir Ross McLarty: That is far from correct.

Mr. Bovell: There has been a gradual tapering off of the legislation as circumstances warranted it.

The PREMIER: There was not a gradual tapering off at all. The legislation was continued from year to year in exactly the same form.

Mr. Yates: There were hardly any goods left to control; that is why it was dispensed with.

Mr. Bovell: It has outlived its usefulness.

The PREMIER: We will come to that later on. I will be able to prove from an expert that there is still need for the continuance of legislation of this kind, even though it would not be applied to every commodity and every service in the community.

Hon. Sir Ross McLarty: Who is the expert?

The PREMIER: If the hon. member will contain himself and show a degree of patience, which he has never yet exhibited, he will learn in good time.

Mr. Yates: The Premier is in a very sarcastic vein tonight.

The PREMIER: No. I am in a very accommodating state of mind. So much so that I immediately met the objection voiced by the member for South Perth; and when I did, he went into reverse gear and travelled backwards at a very rapid

pace. It was not the first time he had done so, either. The spokesman for the Leader of the Opposition, in the speech he made this afternoon—

Hon. Sir Ross McLarty: I will speak for myself later on.

The PREMIER: —said that the passing of this Bill would set up an arbitrary artificial control of prices; and by doing so, would control the lives of the people of Western Australia. Now, the only member on the Opposition side who did face up realistically to this problem, was the member for Claremont. He, quite realistically and fairly, said that the choice which this Bill offered either in the passing or defeating of it was the choice between public control of the prices of goods and services, and the continuation of the private control of the prices at which goods and services are made available to the public. And that indeed is the issue; that is the choice. Surely no member on the Opposition side believes that there is no control over the prices of goods and services today!

Mr. Bovell: Supply and demand—that is the control.

The PREMIER: Oh! Supply and demand! The law of supply and demand was butchered when Methuselah was a boy. Nothing could be more absurd than to talk today of the operation of the law of supply and demand in face of the fact that we have combines, monopolies and cartels in all directions butchering the law of supply and demand every day of the week and every week of the year.

Hon. Sir Ross McLarty: Such as?

The PREMIER: The petrol companies, the breweries, the match manufacturers, the cigarette manufacturers and even the hair-cutters.

Hon. Sir Ross McLarty: Yes, I agree with the Premier there. Does he know that I can get a sheep short at a price cheaper than I pay for a hair-cut?

Mr. Bovell: I do not think either the Premier or the Leader of the Opposition need worry about that.

The PREMIER: Undoubtedly the choice before us in connection with this measure is whether there shall be control of the price of goods and services by a public authority in the public interest, or whether there shall continue to be private control of the price of goods and services in the interests of private companies and individuals. That is the choice and it was clearly, realistically and truthfully stated by the member for Claremont. I should say that the general public would get a far better deal from public control of prices than it has been getting under private control.

Mr. Yates: We differ there.

The PREMIER: Of course the hon. member differs, but he does not know why. Is it not an extraordinary thing, Mr. Acting Speaker—I am sure if you were in your place you would not agree with me—that members opposite who can almost argue themselves red in the face against the control of the prices of goods and service are all in favour of what we might call arbitrary artificial control over wages and salaries?

Hon. Sir Ross McLarty: Is not that the function of the Arbitration Court? We do not prevent that tribunal from adjusting wages.

The PREMIER: Is it not an arbitrary artificial control of wages and salaries, just as a price control commission might have—

Hon. Sir Ross McLarty: I think there is agreement among all sections that we should have an arbitration system.

The PREMIER: Is there?

Hon. Sir Ross McLarty: I think so.

The PREMIER: There might be, but if we are going to have an arbitrary legal control over wages and salaries, ought we not also to have a similar system for the control of prices?

Mr. Court: But they are the reverse of one another. The Arbitration Court fixes minimum wages and a prices commission fixes maximum prices.

The PREMIER: I think we all know well enough that when the Arbitration Court fixes wages and salaries they become largely the rule of the road and surely when a legal tribunal fixes the wages and salaries that are to be paid to working men and women, those individuals should have some legal protection in regard to the prices that they shall be called upon to pay for goods and services!

Let us examine the position which arose from August, 1953, to August, 1955, when most, if not all, of the industrial tribunals in Australia declared that it was necessary, as well as advisable, in the interests of maintaining economic stability, to refuse to grant to wage and salary earners quarterly cost of living adjustments to the basic wage. In effect that meant that the real pay of wage and salary earners was reduced, because the cost of living had increased and the courts decided that wages and salaries were not to be correspondingly increased to give the wages and salaries the same degree of purchasing power that they had previously. Therefore wage and salary earners and their dependants in Australia were called upon to suffer a sacrifice.

Hon. Sir Ross McLarty: But did not the Arbitration Court take all the economic factors into consideration before giving that judgment?

The PREMIER: Let us admit for the sake of argument that it did.

Mr. Bovell: Just as when it allowed the £1 prosperity loading.

The PREMIER: Let us say, for the sake of argument, that it did, but as the Leader of the Opposition well knows there are in Australia more sections than one in the community. The wage and salary earners and their dependants are not the only group of people in Australia. There are many other groups and some of them are very well off financially, too. Surely it was a most one-sided arrangement for the workers and their dependants to be the only people in the community called upon to make a sacrifice to maintain the economic stability of the nation! Members opposite applauded the decision of the industrial tribunals in freezing the cost of living adjustments to the basic wage.

Mr. Oldfield: I would not say we applauded, but we did not criticise.

The PREMIER: The member for Maylands should not try to square off by putting forward that subterfuge.

Mr. Bovell: Just as we did not criticise the £1 prosperity loading!

The PREMIER: If it was really necessary for something to be done to maintain the economic stability of the nation, all sections should have been called upon to make a sacrifice, because all sections would benefit from the maintenance of the country's economic stability. The least that we could have expected from Opposition members when the first freezing of the cost of living adjustments took place in this State in September, 1953, was that they would agree that the workers and their families in Western Australia were entitled to protection against any increase in the cost of living.

Yet when we brought down the prices control Bill in that year every member opposite voted against it; in other words, they approved of the freezing of the cost of living adjustments although when they were called upon a few weeks later to give the workers and their families protection against any increase in the price of goods and services, they refused to give them any protection at all. One speaker this evening said there was competition in the grocery trade in Western Australia and he went on to explain that there was, at least in some districts, a bit of a war going on among retailers in regard to prices. There probably is fairly severe competition in the retail grocery trade in some districts, but is there any competition in respect of prices in the wholesale trade or among the manufacturers?

Mr. Court: There is today.

The PREMIER: Is there?

Mr. Court: Yes, because of the chain system of buying which has completely revolutionised the position in the last nine months.

The PREMIER: I have yet to be convinced that there is any worth-while competition in the matter of prices among

wholesalers and manufacturers. I know—this might be the point which the member for Nedlands has in mind—that there is plenty of competition among the oil companies in regard to everything except prices. They are financing the building of retail petrol stations on almost every street corner, everywhere. They go in for great advertising campaigns in the Press and over the air and among them there is competition in everything except prices, but not one farthing worth of competition in the matter of price which, after all, is tremendously important from the user's point of view. I am inclined to think that although there may be plenty of competition among wholesalers and manufacturers for trade in many ways, there is no competition or very little regard to the vital matter of prices.

Mr. Court: That is the complaint of the small suburban storekeepers today—that the wholesalers are cutting prices. They would like the wholesalers to keep their prices up in order to stop the super-marts undercutting to the public.

The PREMIER: It might well be that some of the bigger marts, as the hon. member calls them, are buying direct from the manufacturers and perhaps the wholesalers are being by-passed in some instances, but we have yet to have information placed before us in regard to that and we have yet to be convinced of it. From the consumer's point of view the angle upon which competition is vital is that of price. All this competition among the oil companies to get business fails to advantage the user of petrol very much if it makes no difference in price.

It was said that there had been less increase in prices since the abolition of price control in this State than before. Obviously that ought to be so because from August, 1953, until August of this year the cost of living adjustments did not take place and the wage and salary earners were deprived of hundreds of thousands of pounds which they should have received in cost of living adjustments. Therefore, in effect, they were called upon compulsorily to subsidise prices and in those circumstances one would expect that prices would not rise. One would expect that prices would not rise, in a period when cost-of-living adjustments were frozen, to the extent that they rose in a period when industrial tribunals were granting quarterly cost-of-living adjustments.

We have heard some strange arguments and reasoning in regard to the justification for operating price control in time of war. More than one speaker opposite has described price control as socialism and socialisation, yet those speakers opposite who referred to price control in wartime claimed that it was then essential. Why would it be essential to have socialism in the form of price control in wartime?

Hon. Sir Ross McLarty: Peace is very different from wartime when the enemy is hammering at your gates.

The PREMIER: Apparently the Leader of the Opposition agrees that an instalment of socialism in the form of price control, is not only a good thing in time of war, but is also an imperative necessity.

Mr. Wild: But it is not imperative now, is it?

The PREMIER: So it is surely strange reasoning, is it not—

Mr. Bovell: Not at all!

The PREMIER: —that in time of war the people should be protected against profiteering, but in time of peace, no matter how difficult economic conditions might become, there should not be any price control.

Mr. Yates: That is not so. We carried it on for a number of years after the war.

The PREMIER: Well, may I ask the member for South Perth a question? He voted for price control in 1952 and also in that year he voted for it to continue until the 31st December, 1953. Does he not think that the economic situation which we now see developing in Australia will be much worse than the economic situation which existed in this State in 1952, 1953 and also in 1951?

Mr. Yates: No, we had greater shortages then. The shortages do not exist at the moment. If the position reverts to what it was in 1952 and 1953, I will be in favour of price control.

The PREMIER: Members on the other side of the House have very conflicting views. One of the views put forward by a member on the other side is that price control creates shortages and the other argument put forward by the member for South Perth is that we cannot have price control when goods are in plentiful supply, but we must have it when goods are in short supply.

Mr. Yates: I do not suggest that at all. You are saying that. I do not agree with it.

The PREMIER: I am saying that the economic outlook today is far worse than it was in 1951, 1952 and 1953, and yet, in 1952 and 1953, the member for South Perth was a whole-hearted supporter of price control.

Mr. Bovell: You know that the economic position is different today. It is caused by a fall in overseas markets. The internal economy has nothing to do with it; it is purely external circumstances.

The PREMIER: We do not have to be necessarily concerned with the reason why economic conditions are likely to become more difficult in the reasonably near future. Possibly we have to be concerned with steps that might be taken to provide the community with greater protection than it would otherwise be given. The effect, on a basis of discipline, in having price control legislation upon the statute book would be of very great importance.

Nobody would anticipate, in the event of this Bill becoming law, that every class of goods and every type of service would be brought under control. Nobody would anticipate that every trader in the community would be brought under control; that every wholesaler and every manufacturer would be brought under control. Obviously that would be stupid in the extreme. But, in the view of members of the Government, it is essential that there should be upon the statute book a law which would enable the community to be protected whenever it was found that protection was necessary.

Hon. Sir Ross McLarty: Do you think this measure will have much effect in keeping prices down?

The PREMIER: Yes, indeed I do! Upon the basis which I have just mentioned for a start, and upon the other basis that those people in the community who are profiteering now will be tracked down and be compelled by action to give the community a fair go.

Mr. Court: Who is profiteering at the moment? The Government must have some case in mind to be so incensed about this.

The PREMIER: We have some specific cases in mind, but I am sure the member for Nedlands, if he were frank with us, could name a far greater number than the Government could.

Mr. Court: I am afraid I cannot.

The PREMIER: I think if the hon. member said, "I am afraid I will not," he would be more on the target. The member for Nedlands has more inside knowledge of the business world and of the position generally than we could possibly hope to have.

Mr. Yates: You evaded that question nicely.

The PREMIER: I have not evaded it.

Mr. Yates: You did not mention any specific cases.

The PREMIER: Very well, I will name some. I will name a cement company which declared a dividend of 17½ per cent. in the year 1954-55.

Hon. Sir Ross McLarty: There is pretty keen competition in that industry now.

The PREMIER: Does that satisfy the member for Nedlands?

Mr. Court: No, I would not say that that company was profiteering because of that.

The PREMIER: Of course, the point of view held by the member for Nedlands is that the sky is the limit when it comes to a question of profits. In fact, the sky is not even the limit with him. If the dividend paid by this company were 25 per cent., it would still not be excessive in the view of the member for Nedlands. If the dividend paid amounted to 33½ per

cent., in the view of the member for Nedlands it would still not be excessive. If this company had some hundreds of thousands of bonus shares—and for all I know it might have had—and if this dividend had been declared not only upon genuine subscribed capital, but also upon hundreds of thousands of bonus shares, the member for Nedlands would still claim that its profit was not excessive.

Hon. Sir Ross McLarty: There is keen competition amongst the cement manufacturers now, is there not?

The PREMIER: I hope so, but we know what happens in these situations. We know that amongst the powerful, financial oil companies the price for petrol charged by the Shell Company, C.O.R. and the Caltex Company is the same.

Mr. Yates: Do you intend to recontrol the price of cement if this Bill gets through?

The PREMIER: I think the member for South Perth knows how the system will operate if the Bill is passed.

Mr. Yates: No, I do not.

The PREMIER: Well, a prices control branch would be set up, a commissioner would be appointed and he would investigate the affairs of any company should he consider that such investigation was warranted. If an investigation into the price being charged by cement companies proved that the price was not reasonable, he would declare the maximum price and both of the cement companies would not be legally permitted to sell cement above that price.

Mr. Bovell: You do not mention that some capital investors have lost two-thirds of their money at times.

The PREMIER: I can quote many companies that have made large dividends.

I promised earlier to quote an expert authority on prices control who, in my opinion, would not be biased—certainly not biased in favour of price control. In a speech which he made on the 9th June of this year he put forward the following argument in support of price control:—

In two other States where prices have been decontrolled, the effect of decontrol is that the increase in the "C" series index in those States has been about three times as great as it was in South Australia during the corresponding period. Another reason which actuates the Government in proposing an extension of the Prices Act is the existence of trade associations and trade arrangements by which prices can be maintained at a higher level than would otherwise prevail. The effects of these arrangements on prices and on supplies of commodities are from time to time reported to the Government; and so

long as the Prices Act remains in force the Government is in a position to ensure that no harsh or unfair arrangements are allowed to operate. If the Prices Act lapsed, the Government would be powerless in such matters.

The Prices Department is at present operating with a relatively small staff and many kinds of commodities have been decontrolled. Nevertheless, arrangements are in force between the department and persons and associations concerned in various trades and industries with the object of ensuring that prices remain reasonably stable. These arrangements are quite effective, but they depend for their effectiveness on the fact that the Prices Act is still in force and can be used, if necessary, to impose a stricter control. The department does not cost much, and the large savings and refunds which it secures for the public amply justify the modest expenditure. It is sometimes put to me that at present it does not matter, because the Arbitration Court has suspended quarterly adjustments, but can such an argument be justified? Is it logical? How long could the industrial worker continue under a system which compelled him to absorb all price increases without any alteration of his wage? In those circumstances I think that members will agree that the suspension of the quarterly adjustments is an added reason for the continuance of an oversight over prices rather than for its discontinuance.

The final reason, still quoting this authority, is as follows:—

The most important reason is the necessity for South Australia to keep its cost of production as low as possible.

I am sorry the member for Moore is not present—

Hon. Sir Ross McLarty: So said Mr. Playford!

The PREMIER: —because, according to the member for Moore, that is the objective he seeks. These extracts which I have read are from a speech delivered in the South Australian Parliament on the 9th June of this year by the Liberal Party Premier of South Australia, Hon. Thomas Playford.

On motion by Mr. Court, debate adjourned.

BILL—RENTS AND TENANCIES EMERGENCY PROVISIONS ACT AMENDMENT.

Returned from the Council with amendments.

House adjourned at 9.58 p.m.