

moor area. The land there has been classified and I think would provide a living for a considerable number of men if water and road transport facilities were made available. The classification was undertaken by Dr. Teakle who in his report, which the Minister has made available to me, stated that the total area subdivided was 378,000 acres, of which 205,000 were classified as first-class, 125,000 as second-class, and 48,000 as third-class.

I am keeping in touch with the Government regarding the matter, and I hope I shall be able to prevail upon Ministers to investigate the proposition with a view to providing facilities that must be made available to settlers who are established there, and also to induce further settlement. That is necessary if they are to do any good. From memory, I think there are 13 settlers in the Balla-Dartmoor area, which is 30 miles from an existing railway. The men went there just before the 1914 drought and, without the benefit of assistance from the Agricultural Bank or from other sources, have made good. All the original settlers are there today and all are comfortably off. Despite the drought years and the period of poor prices, they are still on their blocks and there is not one deserted or vacant holding in the district. In view of what has been accomplished there, I am entitled to ask the Government to do something regarding the area just immediately north of the district.

On motion by Mr. May, debate adjourned.

House adjourned at 6.5 p.m.

Legislative Council.

Tuesday, 31st August, 1948.

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QUESTION.

PUBLIC WORKS.

As to Undertakings in Goldfields Area.

Hon. H. K. WATSON (for Hon. J. M. A. Cunningham) asked the Honorary Minister for Agriculture:

(1) How many P.W.D. jobs have been approved by this Government in the last 18 months for the goldfields area?

(2) How many of these jobs have been completed?

(3) In view of the private construction going on and not suffering from restriction of supplies, what reason has been advanced for the non-completion of the remainder?

(4) What investigation is being made or action taken to remove the cause for the reluctance of contractors to tender in this area?

(5) What was the cost of the trench dug by the department for the laying of pipes to the Kalgoorlie Abattoirs?

(6) What is the total amount involved in P.W.D. projects (approved) in this goldfields area?

The HONORARY MINISTER replied:

(1) During the last 12 months the works set out hereunder have been approved in the Eastern Goldfields area. —

(a) Works in hand over £300	23
(b) Works in hand under £300	85
(c) Works which have been approved, and for which tenders have not yet been invited or for which reasonable tenders have not been received	11

119

(2) (a) Over £300	9
(b) Under £300	42

51

(3) Shortage of materials and labour is the reason given by contractors for delay in completion of works.

(4) Inquiries have been made, and these indicate that the reluctance of contractors to tender for Government work in this area is due to the amount of private work avail-

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

able at good prices, and mostly without supervision.

(5) £123.

(6) £94,500.

(Note.—For the purposes of these questions, Southern Cross has been excluded, but all areas east of this, north to Leonora, and south to Esperance have been included.)

ADDRESS-IN-REPLY.

Twelfth Day.

Debate resumed from the 19th August.

HON. R. J. BOYLEN (South) [4.40]: First of all, Sir, I would like to congratulate you on your re-election to the position of President of the Legislative Council and to congratulate Sir Charles Latham and Sir Frank Gibson on the honours recently conferred on them by His Majesty the King.

It was pleasing to read in the Lieutenant-Governor's Speech that legislation was to be introduced to reconstruct the Workers' Compensation Act. That is a matter of vital interest to workers on the Goldfields, and undoubtedly to workers throughout the State. It is of special interest to goldfields workers because of the minor accidents that frequently occur and also the major accidents that take place far too often. In the event of a major accident on the Goldfields, as a result of which a miner loses his life, provision is made for his dependants to the extent of £750, which is totally inadequate as it provides only about £5 per week for a period of three years. After that they are forced to seek assistance from other quarters.

In some instances a comparatively young man may be involved in a fatal accident, and may leave a young wife and children who have to fend for themselves as best they can. For them the amount of £750 is entirely insufficient. When a miner is off duty for a number of months on account of injuries, he is paid half-wages. It has to be remembered that such a man is likely to have heavy commitments. He may be paying off a home or providing for the education of his children, and ultimately he will find himself in debt unless he is able to resume work fairly early.

I consider that a permanent payment should be made. In New South Wales a

payment of £6 per week is provided for the wife of a deceased miner with children under 16 years of age; and I hope that when the Government is considering the amendment of the Act in this State, it will frame provisions somewhat on the lines of those in New South Wales, or that it will take the favourable parts of the Acts of the different States and from them formulate one that will be a model for the other States to follow. In the early stages, if a miner were fatally injured, his wife was provided with two guineas a week, and a similar amount was paid to a miner who was turned down through silicosis or tuberculosis, which are two of the most prevalent industrial diseases on the Goldfields. During the years the Act has been altered and such provision is not made at present. I admit that in other directions the amendment of the Act has been of advantage to the worker, but in this respect it has been to his disadvantage.

On this point, I have in mind one particular man who came to my place the other day to see me. He is about 43 years old and has been turned down with advanced silicosis. He has a young family, the oldest child being eight to 10 years of age; and the provision made for him at present is £750, which has been allotted by the magistrate at the rate of £5 per week. This will last for three years, and after that he must revert to the Mine Workers' Relief Fund, which will provide him with 25s. a week. He will have to make application for the invalid pension, and the two amounts together will be totally inadequate to make ends meet.

So much for the Workers' Compensation Act. I know that an amending Bill is to be brought down this year, and I do not intend to comment on the matter at length at this stage. I hope, however, that the Government will by this means take the opportunity to carry out its election promises and also those made in this House and in another place concerning what it would do in the interests of the workers. In both Houses there have been speeches indicating that the Government is concerned about the welfare of the workers, and the amending of this Act will afford it an opportunity to prove its sincerity.

Dealing with railways, the Goldfields do not provide any exception to the general

rule. The conditions obtaining there probably prevail everywhere else. Our railways are in a deplorable condition. There may be some excuse for that, inasmuch as it is largely the result of what happened during the war years when the rollingstock had to be used 100 per cent., and it was not possible to carry out maintenance work. However, the fact remains that conditions are bad, and I hope that something will be done to relieve the situation. Yesterday I was on the express from Kalgoorlie. It left that city one hour 20 minutes late, and arrived in Perth four hours late this morning. Part of the trouble occurred on the train on which I was a passenger and part on the "Westland" express bound for the Eastern States. I understand that faulty engines were the cause and I hope that the investigation being carried out by the board that has been created for this purpose will result in relieving the discomfort experienced by travellers. If our trains are permitted to carry on as they are at present, business will be driven from the railways to the airways.

It was rather perturbing to people in country districts—especially those in far distant places—to read that the Government intended to increase freights and fares by something like 25 per cent. People on the Goldfields, which can be ranked more or less as the disendowed back country, consider they are being called upon to make sacrifices by way of increased fares and freights in order to live east of Northam. These people look forward to an annual holiday, but a married man with a wife and family of four or five children finds the cost too high to enable him to go away once a year, or even once in two years. The expense is heavy not only in respect of accommodation in the metropolitan area or on the sea coast, but also in respect of fares. Those fares total more than he would receive in wages in a fortnight.

I hope the Government will take these matters into consideration, and that when it is deciding on an increase in fares, it will realise the great hardships experienced by the people of whom I have been speaking. The proposed increased freights place the burden of the railways on country people who produce the real wealth of the State, such as wool, wheat and gold, and in doing so have to live in far away districts. During

the election campaign we heard a good deal mouthed concerning a policy of decentralisation, but we can hardly expect people to live in outback districts when they have to make these great sacrifices.

The cost of building homes in the country is far greater than in the metropolitan area or districts adjacent thereto. If a man wants to buy bricks to build a house on the Goldfields, the cost is £7 per ton higher than in Perth or Fremantle. The cost of cement is also a considerable item. It is 5s. a bag more on the Goldfields than down here. These people are asked to make great sacrifices to produce the real wealth of the country; but, while they may have a sense of duty and responsibility to their country, there is a limit to all things, and if the sacrifices they are called upon to make are too great, we shall find them wanting to live in the metropolitan area, and decentralisation will be a myth, something not possible of realisation.

If our railways are to progress as we would wish, the railway workers need some consideration and the conditions and amenities provided for them must be reviewed. I have visited some of the rest-rooms or barracks where locomotive crews spend a good deal of their time, and in most instances the conditions at such places are not good. I was at Yellowdine recently and the train crews were trying to get better rest-rooms provided there. Conditions are such that when I was at that centre the men were pulling their mattresses out on to the verandah, owing to the heat inside, but they could get no rest there because of the noise. Some were trying to cook in the kitchen, where conditions were such that it seemed almost possible to cook without a fire, owing to the intense heat. If proper amenities were provided, it would be a positive step towards the better working of our railways.

I trust that before long the Government will provide a diesel roach coach for the Goldfields. One such coach could serve the northern districts of Leonora and Laverton, as well as the country between Esperance and Norseman. When a Monday holiday occurs in the metropolitan area, people can make use of it, but those on the Goldfields simply ask, "Where can we go? What can we do?" With the 40-hour week and the majority of workers on the Goldfields finishing their week's work on

Friday night, provision of a diesel coach would allow them to go to Esperance and do a bit of fishing, returning in sufficient time to be ready for work on Tuesday morning.

In my opinion, a system should be inaugurated in the railways to allow for conditions to be improved on the advice of the men actually doing the work. I understand that that is done in the Commonwealth railway system, but not in the State railways. A stitch in time frequently saves nine, and those regularly travelling on the trains see various things that are wrong. If some means were provided by which the men could draw the attention of the management to such details, matters could be put right before they reached a stage that involved any great expense.

Water is even more essential on the Goldfields than in the average country district or the metropolitan area, as more of it is required and the trying conditions experienced there are not found in the metropolitan area where the cheaper rate applies. The charge for water on the Goldfields is exorbitant, and a man who wishes to have lawns at the back and front of his house, with perhaps a small garden plot or two, is faced with a cost of about 10s. per week or £26 per year, which is a great deal out of the wages of the average worker. The water supply at Norseman is entirely inadequate. While there are dams in that area, they are silted up and the only water available is that provided by the scheme through an 8-inch main from Coolgardie to Higginsville and a 6-inch main from there to Norseman. In that district I was recently on a mine called "Fair Play." After the mine had closed down for the day, if the workers wanted a bath they had to ask the management to turn on the water so that it would be available in the shower rooms. That is only a minor matter in the actual working of the mine, but the mills cannot work without water and the supply of water coming to the mills through the pipe was only the equivalent of that which would come through an ordinary tap. The management was much perturbed about it and considered that development could not go on unless provision was made for an adequate supply of water to that district.

In addition to the high charge for water, Goldfields residents pay more for petrol and oil. If the Government could make it

possible for those people to obtain petrol and oil at the prices ruling in the metropolitan area, many Goldfields people who are dependent on those commodities to earn a living, could do so without making the undue sacrifice that is necessary under existing conditions. Petrol at present costs 1s. per gallon more on the Goldfields than in Perth, and the price of oil is also high in proportion. Those depending on petrol and oil to make a living frequently find their costs so high that they must go out of business and work on the mines or return to the metropolitan area to resume their occupations, again defeating the objects of decentralisation.

The question of our hospitals was dealt with fully by Dr. Hislop and I agree with what he said, but things are somewhat different on the Goldfields. There we have two hospitals—the District Hospital and St. John of God, both of which provide an adequate service as far as they are able to do so. The District Hospital is faced with a shortage of staff such as exists throughout the Commonwealth, but St. John of God Hospital, fortunately, is not confronted with that difficulty. Recently the latter hospital made application for a permit to build, but I understand it was not granted. The Government should take action in the matter so that adequate provision can be made for both surgical and medical attention, as I understand it is the intention of that hospital to open a maternity ward on the Goldfields. There is no private maternity hospital in either Kalgoorlie or Boulder at present. An intermediate ward was opened some years ago in the District Hospital, but it has since been closed down owing to shortage of staff.

The position at Esperance, where there is a hospital of about 11 beds, is much the same. They have had up to 24 people in that institution. A double certificated sister is in charge there and could cater for the maternity work of the people of Esperance and the outlying districts. They also get an occasional maternity case from Kalgoorlie or Boulder, although Goldfields people do not as a rule go to Esperance for that purpose. Occasionally they do go there with their families who are able to have a holiday by the sea when the occasion arises. The hospital at Esperance has an efficient and interested secretary, who is greatly concerned regarding the conditions that exist at

present. The matron and the doctor are worried about what might happen during the next holiday season. At that time of year there are many visitors from the vicinity of Esperance, as well as from the Goldfields, and in case of sickness or accident they must go to that hospital. Minor accidents often occur during the season at any holiday resort.

The lighting of the Esperance wharf is a matter of concern not only to local residents but to the people of the Goldfields also, as until adequate lighting is provided at that port the shipping companies do not seem prepared to make available the facilities whereby cargoes could be loaded or unloaded to serve the Goldfields. It is the responsibility of the Government, and if proper lighting were provided on that wharf, I believe ships would call more frequently at the port than they do at present. The Wharf Labourers' Union is perturbed about the accidents that have occurred owing to faulty lighting during the discharging of cargo. There have been numerous minor accidents and one serious accident in the last 12 months. The shipping companies supply lighting from the vessels, but it is inadequate for the work that must be done at night. If the position were remedied and publicity were given to the improvements, on the Goldfields and among the shipping companies, and if the handling of cargo was made as simple at Esperance as at Fremantle, I believe ships would call at Esperance at least once a month instead of about once every three months, as at present.

The provision of homes on the Goldfields is a matter that has created a good deal of discussion. Since the war seven homes have been built in Boulder by the Housing Commission. Had the Boulder Municipal Council not rendered assistance by building 50 homes which have accommodated roughly 200 people, the community there would have been in a sorry plight. During the course of his remarks, Mr. Cunningham said it was a pity that the R.A.A.F. hospital had been demolished for the purpose of building homes. In some respects, he was quite right, but, on the other hand, had there not been the construction of the homes I refer to for the people on the Goldfields, there would be little need for the hospital. Personally I think it was a good idea that the old hospital was demolished,

seeing that it was no longer needed. Of the 50 homes that were provided by the Boulder Municipal Council, two have not yet been completed, but I think the municipal authorities are to be commended for their effort in tackling the housing problem. If other municipal councils and local governing bodies had dealt with the problem in their respective districts and built at a ratio of 50 to 7, which was the ratio in Boulder, the trouble confronting the Government today would not be so apparent.

While on the question of homes, it is well to mention that the people on the Goldfields find it fairly hard and costly to establish their places. If the Government were to give consideration to allowing such people free water for a period of 12 months, that would enable them to establish their gardens and allow them to live in surroundings that would compare more with the homes to be seen in the metropolitan area. The cost of establishing gardens on the Goldfields is an expensive item, although once they are established the maintenance is not so high. In the circumstances, if the Government could see its way clear to providing free water for 12 months—they could refrain from installing meters, for instance—it would be a great help to those establishing new homes.

Reference has been made to the experience of those who were installed in homes at Gribble Creek. They effected many improvements around their homes and had nice lawns and gardens. Then the properties were flooded, and that was the end of their efforts in that direction. They have to start all over again and are confronted with the additional burden of water rates. I certainly suggest that this matter should receive the consideration of the Government. I do not mean that that consideration should be extended only to the people residing in the seven homes that have been provided by the Housing Commission, but to all those who have sufficient initiative to build their houses in localities where water is scarce and the rainfall is so very light. I trust consideration will be given to them along the lines I have suggested.

We heard a good deal from Mr. Hall in particular with regard to the position of prospectors and a few words from me on the subject may not be amiss. I contend that the amount of maintenance allowed now, namely 30s., is totally inadequate. It

is due to the forefathers of the present generation of prospectors that the existing mines are in operation, and it is to the prospectors of today that our descendants will have some obligation 50 years hence. I maintain that the allowance to prospectors should be appreciably increased. Many of the commodities they require are far more expensive than they would be if procured by city residents, and the prospectors find it hard to carry on. There is only a hand-to-mouth existence, and as Western Australia is so dependent upon her primary industries the prospectors should be given more help.

I trust that during the current session legislation will be introduced to liberalise the franchise of the Legislative Council. A Bill with that object in view was submitted to Parliament last session, but it was defeated. I trust another effort will be made this year to liberalise the franchise for this House by giving votes to the wives of electors and also to flat dwellers. I contend that if the franchise for this House were to be absolutely democratic, it should be the same as that applying to the Legislative Assembly. We hear the word "democracy" mouthed a good deal at election time, but when it is a matter of giving effect to the sentiments expressed on such occasions, we find restrictions apply and the franchise remains much the same as in the past. I trust that if another effort is made along these lines, the franchise for this House will be definitely liberalised.

From time to time it is contended that many of the price-fixing regulations should be abolished and that we should rely more upon the law of supply and demand. While that might be a good idea in certain circumstances, if that course were adopted I am afraid that the rank and file of the workers of Western Australia in particular and of Australia in general would suffer from exploitation. Many commodities are in great demand and could be supplied in reasonable quantities. One line I have in mind is baby foods. The demand for that type of commodity will always be present but whether the people concerned will be able to pay the prices asked for what they require, is certainly problematical. When price control legislation is before the House, I trust that phase will be taken into consideration and that the people generally and the workers in particular will

not be permitted to be exploited with respect to commodities that are definitely essential to their existence.

The suggestion has been advanced that road transport should be left to private enterprise to cope with. In some directions such a course may be recommended, but the point that crops up in my mind concerns the non-paying routes and the development of the State in such localities. If transport were left to private enterprise, it would mean that those concerned would have to traverse many miles to reach parts of the State that are capable of development. If such routes were non-paying, it is extremely doubtful whether private enterprise would be interested in them. On the other hand, the development of the State is a responsibility of the Government, which should certainly take steps to carry out that work. If road transport were to revert to private enterprise, it is very doubtful whether the development of Western Australia would not be impeded.

We have heard of the desire of the Government for the restoration of taxing rights, but I for one am very doubtful as to the sincerity of that desire. If such a course were adopted the taxation imposed on the people would be heavier, and it is questionable whether the Government would be prepared to undertake such a responsibility. The revenue derived from taxation would have to be the same, and certainly administration costs would be so great that the taxation imposed by the Government would have to be higher than it is today. While the Government may desire to have the State's taxing rights restored, I shall oppose such a course. For my part I do not think the Government is sincere in its expressed desire, and I certainly do not consider the people would be the gainers from the reversion of taxing rights from the Commonwealth to the State.

During the course of his speech Mr. Cunningham suggested the removal of the experimental farm at Salmon Gums to the Esperance district and said that it should be re-established at Gibson's Soak. While not opposed to the provision of such a farm at Gibson's Soak, which is 50 miles from Esperance, I would not like to see the experimental farm at Salmon Gums dispensed with. It has served a good purpose for many years, and in consequence of the work

carried out there different wheats have been evolved that have proved to be suitable for growing in the drier districts. I would strongly support any proposal to establish an experimental farm at Gibson's Soak and I certainly think that the light land areas, with their adequate rainfall, would, if properly developed, prove of great assistance to the State in the long run.

The only other matter I desire to refer to is to suggest the establishment of a home on the Goldfields or at Esperance for turned-down miners. Mention has been made on various occasions of the number of miners on the fields who suffer from the dread industrial diseases, many of the more elderly men having contracted advanced silicosis or tuberculosis. Under existing conditions they end their days at Wooroloo. Many of them might not have reached that stage had they submitted themselves to treatment earlier, but the fact remains that many of them are in that condition. If a home for their accommodation were established at Esperance, their dependants would be able to establish themselves in the vicinity and be in touch with the sufferers. That would not be possible if the men were sent to the sanatorium at Wooroloo.

As a matter of fact, when men are told they must go to Wooroloo, it is like signing their death warrants. There are many pensioners who have worked in the goldfields areas for many years and have been fortunate enough not to contract silicosis or tuberculosis. They have had to give up working and the only place where they can go is the Old Men's Home, but they do not relish that prospect. Many of them have little homes on various leases, but latterly some of those leases have been taken over by companies and the men have been notified that they must vacate their humpies. The Government should evolve some scheme whereby premises containing one or two rooms could be erected at Coolgardie, Boulder, or Kalgoorlie for the accommodation of these men who would then be far happier than if forced to go to the Old Men's Home. I support the motion for the adoption of the Address-in-reply.

HON. L. A. LOGAN (Central) [5.12]: I desire to associate myself with other members in congratulating you, Mr. President, upon your election to the Chair, and I take this opportunity to thank you for

your courtesy and assistance to me as a new member last year. I can assure you that your kindness was appreciated. I also desire to congratulate Sir Charles Latham and Sir Frank Gibson on the honours the King has seen fit to confer on them. Last session when I spoke on the Address-in-reply, I was the youngest member of this House in both age and service. Now, when about 12 months have elapsed, there is one member younger than I am in age and four younger in service. Times are changing, and I am beginning to regard myself as one of the old members.

Hon. G. Fraser: Do not get grey-haired!

Hon. L. A. LOGAN: Not quite.

Hon. W. R. Hall: You can look forward to a pension!

Hon. L. A. LOGAN: With regard to wheat matters, this has been the subject of much controversy and there are many points that members are possibly not fully acquainted with. We have been told by a member of another place of the wonderful advantages we would derive under the International Wheat Agreement. If we study the iniquitous agreement that was signed on behalf of the wheatgrowers, without their discussing it or giving it any consideration at all, by Mr. McCarthy, acting for the Commonwealth Minister for Commerce, we must come to the conclusion that they have been trying to sell us a pup. In the first place, the oversea export price for wheat when the agreement was signed was 20s. 6d. a bushel, whereas under the agreement the price to the growers was reduced to 12s. 6d. a bushel. This price was based on Lake ports charges and freight from Australian ports to the Canadian Lake ports is 10d. per bushel. The price was based on that for Manitoba No. 1, and as there is a difference of 4d. a bushel between that and Australian f.a.q. wheat, that leaves our price at from 12s. 6d. to 11s. 4d. per bushel, with the export price at 20s. 6d. That is how much we were to gain from that wonderful agreement.

I do not object to the International Wheat Agreement on principle, but we had it thrown at us. It was even signed on our behalf without its having been referred to us, and that I think is wrong. Argentina refused to enter into the agreement at any stage of the game and sold all her wheat

at 30s. 6d. per bushel. America, which had just lately ratified the agreement but had not actually entered into it, had nothing much to lose. At that time she was selling her wheat at 14s. 6d. a bushel, the reason being that she had to lend her dollars to the various countries before they could buy her wheat. Naturally, America had to discount the price of her wheat in order to enable such countries to buy it. But that was not the case with Australia, which was selling her wheat on the sterling market. She could sell all her wheat without any trouble whatever.

The worst feature of the international agreement was the fact that, although the price was fixed for one year, it was subject to a huge discount, year by year, for five years, without taking into account the cost of producing the wheat or the cost of the various commodities which the farmer had to buy from the countries that were importing our wheat. Had those countries to which we were exporting our wheat agreed to reduce the price of cornsacks and woolpacks and other requirements to a figure comparable with the cost of the production of our wheat, and reduced their prices year by year in the same way as it was proposed to reduce the price of our wheat, a more equitable basis might have been arrived at. Fancy a manufacturer sending his sales manager oversea to sell furniture and saying to him, "You can sell this at our price; never mind what we have to pay for the materials we have to buy in return." How ridiculous! There would be no business done. At the present time, a few farmers in this State have agreed to enter into the Commonwealth pool. I am positively certain that the large majority of those farmers do not realise what they are voting for.

Hon. E. H. Gray: They have business asmen.

Hon. L. A. LOGAN: They have not, not by a long way.

Hon. A. L. Loton: Why did you not draw up a case for them?

Hon. L. A. LOGAN: When we realise that, on last year's pool alone, the farmers of this State—taking them as a separate entity—subsidised the Eastern States to the extent of £750 per farm, it will be realised what they have been losing. And

that is only on one pool! To give Mr. Pollard the right to sell our wheat when and where he likes is not a business proposition to me. Far from it! A wheatgrower takes at least 18 months to produce his crop. During that time he is laying out his capital. He has to fallow, buy super, keep his seed wheat back, and obtain his supplies of kerosene, benzine and oil. Then he is asked to turn round and say, "Mr. Pollard, here is our wheat. Do what you like with it." Do members call that good business? I do not. In another place it was said that £1 per bushel for wheat was a ridiculous price. In my opinion, that was a ridiculous statement to make. Did the person making it take into account the fact that the cost of everything the farmer uses has increased, the cost of harvesters, tractors, ploughs and so on? It was a ridiculous statement to make!

Hon. Sir Charles Latham: Do not forget the bad seasons and the low prices which the farmers had to suffer.

Hon. L. A. LOGAN: I quite realise all that. It takes at least five good seasons to put a man on his feet after one bad season, but it takes only another bad season to put him in the "blue" again. I am very much afraid that farmers are now relying on the value of their wool as compared with the value of their wheat. Fortunately, the wool market is good and looks like holding its own; but, I repeat, wool, in conjunction with wheat, is keeping the farmer on top. Much criticism has been levelled at the policy of this Government in permitting Co-operative Bulk Handling Ltd. to take the poll of the wheatgrowers. What could be more democratic? Co-operative Bulk Handling is owned and controlled by the growers themselves. What objection can there be to asking the growers to control their own ballot? None at all. I believe Mr. Gray said that we could not have a State pool. I should like to remind him that previous to the war we did have a voluntary wheat pool in this State, and a very good pool it was.

Why cannot we have a State pool when we were able to run a voluntary pool successfully and satisfactorily? I think many farmers, perhaps—and members also—forget the original purpose of the Act we already have on our statute book. Members will no doubt recall that last year it was at one time thought likely that the Common-

wealth would abandon control of wheat under the Defence (Transitional Powers) Act, and it was therefore essential that an Act be placed on our statute book to prevent the wheatgrower from being forced on to the open market to deal with the wheat merchant. Yet we are being accused of trying to do that very thing! The Act was placed on the statute book for that purpose only, with a view, as I said, to preventing the grower from being thrown back on the open market and forced to accept whatever price he might be able to get. It is very unfair, and many of the farmers do not realise the truth. Unfortunately, it is not always possible to make a farmer appreciate all these points. So much for wheat.

While on the subject of agriculture, I would ask the Honorary Minister to give consideration to extending the branch of his department dealing with soil erosion. I know that soil erosion is a most difficult problem and that the men working on it are doing an excellent job. This is a big State and the problem is a huge one. The men at present engaged on it, however, have no hope of grappling with it successfully. Would it not be possible to bring experts from overseas to help us out? It may cost the State something, but we shall be well repaid. As the Minister said, we unfortunately started 20 years too late; but, having lost the 20 years, it is high time we got on with the job and did not lose any more time.

There is a big area to cope with over which erosion has been caused by both wind and water in the past, and it will take many years to build up that land again. The farmer himself must do his share, but he must have expert advice. Today a farmer must be able to do pretty well anything. He has to be a scientist and a businessman and, in some cases, a super optimist. He has not time to do all the work that is necessary and at the same time cope with the problems which I have mentioned. It is for that reason I suggest that advisers should be sent to the districts affected to work out the problem and advise the farmers. It would then be up to the farmers to do the rest. I hope the Honorary Minister will endeavour to enlarge the branch of his department dealing with this matter. I can assure him that to do so will pay in the long run.

The Honorary Minister: I am not the Treasurer, you know.

Hon. L. A. LOGAN: Unfortunately, the Honorary Minister is not.

The Honorary Minister: I wish I were.

Hon. Sir Charles Latham: If you were, you would not be in this Chamber and we would be deprived of the pleasure of your company.

Hon. L. A. LOGAN: Another problem which vitally affects this State must be given attention. Mr. Pollard recently said that the farmers did not despise the rabbit as they used to. However, the rabbit problem is one that must be tackled and it is impossible for the farmer to do all the work himself. It must be made a national matter. Another subject to which I think the Government might direct attention, if it has not already done so, is the Tourist Bureau. I do not know whether my information is correct, but I understand something has already been done in this connection. However, I consider it necessary that at each of the centres—Geraldton, Albany, Bunbury, Busselton and Kalgoorlie—the Government should co-ordinate the efforts of the committees working in those towns. There is nothing I know of in this State that we could more advantageously spend a few pounds on, as we may reap a harvest of millions in return. There are millions of pounds throughout the world ready to be spent by tourists and if our various organisations in the towns I have mentioned were given a little assistance, the Government would be doing something on the right lines.

Hon. G. Bennetts: In many parts of the Eastern States the people do not know we exist here.

Hon. L. A. LOGAN: That is so. As I said, the efforts of the various organisations should be co-ordinated and they should be controlled from a central office, subsidised by the Government. I am not a believer in government control, and I do not favour government departments unless they pay their way, but this is one organisation that could be made to pay its way handsomely. The organisation at Geraldton has done much to put that town on the map. It is a very good town. The Abrolhos Islands are one of the main attractions of the district at the present time. They are

completely booked out for a considerable period to come. I do not think we have anything to worry about so far as tourist attractions in the State are concerned. We could sell this State to anybody in the world.

Hon. W. J. Mann: Is not accommodation the great trouble?

Hon. L. A. LOGAN: That is a difficulty in any country. Australia is not peculiar in that respect. However, it is a difficulty which must be overcome and the sooner the better. Much has been said about our water supplies, but I shall deal with the subject from a different angle. We know that today the policy of the Commonwealth Government is to arrange for 70,000 immigrants to enter Australia per year, until we reach a total of 20,000,000. I should like to know what will happen if no provision is made for water supplies and we have these 20,000,000 immigrants, even if they are not all to be here for 40 years hence. We cannot supply sufficient water for the few people already here. We shall have to place these immigrants in the cities and on the seaside, where perhaps they might be compelled to drink salt water, or something else. If, however, we are intending to place them in the hinterland, where they will be needed, then the sooner we start planning water supplies for them the better.

In Geraldton this year we will not get a drop of rainwater in the dams. All our water will be supplied from bores. In my opinion, although the situation at present is an excellent one, I point out that the ground is so porous that it takes a fall of four to five inches of rainwater before any flow starts to run into the dam. If at least 50 acres of the surface were bituminised, I think that would certainly help the position. However, as I said, to place 20,000,000 people in this country at the rate of 70,000 per annum, is wrong unless something is done to provide adequate water supplies. That is only a businesslike proposition.

The Honorary Minister: You are a super optimist, all right.

Hon. L. A. LOGAN: As I said a little while ago, a farmer has to be a super optimist. I desire to touch on a point which was mentioned by Mr. Heenan. I refer to air travel. Under the new redistribution of seats, my district will be cut down;

all of it in the Murchison district will be included in the districts of the three Kalgoorlie members. They have my sympathy. Up to the present time, I must admit I have not even gone as far as Wiluna. But had air travel been available, I would have been there. The time has come when consideration must be given to the matter of air travel for members representing the out-back areas. Last night and today it took me 26 hours to come from Geraldton to Perth. I could have got here in two hours by plane, and been saved a lot of discomfort. That brings me back to the subject of trains. I make a plea to members to give the Minister for Railways some consideration and assistance in trying to solve the problem of rail transport. He has a hard job. We were five hours late into Perth this morning. Up our way there is a line, 34 miles long, and the schedule time is three hours, yet that train runs four hours late.

Hon. G. Bennetts: We arrived four hours late today.

Hon. L. A. LOGAN: Yes, but that was on a 400 mile trip. I am speaking of a matter of 34 miles. Many people blame the engines. This morning our trouble was due to the engine, but on many occasions it is not the engine, and we have to look further afield to find the fault. Most workers are genuine in their desire to see the railways return to a decent standard and give service to the public, but unfortunately there are one or two who do not care, and they are the ones we have to weed out in order to make the railways efficient. Under the old system when a train crew took out an engine they looked after it and took a pride in it. Every time the train stopped they polished it, and if anything went wrong with the engine they took it to the shed and had it fixed. Under the pooling system today, if anything goes wrong it is, in many instances, not even reported, and so it goes on. If we went back to the old system we would find that the engines would be in a much better condition than they are today.

Hon. E. M. Davies: It is many years since that applied.

Hon. L. A. LOGAN: Yes, but if we talk to the old drivers we find that they think that the change to the pooling system was one of the biggest mistakes ever made.

There was a certain amount of economy attached to it, but that economy has gone to the wrong side of the ledger. Hostels have been mentioned. I think it is time a hostel was built at Geraldton for the benefit of our high school children. We have an excellent high school, but the children from outside cannot get accommodation to take advantage of it. That is wrong.

Hon. G. Bennetts: You have let nine buildings go from there to Kalgoorlie.

Hon. L. A. LOGAN: Private enterprise has endeavoured to provide a hostel, but unfortunately neither land nor buildings have been available, and when private enterprise fails, it is time for the Government to take a hand. I hope the Minister will try to induce Cabinet to do something so that the high school can function as it should. I am going to touch a little on the gold-mining industry because a fair slice of gold-mining country is included in the area I represent. I, as well as the members from Kalgoorlie, know the disadvantages that face the industry today.

I was surprised to hear Mr. Heenan say that Mr. Chifley was not quite as heart-breaking to the goldfielders as most people made out. I am afraid that since he spoke, he must have changed his opinion, because if ever there was a statement made that was a disappointment to the goldminers, that was. It contained no suggestion of making any provision to help the goldminers in any way. The hon. member did not even know how many people there were in Kalgoorlie—he was not within 10,000 of the number! That is how much he knows of the position. I would like to consider the goldminer on somewhat the same footing as the wheat farmer. We have been pegged down to the price of 6s. 3d. for wheat for home consumption, irrespective of whether our costs have risen or not. The goldminer has his price fixed irrespective of his costs of production.

Hon. G. Bennetts: You are going to add to the burden by way of increased freights.

Hon. L. A. LOGAN: We will all have to suffer those increases. We should have had them in the past. Had we done so we would not have had them today, and the railways would probably have been in a much better position. That is blame that the previous Administration must take. In principle, I do not like rises in freights, but they just

cannot be helped. If America or the powers that-be could be induced to see the fallacy of holding gold where it is—it can be sold for £36 an ounce outside—so that a certain amount was allowed on the open market, probably America would raise her price.

Hon. G. Bennetts: You might flood the country with it.

Hon. L. A. LOGAN: I do not think so. Unless some miracle happens to reduce the cost of producing gold, the only answer is to raise the price. I hope that it will not be too long before we can reduce the costs of production of everything, and, consequently, the cost of living. Unfortunately, I cannot see that state of affairs at present. There is not much more that I can say, but I thank Mr. Bennetts for the remark he made when speaking to the motion, when he said he had come to the conclusion that the control of secondhand timber should have been abolished last year, when I tried my best to have it cut out. I am glad my efforts were not altogether in vain. Although I was beaten at the time, it gives me some little pride to realise that what I said in the first place was not wrong. I thank the hon. member for his remark.

There is one other small point I would like to make in regard to the railways. I understand that in the past a board was set up to deal with suggestions made by the men working in the railways, who should and do understand the conditions. Unfortunately—and this might hurt some people, but I must say it—too often those suggestions were sent on to the men higher up, and then passed out for the time being. Later they were brought back under a different description and claimed by the men up above. I am not very far wrong when I say that, because I have information to support me.

Hon. G. Bennetts: You are pretty well correct.

Hon. L. A. LOGAN: Some monetary prize should be given to the man who makes the best suggestion each month, and the result published in the railway monthly magazine. If that were done, every one would know who was the author of the suggestion, and when it got up above, they could not counteract it. In the past, up to £50 has been paid for suggestions that would improve the working of the railways. I suggest that a similar prize be given monthly,

and reference to the winner printed in the railway magazine.

Hon. G. Bennetts: Some of the heads would not confer with the men.

Hon. L. A. LOGAN: I know. If the men knew that their suggestions would be considered in the right quarter, they would be forthcoming again. I intend to approach the Minister on the subject and I hope something will come of it. I support the motion.

On motion by Hon. C. H. Simpson, debate adjourned.

BILL—PRICES CONTROL.

First Reading.

Received from the Assembly and read a first time.

Second Reading.

THE HONORARY MINISTER FOR AGRICULTURE (Hon. G. B. Wood—East) [5.42] in moving the second reading said: It was not my intention, until this afternoon, to introduce the Bill, but owing to the congestion on the notice paper and the many Bills which will be taken after the Address-in-reply debate is concluded, and also with a view to giving members an opportunity to consider the measure, I decided to do so today. There will therefore be no rush in giving it the consideration it deserves.

The Bill provides for the control of prices to pass from the Commonwealth to the State. In order to examine the possibilities of State prices control and the decontrol of prices, it was necessary to review briefly the need for the enactment of the original prices control regulations, which were prescribed by the Commonwealth. Price control legislation was enacted as one of the measures for controlling inflation, which usually follows a war or preparation for a war. Accordingly, I propose to trace briefly the cause of inflation in Australia, and then to examine the steps taken by the Commonwealth Government to alleviate the difficulties which were created by war-caused inflation.

There are two main causes of inflation—shortage of goods and over-supply of money. The two, of course, go hand in hand. During a war, consumer goods are in short

supply because their manufacture is prohibited, or the goods manufactured are diverted by governmental regulations for war purposes, so that few or none is available to the public. Accordingly they become scarce and desirable, and, necessarily, expensive. The Commonwealth Government followed the usual procedure—and rightly so, too—of prohibiting the manufacture of luxury goods. It also diverted essential commodities to war purposes and prohibited the use of vital raw materials for unessential services, and limited their use in essential consumer goods. The over-supply of money was created to increase the Government's spending power and to increase internal industrial activity.

The total expansion of credit which took place during the war years exceeded £100,000,000, and included a substantial increase in the note issue and Treasury bills, followed by an increase in deposits by the public in the trading and other banks and a reduction in the outstanding hire purchase book debts. The upward inflationary pressure was aided by inflation in other countries and a big price rise in the primary products which Australia sells for export. Insofar as exportable primary products are concerned, the home price is determined largely by oversea prices, and the income so obtained is split up into wages, rent, interest, taxation and profit (or reward) for the farmer's personal exertion. The prices for internal consumption are generally fixed by the export prices. That applies to most things, but in Australia it did not apply to wheat. That is the cause of the argument taking place at the present time. I believe that the wheat-growers were asked to carry too great a burden in the subsidising for internal consumption. Particularly is this so with regard to bread.

Hon. Sir Charles Latham: That applied to other things, such as eggs, bacon and the like.

THE HONORARY MINISTER FOR AGRICULTURE: Yes. The price of goods manufactured and sold locally contains the same elements, namely, wages, rent, interest, taxation and profit. The taxation effect is difficult to ascertain with any degree of accuracy because it is interwoven by indirect taxation into costs in every direc-

tion. Direct taxation—that is, income tax—has a deflationary effect insofar as it reduces the buying power of the individual. By the end of the war the demand for many consumer goods and capital goods for private industrial use had become intense. The combination of war shortages, increased credit, increased oversea prices, and rising demand through full employment, has left us with all the elements of inflation. I have quite a lot to do with these matters and I believe that conditions at the present time are worse than they were at the end of the war.

During the war the Commonwealth Government took the usual steps to curb the inflationary rise by controlling the ingredients of prices. The steps taken, approximately in their order of importance, were as follows:—

1. Wage-pegging.
2. Subsidies.
3. Rent control.
4. Limitation of interest rates.
5. Rationing of export.
6. Rationing.
7. Limitation of overdrafts and capital issues.
8. Limitation of hire purchase transactions.
9. High taxation.
10. Encouragement of savings.
11. Price control.

I believe it is important to appreciate the functions which all those measures performed. I want members to understand thoroughly the limited protection which this Bill or the Commonwealth Act of the same nature will ensure, and I propose to outline briefly the individual functions of each form of control so that their relevant importance can be appreciated.

First and most important, in spite of the difficulties and political opposition, we had wage-pegging. Wages enter into the price of consumer goods and capital goods to such an overwhelming extent that wages are pre-eminently important. Whilst I am not advocating wage-pegging nor do I think it politically possible in peace time for any party to peg wages, I hope to show that the failure of our Commonwealth Government, and of Governments in all countries to control prices, goes back to the inability to control wages in a period of inflation.

The lack of effective wage control accounts very largely for the 100 per cent. increase

in the prices of unsubsidised goods which has taken place in spite of a very valiant effort by the Menzies, Curtin and Chifley Governments to control them. They all tried and, in my opinion, to a great extent they all failed to control them. Wages are controlled by the Arbitration Court and since wages constitute from 81 to 89 per cent. of retail prices, excluding taxes, the Arbitration Court is the real price controller of the community. It is hard to get away from that fact, and within 12 months of a wage increase of, say, 10s., at least 7s. of it is passed on to the public in the form of increased prices and the balance of 3s. is ultimately passed on to them. Until some method of relating the basic wage to national production per head is discovered, this stupidity will continue regardless of all the other minor forms of alleged price control.

Subsidies were one of the most important contributions to the price control structure because they did two things—(a) they reduced the price of the goods that were subsidised and, (b) because the goods that came under the "C" index series were heavily subsidised, the subsidies had the effect of keeping the basic wage down, so that the element of wages in all the goods, including those which were not subsidised, was also reduced. That is a most important point. I took up that question with Mr. Pollard the other day when he spoke about removing the subsidy on potatoes. I advised him that if the Commonwealth Government did that, the basic wage would go up. Mr. Pollard said that it could not be helped. I intend to have something to say about that later on. Subsidies therefore carried their price-reducing effect into every article manufactured or sold in Australia. Subsidies have a terrific effect not only on the goods subsidised but they are a means of keeping the basic wage down, which in turn keeps down prices.

The recent annual subsidies being paid by the Commonwealth Government amounted to £40,000,000. It is often overlooked that this payment is made on the original price of the imported or locally produced raw material. If the subsidies are removed, the additional cost to the public will be £40,000,000. The average family in Australia expends 35 per cent. of its income upon food and clothing, so the increase will fall upon approximately 35 per cent. of the

average person's expenditure. This will create a large rise in the "C" index series, and a continuous and substantial increase in the basic wage. That is one of the most important things to be faced, and I have no optimism, after discussing the fact with Mr. Pollard, the Minister for Commerce at Canberra, that the Commonwealth Government will relent.

Rent control was implemented to prevent the natural increase of rents under two headings—(a) household rents and, (b) industrial rents. Household rents enter into the cost of living index and therefore influence the basic wage. Hence it was vitally important to control household rents. The rents of factories also enter into the cost of goods, although the actual cost of rent in a given article is usually very small. However, the control of all rents during the war was necessary if price control was to be partially effective.

The limitation of interest rates was achieved by regulations, which prevented any individual, firm or company from borrowing more than a specified amount of money, and by stipulating a very low rate of interest for such limited amounts. This made the Commonwealth low-interest-rate war loans attractive to the people, who, owing to the interest and borrowing control, had no better source of investment open to them. Sir Charles Latham will know something about that. He will also know that it had a lot to do with people putting money into war loans, apart altogether from the patriotic viewpoint.

A very important deflationary effect was achieved by limiting the export of basic materials, such as wheat, lead and zinc, and fixing a low internal price level for those articles. This had two effects. Firstly, it kept sufficient material within the Commonwealth for essential purposes; secondly, to the extent that the goods were exported, the producers received a high price, which permitted the Commonwealth Government to force producers to accept a low price for the goods sold internally. By this system of profit control and regulation of export, the local producer was forced, in effect, to subsidise out of his high export price, the low price for local sales. Two examples of this are: (a) wheat, with an export price of over 20s. and a local price of 6s. 3d.

Hon. L. A. Logan: It was 4s. 11d. most of the time.

The HONORARY MINISTER FOR AGRICULTURE: Yes, but it is 6s. 3d. now. The most the farmers have received has been 6s. 3d. at ports. There was also cartage from siding to port, which cost about 10d. a bushel. It is a strange thing that the wheatgrowers of today do not know how they were fleeced in this matter. I will not use the word "fleeced" but I will say they do not know how they were used to keep down prices in the Commonwealth. As Mr. Loton pointed out previously, we still have wheatgrowers who want to carry on under this state of affairs and want to let the Commonwealth run the show for them. Any wheatgrower who votes for Commonwealth control does not know what he is doing.

Rationing was another form of deflation or price control in that by limiting the consumption of goods it spread the available goods more evenly over the whole population, which tended to reduce pressure by people who would otherwise buy unlimited quantities at high prices. These people get the money and just want to spend it. I do not know why, but they do not know what else to do with it and they pay any price if they want a certain article although they may not really need it. To discourage further the purchase of goods containing essential raw materials, hire purchase transactions were heavily restricted by regulations, and overdrafts were refused to hire purchase companies. The book debts of hire purchase companies were thus reduced from £90,000,000 to probably £20,000,000. I know what effect that had in the farming areas. Many farmers, if they wanted a harvester or something like that, merely signed p.n.s. and then said that the article had been paid for, but they were eventually stopped from doing it, which I think was desirable.

Heavy taxation was instituted for the conduct of the war and to reduce the Government's need for introducing inflationary credit. Furthermore, it reduced the credit available within the community and thereby drained off some of the excess buying power that had been created by inflationary credit issued by the Government. During the war years the loans were all needed for war

purposes, and it was only in the last two years that some of the taxation and long-term loans were used for direct deflationary purposes, such as paying off Treasury bills. To the extent that taxation was used for such purposes, it was deflationary. To the extent that it killed incentive and was used by the Government as a means of providing funds for new schemes for spending money, such as the T.A.A. air service, it was, of course, inflationary. Apparently the Commonwealth had so much money to dispose of and so little idea what to do with it that it embarked upon that enterprise.

Hon. A. Thomson: In order to kill private enterprise.

The HONORARY MINISTER FOR AGRICULTURE: Great efforts were made to encourage people to save by way of war loans on long terms, and thus drive the credit that had been issued back into the hands of the Government upon a long-term basis. On top of all this, the Commonwealth Government instituted what were known as price control regulations. It is important to realise that, except for some slight control over the gross profits of merchants, price control regulations, as such, had no effect whatever on the main ingredients of prices, namely, wages, rent and interest, and were and could only be, and still can only be, a control of profits, either gross or net. It is important to remember, also, that the price control regulations represented only one of the steps taken by the three wartime Governments of the Commonwealth to keep prices down. I believe that all the Governments did what they could during the war to keep prices down, but apparently the job was a little too much for them, and prices, as everybody well knows, went up.

It is interesting to examine the efforts of the price controller as disclosed by the variations in his regulations. These indicate that, when he first commenced allegedly to control prices by regulation, he really believed he could do so, but later discovered that he could control profits only. The first regulations specified that selling prices were to be the cost to the merchant plus his previous gross profit percentage. Of course, it was soon found that this had no effect whatever on rising prices; in fact, it tended to increase them because mer-

chants accepted higher costs willingly and added their percentage to the increased costs. In 1942, a regulation was brought into operation which fixed prices at cost plus the previous maximum profit in terms of money and not in percentages. This had the effect of reducing the percentage of the gross profit of the merchants as the original cost increased and the fixed gross profit remained pegged.

At about the same time, rent, interest and wages were pegged. In other words, the problem was beginning to be appreciated. It took from 1939 to 1942 to deal with the problem. I remember the row we had in this State with regard to the fixing of the price of meat. I told the then Prices Commissioner, Mr. White, that the price could not be fixed justly, and what I forecast came true; it was not successful. Now, however, the matter has been put on a more scientific basis and it is possible to tell just where the trouble lies. There was a time when a merchant could get approval for an increase of prices if he could show that he was not making a profit, and also in some classifications where the increase would not interfere with the basic wage. Where it did interfere with the basic wage and an increase was sanctioned, a subsidy was paid. That is the explanation of the granting of the £40,000,000 worth of subsidies.

I now wish to deal with happenings since the termination of the war. Firstly, wage-pegging has been removed, and since its removal there has been a very substantial increase in wages per man-hour. This is the important thing we have to consider. Unfortunately, it has accelerated the rate of increase in prices. Figures taken out by a man who knows quite a lot about the matter show that prices are now about 40 per cent. above the average of the three years immediately preceding the war. Prior to wage-pegging being lifted, prices were rising at the rate of approximately 10 per cent. per annum, but since wage-pegging ceased, the increase has been about 15 per cent. per annum, and the rate of increase has shown a tendency to accelerate. The full effect of all this and of the 40-hour week have not yet been felt in the cost of living. When it is felt, we cannot tell how far the acceleration will go, but I believe that prices will rise considerably higher.

Many of our friends who advocated the adoption of the 40-hour week, in my opinion, did not know what they were doing. They certainly did not appreciate the effect it would have on the cost of living, and I do not think anybody can yet tell what a tremendous effect it will have. Such an increase must have its repercussions right through industry—primary, secondary and all the rest.

Hire-purchase sales have been decontrolled; there has been some easing of over-draft controls; most of the rationing has been eliminated and now the Commonwealth Government has said that it will no longer pay subsidies. This is a very serious matter indeed. All said and done, these subsidies have been paid out of the money contributed by the taxpayers, but, judging by the way the Commonwealth authorities talk, one would be led to believe that they were handing out money that belonged to the people of Canberra and not to the people of Australia as a whole. That is the attitude adopted by them. One can tell them about the increase in the basic wage, but it makes no difference. As regards wheat, they said they might do certain things if something else happened—if New South Wales and other States would restrict their acreages, they would pay a subsidy. New South Wales will not restrict its acreage, and cannot be blamed for refusing to do so because it is producing only about 50 per cent. of its requirements.

With the disappearance of wage-pegging and the subsequent acceleration in the rate of price increases, the effect of removing the subsidies may be very severe. I do not think people yet realise how serious it may be. Probably no price-fixing regulations, whether enacted by Commonwealth or State, could resist the pressure of wartime inflation and the removal of wage-pegging and subsidies. The control of rent and prices by regulation has now been handed over to the States because the people of the Commonwealth refused to give permanent price control by regulation to the Commonwealth Government. I wish to stress that the people of Australia only refused to give the Commonwealth permanent power to control rents and prices by regulation. The Commonwealth did not, as a result of the referendum, lose its undoubted power to control exports and thereby the internal prices of exportable goods; nor did it lose

its power to pay subsidies, which power it had before the war. Anyhow, one would think they did not have the power.

Hon. Sir Charles Latham: Whom do you mean by "they"?

The HONORARY MINISTER FOR AGRICULTURE: I am referring to the Commonwealth Government. Furthermore, the Commonwealth did not lose its power over arbitration nor its power to make representations to the Arbitration Court in the matter of limiting wage increases. Incidentally, the Commonwealth intervened in the 40-hour week case on the side of the applicants—wanted it definitely, and asked for it. It must have known that the consequent reduction in hours would raise man-hour costs between 5 per cent. and 9 per cent. However, we have before us this Bill under which it is proposed that the State shall control prices, which means only, of course, the control of profits and not of prices.

I have told members as honestly as I can that this measure will not achieve everything. Under it I do not think that more can be accomplished than the Commonwealth has done, but it will have an important effect in cushioning prices during the transition stage until these controls can be entirely removed. Of course, the State has not the opportunity to control such important items as wages, subsidies and taxation, and consequently cannot hope to be more successful than the Commonwealth has been. This Bill has therefore been introduced by the Government with a clear appreciation of the fact that real prices—not profits—are impossible of control by these regulations alone. I do not think anybody can truthfully say that he believes otherwise.

My opinion is that prices must continue to rise unless (a) oversea prices of primary products fall, which I hope they will not do; (b) the exchange rate on England falls, which I hope it will not do, though, in view of the action taken by the New Zealand Government, it may; (c) wages are adjusted upwards only in accordance with increased national production; and (d) the over-supply of credit is reduced by restricting government expenditure and using the surplus to pay off Treasury bills, etc. As to the point about wages being adjusted upwards only in accordance with increased

national production, consider the primary industries. A farmer, for instance, pays £6 or £7 per week to his employees, but they do not now work anything like as well as they did before. A South-West dairyman told me recently that he was doing all the work on his dairy. He is a most efficient man. I said, "Why do you do all this work yourself? You are making a lot of money and could afford to employ men." He replied, "We put on a man, but we found that he was no real help and that we did not get through our work in any shorter time. It still stretched out to 6 o'clock or 7 o'clock. Therefore we do not employ men."

Until people work harder and the national output is increased, prices must continue to soar. The State or the Commonwealth can hope to achieve only a slight cushioning effect as we pass from a wartime economy to a peacetime economy. The effect of rising building costs upon rents can be cushioned over a long period by rent control because the percentage of new houses to old is low and rents are not immediately affected by other prices or by rents in other States or countries. In any event, Parliament has already passed legislation to control rents, so that landlords are thereby being compelled to subsidise the community.

Sitting suspended from 6.15 to 7.30 p.m.

The HONORARY MINISTER FOR AGRICULTURE: I think I finished, before tea, on the note that the landlord was subsidising people today in regard to cheap rents. It appears that the Commonwealth having been refused permanent power to regiment the country for ever, is now determined to refuse assistance in really controlling prices. It may be that the Commonwealth Government feels the time has come when it can no longer cushion the inevitably rising prices and has taken this opportunity to leave a very sick child suddenly to the States.

On the other hand, it may be governed by purely political motives, and realising that there is an acceleration of the speed at which prices are rising that it cannot stop whatever it does, it is going to throw the whole responsibility on the States, saying subsequently, "The States wanted to do this thing and cannot do it," thus ab-

solving itself from all responsibility. I do not know what is in the mind of the Commonwealth Government. It did have authority to carry on till the end of the year, but passed these powers over as quickly as possible.

Hon. A. Thomson: Leaving the States to carry the baby.

The HONORARY MINISTER FOR AGRICULTURE: That is so.

Hon. G. Bennetts: The States asked for it.

The HONORARY MINISTER FOR AGRICULTURE: I believe that if the Commonwealth Government had been honest or dinkum in trying to do the right thing, it would have removed subsidies gradually and not lifted them suddenly and pushed up the basic wage. But the Commonwealth did not do it gradually; it did not gradually cushion the effect. Everyone will agree that subsidies are the best way of keeping prices down. After all, it is the people's money, and nobody else's. The States have been forced to accept full and immediate responsibility for price control regulations and at a conference of Ministers of all the States, certain decisions were made, which it is hoped will prevent excessive profits contributing to the inevitable price rises which must follow the chain of economic circumstances I have outlined.

The Premiers of three States have already agreed that the general principles of price-fixing should be as uniform as possible, and that there should be the closest collaboration between the States in order that the actions of one should not jeopardise the interests of any other. I think that is very desirable indeed, particularly in the other States which are so close together and where freight differentiation would not prevent any trade between the States. Here, in Western Australia, it would. The Premiers have agreed to decontrol the prices of goods which will not interfere with the economic stability of the States in general; and to achieve this uniformity an advisory co-ordinating authority of six State Ministers has been set up which will be concerned with the administration of price control and will recommend the goods and services from which control should be removed or on which it should be retained. I might

mention that it is proposed to remove control from thousands of articles.

Hon. E. M. Heenan: Where will they sit?

The HONORARY MINISTER FOR AGRICULTURE: The co-ordinating committee will sit in Sydney. It has been further agreed that a State's prices will not be varied without consultation with the other States and that there shall be reciprocity in the exchange of goods to prevent one State making excessive profits from the needs of another. This committee will sit in Sydney. The State Ministers have already met to examine in detail goods and services to be controlled or decontrolled and a central secretariat will be established in Sydney. Each State will advise the secretariat of all price increases as and when granted by it. One important principle has already been established by the conference of Ministers, in that it is proposed that the State in which the manufacture of goods takes place shall be the State responsible for investigating the price at which goods shall be sold.

Hon. Sir Charles Latham: Can you tell us if all States are going to have uniform legislation?

The HONORARY MINISTER FOR AGRICULTURE: As far as I know, yes. I will check that. I know that some States are introducing uniform legislation but I am not sure whether others are doing so.

Hon. G. Fraser: It will be unusual if they do.

The HONORARY MINISTER FOR AGRICULTURE: I do not know. We hope so; but I will find out later on and let members know. I have not had a chance to talk to the Attorney General, who only came back on Sunday night. At a Cabinet meeting he very briefly told us a few things, but did not tell us that; and I did not think to ask him. I consider it desirable that there should be uniform legislation as far as possible. The conference of Ministers, recognising the overwhelming part played by subsidies, passed a resolution recommending that the Commonwealth should continue the subsidies for a further 12 months. I hope that if the Commonwealth refuses to do this it will at least remove them gradually. It is most important that should be done. If it removes the subsidy

on super. of £3 a ton, for instance, there will be a far-reaching effect on the economy of the primary producers, and the same applies to the subsidy on potatoes.

In regard to the commodities I mentioned in the early part of my speech, the prices of which are controlled by export licensing, and of which the local price is being subsidised by the producer out of the high export price, it will be necessary to seek Commonwealth co-ordination through the Ministers for Agriculture. Otherwise, if this form of subsidy is removed, it will add to the chaos which may be created by the removal of the Government-paid subsidies. This Bill is entitled the Prices Control Act 1948, and enables the State to take over from the Commonwealth regulations in force at the time of the transfer of control to the States.

Members are aware that the existing National Security (Prices) Regulations—wartime measures—were continued in operation by the Commonwealth Defence (Transitional Provisions) Act, 1946, and the amending Act of 1947 which made provision for the control of prices by the Commonwealth until the 31st December, 1948. In December, 1947, a proposed law to alter the Constitution, entitled the Constitution Alteration (Rents and Prices) Act 1947, was passed by the Federal Parliament. The object of the proposed law was to amend the Constitution so as to give the national Parliament, permanently, power to make laws with respect to rents and prices, including charges; or, in other words, to give the Commonwealth Government permanent power to fix rents and prices. A referendum was held on the 29th May, 1948, when the electors rejected the proposal.

Hon. G. Fraser: Now you are copying all their regulations.

The HONORARY MINISTER FOR AGRICULTURE: Yes, temporarily; and naturally the hon. member will support that. To be consistent, all members of the Labour Party must support it in view of what was said at the referendum. The Commonwealth Government determined to relinquish price control immediately after the referendum and at the same time the Prime Minister announced that the Government intended to cease paying, with a few exceptions, the subsidies that it had

previously been providing. The Commonwealth Government's decision was conveyed to the States in the following terms:—

1. That the Commonwealth Government will relinquish administration of the following controls as from the expiration of the periods mentioned, that is, rent control, two months; price fixing, three months; land sales control, three months.

2. That the Commonwealth Government shall invite the State Governments to set up machinery to assume these controls within the periods mentioned.

3. That the Commonwealth Government and Commonwealth staffs give all possible administrative assistance to the State Governments in the setting up of such State controls as the respective State Governments consider necessary and adequate.

The Commonwealth Government at the same time notified the State of its intention to continue those subsidies on commodities which had formed an integral part of its stabilisation structure only on certain conditions and for limited periods. On the 23rd June last a conference of State Premiers was held at Canberra to co-ordinate action between the different States in connection with price control; and for the purpose of record, I quote the terms of the resolution adopted—

(1) If the economic stability of Australia is to be maintained, it is vital that an effective system of price control be continued.

(2) In the interests of the whole of Australia it is imperative that the general principles of price fixing should be as uniform as possible.

(3) That in order that the interests of individual States should not be jeopardised by the actions of any one or more States, there should be the closest collaboration between the States in the detailed implementation of the price control policy.

(4) It is desirable to reduce to the greatest extent possible the incidence of price controls, and action should be taken immediately to survey all existing orders with a view to their elimination when such course does not interfere with the economic stability of the State concerned or of other States.

I cannot stress that too much. I believe most people will agree with it.

(5) That in order to achieve maximum uniformity and to ensure that no State suffers because of the isolated action of any other State, an advisory co-ordinating authority consisting of the six State Ministers concerned should be established to consider and recommend to the respective Governments those goods and services from which controls should

be removed immediately and from time to time thereafter and generally to advise the respective Governments on the policy deemed desirable.

(6) The New South Wales representative to be convener of meetings of the committee when required.

In accordance with the Canberra resolution a meeting of State Ministers was held in Melbourne on the 8th and 9th July. Agreement was reached at that conference for the co-ordination of policy between the Ministers on administrative problems which will necessarily concern the various prices commissioners, and on another most important matter, the principles and methods of approach to decontrol. Further consideration was given to the matter at a meeting of the Ministers on the 30th July, and another meeting was held on the 27th August.

Members will agree that co-ordination between the States is of major importance in connection with the administration which it is proposed to set up. For this purpose a small secretariat of not more than two officers, to the cost of which all States will contribute, is to be established in Sydney. The Ministers have agreed that in the case of goods that will be the subject of interstate trade, the State in which the goods are produced shall determine the price, and will communicate its decision to all States. Subject to any adjustment that may be necessary, the price determined by the investigating State will be the price in other States. This, of course, will apply more to New South Wales and Victoria than to any other State, as they are the chief manufacturing centres. I am pleased to say that the major difficulties necessarily associated with such an important change-over have been overcome, and there is no reason whatever to have any fear that differences will arise between the States on matters of policy or administration.

Hon. G. Fraser: Then a miracle must have happened.

The HONORARY MINISTER FOR AGRICULTURE: I have every reason to believe that that is so. Otherwise, it does not matter much whether uniform legislation is implemented or not; but they have come to that agreement.

Hon. G. Fraser: They have come to agreements before, and on their coming back here, this House has upset them.

The HONORARY MINISTER FOR AGRICULTURE: I hope the House will do nothing like that on this occasion. The Ministers have already come to an agreement. On other occasions they have gone East but have not reached agreement. In this instance, agreement has been arrived at because the States know how necessary it is. I referred earlier to the Commonwealth subsidies, and I again stress their importance. The withdrawal or threatened withdrawal by the Commonwealth of price subsidies was one of the greatest difficulties that confronted the States in connection with the taking over of price control. Those subsidies aggregate about £40,000,000 per annum and it requires no stretch of imagination to realise that their removal would inevitably lead to a substantial increase in prices. We know that the States cannot grant subsidies, and it is not within their financial power to do so.

Hon. Sir Charles Latham: Under the Commonwealth Constitution they are not permitted to do so.

The HONORARY MINISTER FOR AGRICULTURE: Even if they were allowed to do it, they have not the powers of taxation and could not do it. The whole thing must remain to be determined by the Commonwealth. The question was fully considered at the conference of Ministers on the 8th and 9th July. They realised that a sharp rise in the cost of clothing and a subsequent steep rise in the basic wage would follow withdrawal by the Commonwealth of the subsidies on wool, raw cotton, imported yarns, imported textiles, piece goods and interstate shipping. The conference therefore recommended that the Commonwealth Government be asked to continue subsidies for a further 12 months and that the matter be referred to the Premiers' Conference. It was on the agenda of the Premiers' Conference that took place at Canberra on the 23rd August.

As members know, the States themselves have no power to grant subsidies and therefore the question of whether subsidies shall continue depends on the attitude of the Commonwealth Government. It was pointed out by the Prime Minister, in a communication to which I have already referred, that there is an important group of commodities for which special arrangements will be necessary when price control is taken over by the

States. This group includes hides, leather, tallow, rabbit-skins, and a number of metals. The domestic prices of these commodities are considerably below export parity. Owing to the tremendous difference between the home consumption price of leather and the oversea price, it would be possible that all the leather would go oversea if some control were not exercised by the Commonwealth. One of my officers has worked out that the price of a pair of boots or shoes could easily rise by £1 if the export price had to be paid on the local market.

During the war there was an equalisation fund, and something will have to be done to carry it on for the present. That, in one way, gives the answer to those who wish to do away with all controls, and it is a sound argument for at least some controls being retained. The same argument applies to hides, tallow and some metals. Soap, for instance, would reach a terrific price if all the tallow were exported out of Australia. The domestic price of all those commodities is considerably below export parity at present. Without export control over some commodities, there would either be an enormous increase in their prices locally or they would be exported to obtain the advantage of world prices, with a consequential acute shortage of supplies to meet local demands. Up to the present some form of equalisation scheme has operated in all these cases, and it is apparent that co-ordinated State price-fixing and Commonwealth export control will be necessary. It is anticipated that suitable arrangements will be made with the Commonwealth Government. In this State the Government believes that some form of price control is absolutely necessary where essential goods are in short supply, and I assure the House that any items or services that would adversely affect the existing position with relation to food, clothing or shelter will be kept closely under review, so that if necessary action may be taken immediately to protect the interests of every section of the community.

I will now deal with the provisions of the Bill in detail. Its main principle is to provide that the National Security Regulations and orders under those regulations in operation at the time when the Commonwealth Government ceases to exercise price control, will operate as State regulations and orders under the State law. The Bill makes provision for a great deal that is not actually

contained in it. Power is given under the Bill to repeal or amend regulations or to make new regulations and orders in connection with the prices of goods and services as may from time to time be found necessary. It places the administration of price control, subject to the general control and direction of the Minister, under a board of three prices control commissioners who are to be appointed by the Governor and who shall hold office on such terms and conditions as the Governor may determine.

Hon. A. L. Loton: Why is it necessary to have three commissioners?

The HONORARY MINISTER FOR AGRICULTURE: Ask me an easier question.

Hon. E. H. Gray: It is fairer to the public.

The HONORARY MINISTER FOR AGRICULTURE: Another place has determined that there shall be three commissioners.

Hon. Sir Charles Latham: The Government has accepted it.

The HONORARY MINISTER FOR AGRICULTURE: I do not know whether it has been accepted, but it is optional for this House to amend that provision if it feels that such a course is necessary. It is the prerogative of any member to move an amendment to that end. Under the Bill there is also power, with the consent of the Minister administering the legislation, to co-opt the services of any person in the Commonwealth service, and every person employed pursuant to the provisions of the measure is forbidden, directly or indirectly, to communicate or divulge any information relating to any matter that comes to his knowledge in consequence of his official position, and must sign a declaration of secrecy in the form provided in the measure. Power is also provided for information to be given to the prices commissioner of any other State to enable him more effectually to carry out his duties in that State.

Hon. Sir Charles Latham: Tell us something about that taxation business that is referred to in the Bill.

The HONORARY MINISTER FOR AGRICULTURE: I will come to that later on. Under the Bill the Governor is authorised to make regulations prescribing all

matters and things with respect to the prevention of undue increases in prices and rates for goods and services, the regulation of prices and rates of goods and services, the progressive removal of price control and co-operation between the States and the Commonwealth. Until other regulations are made, the Commonwealth regulations, with appropriate adaptations, will come into operation as the State regulations. All declarations, authorisations, orders etc., made pursuant to the provisions of the Commonwealth regulations are to subsist and inure for the purposes of the legislation. Power to revoke or amend regulations is conferred on the Governor and, in the case of orders, declarations, etc., on the Minister.

It is an offence under the measure to fail to comply with any of the provisions of any regulation or order and the punishments provided are—in the case of an offence prosecuted summarily, a fine not exceeding £100, or imprisonment for a term not exceeding six months; if prosecuted on indictment, a fine not exceeding £500 or imprisonment for a term not exceeding two years. In addition, the court may, if it thinks fit, order the forfeiture of any money or goods in respect of which the offence was committed. Where a person convicted of an offence against the legislation is a body corporate, every person who at the time of the commission of the offence was a director or an officer of the body corporate shall be deemed to be guilty of the offence unless he proves that the offence was committed without his knowledge or that he used all due diligence to prevent the commission of the offence.

An important provision is that the measure is to continue in operation until the 31st December, 1949, and no longer. It is desirable that it should operate only for 12 months. We hope it will not be necessary to continue it beyond that period but, should that be necessary, Parliament will have the right of deciding the matter. I am sorry members have not been provided with copies of the Commonwealth regulations, but they are simply not available. I will make my copy available for perusal by any member who wishes to examine it and would point out that there is also a copy in the Parliamentary Library. The Bill provides for regulations to be made by the State Government; and those regulations

will in due course be laid on the Table of the House. Immediately the Bill is passed, the Commonwealth regulations with appropriate adaptations shall, subject to the provisions of and by force of this legislation, come into operation and have the same effect as if made under the provisions of this Bill and as if they were regulations made under the provisions of the last preceding subsection, which I shall not read to the House, and validly promulgated and not disallowed. The previous subsection mentioned relates to new regulations which have been laid on the Table of the House.

Hon. Sir Charles Latham: Does that mean that they cannot be disallowed?

The HONORARY MINISTER FOR AGRICULTURE: These regulations cannot be disallowed, but any new ones could be. This is a transitional Bill and the advice received from those who have been administering the Commonwealth Act for some years is that they provide the best way of doing the job.

Hon. E. M. Davies: Is this the only way to do it? What happens if the new regulations are disallowed?

The HONORARY MINISTER FOR AGRICULTURE: Then we will have to carry on with these. They have been in operation for a number of years and people understand them and their effect.

Hon. J. A. Dimmitt: We do not like them any better for having got used to them.

Hon. H. Hearn: Perhaps it will be impossible to get rid of them.

The HONORARY MINISTER FOR AGRICULTURE: It will be the job of those administering the control to introduce new regulations—

Hon. Sir Charles Latham: No, it will not.

The HONORARY MINISTER FOR AGRICULTURE: This is the method recommended by the advisers of this and the other Governments concerned. What has to be done must be done quickly, and there will be time later to promulgate new regulations under the measure. I move—

That the Bill be now read a second time.

On motion by Hon. E. H. Gray, debate adjourned.

House adjourned at 8 p.m.

Legislative Assembly.

Tuesday, 31st August, 1948.

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

QUESTIONS.

HOUSING.

As to McNess Homes Applicants and Finance.

Mr. FOX asked the Premier:

(1) Is he aware that there are hundreds of applicants for McNess homes?

(2) That no further homes are being built by the McNess Housing Trust because it has no money?

(3) Will he make a substantial amount of money available to the McNess Housing Trust in order to enable it to re-commence building?

The ACTING PREMIER replied:

(1) Yes.

(2) No.

(3) Legislation is now being drafted to provide a means whereby the McNess trustees can re-commence building operations.

MEDICAL SCHOOL.

As to Proposed Building.

Hon. A. R. G. HAWKE asked the Premier:

When is a start likely to be made with the proposed medical school building?