

totalled 6,005,476 and the total turnover was £12,936,095 and the winnings paid to bettors amounted to £12,687,789. Let us consider those figures, because it gives us something to work on. The total turnover—that is, the money which the book-makers had to handle over and over again on the local race meetings was £12,936,095 and they had to pay back to the bettors, out of that amount, the sum of £12,687,789. That left a gross profit, on the local race meetings, of £248,326, out of which they paid £129,366 in turnover tax, £14,013 in ticket tax, leaving them a profit of £104,947 on a turnover of £12,936,095, which works out at .81 per cent.

Mr. Wild: Those figures relate to on-course bookmakers?

The MINISTER FOR WORKS: Yes; we cannot deal with them both at once.

Mr. Wild: It is no good dealing with the others, because there are so few of them.

The MINISTER FOR WORKS: In connection with trotting meetings, 2,001,763 bets were laid, which gave a turnover of £3,788,263. The winnings paid to bettors amounted to £3,555,768, making a gross profit of £232,495. The turnover tax paid amounted to £37,885 and the ticket tax amounted to £4,671, leaving a gross profit on trotting meetings of £189,939 or 5.01 per cent. So it must be more difficult to pick winners at trotting meetings than it is to pick them at race meetings. Even so, their gross profit, out of which they had to pay wages and other expenses, was 5 per cent.

The Treasurer: We allow more than that under the Profiteering and Unfair Trading Prevention Bill.

Mr. Ross Hutchinson: Do you now?

The MINISTER FOR WORKS: At coursing meetings, 7,298 bets were laid, which gave a turnover of £23,536. The winnings paid to bettors amounted to £22,626, which left a gross profit of £910. The turnover tax paid amounted to £236 and the ticket tax was £17. This left a profit of £657 or 2.8 per cent. On interstate meetings a total of 3,675,307 bets were laid, involving a turnover of £4,915,279, from which the winnings paid to bettors amounted to £4,567,591, leaving a gross profit of £347,688, from which £49,157 was paid in turnover tax and £8,575 was paid in ticket tax, leaving a net profit, out of which wages and other expenses had to be paid—net profit remaining after tax and stamp duty had been paid—of £289,956 or 5.9 per cent.

The PREMIER: I move—

That the Minister for Works be given leave to continue his speech at the next sitting of the House.

Motion put and passed.

Debate adjourned.

House adjourned at 6.12 p.m.

Legislative Council

Tuesday, 23rd October, 1956.

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

QUESTIONS.

COKE.

Availability and Possible Substitute.

Hon. L. A. LOGAN (for Hon. A. R. Jones) asked the Chief Secretary:

In view of the serious position created by the lack of coke available for use in slow combustion household stoves, will he inform the House—

- (1) Is anything being done to alleviate the present position?
- (2) Will he have inquiries made through the Mines Department as to whether there is any foundation to rumours that there is a low-grade coal obtainable in the proximity of Mingenew which it is claimed has been used, and could be successfully mined for the purpose of burning in place of coke in slow combustion stoves?

The CHIEF SECRETARY replied:

(1) This is a matter for the State Electricity Commission and the Fremantle Gas Co., or for importation by coal merchants of domestic coke from the Eastern States.

(2) The Irwin River and Eradu coal deposits were investigated in great detail by the Mines Department in 1949; and, as a result, the report of the Government Geologist was that the coal was of no economic value and that the deposit was of too low a grade, too thin or too lenticular to enable it to be exploited in competition with the very much better grade sub-bituminous coal in the Collie Basin. Full details are published in the Geological Survey of Western Australia Bulletin No. 108 in the chapter on economic geology.

INCOME TAX ACT.

Exemption of Unemployment Relief Funds.

Hon. G. E. JEFFERY asked the Chief Secretary:

Will he request the Premier to make representations to the Commonwealth Treasurer to exempt, pursuant to the provisions of the Income Tax Act, donations to genuine unemployment relief funds that have been established?

The CHIEF SECRETARY replied:

Yes.

RURAL RELIEF FUND.

Repayments and Readvances.

Hon. N. E. BAXTER asked the Chief Secretary:

As the report of the trustees of the Rural Relief Fund for the year ended the 30th June, 1956, shows the total amount repaid £208,580 2s. 10d., and an amount of £9,580 2s. 10d. readvanced, will he inform the House—

- (1) Has the repaid amount being held in trust, been applied temporarily to any other purpose or invested?
- (2) Over what period, and for what particular purpose was the readvanced amount made, and to how many farmers?

The CHIEF SECRETARY replied:

(1) The amount repaid is held in trust in the Rural Relief Fund No. 2 Account. It cannot and has not been applied temporarily to any other purpose nor has it been invested.

(2) The amount readvanced from the fund has been used to assist two pastoralists and 11 farmers who have needed assistance under the provisions of the Farmers' Debts Adjustment Act. The advances were made during the period September, 1947 to February, 1955.

ROADS.

Money made Available for Esperance.

Hon. A. F. GRIFFITH (for Hon. J. M. A. Cunningham) asked the Chief Secretary:

(1) Will he advise the House what grants of money have been made available for road works in the Esperance district for—

Cape Le Grand-rd.:

- (a) 1954-1955;
- (b) 1955-1956;

Myrup-rd.:

- (a) 1954-1955;
- (b) 1955-1956?

(2) Was a special grant made for road-works east of Esperance?

(3) If so, for what special purpose was the special grant made?

The CHIEF SECRETARY replied:

(1) Cape Le Grand-rd.—

(a) 1954-1955	£	4,62
(b) 1955-1956	Nil	

Myrup-rd.—

(a) 1954-1955	3,18
(b) 1955-1956	Nil

(2) Yes; £20,000 was made available for development of roads to new settlement areas in the Esperance road district, of which £13,500 was allocated to road work east of Esperance.

(3) Answered by No. (2).

WATER.

Shortage at Salmon Gums.

Hon. A. F. GRIFFITH (for Hon. J. M. A. Cunningham) asked the Minister for Railways:

(1) Is he aware—

- (a) that at Salmon Gums the last 13,000 gallons of water have been pumped from the dam into the overhead railway tank;
- (b) that the tank has been locked on the station master has advised the settlers that the water is reserve for railway purposes;
- (c) that a serious fire in the townsite last week has seriously depleted household tank supplies;
- (d) that on the 15th October a sale of off-shears sheep was held; and with another sale on the 23rd October, members of the Salmon Gums branch of the Farmers' Union are gravely concerned at the lack of water supplies for these days?

(2) In view of the foregoing, will he advise the House—

- (a) Has the agreement of many years standing between the Dundas Road Board and the Railway Department, "that the last 3ft. of water in the same must be left for the exclusive use of settlers" been cancelled?
- (b) If not, will he move urgently in the matter to ensure that adequate supplies of water at satisfactory rates are made available to the settlers?

The MINISTER replied:

(1) Yes. These matters were brought under my notice by Hon. G. Bennetts.

- (2) (a) The bottom 2ft. of water is regarded as belonging to the settlers.
- (b) Water has been transported from Norseman in railway tankers to meet demands.

**BILL—GERALDTON SAILORS AND
SOLDIERS' MEMORIAL INSTITUTE
ACT AMENDMENT.**

Read a third time and *passed*.

**BILL—PROFITEERING AND UNFAIR
TRADING PREVENTION.**

Second Reading.

Debate resumed from the 17th October.

HON. C. H. SIMPSON (Midland) [4.41]: I want to preface my remarks on the address given by the Chief Secretary by an explanation which I think in the circumstances is desirable. I approached the Chief Secretary with a view to having the debate adjourned until tomorrow for a very good reason; and quite frankly I thought his bantering tone was not in his usual style, and that really he was quite prepared to allow me to carry on. I think it will be agreed that the Bill is in substance one which is directed against the business community rather than, say, against the other sections of the community. I explained to the Chief Secretary that when the Bill arrived at this House it was, so far as we are concerned, a new Bill. There had been so many amendments that I was not quite sure what revised attitude in regard to the Bill might be taken by the party which I represent. We represent people living all over the State, and it was necessary to get some reaction from them as to what might be their new attitude, and then a week-end came in between.

The Chief Secretary: This is a non-party House. You would not want the party view.

Hon. C. H. SIMPSON: It is not, unfortunately. It was necessary to have some idea as to what their reaction was. I spoke to several members explaining what I had in mind; and I think that the request was, under the circumstances, a reasonable one. It is not as if we are right near the end of the session, when there is necessarily a rush in our treatment of Bills, and in regard to which I think the Minister will agree we have loyally co-operated on this side of the House. Admittedly we have complained; and I believe there are many occasions on which the Minister himself, when sitting on this side of the House, has complained bitterly about the short time given here to measures of importance.

In regard to the possible contention that we have had ample time to consider this Bill, I would remind the Chief Secretary that in reply to a question asked by Mr. Watson after the first part of the Chief Secretary's speech was finished—"Why bring in the Bill?"—he said times are so critical that a Bill like this is necessary and has to be given very careful study; that we should not regard ourselves as anything but a House of review; and that the Government was quite prepared to accept

suggestions which might point to a solution of the difficulty. I contend that if the the Bill is so important—and a Bill of this nature could easily be an important one—then the extension of time for the other 24 hours was desirable, and I am sorry that the Chief Secretary took steps to refuse me that adjournment.

The Chief Secretary: You have had nearly a fortnight up till today.

Hon. C. H. SIMPSON: I want to say right now that the Chief Secretary has always been very courteous, and I hope the personal relations will continue. They always will on my side; but I am still of the opinion, as the leader of my party, that, under the circumstances, my request for an extension of 24 hours was not unreasonable and should have been granted.

I said just now that the Bill appears to be aimed not at the worker, and certainly not at the primary producer—although I will point out later on that it could easily affect the primary producer—but, as has been indicated, at certain sections of the business community, though we do not know exactly what these aims are, and unfortunately we do not know what sections of the business community it may affect. It may only affect the big manufacturer or the big trader, but it may also affect the very small man; and naturally some clarity in the intention of the Bill is needed so that there will be no air of uncertainty on the part of those who may be affected.

I think it can be claimed that it reveals clearly the Government's attitude towards the business section of the community and its obsession with socialism. Everything must be controlled! That attitude towards the trader at this stage seems to me to be very hard to understand. Before the Bill was introduced, the Premier made an appeal and met the business people of the community, and invited their help to work out ways and means by which the adverse trade balance with the Eastern States could be remedied; and the business people met him and promised him their full co-operation. I think they were happy to have had the opportunity of discussing these matters with him.

Then this Bill was launched, and it does not need me to say what reactions it invited, not only on the part of people of Western Australia, but of those in the other States—and, in fact, overseas. When this Bill was launched, we not only had the spectacle of business people's co-operation having been invited, but we had a party of businessmen from America in the State; and we also had one of the Ministers of the Government visiting the United States and trying to interest investors in the many possibilities of Western Australia. This makes the launching of this Bill all the stranger.

If ever there was a time when this young country needed capital and men with vision to develop it with as little interference as possible, this is that time, and more care should be taken not to frighten these people away by introducing what could only be regarded as repressive legislation. Only this morning there was a picture in the Press of the Minister for Mines and the Under Secretary for Mines, together with some account of the efforts they are endeavouring to make to interest people of America in the possibilities that could be presented in developing this young State of ours.

In regard to one of the suggestions made by the Minister in which he asked that an effort should be made which might help the Government in meeting a crisis, I quite agree. In point of fact I have in mind two suggestions which might be considered by the Government. I believe that because of the general conditions with which we are faced and the need for the development of our country, the problem should be tackled not from a party point of view but from the angle that we should regard ourselves as partners in the one concern, trying to do our best to encourage people with money to come here and unite their efforts in the aim which we all profess to have in view.

When the Bill was introduced, representatives of the trading section of the community—quite a number of them—took the opportunity to approach the Premier and discuss at length with him the implications of the measure. They suggested that the Government withdraw it and that a co-operative committee be set up, in which they would willingly join; and if any of the practices which the Premier seemed to fear were actually existent, then they were quite prepared to take action amongst themselves to see that those practices were remedied. That, I think, was a fair offer.

The Minister for Railways: What type of action would that be?

Hon. C. H. SIMPSON: It would depend entirely on the information they got. In any case, that was an effort made by them to assist in the solution of a problem, if there was a problem at the time; and we do not know that there was. A little later I shall deal with some of the problems that were alleged to exist, and I shall try to give members an idea of whether they are critical or not. We have first of all to satisfy ourselves that there is an evil to correct.

One of the matters that was suggested was the cost of living. According to the Government it had increased by £1 18s. 3d. in three years. That certainly sounds like something that requires analysis. If we examine the actual cost of living over the three years we find that the main factor in the increase was rent which amounted to 18s. 11d. out of a total of £1 18s. 3d. Now, rent is controlled by a rent control Act. Whether the Bill is passed or not, that control will still remain. That it has some

influence on the cost of living index is incidental, but it is a fact that it is controlled by legislation already on the statute book. So this measure, whether it is passed or not, will have no effect on that situation.

Now I shall look at the other items. Food increased by 15s. 10d. over the three years. When we come to consider that, we find that nearly all of the increase was due to the increased price of meat. Meat is something which, during the price-control regime, was found to be virtually impossible to control. There were many reasons why it could not be controlled, and it was admitted that no attempt at control was satisfactory; so it had to be allowed to go by the board, more or less.

There remain only two other items. Clothing is one, and it varied by 10d. in the three years. The remaining item, miscellaneous, which covers all sorts of things, increased by 2s. 8d. So the effective rise in the cost of living, to which this Bill might possibly apply was 3s. 6d. in three years. I ask members: Does this justify the creation of a department and the appointment of a commissioner with far-reaching powers to control something which has so little influence on the total life of the community?

Hon. R. F. Hutchison: Why are you worrying, then?

Hon. C. H. SIMPSON: We might consider whether the time has come to review the "C" series index. We have the spectacle now of a review being called for in the Eastern States. The cost of potatoes has put up the cost of living index in New South Wales by, I think 9s.

Hon. R. F. Hutchison: Not here.

Hon. C. H. SIMPSON: It has gone up by 3s. in Western Australia.

The Chief Secretary: Some years ago it could have put it down, too.

Hon. C. H. SIMPSON: The cost of potatoes is up, and that increase has affected the "C" series index. The fact of the matter, however, is that potatoes were so dear that many people went without them altogether. Very few people bought them. Yet, because the price of potatoes is included in the "C" series index, it must be taken into account with the result that people must apparently be subsidised to buy something which, in fact, they never bought.

A little while ago I mentioned that the proposed legislation must have an effect on investors who are considering investing capital in this State. Undoubtedly the Bill, in its original form, was vicious. It was more of a gestapo measure than one to deal with an alleged grievance—which, by the way, was not very properly defined. That does, at this stage, prompt the question: Is the Bill really sincere, or is it a smoke screen on the part of the Government to distract public attention from the Government's sorry financial record? I

mention this deliberately because the substance of the Government's story in regard to the Bill is that it is necessary—in fact urgent—to correct a serious financial position.

I have here some extracts from a letter written by the Treasurer of the Commonwealth to the Premier, on the 13th of August, and tabled in another place on the 29th of August. Parts of this letter have appeared in the Press. Sir Arthur said—

The Federal Government would need to be satisfied that the State was making a reasonable effort from its own resources to retrieve a serious financial position.

He went on to indicate that—

The situation had arisen primarily because it will be necessary for your Government to make special payments totalling £4,600,000 in 1956-57 to meet deferred payments and for obligations which have been carried forward from 1956 and earlier years.

He further said—

I view with considerable alarm the deterioration which has been taking place in the financial position of your State both in relation to the Budget and in relation to the procedure you have applied in recent years in financing your works programme.

These are hard words.

The Minister for Railways: There was a legacy, you know.

Hon. C. H. SIMPSON: That could be.

The Minister for Railways: From Kwinana.

Hon. C. H. SIMPSON: That is no reason to brush it to one side. This is important. Again I ask the question: Is the Bill, which is supposed to correct a rise in the cost of living amounting in actual fact to 3s. 6d. over three years, going to have any effect at all on redressing a situation such as that? Apart from this aspect, no other State in the Commonwealth has attempted to impose measures like this.

The Minister for Railways: They have them.

Hon. C. H. SIMPSON: In fact, Mr. Cahill, as announced in "The West Australian" on the 6th October, said that New South Wales was going to abandon quarterly rises. Again, as I said earlier, I shall have something to say about the question of quarterly rises which will support the action of the Premier of New South Wales in cutting them out. He took this step because he realised their fallacy and danger.

The question of wages and prices can be examined by studying a very interesting graph which appears on page 50 of the "Labour Report". I would remind members that this report is compiled by the Government Statistician so that its figures should be beyond question. Taking the base figure of 1,000 in 1911 and in applying it to nominal wages, wholesale prices, retail prices and real wages, the figures are these: The wholesale prices and the nominal wages advanced in line and the figure rose from 1,000 in 1911 to 5,400 in 1952, which is the latest report I have been able to obtain. If members study the graph they will see that as one rose the other rose, and that had to be because there is usually little profit in manufacturing or wholesaling; and if wages went up, obviously prices had to follow suit.

But when it comes to retail prices, which seem to be a bugbear with the Government, it is quite a different story. From 1,000 in 1911 the figure rose to 3,750; and that is only 275 per cent., as compared with 440 per cent. The value of real wages rose from 1,000 to 1,440; so that in order to get that 40 per cent. increase in the value of real wages, the general prices and nominal wages had to be increased by 440 per cent. and the retail prices had to increase by 275 per cent. I think the effort of the retailers in achieving that relatively low figure, as compared with the other figures, is very praiseworthy. It points to more efficiency, better merchandising methods, and better handling methods; it certainly does not point to exploitation on the part of retailers.

To return to the Bill once more, its declared object is to prevent or control unfair profit or unfair trading. It describes only vaguely what unfair trading is; but, as we know, profit margins vary with different industries. One way of assessing a fair profit margin is by comparing the results that we achieve with those that are achieved in other countries. I have here two tables which relate to percentage profit on shareholders' funds. The first deals with the position before the provision for income tax; the second is the position after provision for income tax. The first table reads as follows:—

Percentage Profit on Shareholders' Funds.
Before Provision for Income Tax.

	Australia.	U.K.	U.S.A.	Canada.	Remarks.
1951	18	22	34	29	In every year Aus-
1952	16	21	26	25	tralian margins
1953	16	18	27	23	least.
1954	17	19	34	N.A.	N.A. means Not
1955	18	20	30	N.A.	Available.

In every one of those years, during the five-year period, the figure in Australia was considerably lower than in each of the other countries to which I have referred where conditions are comparable.

Now let us examine the position after the deduction for income tax. This is the table—

After Provision for Income Tax.

	Australia.	U.K.	U.S.A.	Canada.	Remarks.
1951	9	8	14	13	U.K. Tax methods make comparisons difficult. Sliding scale and concessions. Otherwise ratio remains.
1952	8	7	12	12	
1953	9	7	13	12	
1954	10	8	12	N.A.	
1955	11	9	15	N.A.	

If one carefully examined the figures for Britain, one might find a different result, because there are certain exemptions for certain income rates, and it could easily be that one rate of income in the United Kingdom would leave a greater residue to the taxpayer than the same income in Australia with the Australian rate applied to it. But the figures I have given are taken on the general average. Also, if one looks at the whole period, one will find that in the United States of America the average for the first period—that is, before tax was taken—was 28 per cent.; whereas in Australia, it was 17 per cent. That shows the different approach on the part of both Governments regarding the ticklish question of income and profit.

In Australia, by and large, the man who makes a healthy profit is regarded as and is called a profiteer, and the general impression is that in some way or other he should be curbed. But that is not the case in these other countries, which are older and which have had more experience in manufacturing. They realise that out of the profits which a manufacturer makes he has to obtain his future capital for development and expansion. Unless he gets that, he cannot compete with those who have the reserves, and who can put up the manufacturing plant to compete with him.

I now wish to read a cutting taken from one of the newspapers. Unfortunately it is not dated, and I cannot tell members exactly from where it was taken. But it is a statement by the Premier of Tasmania, Mr. Cosgrove, and I think it is applicable to the present time. It reads—

The Premier (Mr. Cosgrove) yesterday compared the high degree of employer-employee co-operation in American industry with the virtual lack of it in Australia. Co-operative efforts such as the Premier would like to see in this country, must be preceded by a changed industrial atmosphere.

In the United States working conditions are reached by agreement in collective bargaining. The average wage earner regards himself as a future capitalist. He believes in private enterprise; he is opposed to Socialism; in many cases he has the same political views as his employer. In such an atmosphere it has been possible to build a spirit of trust in which enterprises really become industrial partnerships.

In Australia industrial relations are based on the principle of dispute, and even antagonism. The arbitration system, no matter in what sphere it operates, necessitates an umpire adjudicating between two factions. Before conditions can be changed there must be a "dispute."

The average Australian worker has been made class-conscious; to him the term "capitalist" is a reproach. In most cases his union is also a political organism pledged to Socialism. While he may work well, he has no deep interest in the fortunes of his industry or enterprise. Where bonus systems have operated, he tends to regard them as a right rather than as a reward which must be earned.

It would be purposeless to blame one more than another for the atmosphere of suspicion which clouds industrial relations in Australia. The point is that it does exist strongly, and its removal by some means is the first essential for mutually beneficial co-operation.

I have always been pleased to think that in this State there has been a high degree of understanding between employer and employee in industry, and I am frightened that a Bill of this kind could easily have an injurious effect on those relations. As I said before, in our general approach to big problems we should regard ourselves not as political parties taking a political standpoint, but as partners in a giant enterprise through which our country could go ahead.

If the fear which the Government seems to entertain—that a number of people are getting too big a rake-off—is justified, there should be some visible effect on the economy of the country. One would think that enterprises by and large would be holding their own. But the figures show a very different picture, and the current reports entirely contradict that view. I have a list of Western Australian companies and their experiences during the past few months as revealed, probably, by the June figures. These companies are all down—

Boars.
Drabbles.
Bunnings.
Sandovers.
Hearn Industries.
Western Press.
Brisbane & Wunderlich.
Wigmores.
Swan Cement.
Boucher Industries.
Industrial Sales Holdings—from
£50,000 to £37,000.
Consolidated Clothing—£6,000 less.
Tomlinsons—£63,000 down.
Michelides—£40,000 down.
Atkins Ltd.—£30,000 down.
Foy's—£27,000.
McLean Bros. & Rigg.
And there are a lot more.

So the picture generally is not one which indicates that business people are holding their own; it is not one of prosperity as far as they are concerned, but one of depression. If that is the general situation, and businesses are obviously losing ground, I ask the Minister whether that justifies a Bill of this description, which might redress a real difference of 3s. 6d. in the cost of living over three years. Obviously the answer is "No."

Other companies' names have been mentioned in debates—those of the oil companies, B.H.P., and General Motors. Holdens. Some members will be attending the opening of the new rolling mill of Broken Hill Pty. Ltd. tomorrow. Take that company first. An examination of its figures will disclose that B.H.P. is not only a wonderful contributor to the stability and economy of Australia, but it does not make the enormous profits which some people seem to think.

Three years ago I was guest of the company at Newcastle, and I inspected most of its plants. I went underground on the John Darling mine, where one of the shafts went out $1\frac{1}{2}$ miles under the sea. I also went to Port Kembla and inspected the plant. I was met by the company's representative at Port Augusta and taken to Whyalla, where I spent three days. I was interested not only in the work it was doing, which is a great contribution to Australia's economy, but also in its attention to the care of its employees.

I remember one instance in Whyalla where trouble was experienced with the milk supply. The last thing in the mind of that company was to establish a dairy of its own, but something had to be done to provide for the needs of the people at a reasonable figure. Under an agreement between the company and the Government, the company pays £40,000 a year for water which it cannot use fully. It decided to use some of this water to irrigate tracts of land, on which it planted lucerne and other crops. It obtained skilled and technical men to run the dairy.

The herds were reduced to three varieties; and when I was there, the company had an idea of reducing the herd to only one type—Friesians. It sold milk at the same price as the previous vendors, who had given up the business because they could not carry on profitably. The company had something in hand from the sales of milk, and this it paid to the amenities fund at Whyalla. No doubt this success was due to the free water the company was able to use. I am quite sure that the B.H.P. is not anxious to take on work which should be done by other people.

Despite the general impression that this huge concern is making large profits, I can tell of an instance concerning a friend of mine who made investments in this company and, over 20 years, averaged

less than 4 per cent. return. The local manager, who was also a friend of his, said, "If you want a quick and big return, do not invest in B.H.P. stocks. You can probably do very much better elsewhere. If you want a safe, sure and sound investment, then you can do no better than invest in B.H.P."

I remember a period after the war when I was a Minister in the Government and we were desperately trying to get iron and steel to meet the local demand. We could buy B.H.P. steel, for which there was a great demand, at £30 a ton. We were offered other steel which was imported, and which we obtained to meet a part of the local requirement. We did this because we could not wait for B.H.P. steel to come forward at a greater rate to fully meet the demand. For the imported steel we had to pay from £60 to £70 a ton. Japanese steel was offered at £100 a ton, but we did not buy any of that. We bought some imported steel at more than £30 a ton which was the B.H.P. price because the demand was urgent.

The exact number of men B.H.P. employs, I do not know; I believe the figure for Newcastle is about 21,000. The company provided those 21,000 employees with all kinds of amenities. It provided classrooms; cadetships under which workers could qualify for future advancement in the company; ambulance units; fire brigade units; and everything which a big company could be expected to supply. It played a tremendously important part in the civic affairs of the town.

This is the story of General Motors (Holdens) Ltd.: It made a great contribution to the economy of Australia, the same as B.H.P. did. If it did nothing else, it produced in this country many millions of pounds worth of goods. That money would otherwise have gone out of Australia in imports of motorcars. That company cannot be accused of making huge profits, because this is the split-up of every £ in its sales:—

	d.
Supplies, materials, components, wages and services	144
Duty and tax, etc.	21½
Depreciation, plant and equipment	5
Employees' pay roll tax and allied expenses	48
Reserves for business use	15½
Shareholders	6

In other words the shareholders get 6d. in every £ of sales.

The company cannot be accused of profiteering. There is no doubt that it runs its business very efficiently. It is only by the building up of reserves, which was revealed in the newspapers, that it was able to compete with imported cars and to change the design of its plant and retool the plant when the time came. I know that at the time when great prominence was given to this publicity, it was pointed

out that the Taxation Department knew exactly what the company was doing, and was quite satisfied that its system was sound and that what it was doing was necessary.

I would like members to give a moment's thought to the operations of the Commonwealth Bank. Last year it earned £15,000,000 profit; the year before it earned £11,000,000 profit. I do not suppose anyone thinks of taking action against that bank for earning more than it should. The oil companies have also been criticised. In fact, it has been hinted that the affairs of those companies should be examined very closely.

What is the real story? The oil companies have invested £123,000,000 in Australia, and the return on that investment is 6.73 per cent. The price of petrol in Australia is the third lowest in the world, as far as I have been able to ascertain. It comes next to Canada and the United States, both of which produce oil in pretty big quantities. In South Australia and Queensland, where price control exists, the price is kept down. It might be in the minds of the Government that what those two States can do in this regard, Western Australia could and should do. It is a rather different story when we consider the super grade of petrol.

Ordinary petrol costs 3s. 8½d. per gallon in Western Australia; in South Australia it costs 3s. 6d. Super petrol costs 3s. 11½d. in this State, but it costs 4s. in South Australia. The explanation is this: The oil companies must bow to the edict of the rulers of the respective States in regard to price control. They say that they want an all-round return for their capital invested in Australia.

It means that if South Australia and Queensland charge less, then the other States have to pay more in order to make up the leeway. It means in effect that the ordinary citizen in Western Australia, Tasmania, Victoria and New South Wales is paying a little more for standard petrol than Queensland and South Australia, so that petrol can be sold cheaper in the two last-mentioned States. With the exception of Queensland and South Australia, oil refineries are established in all the States. I am not suggesting for one moment that there is any connection between the two. Anyone's guess is as good as mine. It is possible that might count for something.

The oil interests have invested in Western Australia a total of £63,565,000. Oil exploration companies, including Wapet and others, have invested £15,000,000. The refinery at Kwinana has invested £40,000,000. Marketing installations come to £8,565,000. That is a total of £63,565,000. The oil companies are spending £23,829,000 per annum in Western Australia. Those are the total disbursements in salaries and wages and for other purposes.

In the industry there are directly employed 2,850 persons and 1,128 agents. I suppose the Commonwealth Government benefits by the taxation it collects on the wages which those employees receive so that by and large the oil companies do contribute a great deal, directly and indirectly, towards the country's economy.

The Minister for Railways: It all comes from the profits.

Hon. C. H. SIMPSON: That is so, but a good deal of it goes to the Government. If those companies were not in existence, the Government would be very much worse off. The contribution to Government funds by the industry by way of petrol tax is £5,089,000; and municipal rates and taxes, wharfage and railage, and motor registration licences amount to £1,548,500, making a total of £6,634,500.

I have spoken at length on those three types of companies because there is a lot of misunderstanding as to their function, as to the profits they make, and the part they play in Australia's economy. If members are able to refer to Hansard in years to come and see the figures, they will probably have some better idea of the part that these oil companies are playing.

Apart from the big companies, there is the position of the smaller man in business who will be tied by this Bill. We do not know for sure; there is an element of uncertainty. According to the statement by the Minister, all this is to investigate a rise of 3s. 6d. in the cost of living in the last three years, but the action and prospect under the Bill may hurt the smaller man more than the big man, because the former is more vulnerable. He probably regards his character as his most valuable asset. If he is challenged and found guilty of a minor misdemeanor, of which he does not even know the nature until he has been declared, then it is very difficult for him to escape the odium which is attached by the public to that act. That is what could happen under the Bill.

Despite the amendments that have been made, the powers of the commissioner still exist; and, what is more, they can be delegated. Even admitted that the commissioner will be a carefully chosen man, and that his second in command will be competent and capable, this delegation might be given to somebody—quite a minor official—not of the same frame of mind as they.

There are many men who like to investigate things, and sometimes they uncover a mare's-nest. But in the meantime, the man charged would be in a very difficult position; and, even if he were cleared and found entirely free from blame, he would have no claim against the commissioner for having taken action against him, and it is quite possible he might suffer some loss of reputation simply because that charge had been laid.

The definition of "trader", although it is a praiseworthy attempt to clarify the position, falls a long way short of what is necessary to enable a man to know exactly who is included in these categories, and the offences with which he may be charged should definitely be made much clearer. Although protected to some degree, particularly through the marketing Acts where they exist, the primary producer is vulnerable in a number of directions.

He is covered in respect of auctions; but what about goods sold by private treaty? There are quite a lot of them. This applies to livestock and sales of grain, wool, second-hand machinery, farm equipment, furniture, and things of that sort. If he quite unwittingly contravenes the Act, in the opinion of some official, he can be brought to book just the same as anyone else.

A man may have no wish to offend but it is possible for him to be prosecuted. Under those circumstances I would say that "persecuted" would be the better word, because he would be prosecuted for something he did not understand, and it has always been an accepted principle of British law that a person shall have a clear understanding of the nature of an offence so that he may avoid it. A fairly complete definition of unfair trading may be seen in the Australian Industries Preservation Act.

Even though the powers of the commissioner may have been modified by amendments to the original Bill, the commissioner could still act on his own motion. Even if he had an advisory council, he would not be bound to accept its advice. He could be detective, prosecutor, judge, and jury. That is like the powers given to the members of the Star Chamber who were the sole judges of the law and the penalty. It would be a retrograde step for powers such as these to be vested in any official.

Again, there is the angle of the employees. I think everyone will agree that an employee likes to work for a solid, substantial firm which is making a good profit and paying its way, because that is a guarantee of his future employment and perhaps that he will be able to rise to the position of an official of the firm. But if the profit rate is to be kept down and down, how can there be that opportunity for an employee? In fact, the reverse could happen, and he could lose his job. Ask any employee which sort of firm he would like to work for, and get his reaction!

In Western Australia, the real problem has not been profits so much as high costs to the public. Costs affect real wages and profits; and this, in turn, affects the problem of employment. The employment pool and the fall in profits shown on company balance sheets indicate that the two things are inter-related. Employment and wages rise when profits rise. The Bill could easily lead to further falls in the employment level. A recent Commonwealth white paper

reveals that companies' net incomes have risen $2\frac{1}{2}$ times in seven years. That is exactly the same rate at which wages have risen.

One thing that this Bill does not do is to deal with foreign companies. I will put the word "foreign" in quotation marks, because those I have in mind are in the Eastern States. They are the ones which the Premier asked the co-operation of traders in trying to counter. Perhaps before I go on with that, I could give an instance of how these things work.

Let us say that a manufacturer in the Eastern States has a certain capacity and a certain market. He decides to enlarge his premises. He not only provides for future local trade but probably has a surplus of producing capacity and wants to employ it. Some manufacturers supply their local market, and then the other materials which they can produce more cheaply—because the more that is produced in bulk the cheaper becomes the price per unit—can be brought to Western Australia. Under Section 92 of the Constitution Act, that cannot be stopped; it is quite legitimate. But that is what has reacted to a very great extent against the Western Australian manufacturer.

The Government must know that it cannot penalise those people. Many selling channels represent agencies for goods manufactured in other States. As I have said, under Section 92 they cannot be interfered with. The Bill can influence only a proportion of local traders and manufacturers who, by and large, I understand, are the very people the Government wants to help. Yet they are the people who will be injured by this Bill.

It is known to the Government that local manufacturers have a struggle to survive. Next year it is proposed to launch a "made in Western Australia" campaign, which will cost a lot of money—probably £30,000. That is the intention of the local manufacturers. But, by this Bill, those very companies are subjected to the most unfair and inappropriate legislation ever brought before this House. Earning capacity can be supervised by an authority with autonomous and almost autocratic powers. They can be investigated on mere suspicion, and the trader can be penalised while his Eastern States competitors remain outside the law. That is the position.

Every consideration of justice, the desirability of co-operation and the necessity for a joint rather than a sectional approach to the problems that face us is necessary, because we are all partners in Australia's progress and future well-being. These considerations demand that the Bill be dropped, and that a fresh approach be made to the problems confronting us.

Finally, for what they are worth, I am going to put forward two ideas. They may or may not be capable of immediate implementation, but they will at least afford

food for thought; and perhaps, over a period, some means will be found of giving effect to them. Over the years we have heard a lot about the prosperity loading, but I doubt whether many people have gone into its implications with a view to seeing exactly what it has meant. I have worked out what bonuses and prosperity loadings have meant in actual pounds as expressed in the money values at the time they were given.

For instance, in 1938 the sum of 5s. a week was given to every man and woman and office boy and every skilled labourer. Taking the figure of 3,000,000 workers at £13 a year for 18 years, the figure paid in this way amounted to £700,000,000. In 1946 a further amount was made available. I am still taking the figure of 3,000,000 workers because, while at the start there were fewer, at the finish and at the higher rates, there were more and 3,000,000 is a conservative average. The figure for the 10 years since 1946 at £13 per year is £390,000,000.

Then, in 1950, there was a rise of £1. That again was given to the skilled worker and the office boy, and—again allowing for 3,000,000 workers—the total, at £52 a year, has been £936,000,000. Therefore, in that way a sum of £2,026,000,000 has been disbursed, without taking into account the effect of spiralling over the period. I know that the courts awarded that amount, and I know that there were other factors which contributed to the problem of inflation. There was the war debt which had to be paid, and defence requirements which had to be met. Migration absorbed a lot of money, and there were higher values for wool and primary produce. There was a 40-hour week, and high import and export values generally.

But it must be remembered that when the war was over, Australia emerged in probably as favourable a position as any other country in the world. We had been relatively untouched by the war. We were lucky enough to have received good prices for our primary produce during the war—certainly better than we had obtained before the war started. We received some fantastic prices, particularly for wool, later on.

Admittedly all those things had some effect on the question of inflation. But what could have been controlled was that £2,026,000,000 which was injected into the spending power of the community by reason of those rises granted by the Arbitration Court. I know it will be asked: Why didn't the Government do something? Well, our Government has always held the courts as sacrosanct. Courts are human institutions, and can—and do—make mistakes. But with the technical assistance and the data they have they should be the best judges as to how to start correcting what is obviously a serious fault in our economy.

They did, in 1953, stop the automatic adjustment through the quarterly rise in wages; but some of the States, unfortunately, did not follow suit. Remember that the old "C" series index was simply an instrument for measuring rises in the cost of living, and it did not have the slightest effect of checking it, or anything else. Prices went up or down regardless of it. I am not suggesting that any drastic action should be taken; and I believe that if the public becomes aware of the need for the court to do something in relation to this matter—and particularly if the States do not interfere and agitate for quarterly adjustments—the Commonwealth Court can and will bring us into adjustment in the course of time.

We must remember that back in 1930, when our financial position was probably more desperate than it is now, Sir Otto Niemeyer, a governor of the Bank of England, came to Australia as a consultant in regard to our financial position, and he said the trouble then was that we were spending more than the economy of our country justified. He recommended an all-round cut in wages.

The medicine was hard to take; but under the Lyons Government those steps were taken, and all wages, salaries and so on were cut by 22½ per cent. The extraordinary result was that people were better off, after that action had had time to take effect. While I do not suggest that we should do anything as drastic as that now, because the position is not as bad as it was then, I think the Government can do something along those lines; and that, I feel sure, would in time have the desired effect.

I would be the last one in the world to suggest that anybody's wages should be cut, and I do not wish anyone to get the idea that I am advocating action of that sort; but when it means that the more one gets the less value one gets from it, I think it is time that we, as partners in such a huge concern as Australia, should be prepared to work together to find a way out of the dilemma.

Let us consider the £2,000,000,000 odd of prosperity loading and the benefit that money would have meant to our economy. Had it not been for that, instead of pleading for funds from other countries, we would have had the funds ourselves. Instead of starting off after the war with a great potential as regards manufacturing and overseas trade, and making the best of it, we have, by working shorter hours and pricing up the goods we have to sell actually priced ourselves out of the world's markets, with the result that our trade everywhere has gone down; and when the general effect is beginning to be felt, as it is now, it is time we resolved to do something about the position. That is suggestion No. 1. The Government may or may not take notice of it; but sooner

or later, if notice is not taken, circumstances will compel us to take even more drastic steps.

My suggestion No. 2 is perhaps rather novel, and it deals with the question of gold in relation to loans. Some years ago the French economy was undergoing quite a strain, and the Government of that country launched a loan of, I think, about £100,000,000—it was expressed in francs—and contained in the arrangement was a clause which made the amount due to the investor repayable in gold assessed at the value at which he purchased the bonds. I admit that there was a special reason for what was done. In France, on account of the declining value of the currency, there was a tremendous amount of hoarding going on, mostly in gold; and the step taken was to induce people to bring in their gold, with the guarantee that they would get it back on maturity; and in the meantime, instead of getting nothing for it, they would get the Government rate of interest.

It is a pity to have to say it, but the fact is that in regard to many of the loans which we have launched in recent years the value of the money paid in has been very much greater than the maturity value of that money. If we could guarantee the gold price of the investment when it was actually put into bonds, I think we would be happier in the long run. We have the example of France; and, although I have not heard much about it since that time, I think the experiment has been successful. By following that course, we would at least guarantee not only full value on maturity, but a realisable value for the bonds if they had to be parted with during the currency of holding.

Mr. Wise will remember that when he was Premier he attended a meeting of the Chamber of Mines in about 1952, and a story then told by the guest speaker, Sir Walter Massey-Green, has some bearing on my point. He said that a few months prior to that occasion a boy in Victoria had discovered a jam tin with 79 sovereigns in it and, under the law of treasure trove, he was entitled to only 20 per cent. of the value. But there was such an outcry on the part of the people that the Government, which proposed to give him only that amount, relented and said he could have the lot. Those gold sovereigns were worth about £4 each.

At the same time some land was resumed for public buildings. When they were demolishing the old house, a tree in front of it was found to contain a magpie's nest, in which there was a £5 note of the same vintage as the sovereigns to which I have referred; but instead of receiving £20 for it—as would have been the case had it been five sovereigns instead of a £5 note—they received only five £1 notes. That shows that in the intervening years, as compared with gold, the note had suffered a depreciation of four to one.

In view of the answers I have endeavoured to give to the problem, I feel that this House should reject the Bill, because it could do no good and might conceivably do a great deal of harm. I oppose the measure.

HON. H. L. ROCHE (South) [5.53]: Speaking in this House as long ago as 1954, when we were dealing with a price-control measure, I supported that Bill on the second reading, although it was not carried; and I instanced then what I thought to be one of the biggest threats to our economy—the private trading practices and understandings which are prevalent in business circles in this country, and which I thought were doing more to maintain prices at a high level than were the activities of the retailers.

At that time we had wages virtually pegged as the result of the suspension of the quarterly adjustments by the Arbitration Court, and it seemed to me that that was an occasion when we could have taken the opportunity of trying to bring prices into line—inadequate and all as I think price control by itself is. In 1955 I referred again to our economic position and the necessity, which I thought then existed, for us to contemplate going further than just price control. I have not said that in an “I told you so” attitude, but to illustrate the fact that for some considerable time it has seemed to me that there was room and reason for the introduction of legislation in an endeavour to control or at least restrain some of the abuses that are taking place within our economy.

Hon. H. K. Watson: Such as?

Hon. H. L. ROCHE: To my mind some legislation of this kind should have been introduced at the time when import restrictions were first applied in Australia. Import restrictions on top of tariff and currency restrictions have built up such a closed economy that it has enabled certain interests to exploit this market and the people of this country pretty well as they wished. I do not think that mere price control or any legislation to control prices is as important as legislation which would prevent other abuses that are occurring. Tariff costs and particularly the indirect costs of import restrictions, plus such practices as I have referred to, are adding unduly and exceptionally heavily to the cost to the farming community, on whose shoulders so much of the weight of this economy rests—a weight of cost which the farmers are unable to pass on.

As far as I can see, the farmer, for all practical purposes, is out of the ambit of this Bill, because it does not affect or apply to him except in a minor degree and if one has the benefit of considerable imagination. There has been a lot of cant and humbug, as well as some gross misrepresentation indulged in in that respect. This “pity the poor farmer” that

we are hearing so much of is in many instances coming from people who have never in the past felt called upon to assist the farmer unduly when he has needed help, and to me it is not very impressive. Sir Ross McLarty was reported as having said—

Even in its present amended state it is a dangerous Bill which restricts the rights and freedoms of all individuals. The primary producer can be hit just as hard as others. Auctions are exempt from any interference by the commissioner but not all farm transactions are carried out by auction.

Superficially, as we know, that is true. He continues—

There can be few farmers who during the year do not make private sales of either sheep, wool, grain, chaff, hay, cattle or surplus farm machinery.

Sheep, in the great majority of cases, are sold by auction, and it is the price ruling at auction which invariably governs the price of private sales; so that if the auction sets the level, and it is exempt from the operations of this measure, it is extremely unlikely that the prices being realised at private sales—apart from exceptional lines which would command a premium even at auction—would vary much from the auction prices.

Hon. A. F. Griffith: What about when there is a reserve price on the sheep and it is not reached?

Hon. H. L. ROCHE: Then one takes them home again. The same position applies in regard to wool. Grain is all marketed, with one exception as far as I can recollect, under marketing legislation. The exception is oats. The price level for oats today is set by the anticipated realisation or the operation of the oats pool. It would be in the most extreme circumstances when anyone would be able to demand and get a price for oats very much above the current price ruling if he were offering them by private treaty. I do not think anyone would object, if there were a shortage of oats in this country, if some curb had to be placed on extreme prices. Incidentally, that shortage would have to apply in South Australia, Victoria and New South Wales as well.

I am not aware of how much chaff would be produced today because the people most concerned in buying it would be racehorse owners, I should think. Also, there is not a great trade in meadow hay in these days, and there is no need to worry about any exploitation in regard to that product or any need for the commissioner to interest himself in it because there is plenty of meadow hay being produced in this State. Cattle are sold by auction, in the main; but there are some sold by private treaty in a similar way to sheep. Prices that are realised at auction largely govern the prices that are realised if one effects a private sale.

It is ridiculous to mention second-hand farm machinery because no one today would give an exorbitant price for second-hand farm machinery when he can buy farming implements new at a fairly reasonable price. Sir Ross McLarty went on to say—

I remind the farmer that under the Bill as it stands any of these private transactions are suspect and liable to investigations by the commissioner who has the despotic power of deciding what is an unfair profit—a commissioner, incidentally, who need have no knowledge of rural matters.

The commissioner will have no need to have such knowledge, because the farmer is not included in the Bill. It might be better if he did have some knowledge of rural matters, because I still believe that it is the rural production of Western Australia which keeps the economy of this State going. I would be pleased to see people with a knowledge of rural matters placed in a number of executive positions, but such people never seem to be considered.

Continuing with the reported remarks of Sir Ross McLarty—

Sir Ross added that another objectionable part of the Bill was that the onus of proof was left with the person being investigated. All Australians would recall the hue and cry about a similar clause in the Communist Party Dissolution Bill in 1950. It was pointed out most forcibly then that it was a complete negation of British justice that a man should have to prove himself not guilty. The same applied today.

The only comment I wish to make about that is that most of us who belonged to non-Labour parties in Western Australia, including Sir Ross McLarty, supported that Bill, so the principle contained in the Communist Party Dissolution Bill was apparently acceptable in 1950; but today it is not.

No matter how much criticism is directed at the Bill, I think that before Australia can get on to an even economic keel, the rest of the Commonwealth will have to consider introducing legislation similar to this. I do not believe that we can go on without some restraint being placed on the community as a whole. I know that there are some people who believe that we have to provide the means to restrain the ever-increasing wages spiral. I am in complete agreement with that view because I believe we shall have to effect some restraint.

However, I do not for a moment believe that we will ever get the people or the Governments of Australia to agree to restraint of that nature unless we are also prepared to accept restraint in respect of ever-increasing costs, trade practices, trade

agreements or understandings, sheltering or hiding behind our import restrictions and our tariffs, and at the same time asking people to accept a stabilisation of their wages or rewards for their labour. Not for one moment do I believe that we can apply that principle successfully to only one section of the community, in view of the present state of Australia's economy.

Whilst I support the second reading of the Bill, I think there are still some amendments necessary. It is rather unfortunate that this Legislation was introduced in the form that it was in another place. It has now reached the state where I think that, if some further amendment is made to it, it may achieve some of those objectives which I consider we should strive to achieve.

This legislation could well be in the best interests of Western Australia, particularly the farming community, the members of which are having ever-increasing burdens added to their total cost of production; and if this trend continues, they will eventually be priced out of the world's markets. It will not be Australia but the producer who will have to accept the outcome in the same way as he had to accept it in the 1930's.

If this Bill will do something—as I think it well might—to correct some of the abuses that are being practised, I think it will be in the best interests of Western Australia. I support the second reading.

HON. L. A. LOGAN (Midland) [6.10]: First of all, I would like to take the Chief Secretary to task for making such a hypocritical statement when he introduced this Bill because, in effect, he said, "This will be the acid test to prove whether this House will live up to its reputation of being a House of review".

The Chief Secretary: I did not say "its reputation".

Hon. L. A. LOGAN: I make this protest because the Chief Secretary knows that every member of his party will vote for this Bill, and such a statement does not become him. This House will stand up to the acid test. There is no doubt about that. Mr. Roche has already said that he will support the second reading of the Bill. If that is not proof that at least the members of the Country Party will stand up to the acid test, I do not know what is. I repeat that such a hypocritical statement by the Chief Secretary does not become him. Further, I was not present when the motion was moved that the debate on this Bill be adjourned until tomorrow night, but the House, in its wisdom, decided that the debate be adjourned until this evening.

Hon. R. F. Hutchison: What wisdom?

Hon. L. A. LOGAN: Not very much, I am afraid, because those members who voted for the debate to be continued this evening are not prepared to carry on with

it. With the exception of Mr. Roche, not one of them is prepared to speak tonight. I do not think that is right, either.

Hon. H. K. Watson: It is a pretty poor show!

Hon. L. A. LOGAN: In referring to the Bill itself—

The Chief Secretary: I was wondering when you would get around to it.

Hon. L. A. LOGAN: That is all right! I believe that the Bill can be discussed under four different headings. Those headings are—

1. Is there any necessity for it?
2. To whom would it apply?
3. How will it be implemented?
4. What are the implications of such legislation?

I took the trouble to read the speech of the Chief Secretary which he made when introducing the Bill; but nowhere in that speech can I find, except for generalities, any reason for the introduction of this legislation. If we are to pass a measure such as this, surely we are entitled to have information in regard to what the Bill intends to do or to whom it may be directed! Otherwise, I fail to see how we can legislate in a proper manner. We have been given no information whatsoever, with the exception of a few insinuations, which do not mean very much. As far as I am concerned, in this House, assumptions are not enough for us to legislate on.

As for unfair trade practices, I would point out that last year, in another place, the Government was given an opportunity to take some action along the lines proposed by this Bill, when Mr. Watts introduced a measure dealing with free enterprise. If the Government had then been sincere in its intention it would have supported that Bill instead of placing so many stupid amendments on the notice paper to make a farce of it and to make it lapse.

The **PRESIDENT:** The hon. member should not cast reflections on another place.

Hon. L. A. LOGAN: Very well, sir. So, instead of supporting a measure that was introduced in all good faith, the Government in its wisdom or otherwise moved amendments which were not acceptable, and so the Bill was not pursued. Much has been said by Mr. Roche about farmers. I will go this far in agreeing with him: that the propaganda and the advertisements in the Press have been rather astray. It seems strange to me that the Chamber of Commerce, or whichever body was responsible for the Press advertisements, should be taking so much trouble to advise the farmers on what is likely to happen, when the Farmers' Union—the farmers' own organisation—has said nothing whatsoever on the matter.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. L. A. LOGAN: Before tea, I was criticising some of the advertisements in the Press which were attempting to advise the farmers what to do in relation to this Bill. I said it seemed strange that so many people should be more concerned about the farmer than the farmers' own organisation appeared to be. The Farmers' Union does not seem to be at all concerned about this matter. The executive has met this week, and up to date nothing has been heard from the union in regard to its actions on this measure. It would appear that the advertisements have endeavoured to create a false impression.

However, I would like to say this in relation to the farmer: that quite often, in the past, he has not been behind the door when it came to making a profit, if he has had the opportunity to do so; and I do not blame him. If this Bill were to become law, and the farmer was making an excess profit, I would expect him to come under its provisions the same as anybody else.

It is not my intention to support the Bill; and I say straight out that, as far as I am concerned, the farmer will also be outside the scope of its provisions. I did ask earlier whom the Government was trying to catch by this measure, but up to date I have not had an answer. It seems to me that any endeavour or attempt to get at the manufacturer in Western Australia would be detrimental, because it would be impossible to get at the manufacturer whose headquarters are in the Eastern States. Such firms as B.H.P., General Motors Holdens, and other large concerns would have their dealings in the Eastern States, and it would not be possible for us to control them here.

The price between the manufacturing concern, the wholesaler, and even the retailer, would be impossible to control. Accordingly we would only be scratching the surface. In my opinion we would eventually be curtailing the activities of the few local manufacturers we have. If the idea is to control washing machines, I do not see how it can be done, because to my knowledge there is only one manufacturer of these machines in Western Australia. This means that any attempt to control that commodity would be detrimental to local industry.

Tariffs and imports were mentioned by Mr. Roche. I consider imports to be the answer to most of these problems, and I feel there is no necessity for legislation such as this. If we found that certain companies had control of an article in Western Australia, and they were using that control to the detriment of the public, then surely the correct method would be to allow the same type of article to be imported free of import duty! That would make sure that the article in question was manufactured with some degree of quality, and that the price was comparable with that of the imported article.

Hon. L. C. Diver: How can the State Government do that?

Hon. L. A. LOGAN: I do not say it could. But how can it control B.H.P., or General Motors? How can the Government control the oil companies? That would not be possible.

The Minister for Railways: They control the country.

Hon. L. A. LOGAN: It is not possible for any legislation to control the oil companies in respect to prices. If those companies want to add to the landed cost of petrol they can do that without any trouble at all.

The Minister for Railways: They do not land any at all.

Hon. L. A. LOGAN: They have to land it before it is refined. That cost can be put on anywhere; it can be added at any phase of the industry, whether it is the cost of getting the article from the well or the cost of transport. It is most difficult to control.

I would like to know whom this measure is going to affect. Is it going to affect the s.p. bookmaker who, we are told, is making a lot of money, though he himself says he is not? The commissioner to be appointed under this Bill could say, "This man is making an excess profit." Are the provisions of the Bill going to be applied to the chemist who sometimes takes the label off a proprietary line and puts a doctor's prescription on and charges 10s. more?

The Minister for Railways: That would be an unfair practice.

Hon. L. A. LOGAN: It would be impossible to control him. It would mean reverting to what happened under price control. It would mean getting at the individual who is putting a halfpenny or so on to his article. It would be the small man who would be affected, not the big fellow. It would be the poor unfortunate grocer who goes to the market and buys vegetables at 2s. Having done so, he would have to sell them at 2s. The next day he might buy something at 1s. 6d. and if he sold it at 2s. he would be making an excess profit.

The Minister for Railways: You admit that the big fellows are making huge profits?

Hon. L. A. LOGAN: I do not know.

The Minister for Railways: You just said so.

Hon. L. A. LOGAN: In the days of price control there were people who were making very high profits and they were never caught.

Hon. G. E. Jeffery: Hire-purchase companies are not doing too badly.

Hon. L. A. LOGAN: That is another point. The Government was asked to do something about hire-purchase companies, but it took no action at all. What does

the Government propose to do about the hire-purchase companies under this measure? I would say, nothing at all. It is the little fellow who will be hammered around, and I am not prepared to let that happen if I can stop it.

Surely when an article is advertised for sale, with its price visible for the public to see, that cannot be classed as unfair practice! Surely a retailer who marks the price of such article cannot be accused of making unfair profit! I gave an instance in this House not long ago of a sink top that I bought for £13 10s. while exactly the same kind of top in the window of another firm was priced at £17 6s. The price, however, was on it for everybody to see. Would members call that making an unfair profit? I would not. The only time it can be considered to be an unfair profit is when one does not know the price one is being charged.

We are entitled to know more about the meaning of "unfair profit." We have not been told what the definition of unfair profit is. In my opinion the only article that is entitled to be controlled at all is the monopoly article for which there is no substitute.

Hon. G. Bennetts: The manufacturers of Peters ice cream are getting a fair cut.

Hon. L. A. LOGAN: Is it the intention to charge the manufacturers of Peters ice cream with unfair trading? Does the hon. member think they will be caught?

Hon. G. Bennetts: They should be.

Hon. L. A. LOGAN: But they will not be. Is it proposed to have a go at the doctor who charges 25s. for a visit to the house? Are we going to have a go at the dentist who charges £2 2s. for a filling or something of that nature? Is it the intention to have a go at the plumber or electrician; or do we propose to have a go at the worker who boss-cocks around most of the time and yet collects his pay at the end of the week? Is he not profiteering the same as anyone else?

The Minister for Railways: Would politicians come under that?

Hon. L. A. LOGAN: Some people think they should; but so far as I am concerned, I consider that I earn my salary, and I hope other members do the same and I have no intention of belittling members of Parliament. I know of many people who do not pull their weight and who collect wages that they never earn. Surely they are profiteering in the same manner as anybody else! Is it the intention of the Government to deal with them?

The Minister for Railways: The bosses will deal with them.

Hon. L. A. LOGAN: How can the bosses do that? The moment the bosses want to sack somebody the men strike. I know of a man whose sole job it is to go around

with a bucket of sawdust and cover the oil dropped by diesel engines in the goods shed. That is the only work he does, and he has been told on two occasions that he is working too hard.

The Minister for Railways: Where was that?

Hon. L. A. LOGAN: Never mind where it is! There is another case where two men of the P.M.G. Department have taken all day to put two staffs on to a pole. Aren't they making an unfair profit? We cannot deal with them under this Bill. Is it proposed to have a go at the butcher who buys old ewes and sells them as lamb?

The Minister for Railways: Possibly.

Hon. L. A. LOGAN: Of course not! It has been proved before that meat control is a failure.

The Minister for Railways: That is different from what you mentioned.

Hon. L. A. LOGAN: What is more, all Governments in the past have contributed to a good deal of the excess profit making in regard to contracts. A few years ago I mentioned in the House that the Government had no right to accept an excess tender; and I added that if it refused to accept such tenders, prices would come down to normal. But Governments continued to accept excess tenders over and above what the Public Works Department thought was a fair price; and they, of course, have contributed to the high cost as much as anybody else.

We may quote, as an example, the man who works at one job for 40 hours a week and takes on other work during the week-end for which he is paid overtime. It is possible that his wife and his son also work—and between the three of them, they bring in about £50 or £60. Are they not making an excess profit as compared with the man on the basic wage who is getting £12 or £13? One has to get down to realities; and what is the difference?

Oil and petrol have been mentioned. Some members might disagree with me, but £9,000,000 has been spent in the North-West over the last three or four years, and that money could not be spent by the oil companies if they had not made a profit. They did not make it in Western Australia; but because they made that profit, they were able to spend £9,000,000. It is the same with any industry.

We must remember these companies are made up of shareholders who subscribe the capital. And in these days of high costs, it takes a terrific amount of money to run a concern. Very often shareholders have to keep finding the money to enable firms to expand because the profit is not sufficient for this purpose. Taxation will not let them expand too much, and it looks after them pretty well. I think any attempt to curb industry is definitely wrong.

If the Government would deal with unfair trading practices, most of the problems would be solved. The Government should bring in a Bill for this purpose, and state just what are the unfair trading practices. They are not stated in this Bill. Under this measure unfair trading means using any unfair trading method. What is that to have in a Bill to deal with something we should get stuck into?

The Minister for Railways: You should propose some amendments.

Hon. L. A. LOGAN: I would not make any amendments to this Bill as I do not think it is worth while. There is a select committee dealing with unfair trading practices; and if the finding of that select committee is that these practices are going on, I will support a Bill to deal with them if it is brought to this Chamber. As a matter of fact, I will be honest and say that had the free enterprise Bill gone through another place last year, I would have handled it in this House. That is how genuine I am.

In regard to the implementation of this measure, I consider that the commissioner envisaged in the Bill will be a supersonic superman; and if there were such a person available, I am sure he would not be in a job like this. If a man had the qualifications to carry out this duty, he would not be commissioner, as private enterprise would pay him more than the Government. That should be obvious. If he were appointed, he would have to build up a staff; and where would he obtain that staff? They would be mainly misfits from other departments. So we can imagine what kind of a department it would be.

Hon. J. Murray: Are there any of those in the department?

Hon. L. A. LOGAN: The hon. member's guess is as good as mine. They have price control in South Australia; and, recently, Mr. Playford made a great play in one of our daily papers giving the prices of articles in Adelaide and in Western Australia. I do not know why he went to this trouble, because the figures he published were not correct.

He said that butter could be bought in Adelaide for 4s. 6½d. a lb., and the price in Perth was 4s. 7½d. The same night as this paper was published, I bought butter at the corner suburban store for 4s. 6d. per lb.; and in the chain stores it can be bought for 4s. 4½d. However, it cannot be bought in Adelaide for 4s. 4½d., because of price control.

The same thing applies to tea. Mr. Playford said that in Adelaide tea was 6s. 6d. per lb., and in Perth it was 7s. 1d. I have bought tea in Geraldton—which is classed as one of the high-cost-of-living centres in the Commonwealth—at 6s. 10d. per lb.; while at the chain stores it can be bought for 6s. 4d. But it cannot be bought in Adelaide for 6s. 4d.

Hon. G. E. Jeffery: What about petrol?

Hon. L. A. LOGAN: I will tell the hon. member about petrol. I contend that if there had been no price control in Adelaide or Brisbane we would not have had to pay an extra 3d. per gallon for petrol. The increase may have been 1½d., but even then we would be getting petrol 1½d. per gallon cheaper. Because of price control in Queensland and South Australia, we are paying the penalty.

Mr. Playford mentioned self-raising flour. I do not know from where he obtained his figures, but he said that in Adelaide it was 1s. 4½d. a lb., while in Perth the price was 1s. 7½d. It can be bought in Perth for 6½d. a lb. So I do not know how he obtained his figures in that respect.

He said that haircuts were 3s. 6d. in Adelaide, and 4s. in Perth. Any man who pays 4s. in Perth is not right in the head, because he does not have to pay that much. I believe a haircut can be obtained for 2s. 9d. or 3s., but not in Adelaide. It is not under 3s. 6d. there, because of price control.

Rolled oats were another article mentioned. The price given for Adelaide was 9d.; and, Perth for 11d. Rolled oats can be bought in Perth 7d. a lb. So once again Mr. Playford was wide of the mark. I do not know why he should rush into print and tell us the wonderful effects of price control in South Australia, because it has not worked; and, what is more, the price of a two-bedroom house in Western Australia is £334 cheaper than in South Australia, which is under price control. That is a big difference.

The measure before us is price control in a roundabout fashion. I think it may be appropriate to read just a paragraph from the "Commerce-Industrial and Mining Review" for September, 1956, in regard to trade generally in Western Australia. It is as follows:—

The general level of Perth retail trading during August was somewhat below that for the same period of last year and, following the pattern of recent months, concentration on essential goods, careful spending, and a highly selective attitude on the part of the public, continued to be manifest. In all sections, competition amongst traders for custom was apparent with price cutting, selling drives and the offering of special services strongly in evidence.

That is what we get under free enterprise and what is happening in Western Australia. We have a selective public and price cutting is taking place. Even some of the electrical firms are trying to price-cut in order to obtain the market.

The Minister for Railways: There are some articles for which firms will not allow the prices to be reduced

Hon. L. A. LOGAN: I would be happy to support any effort made to do away with unfair trading practices, but they are not defined in this Bill. I am sure the Government will be very happy with the effect it has already achieved by the introduction of this legislation, which has increased the cost of living. Any person who has been in business will know that there are some articles on which a high rate of profit cannot be charged, and the margin is very small; but this is made up on other lines by putting on extra.

Immediately this legislation was introduced, the wholesalers in particular, and some manufacturers, straightaway increased the margin on the low-margin lines to what they thought would be the maximum allowed under this measure, but they never reduced the percentage on the other lines. They did not intend to get caught carrying lines with a low margin in the event of this Bill becoming law. Therefore, this action increased the cost of living, and many of these items are foodstuffs. So the Government should feel very pleased with itself, because it has already increased the cost of living to the worker whom it is supposed to represent.

The Minister for Railways: Can you name some of the items?

Hon. L. A. LOGAN: They are mainly groceries; and if the Minister makes investigations, he will find that I am correct.

The Minister for Railways: Did you say wholesalers?

Hon. L. A. LOGAN: The manufacturer and those who are indenting to the retailer direct.

The Minister for Railways: They got in early.

Hon. L. A. LOGAN: There would have been no need for them to get in if this legislation had not been introduced. We cannot expect any firm to carry on with a margin of 3 to 4 per cent. when it knows that by law it will be allowed 10 per cent. or 15 per cent. In business one has to cut certain lines at times and make it up on others, and that is fair trading. Under this legislation a retailer might cut a line today and add a couple of pence on to another line and be caught for unfair trading.

Hon. G. E. Jeffery: Are we not looking for overall trading?

Hon. L. A. LOGAN: The Minister has not told us what we are after.

Hon. G. E. Jeffery: You are in terrific difficulty.

Hon. L. A. LOGAN: I am trying to legislate, but have not been told enough.

The Minister for Railways: You are not prepared to improve it.

Hon. L. A. LOGAN: No; I am not prepared to buy a pig in a poke. I want something tangible; and I think it is time we got down to the genuine complaint, which I believe is unfair trading practice in certain places. If the select committee brings in a finding that there is evidence of unfair trading practices, I am prepared to support it. But until such time as we have evidence and can define what unfair trading practices are, I must oppose the measure.

On motion by Hon. E. M. Davies, debate adjourned.

House adjourned at 8 p.m.

Legislative Assembly

Tuesday, 23rd October, 1956.

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