

Legislative Council

Tuesday, 8th December, 1953.

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

QUESTION.

WATER SUPPLIES.

As to Railings to Katanning and Reservoir Content, etc.

Hon. J. McI. THOMSON asked the Chief Secretary:

(1) What is the total amount of water used per day by the Railway Department at Katanning?

(2) What is the amount of water hauled to Katanning per day, by special water trains, and from what source is it obtained?

(3) What is the estimated cost per 1,000 gallons of water hauled?

(4) What is the amount of water drawn, per day, from the Katanning reservoir supply?

(5) What is the cost per 1,000 gallons, for water taken from the reservoir?

(6) What was the amount of water in the town supply at Katanning at the 30th November last?

The CHIEF SECRETARY replied:

(1) Approximately 32,000 gallons.

(2) 23,000 gallons from Elleker and Kwobrup.

(3) £5 10s.

(4) 9,000 gallons.

(5) The rate has not yet been fixed, but will probably be in the vicinity of 2s. 6d. per 1,000 gallons.

(6) 36,750,000 gallons.

BILL—WAR SERVICE LAND SETTLEMENT SCHEME.

Second Reading.

Debate resumed from the 3rd December.

HON. A. L. LOTON (South) [4.37]: The Minister for the North-West, when moving the second reading of the Bill, said that it was introduced to legalise the manner in which the war service land settlement scheme was being implemented under conditions laid down by the Commonwealth Government. The original War Service Land Settlement Agreement Act was passed in 1945, and it was repealed in 1951 when a new Act was agreed to. This Bill now proposes to repeal the 1951 legislation.

I would like to take members back to the 4th December, 1945, when the then Chief Secretary introduced in this House the original Bill dealing with war service land settlement. In the course of his remarks he made these various statements:

This Bill is introduced for the purpose of authorising the execution of an agreement between the Commonwealth and the State in respect of war service land settlement.

He then went on to say—

In the present scheme it is not intended that the settlers shall purchase the properties, but that these shall be held on perpetual leasehold; and, in addition, the land will be ready for cultivation, whether it is a virgin block or a repurchased property, before the settler enters into possession.

I think some of the settlers today, if they heard those words, would wonder when they were spoken. He also said—

The first clause of the agreement states that it shall have no force or effect nor shall it be binding on either party until such time as the State Parliament has given its approval.

That was very different from the 1951 Act, when the agreement was left to the Prime Minister and the Premier by an interchange of letters. I doubt whether any member in this House has seen any of the conditions of that agreement. Later on the then Chief Secretary said—

The Commonwealth will meet the cost of acquiring, developing and improving land which is selected for settlement. It will also provide training facilities for selected settlers, who require this assistance, together with living allowances, transport and other expenses needed by the trainees.

In brief, those were the conditions under which the original scheme was launched.

Up to a point those conditions were satisfactory, but as a result of much agitation and dissatisfaction among the settlers

—particularly some of the early settlers—towards the latter end of last session a select committee was appointed in another place. On the 28th October, 1952, a committee of five members was appointed, the five members being Mr. E. K. Hoar, chairman, Mr. H. H. Styants, Mr. L. F. Kelly, Mr. J. I. Mann and Mr. C. D. Nalder. The committee took evidence from 92 witnesses and, in addition, 63 other settlers were interviewed.

As a result of the investigations and research a report was published, and I intend to read some extracts from it because they will show some of the reasons for the dissatisfaction and will, in some measure, explain why I intend to oppose the Bill. The report reads—

The Committee felt there was an obligation on it to make the scope of the inquiry as wide as possible, so with this end in view we arranged our itineraries to cover the wheat and sheep areas, dairying, tobacco, viticulture, and the projects of Many Peaks and Rocky Gully (which are in their early developmental stages).

Early in the inquiry it became apparent to the Committee that a determination would have to be made as to whether certain clauses of the War Service Land Settlement Agreement Act, 1945, affecting the valuation of properties, was in fact being applied, or whether some other arrangements had superseded them.

Subclause 7 of Clause 6 of the agreement reads—

In making the valuations, the officers shall have regard to the need for the proceeds of the holding (based on conservative estimates over a long term period of prices and yields for products) being sufficient to provide a reasonable living for the settler after meeting such financial commitments as would be incurred by a settler possessing no capital.

While on that point I think it would be as well if I made some comment of the position of the allottee designate today. He is chosen as a man who is suitable for war service land settlement and, as such, should be placed on a holding. Certain holdings are available for selection and the allottee designates make their own choice and go on to the particular holdings; but from that time onwards they have no say in the project.

As a matter of fact it appears that the allottee designate is more harshly treated than the person who ultimately becomes a settler because the allottee designate has no capital, in many cases. But the original scheme stated that capital was to be no bar to a man being allotted a farm. The allottee designate has no assets upon which he can borrow money

to purchase vehicles and, when a man goes on to a property to start off, it is essential for him to have a vehicle.

Even the Minister for the North-West would agree that the settlers who commence working new blocks require vehicles to enable them to carry out the developmental work of the project. If a man has to carry out the instructions of the field supervisor and get the project going, he must have a vehicle to transport himself, his family, his stores and, if deemed necessary, goods for other settlers in the area.

Hon. G. Bennetts: They must expect him to get horses.

Hon. A. L. LOTON: One person was told by a field supervisor that he should buy a bicycle. Fancy expecting a man to travel about a land settlement project on a bicycle, transporting superphosphate and machinery parts!

The Minister for the North-West: Is not that man working for the project?

Hon. A. L. LOTON: An allottee designate is paid the basic wage while he is working on the project. He expects that the property on which he is working will ultimately become his own. But some of these fellows have been on properties for 12 or 14 months and still do not know whether those properties will ultimately become their own.

The Minister for the North-West: They are employed by the scheme.

Hon. A. L. LOTON: Yes, by the war service land settlement scheme. In the early stages of the scheme they were given an undertaking that the properties on which they were working would ultimately become their own, and that it would be better for all concerned to carry on in that way. The committee also had this to say—

The Committee does not approve the averaging system now in vogue and views it as a means to evade the writing off of excessive costs of development due in many cases to inefficient supervision and bad workmanship, of which more will be said under the heading "supervision."

Many members will have seen some of these land settlement projects and some of them must have been amazed at the money used in the development of these properties.

When the scheme first started the Land Purchase Board bought a considerable number of properties that were partly or fully developed. However, later on it seemed to think that prices were getting too high and that it would be cheaper to purchase virgin country and develop it to a state of production. I think the original idea may have been efficient, but, like so many other schemes, it became vague. Tremendous sums have

been spent neither to the best advantage of the State nor to that of the settler generally. The committee also had this to say—

As the Committee disapproves of the averaging of cost system it is also opposed to any alteration of the lease which makes averaging possible.

I think that is one of the most contentious points in the whole of the legislation. Originally, when the Land Purchase Board took on the purchasing of properties, some of them were only just large enough to comply with the area that had to be acquired for a holding. The settler took the property on the understanding that certain costs were to be added to the purchase price and certain other improvements had also to be included.

As time progressed, the settlers found that the costs had been shifted from the original holding on to other holdings; and it is rather unfair to ask a man who has taken on one commitment to involve himself in other commitments. This action has been taken to try to spread the cost over the whole of the land settlement of this State; they have gone into the whole of the project to endeavour to spread the cost. That is making it hard for those people who some years ago were given to understand what their commitment would finally be. The committee's recommendation continues:—

Finally, in concluding this part of the report I must say the Committee is astonished that the State Government should lend itself to a secret arrangement with the Commonwealth whereby certain clauses of the W.S.L.S. Agreement Act, 1945, can be circumvented.

By that, I assume, the committee took exception to the methods adopted by the previous Government in which that Government agreed to an interchange of letters between the Prime Minister and the Premier, which were not tabled in Parliament. I remember that, when the late Mr. Wood was Minister for Agriculture and he was introducing a Bill here, I asked him at the time whether he thought it was the correct procedure to have an interchange of letters between the Premier and the Prime Minister, particularly when so many millions of pounds of Federal money was involved, and when this Parliament had to be a party to a secret agreement. Evidently the committee also took strong exception to that point. The interchange of correspondence was referred to the Crown Law Department, and we find the following contained in the report of the select committee:—

In discussing the question of Commonwealth-State relations under W.S.L.S., File 226/45, Vol. 5, p. 578 and referring to certain authority given

to the State under the W.S.L.S. Agreement Act, 1951, Mr. Good, Solicitor-General, expressed strong disapproval at the method adopted by the State and Commonwealth in concluding important matters of high policy by letter instead of formal and concluded agreements.

Mr. Good said—

It is unsatisfactory from a policy viewpoint that such an important scheme of W.S.L.S. can be evidenced only by letters and copies of letters. Such a scheme is loose and informal, may be difficult to prove at any time, and differences of opinion may well arise as to what letters constituted the arrangement for the time being between the Commonwealth and the State. I suggest it is unsatisfactory for the State to be in a position where it cannot plan ahead on formal and concluded agreements, but will never know when the next Commonwealth instruction will be arriving.

In view of the foregoing, the Committee recommends:—

- (1) As the current Commonwealth-State arrangement, referred to above, can have no legal standing, and is improper in a Parliamentary sense, the State should immediately withdraw its support to such an arrangement. Any amendment desired by the State Government to any Act of Parliament governing War Service Land Settlement should be effected by legislation.
- (2) That valuations of farms under the War Service Land Settlement Scheme, either for rental or later freeholding should be based exclusively on the costs of acquisition and development on a single unit basis, and subject to the requirements of subclause 7 of clause 6, of the War Service Land Settlement Agreement Act, 1945, and this valuation should be the option price for purchase.

That is what I referred to when I mentioned the question of the spreading of costs of one holding over the scheme. We then come to State administrative costs and the committee's report states:—

There was a definite promise by the State to the Commonwealth that the above costs would not be loaded against the scheme but would be borne by the State. The position now is that the State bears the cost of administration from a senior officer's level upwards.

The Scheme itself is loaded with the balance of administrative charges, which includes all field officers' costs and district office charges.

The Committee felt that as a promise was made on behalf of the State for the State to bear the cost of its own administration, this promise should have been kept rather than load portion of the cost on to the settlers as is being done now.

We feel that, although the wages and expenses of foremen in charge of working gangs could be a justifiable charge against the scheme, such costs arising from general supervision and district office charges should be included in State administration which, in our opinion, is an obligation of the State to meet.

Finally, I would like to quote the following from the committee's report—

Some of our criticism and recommendations are based on undeniable proof that in a number of important matters the original conception of the scheme, which in effect is a promise made in the name of the Government, has been departed from without reference to the Parliaments which were responsible for the passing of the legislation.

That is another reference to the exchange of letters.

To those members who are interested in the war service land settlement scheme I would suggest that they peruse the files the Minister was good enough to table on Friday at my request; I would also recommend that they read the select committee's report; and if they desire any further reading matter and more information, they could read the evidence submitted to the select committee. It is most interesting, and there is much information available that neither I nor any other member could give to the House without taking up a considerable amount of time.

I have here three copies of letters that I have taken off the file, and I think they should be recorded in "Hansard", because, as the scheme goes on, they will prove of considerable interest and value. The one I will now quote is dated the 6th August, 1953. It is signed by the chairman of the Land Settlement Board and is addressed to Mr. R. W. Wilson, Director, War Service Land Settlement, Department of Interior, Canberra:—

Final Valuation for "Option" Purposes. I refer to your letter dated 25th June, 1953, in which you agree with action taken for the fixation of the option price for land, and non-structural improvements on Farm A139A—lessee J. Leggoe, Williams.

In view of the discussion with you recently in Canberra, regarding the interest to be charged upon the dif-

ference between the assessed final valuation and the leasehold value determined on a single unit basis, because of the impediment in the lease which has been issued to some lessees, the final valuation of this farm would differ from that set out in your letter.

I am using this as a case to formally agree upon the action in such cases, as I have no advice in writing to satisfy audit purposes.

My understanding of our discussions is as follows:—

(a) Where the final valuation includes the total cost, this represents the option price of the property.

(b) Because of the impediment of the lease, certain lessees have been able to demand the leasehold value of their property being based on the assessed cost of development of that property, resulting in a reduction in rent and probably structural improvements.

The difference between the assessed final valuation and the "enforced" lease valuation is to be treated as a write-off until such time as lessee desires to exercise his option.

That means for the time being the difference between the final valuation and the lease valuation that some settlers have been able to obtain because of the supposedly weak structure of the original Act. But I think that originally it was intended that the settler should get the property on those conditions. So long as he is prepared to lease the property, he is all right, but when he wants to exercise his option he will find there is a considerable increase in value. I can place no other construction on the condition. The letter continues—

For the purpose of advising the farmer of his option price, the difference will bear simple interest from the time of the assessment of the final valuation until the statutory period has elapsed, when the option may be exercised. This may be any period up to ten years

Interest will cease on the difference at the end of the tenth year from the time the lessee was first granted his property under leasehold conditions, that is at the time the option legally can be claimed.

If the lessee desires to exercise his option in, say, 15 years from being granted his lease, then he would not be charged interest for the additional five years, but his option price would be the original final valuation, plus simple interest accrued upon the difference up to the date at which the option could be exercised.

I shall be glad of your comments on this understanding.

That is signed by the chairman of the Land Settlement Board.

The next letter is dated the 9th September, 1953, and is signed by the same gentleman. It is addressed to the Acting Director, War Service Land Settlement, Department of the Interior, Canberra. I am not going to read all of it, but only the final part, because that has some bearing on the introduction of the present legislation, if I judge aright. It deals with the final valuations and their application to Clause 6 of the 1945 agreement. The letter reads—

Any method of basing an opinion upon known district carrying capacity and yields would be liable to error when applied to individual farms, particularly in the case of W.S.L.S., where an effort was made to obtain farms above the average so as to meet the requirements of the agreement.

It is suggested that the authority making his assessment should not take into consideration the standard of husbandry being at present practised on the property, but rather confine the assessment to what could be obtained by an average farmer while giving consideration to the soils and rainfall of the particular properties.

This might be done best by close collaboration between a Commonwealth and State officer who both had an acquired knowledge, so as to ensure some standardisation of ideas and arriving at uniform and equitable decisions over such farms that need budgetary checking in each State.

This question is of considerable importance and of some urgency in Western Australia, and it is suggested that steps should be taken urgently to arrive at some conclusion before the matter is raised publicly as must undoubtedly occur in all States as final valuations proceed.

I would like to know from the Minister when he replies, just what is meant by that final paragraph. I have looked through the file and cannot see what conclusions have been arrived at, and I must form my own, which is that, as no leases have been issued since late 1951, it is considered essential by the Commonwealth that this legislation be introduced so that certain conditions it wants to impose can be inflicted on settlers in this State.

To show that all is not going well within the scheme, I would like to say that up to the end of 1952, 68 settlers, who were either lessees or caretakers, have walked off their properties, and from January till the end of November of this year a further 17 had gone. Of that total, 50 were dairy farmers, which shows that of those engaged in the dairying industry, quite a number have abandoned hope. The percentage of those who have given up is too big to indicate that the scheme is 100 per cent. watertight.

The main objection I have to the provisions in the Bill is that the Commonwealth and State Governments have departed from their moral obligations to settlers. It was intended, during the war and shortly after, that any man who was prepared to go on to a farming venture was to be settled under the war service scheme. Some say the conditions were too liberal, but no one raised that objection at the time. Because of the high returns for certain primary products, some of the earlier settlers were able, in a short time, to secure their properties by the capital investment.

Many settlers today are not so happily placed, particularly in new areas where conditions are somewhat unknown for the type of husbandry proposed. The climate is all right, and the rainfall appears to be satisfactory; but I would refer to places like the Many Peaks area, where the form of cultivation has not proved satisfactory. An attempt was made to cover big areas in a short time, but members who, some 12 months ago, made an inspection of the locality I have mentioned must have been amazed at the regrowth of the undergrowth.

Hon. F. R. H. Lavery: Of the suckers.

Hon. A. L. LOTON: Not only suckers, but scrub. I think that is even worse. The little agitation that the ground received from the plough, or scarifier, and the application of a small amount of super in some cases seemed to be just what the natural herbage required, but the treatment was not much good for the pasture that was sown. There were a few trial plots where the system of fallow was adopted, and the results there would appear to be slower but more sure. It looks as though a lot of that area will have to be retreated. Progress will have to be slower because climatic conditions are evidently such that the natural herbage just thrives on the method of cultivation that has been used.

The Bill is accompanied by a statement of conditions. I do not know whether that will be incorporated in the measure. The whole of the scheme is wrapped up in that statement. The conditions are dated the 30th July, 1953, and are signed by W. S. Kent Hughes, Minister of State for the Interior. Then there is the Bill introduced into the State Parliament by our Minister for Lands. Under the 1945 measure, a schedule was incorporated, and therefore became part of the Act. I do not know whether this statement accompanying the Bill under discussion will be incorporated.

Whether it is or not, the conditions indicate how the scheme will operate, because the Bill does very little more than say that the War Service Land Settlement Act, 1951, is repealed. Then it goes on to deal with interpretations and to state what the Minister can and cannot do.

Finally, it deals with mineral rights. I would like the Minister's answer to certain queries that have been raised. The position is as follows:—

Clause 3 repeals Act No. 50 of 1951, but specially mentions the provisions of Sections 15, 16, and 17 of the Interpretation Act. The relevant portions of Section 16, which should be read as a whole, provide that unless the contrary intentions appears, the repeal of an Act shall not—

- (a) affect the operation of the repealed Act, or alter the effect of the doing, suffering or omission of anything prior to the repeal;
- (c) affect any right, interest, title, power or privilege created, acquired, accrued, established or exercisable . . . prior to such repeal;
- (d) affect any duty, obligation, liability . . . imposed, created or incurred prior to such repeal;
- (f) affect any . . . legal proceedings or remedy in respect of any such right, etc.

It would seem to me that this clause is adequate to protect the interests of settlers in so far as they are fixed by leases issued, subject always to the provisions of Clause 6 of the Bill, which allows regulations to be made, and Clause 9 of the Bill which, in its present form, ratifies everything done "in purported pursuance" of the repealed Act, and might therefore have the effect of ratifying ultra vires acts by the director or Minister. This is a matter which requires clarification, because, if ultra vires acts are ratified, certain objectionable valuations may be included among those acts. I would ask the Minister to give me an interpretation of the provision of Subclause (2) of Clause 3 of the Bill.

Once again I raise my protest against the short time permitted members to examine measures of this kind. The Minister was good enough to grant me the adjournment of the debate from Thursday till today; but with so many files and so much other information available in connection with this matter, a member has not sufficient time to conduct the necessary research for the compiling of required information if he wants to go into very minute details in connection with legislation of this kind.

On motion by Hon. L. A. Logan, debate, adjourned.

BILL—AGRICULTURE PROTECTION BOARD ACT AMENDMENT.

Received from the Assembly and read a first time.

BILL—MARKETING OF ONIONS ACT AMENDMENT.

First Reading.

Received from the Assembly and read a first time.

Second Reading.

THE MINISTER FOR THE NORTH-WEST (Hon. H. C. Strickland—North) [5.17] in moving the second reading said: On several occasions growers have requested amendments to the Marketing of Onions Act, and in an endeavour to meet their wishes this Bill is presented. It is proposed to increase the grower-members of the board from two to three, the additional member being nominated by the Governor while the remaining grower-representatives will be elected as at present.

The Bill now provides for the chairman to be appointed by the Governor instead of being elected by the members of the board. Since it is proposed to give the growers additional representation this provision has become necessary.

A petition presented some time ago indicates that practically all the growers are of foreign extraction and an elected chairman may be an unsuitable person. The board at present consists of five persons: two growers who are elected and three nominated members, one of whom shall be a consumer and one a person of mercantile and commercial experience. Under the Bill, if a board member accepts remuneration from the board other than as prescribed, his position may be declared vacant.

It is also provided that where onions, after being delivered by a grower, are rejected, then the grower must be advised in writing within 48 hours and be supplied with the grounds for rejection. Growers complained that lengthy delays had taken place before they received notification of a line being rejected. If this measure is passed, growers will be licensed and will be given three months from the commencement of the amended Act to apply for a licence from the board. The licensing year will be from the 1st January to the 31st December and licenses will have to be renewed each year.

It is the desire of the growers that licences be issued, but this proposal will in no way restrict the production of onions and the board cannot refuse to grant a licence. Useful information will, however, be available to the board and will greatly assist it in making marketing arrangements. I move—

That the Bill be now read a second time.

On motion by Hon. Sir Charles Latham, debate adjourned.

**BILL—RENTS AND TENANCIES
EMERGENCY PROVISIONS
ACT AMENDMENT.**

Second Reading.

Debate resumed from the 4th December.

HON. H. S. W. PARKER (Suburban) [5.20]: I am not in favour of any further control of rented premises. The rent-control legislation was originally brought down to meet war conditions and was continued to meet postwar conditions, but I am opposed to any further control of this sort. I am convinced that we will never be able to house the people until we have freedom in this regard. No one will build to let while restrictions of this nature remain.

The Chief Secretary: When did they last build to let?

HON. H. S. W. PARKER: There is a certain amount of money available now for this purpose, and it is to be anticipated, from recent happenings, that there will be a lot more available in the near future, but at the present time no one will invest in houses for letting purposes.

HON. J. McI. Thomson: There is no incentive to do so.

The Chief Secretary: They did not do so for ten years before this legislation was put on the statute book.

HON. C. H. Simpson: Was that not due to the depression?

The Chief Secretary: No: It was the position even before the depression.

HON. H. S. W. PARKER: Why should persons who owned houses and let them in 1939-40 have been controlled and continue to be controlled, and not those who have built or made houses available for letting recently? My impression is that those who carried the burden of restricted rents for so long should now be freed of control and, if control is necessary, it should be on the other section. I repeat that if we continue this control over houses now being built, no one will be foolish enough to build for letting purposes.

There are many persons in the community who have houses that are too big for their own immediate needs but they are not game to let them, because of the various restrictions. Some of their fears are imaginary, no doubt; nevertheless a great many people are afraid to let their dwellings at present, even for a short time while they are on holidays. I know of a house that was converted into a pair of flats, one of which was let while the owner lived in the other. Owing to circumstances that have arisen, the owner now desires to put the whole property up for sale, but half the house is under restrictions while the other half is not; and that makes all the difference to the value of the property. By now the State Housing Commission should be in a position to control rents in general by

virtue of the rents it charges. The State Housing Commission, as a landlord, has vast control and could, in a sense, regulate the rents being paid today.

HON. A. R. Jones: It is the biggest landlord in the State.

HON. H. S. W. PARKER: Of course. Furthermore, it is the responsibility of the State and not that of private individuals, who, prior to 1939, invested their money in dwellings for rent, to house the people. Rents have not risen to anything like the same extent as has the cost of repairs, and so the landlord has been made to suffer. There continues to be a considerable number of poor or bad tenants who hide behind the restrictions contained in this legislation. In 1930, when the depression struck this State, all sorts of measures were brought down providing for various controls.

Members will recall the Financial Emergency Act; the reduction of rents legislation, which took some considerable time to remove; the Farmers' Debts Adjustment Act, which was brought in in 1930 and was not repealed until 1947—it took a war to repeal it; and the Mortgagees' Rights Restriction Act. I opposed the continuation of that measure almost every year but it was not removed from the statute book until 1947. Now, eight years after the recent war, we are still controlling rents and the longer that control remains the more difficult it will be to remove. I oppose the second reading.

HON. A. F. GRIFFITH (Suburban) [5.26]: This is a measure which the House has been expecting to receive for some considerable time and we now have it before us with only three sitting days to go—according to the programme of the Government, which hopes to finish the session by the 11th December, which I think is a pious hope. Nevertheless we are asked to deal with this Bill which proposes to continue the control of rents. The other night Mr. Watson said—in my opinion very truly—that there were three classes of landlord at present: the State Housing Commission, the landlord who entered into a contract subsequent to the 1st January, 1951, and he who let property subject to the 1939 Act.

Now the Government introduces a Bill in this House to provide for certain things and to tighten up, without any doubt, the chances of an owner gaining possession of his premises and giving the rent inspector a power to which I hope I am never personally subjected. The Bill, unfortunately, does not even suggest that the owner of property should be entitled to any increase in rent.

Earlier in the session—I did not ask the question with the idea that it might tie up with the Bill now before us, although, in fact, it does—I asked the Chief Secretary:

- (1) Have there been any increases in rentals of Commonwealth-State rental homes during the past six months in—

- (a) the metropolitan area;
(b) country areas.

- (2) If so, what is the extent of such increases?

The Chief Secretary replied:

(1) and (2). The only variations in rents have been occasioned by increases of rates imposed by authorities other than the State Housing Commission. There have also been adjustments made to correct differences between rents charged on estimated capital cost of houses built by the McLarty-Watts Government and the economic rents assessed on final capital costs in accordance with the formula laid down in the Commonwealth-State agreement. During the past six months the State Housing Commission has made no increases on account of any charges over which it has any control.

I am not quite sure what is meant by the last few words of that answer, namely, "that the State Housing Commission has made no increase on account of any charges over which it has no control" In my hand I hold the Commonwealth-State housing agreement and I have held it up in this House on previous occasions. It contains a formula which enables the State to fix rents on a certain basis. An important feature of that basis is the capital cost incurred in the building upon which the rent is to be fixed. Does it not strike members as being unfair that the State Housing Commission is charging a rental which is far in excess of that permitted to be charged by a private individual for a similar type of house? Surely an anomaly exists there.

Does it not seem rather ridiculous that an owner, having decided to let his house for the first time, since December, 1951, is permitted to charge any rent upon which he and the tenant agree, and yet an owner who has let his home since 1939 receives little or no consideration? There is no justifiable reason why this section of the community should be asked to bear the brunt, as they have been asked to do in the last few years, of increased maintenance costs on their houses, and yet not be allowed to gain a commensurate return for the capital involved.

Personally, I am extremely disappointed to see the State enter into the field of home-building to the extent it has. I know that I was a supporter of a Government that had an excellent housing record; and if we believe the election promises that are made, we will rest assured that at the end of three years, from the 14th February, 1953, the people of our State will be completely relieved of all their housing problems, because the

present Government, on the hustings, gave a written undertaking that the housing problem would be solved within that period.

Hon. E. M. Davies: Who is stopping it?

Hon. A. F. GRIFFITH: I am not suggesting that anyone is stopping it. I am merely stating that the undertaking, although probably made in all good faith, is not possible of fulfilment. I think the hon. member would know that. No blame can be attached to anyone for the fact that our country was at war; but during the war years, house-building lagged, and we still have that lag, although it has lessened considerably compared to what it was before. Mr. Davies apparently has a great deal of faith in his Minister for Housing, who has stated that materials for home-building are now readily available; and that all building materials will be free from any form of control as from the 1st January. That is a statement that was given to the Press by the present Government.

In answering Mr. Davies' question as to who is stopping the Government from solving the housing problem, I would say that no one is stopping it from fulfilling the promises it has made. It is ridiculous to make such a suggestion. My only comment is that I do not think that this Government or any other Government could solve the housing problem in the short period of three years, as is envisaged by the present Ministry.

The Chief Secretary: You do not know how good it is.

Hon. A. F. GRIFFITH: I am surprised at the Chief Secretary making a remark such as that, because it is obvious that the Government did not know how bad the position was going to be. These promises, which the people are expected to believe, to my mind do not warrant the interjection made by the Chief Secretary. To say the least of it, I am dismayed that the Government did not think fit to give the owners, who are the subject of this legislation, some form of relief by granting them an increase in rent. I am also disappointed to see that the Bill proposes to make it more difficult for an owner to repossess his premises.

I am certainly not in favour of those provisions which deal with the rent inspector's powers. I notice that Mr. Watson has some amendments on the notice paper. I have not studied them very closely as yet, but I am sure the House will show a great deal of interest in the measure, and also the amendments proposed by Mr. Watson. From the brief reading I have made of them, they propose to give the owner some form of relief and allow him to increase his rent along certain lines so long as an application is made to the court. For the time being I propose to vote for the second

reading because, in accordance with the amendments that are already on the notice paper, it will become essentially a Committee measure. I will therefore reserve any further comments until that stage is reached.

HON. H. HEARN (Metropolitan) [5.38]: I would not like to pass a silent vote on this important question. This is my sixth session in the Legislative Council; and even during the currency of the McLarty-Watts Government, I opposed every continuation Bill that was brought forward, with the exception of that introduced last year when I was absent in the Eastern States. I believe we are going on to perpetuate controls to the stage where they are becoming absurd. Personally, I am against all forms of control, and I think every member of the House knows my record in that regard.

With respect to this particular form of control, we find that increasingly, year by year, the State Government is becoming the greatest landlord, and it has no intention of being controlled in regard to the rents charged for the properties it lets, whether they be houses or business premises. I consider that this Government is imposing a great hardship on a section of the people—in the same way as the previous Government did—by consistently calling upon it to bear, year after year, the great burden of endeavouring to keep rents within the limits set down in the "C" series index. I believe that no great harm would result if these controls were lifted completely, and that the position would adjust itself far sooner than we think. It is therefore my intention to vote against the second reading of the Bill.

HON. H. L. ROCHE (South) [5.40]: I will vote for the second reading for two reasons only. One is that I do not think it will do any harm to experiment with legislation which will endeavour to control the abuses in regard to what is known as key money. Secondly, although we do not care for controls, I think the Government is justified in asking for some control to continue for another 12 months on the rentals for city buildings; that is, business premises and office accommodation. Since 1939 there have been very few buildings erected in the city to provide office accommodation for those that need it.

I would prefer to see State controls lifted completely. One member referred to the State building houses, but that is only what we can expect. The individual who built new houses in the past with the idea of letting them to return him an income has had such a gruelling with the continuance of these controls, that I will be very surprised to see him or any other re-enter the real estate business in Western Australia. He will certainly not do so for many years to come.

As Mr. Griffith instanced, those people who had let their houses in 1939 are being penalised. I am afraid we have to look forward to the State providing most of the houses for the people for a long time yet. I know it will be said that if we remove all controls on domestic accommodation there will be wholesale evictions. At the rate building has progressed since the war, particularly during the last few years, it appears to me that landlords are not going to evict their tenants just for the pleasure of it. I fail to see where all the new tenants will come from to take the place of those evicted. Ninety per cent. of the people are housed or being housed, and it is hardly likely that they will seek other accommodation at a higher rental.

In the circumstances, and in view of the information I have on the subject, I will vote for the second reading with an ill grace, although it appears to me that there may be some virtue in the two provisions I spoke upon.

HON. C. H. HENNING (South-West) [5.43]: I am impressed with the general text of the remarks that Mr. Watson made on the Bill, and the amendments he has placed on the notice paper. If agreed to, they could make this Act a reasonable piece of legislation for a year or two. Within that period at the most we could completely brush aside any further ideas of continuing rent control. Personally, I dislike such control in every way. It tends towards creating a State monopoly of building through the State Housing Commission, and in every way it has definitely prevented private enterprise from erecting buildings for rental purposes. After all said and done, through all the years in this State it has been private enterprise, with few exceptions, that has provided residences for the people.

Naturally, when there is control, it will take longer to catch up to normal building requirements so that every family can be housed. So as not to restrict the movement of the population there should always be a few homes vacant. Once there is this tendency to restrict movement, it will encourage centralisation, because people will not leave a locality to look for work in another locality—even though it might be more congenial—unless they are able to find accommodation. Ever since the 1914-18 war France has had rent-control.

Hon. C. H. Simpson: I think it started in 1910.

Hon. C. H. HENNING: Last year in France the target was 200,000 houses, but the State built only 80,000 and nobody else built a house. After all, France is the oldest socialist state in the world. Are we to fall into the same pitiful condition as France in regard to housing? We shall all rue the day when that comes about. It is all very well for the Government to consider that people who have owned

houses for years should get no increase in rent, while we have an Act here which exempts State housing properties from rent-control.

If the Government is sincere in what it preaches, why does it restrict the rents charged by landlords? The Government does not mind if a land-owner gets 30s. a week for his property as long as the State Housing Commission is getting 45s. and 50s. for a similar property. That is completely in line with its policy of socialism, when considering the question of rent-control. The principles put forward by Mr. Watson could make the Bill reasonable. I shall support the second reading, but I shall vote against the third reading if the amendments are not carried in Committee.

HON. L. C. DIVER (Central) [5.47]: People who were unfortunate enough to be landlords prior to 1939 deserve our sympathy. The Bill has the effect of saying this to people who saved their money and denied themselves comforts so as to put their savings into bricks and mortar before 1939: "For your lack of vision, for your short-sightedness in looking to the future, by providing shelter for your brothers and sisters that they may be housed, your investments shall be pegged at the 1939 rentals, plus 20 per cent., plus 10 per cent."

Hon. H. Hearn: But repairs have to be paid for at present-day values.

Hon. L. C. DIVER: It is almost impossible for people to keep their houses in repair out of the rentals received. The Bill implies this: "You have sinned against the community, and that is the penalty you shall pay, while your more fortunate brothers who have invested their money in other avenues will get £9 today for every £4 they invested before 1939."

The time has come to give some relief to landlords whose rents have been pegged since 1939. Men on the basic wage have been relieved in the ratio of nine to four since 1939, so surely landlords are entitled to the same relief. It is proposed to increase the travelling allowance for members of Parliament. How can anyone with a conscience agree to accept more for travelling allowance while landlords are pegged at the 1939 level in rental, with only an increase of 20 per cent. and 10 per cent.? I shall not lend support to the second reading, knowing that state of affairs. I oppose the measure.

HON. A. R. JONES (Midland) [5.51]: I shall not take long to say what I stated three or four years ago, and what I stated last year. I believe, as I did then, that the only people entitled to protection under this Bill are those who have served this country as soldiers; and their dependants, such as mother, father, wife, and children should be protected. That protection is not a duty of private individuals, but a duty of the Commonwealth. Other speakers have given reasons why land-

lords who invested money in properties which were let before 1939 should be given relief. Some said the time has now come, but I say that the time came many years ago.

One speaker said that restrictions should continue in respect of business premises, because housing needs are greater than business needs. Might I remind that member that eastward along St. George's Terrace, and westward along Hay-st., he would find many buildings which were dwelling houses as late as two years ago but which have been converted into business premises. These no longer are available for dwellings. If this practice of converting dwellings to offices is allowed to continue, many more business firms will buy up homes for conversion because of the accelerated need for office accommodation. Therefore that argument does not carry any weight.

As we know, business will expand, particularly in view of the good news of the possibility of finding oil in commercial quantities in Western Australia, and in view of the construction of the oil refinery, and the B.H.P. steel rolling mill. So we must provide office accommodation for such expansion to take place. Firms with unlimited capital will get accommodation regardless of present-day restrictions, and this will be at the expense of people living in the houses along St. George's Terrace and Hay-st. So why continue to deny them the right type of building in the city? Such relaxation will result in more living accommodation being made available to the people, and will assist in eradicating the practice of tenants subletting rooms to individuals at high rentals.

My other major objection to continuing this control is that the State Housing Commission will build more and more houses. It is very perturbing to me to see so many young people looking to the State to provide them with homes. While the State continues to build more houses, and while it can tax the people to raise the necessary funds for this purpose, the State Housing Commission will continue building. By our allowing free enterprise to come into this field, the programme of the State Housing Commission would be curtailed considerably.

The Chief Secretary: There is nothing to stop private enterprise from building homes now.

Hon. A. R. JONES: There is a lot to stop them doing it at the moment. We all know that a person who builds a home for £3,000 or £4,000 is not allowed to charge more than a set rent. While this restriction is imposed on him, there is none imposed on the State Housing Commission. I would like to see people thrown more on to their own resources to build their homes. They will not do so while

they know that the State Housing Commission will build for them. I strongly oppose the second reading of the Bill.

HON. SIR CHARLES LATHAM (Central) [5.56]: Members are familiar with the view I hold on the question of controls. I have been in Australia for over 50 years, and I have seen all the developments taking place, particularly those in this State. They were carried out by private enterprise and by hard work. Private enterprise had confidence in the State. Now, in my old age, I see the country turning into a socialist State, and that is very regrettable. Everything we attempt to do today is made possible by State funds and under State ownership. It seems the individual is not permitted to possess any private means at all.

The Chief Secretary: That is bunkum!

Hon. Sir CHARLES LATHAM: I am not concerned with that interjection. It is not the first time that the Chief Secretary has introduced "bunkum;" some of the legislation submitted by the Chief Secretary this year has been "bunkum."

The Chief Secretary: Did the hon. member speak this way last year?

Hon. Sir CHARLES LATHAM: I did not speak at all on this Bill last year.

The Chief Secretary: How did you vote?

Hon. Sir CHARLES LATHAM: That Bill was only a continuance Bill for one year. We did not have the present amendments to make the position more acute. I admit there are some avaricious people in the State—not so much owners of houses as people who are subletting rooms; and, they are the ones who should be controlled. We are making it possible for those cases to occur by restricting the building of houses. In the old days there was no difficulty in getting a house at a reasonable rent, and in getting satisfied tenants and satisfied landlords.

In Western Australia, many people were inclined to invest money in homes; and, having built them, they sold them on a small deposit, similar to the practice of the Workers' Homes Board in the early days. In 1911, the Labour Government established the Workers' Homes Board, and private individuals followed the same method of building and selling homes; a small deposit was made and the balance was paid off in rent. More of the development in those days was undertaken by private individuals than by the Workers' Homes Board.

The Chief Secretary: What is there to stop them doing it now?

Hon. Sir CHARLES LATHAM: Because they are restricted.

The Chief Secretary: Not on that.

Hon. Sir CHARLES LATHAM: I admit that a person can build a house and charge a fair rent, but today there are more

restrictions than are warranted, simply because they are bound by all sorts of restrictions and uncertainties.

The Chief Secretary: Members will persist in repeating that, but it is not so.

Hon. Sir CHARLES LATHAM: The Government has undertaken to build practically all the homes required and is entering into competition with private people. If the Government loses money over housing, it does not matter, because it can provide for losses in the estimates and demand that the taxpayers make them good. A private individual cannot do that.

The Chief Secretary: Where is the Government losing money on building homes?

Hon. H. Hearn: The loss has not caught up with the Government yet.

Hon. Sir CHARLES LATHAM: I may not see the day, but I am satisfied that terrific losses will be incurred on the Government-built homes. If we experience another depression like those we have had from time to time—the Minister has not lived to see as many of them as I have—

The Chief Secretary: I have seen a few.

Hon. Sir CHARLES LATHAM: Then they should have educated the Minister to a realisation of what may happen.

The Chief Secretary: They have.

Hon. Sir CHARLES LATHAM: Would the Government be prepared to have tenants evicted because they could not pay the rent? Further, who would meet the bank interest on the money invested in those homes?

The Chief Secretary: That would depend on the type of Government in power at the time.

Hon. Sir CHARLES LATHAM: During the last depression, there were not many taxpayers left to bear the burden. Many people who had considered themselves wealthy found that they had become poor. If there were not sufficient taxpayers to bear the burden, what would a Labour Government do? I still feel bound to support the second reading of the Bill. However, I should like the Minister to inform me whether any of the men serving overseas are likely to be affected if the measure be thrown out.

The Chief Secretary: I cannot say.

Hon. Sir CHARLES LATHAM: I have mentioned repeatedly that, when it was a matter of men going away to defend this country, the responsibility of ensuring that their homes were preserved to their dependants should be the duty of the whole of the people of the State. We protected the servicemen by the Act passed in 1951, in which a special section was included to afford the necessary safeguards.

Hon. L. Craig: They would still be protected under the Commonwealth-State housing scheme.

The Chief Secretary: There is no provision for them under that scheme.

Hon. Sir CHARLES LATHAM: There would be no difficulty in the way of the State Government's accepting responsibility for them, and the fact that that will be done has relieved my mind to some extent. I should like to know how we can deal with those tenants who charge up to £5 or £6 a week for a sublet room.

Hon. H. Hearn: Bring down a separate Bill to deal with them.

Hon. Sir CHARLES LATHAM: If that were done, I would support it.

Hon. H. Hearn: So would I.

Hon. Sir CHARLES LATHAM: We need such legislation to protect people who are being compelled to pay exorbitant rents. In former times, many of the tenants so suffering would have been provided with homes built for an investment. There were many such homes; and I know men who, after starting in a small way, made a good deal of money out of building them. But they have been discouraged instead of being encouraged.

We are not likely to receive any help from the employees in the service of the State Housing Commission, where we have built up an elaborate organisation providing employment for a lot of people who become public servants. I am quite satisfied that individuals can do the work of building homes more cheaply than can Governments. They always have been, and always will be able to build them more cheaply. Under the Government scheme, so many inspections have to be made, whereas a man who takes up a block of land with the intention of building a home knows what he wants and is able to erect the place fairly quickly.

The Chief Secretary: Do you know that the cheapest houses being built are those that are being erected for the State Housing Commission?

Hon. Sir CHARLES LATHAM: I am not surprised to hear that; I have seen some of them. I could take the Minister on a trip along Beaufort-st. as far east as possible and show him some of the cheapest houses. If a private individual built a house of that type, he would have the local authority imposing restrictions on him in no time. The cheapest houses ever built in this State were those erected by the Government of which I was a member in 1930 or 1931.

Hon. F. R. H. Lavery: At a cost of £700 or £800.

Hon. Sir CHARLES LATHAM: They were known as the McNess homes for aged people and widows with children, and they were let free of rent. Sir Charles McNess

gave us about £5,000 and the Government of the day provided £15,000, and out of the £20,000, we built those houses. I would have no objection to the Government's proceeding to build small homes of that sort to cater for people who are now paying high rents for room accommodation. I am president of an organisation that has undertaken the responsibility of looking after children. A father and mother are struggling to get enough money for a deposit on a home, and we look after the youngsters because they have no earthly chance when they are living in a room. I am anxious to help such people, and I am sure other members are equally anxious to help them, but we are not likely to do that by imposing restrictions such as are provided in this Bill. Let us face the issue!

The Chief Secretary: That is what we are doing.

Hon. Sir CHARLES LATHAM: Yes, by imposing further restrictions! I have read the Bill carefully, and I cannot see that it will do even a little good. Let us say to the people, "Be individuals! Learn to help yourselves!" I shall vote for the second reading, but I hope that some material changes will be made to the provisions of the measure during the Committee stage. It should be improved so that individuals may be given back their right to build houses as an investment to the end of making provision for themselves in their old age. Today it is impossible for them to do that. We have the extraordinary spectacle of one house being let at 25s. a week and a similar house next door at £4 a week.

Hon. E. M. Davies: That can easily be remedied.

Hon. Sir CHARLES LATHAM: How?

Hon. E. M. Davies: You know how.

Hon. Sir CHARLES LATHAM: I hope the hon. member will tell us presently.

The PRESIDENT: Order!

Hon. Sir CHARLES LATHAM: I was hoping to hear opinions expressed by supporters of the Government. Are those members prepared simply to accept the proposals of the Government, or are they going to express the opinion of the people living in their districts? My desire is to be fair to all the sections that I represent, regardless of whether they vote for me or not.

Hon. F. R. H. Lavery: You are not worrying about the next election?

Hon. Sir CHARLES LATHAM: I have no cause to worry about it. So long as the present party remains in power, we shall be provided with plenty of opportunities for criticism. I should like to be able to support the Government, regardless of its party political complexion, but I cannot do so when it proposes to deprive individuals

of their rights and introduce socialisation. Are our children going to enjoy any independence at all?

The Chief Secretary: We are following your lead, you know.

Hon. Sir CHARLES LATHAM: But from whom did we find it necessary to take a lead in this instance?

Hon. H. Hearn: It was a legacy left to the previous Government.

Hon. Sir CHARLES LATHAM: Yes, a legacy from a good Labour Government in the Commonwealth sphere, but it did not pass legislation like this, though it did adopt numerous regulations.

The Chief Secretary: We have improved upon it.

Hon. Sir CHARLES LATHAM: We had no alternative, because the people of Australia turned down the proposal when it was submitted to them by the Federal Government. Members should bear that fact in mind. Then, in order to tide over the interregnum, and enable us to build homes for the people, the legislation had to be introduced, and I make no apology for the part I took in bringing about its introduction. I was pleased that in my small way I was able to provide for some relief for people who were confronted with such difficulties. Of course, whatever the decision of the House on this Bill may be, I shall abide by the will of the majority.

Hon. H. S. W. Parker: That is all you can do.

The Chief Secretary: Tell us about some of the good points in the Bill.

Hon. H. Hearn: Is it possible to find any?

The PRESIDENT: Order! Will the hon. member confine his remarks to the Bill?

Hon. Sir CHARLES LATHAM: I am trying to do so. This is a rents and tenancies emergency provisions measure. Where is the emergency? Is there any emergency today?

The Chief Secretary: Move around and see.

Hon. Sir CHARLES LATHAM: The original legislation was passed in 1945, and now, eight years afterwards, we are asked to pass a restrictive Bill of this sort. Is it suggested that we have not had statesmen in all those years capable of lifting us out of the morass in which we found ourselves during World War II?

The Chief Secretary: During most of those years, the Government that the hon. member supported was in power and did not lift us out of the morass.

Hon. Sir CHARLES LATHAM: The Chief Secretary should bear in mind the number of houses that were built during those years. We can take credit for having done many things tending to improve the housing position. Admittedly we built some of the cheap houses, to which the

Minister referred, but we also built some very nice homes, and were instrumental in bringing about an increase in the output of materials by encouraging the manufacture as much as possible and diverting them from the Government to the individual. We did all that could possibly have been done in the time.

The Chief Secretary: You are not proud of those houses that were built at the Naval Base?

Hon. Sir CHARLES LATHAM: It is very interesting to listen to the platform discussions on legislation of this sort, and then to find that so many years after the close of the war, we have slipped back into the old system of follow the leader.

Hon. E. M. Heenan: You do not think there is any emergency?

Hon. Sir CHARLES LATHAM: Not today. If the Government undertook to make advances of 80 per cent. to individuals prepared to build homes for themselves, quite a lot of people would undertake their home-building. I realise that money has little value relatively as compared with former times, and that £1,000 is a very small amount towards the cost of a home.

Under the self-help plan, houses are costing up to £3,000 to erect, and so I say it is necessary for the Government to liberalise the conditions for advances under the workers' homes scheme. The Minister might have informed us what the Government proposes to do in that direction. Time after time we have given the Government power to increase advances, but still the position is hopeless. I wish to see individuals permitted to manage their own affairs. What right has the Government to deprive them of the freedom to do so? Yet that is what we are being asked to do under this measure.

Sitting suspended from 6.15 to 7.30 p.m.

HON. E. M. DAVIES (West) [7.30]: I intend to support the Bill. I believe it is necessary that certain controls in regard to housing should be retained, in the first place, because the housing of people is of national importance; and, in the second place, because home life is the basis of the nation. To populate this State, it is necessary to have a vigorous migration policy. This has been indicated by the number of people who came here during the five years from July, 1947, to the end of June, 1952. In that period, 64,000 migrants arrived in Western Australia. It is not possible to have sufficient houses for the people because during the six years of the war the building of homes was practically at a standstill. So we have a shortage of houses.

Unfortunately, some people take advantage of the shortage and charge more than they should by way of rental. So we find it necessary, from year to year, to bring down continuation Bills to con-

trol the position in the hope that in the following year we shall be better able to review the legislation. Unfortunately, we are not progressing as we expected, and so we still find there is a great shortage of houses. There are still people living in Army camps. In the province I represent, there is a great number of Army camps in which people are housed. More than 150 families are residing, on a community basis, in the Melville camp. At Leighton, there is an Air Force camp being used to house people, and at Naval Base an Army camp is being used for the same purpose.

This evening, some members said that we would not get tenants to occupy the houses that were being built. Well, we are in a position to say that there are a good number of people ready to occupy them. In addition, the old buildings known as the Base flats have been occupied since just after the conclusion of the war, but we are hoping that in the near future those flats will not be required. Families cannot be reared properly while people are compelled to live under the conditions that exist in some of the Army camps. So it is necessary for us to proceed as quickly as possible with our housing programme.

Hon. L. Craig: That has nothing to do with the Bill.

Hon. E. M. DAVIES: It has a lot to do with the Bill because, due to the shortage of housing, there are some people who take advantage of the position and charge whatever rent they can get. Unfortunately, some people are compelled to pay large sums by way of rent because they cannot otherwise get a roof over their heads. It is useless for members to say that owners of property are not able to get possession of their homes, because I venture to say that those who desired to get back into their own homes were back in them many months ago. In addition, if a landlord is not satisfied with the rent he receives, based on the 1939 valuations, plus the 20 per cent. and 10 per cent. increases, which amount to 32 per cent., he can go to the tenant and make an agreement with him to pay the increase; and if the tenant is not agreeable, he can then take the tenant to the court, where the magistrate has the right to increase the rent by 100 per cent.

Hon. N. E. Baxter: He has to gamble on getting an increase.

Hon. E. M. DAVIES: No; no more than the employee has to gamble on getting an increase in wages when he goes before the State Arbitration Court. I am aware of an owner who built a house 17 years ago at a cost of £720, and he was receiving 25s. a week rent. The tenant was not prepared to agree to an increase, so the landlord went to the court and was granted an increase of 100 per cent. He is now receiving £2 10s. a week for the house. He

said in the court that the house cost him £1,000, but I have evidence that it cost him £720.

Hon. L. C. Diver: If he sold it?

Hon. E. M. DAVIES: It does not matter whether he sells it. The capital has been recouped many times. Some people expect to be able to do that, and then to charge rent on a property that is 60 or 70 years old.

Hon. G. Bennetts: They have been paid for over and over again.

Hon. E. M. DAVIES: Yes; I think I made that clear. These people expect to get the same rent as is paid to landlords who own houses that have been built in the last couple of years. I have no objection to an owner who has erected a house within the last two or three years getting sufficient rent to offset his capital cost, but I do object to people receiving similar rentals for houses which would be condemned as unfit for human habitation by the local authorities if there were not such a housing shortage. I am not one who agrees that controls should continue for ever.

Hon. H. Hearn: Only year to year.

Hon. E. M. DAVIES: Yes, as the hon. member says, although he cannot claim any credit for his attitude to this and similar measures since he has been here. I am of the opinion that everyone believes that this country should be populated. If that is so, then until such time as we can overcome the housing problem we must have some type of control, or else curtail our migration policy.

For many months now we have been arguing over this question. A great deal of what has been said here on tenancies and rents has, to a large extent, been magnified. The people who own houses are not under such a great disability, because they have ways and means of obtaining an increase in rent if they so desire. On the other hand dealing with the question of notice, quite a number of people who have come to this country have landed here with a certain amount of money, plus exchange, and so have been able to purchase a home. If it were not for legislation such as this the people who had been tenants for many years would have been given notice, under common law, and would have been practically put out on the street.

It is necessary for a person, when he purchases a house, to give the tenant six months' notice so that he shall have a reasonable opportunity of acquiring accommodation elsewhere. If a person has owned the property for more than three years, it is usual to give the tenant three months' notice when a magistrate is called upon to evict him. The other section of the Act, with respect to the 28 days, gives the magistrate some discretion. I cannot see that the owner has anything to growl about at all. We, having a knowledge of

the acute housing position and the possibility of providing homes for people, must agree that the Bill is a very fair one.

We have heard a lot about the number of houses that are being built, and why they are being built. I do not know that some members who have spoken here this evening could stand up to what they have said in that regard. There is an agreement between the Commonwealth and the State Governments to build houses. I do not know where anything about socialisation can be seen in that agreement. These houses can be bought by the tenants if they so desire. If the Commonwealth Government would make sufficient money available so that the State Government could buy the houses, or if the Commonwealth Government were prepared to dispose of them under contract of sale, many would be able to purchase them; but often people are not able to raise sufficient finance to pay the capital cost straight out. I believe the Commonwealth and State Governments are doing something that will be of great benefit to this country, because they are providing homes for the people.

Hon. L. Craig: The 1939 people have to pay for it.

Hon. E. M. DAVIES: The people pay, all right. If we do not have homes for people, how do we expect to prosper? Is this country to be classed as a land in which only a few have anywhere to live, or are we to encourage people to come here and give them an opportunity to rear their families under proper conditions?

Hon. H. Hearn: At the expense of a small section.

Hon. E. M. DAVIES: I fail to see that at all. We have been told that because of this legislation private enterprise will not build houses. Well, I venture to say that for the last 20 odd years private enterprise has not attempted to build any houses in the Fremantle district. It has been prepared to go to the more popular suburbs where it can get a greater return on capital. No one raises any objection to that, but it is not right to say that private enterprise will not build because of certain restrictions. For 20 years private enterprise has not been interested in the greater part of the West Province.

Hon. H. S. W. Parker: Has not anyone died and left a house that could be rented?

Hon. E. M. DAVIES: The hon. member has put that tale up before. Do not houses get old and have to be pulled down? As a matter of fact, I could point out 150 houses in South Fremantle that should be demolished. It is all very well for some members to say that people die and that their houses can be let. Unfortunately, people are dying every day, but houses do not last for ever, either. Eventually they get to a stage where they are unfit for human habitation and must be demolished.

Hon. H. S. W. Parker: Do not residents down there change from time to time? People come from other districts and people go from Fremantle to other districts.

Hon. E. M. DAVIES: I know that there are many people who have come from other districts to live in Fremantle and quite a number of the houses that have been built in that area have been used to house people who lived in the metropolitan area. Thus the housing position in Fremantle has not improved to any great extent.

Hon. H. S. W. Parker: They do get houses then?

Hon. E. M. DAVIES: I intend to support the Bill and I trust that members will realise that this legislation is necessary for at least some time yet. We should have some form of control, particularly over rents and notices that may be given to tenants. I know that there is a desire among members generally to get away from controls and I do not think anybody would argue against that. But while there is a shortage we must have a certain amount of control; otherwise there will be chaos.

I can remember when I returned from World War I. Price-fixing ceased on the declaration of peace but when we returned to this country a suit of clothes cost us £15 15s. and at that time the basic wage was only £3 10s. a week. The same sort of thing is happening today because there is a shortage of houses. To expect to obtain for a house that has outlived its usefulness the same rent as for a house that has been built in the last two or three years is not a reasonable proposition. Without any further ado I shall say that I intend to support the second reading of the measure.

HON. N. E. BAXTER (Central) [7.47]: As much as I dislike controls—and I have expressed that opinion in this House for the last four sessions—I feel that the time is not yet ripe to throw out this legislation. Unfortunately we have not overcome the housing shortage in this State.

Hon. A. F. Griffith: When do you think we will?

The Chief Secretary: In three years.

Hon. N. E. BAXTER: I think it will be several years before we do catch up with the lag; but this type of legislation, as it is now drafted, is not helping the position in any way. The present legislation is more or less based on the surmise that all landlords are profiteers and are hard-hearted people who are prepared to throw their tenants into the street. That is not so. No doubt there are some landlords who are out to make a profit and there are some who will go to any ends to obtain profits; but they are in the minority.

As I have said before, the amount that a landlord is able to charge for his property is strictly governed; but this does

not seem to apply to houses built by the State Housing Commission. On its capital investment, the State Housing Commission is getting its pound of flesh, and I can quote one instance in a country town in my province. There is a timber-framed asbestos house which cost no more than £2,500 to build, but the State Housing Commission is charging £2 19s. a week in rent. That is at least 6 per cent. or 7 per cent. on the capital outlay; but houses let in 1939, even with the 32 per cent. increase, are not returning to their owner anywhere near that interest on capital cost—I mean today's market value, or what one might call bank value. To people who own houses such as that, this legislation is entirely unfair.

The Increase of Rent (War Restrictions) Act, and this legislation, should be classed as the State Housing Protection Acts. That is a much better description of their actual purpose. The Chief Secretary, while Sir Charles Latham was speaking, said that the State Housing Commission is building the cheapest houses. The Minister is a long way out when he makes a statement like that, particularly when one looks at the four-roomed timber-framed houses being built in the country areas. The cost of building those houses is extortionate, and the rentals based on that cost are extortionate. It is unfair to the tenants because they are paying a much higher rent for those houses than is being charged for many in the metropolitan area that were rented from 1939 onwards, and upon which landlords are drawing a very small rental.

As I have said before in this House, it is one law for the Crown and one law for the private owner. I was rather pleased to hear some members say, when speaking to the second reading, that they were prepared to support Mr. Watson's amendments which appear on the notice paper. I might add that this is not the first occasion on which an approach along the lines suggested by Mr. Watson has been made to put rentals on a fair basis. I made an approach in a similar manner in 1950. Admittedly, I did not get much sympathy, but I believe that Mr. Watson will be a lot more fortunate on this occasion. I do not know whether it was the support given to Mr. Watson's formula by "The West Australian" that has helped to decide some members to change their opinions.

Hon. L. A. Logan: They have learned since then.

Hon. N. E. BAXTER: In "The West Australian" of last Saturday there appeared an article headed "M.L.C. gives a formula for 1939 landlords" which states—

Landlords who let their premises in 1939 and before should not be the class "to stand the racket for the rest of the community." Mr. Watson (L.C.L.), who said this in the Legislative Council yesterday, suggested a formula to assist this class of landlord.

This formula, the article goes on to state, is based on capital values and a reasonable interest is to be allowed to give a return to the landlord. The approach I made to this question in 1950, when I moved an amendment to the legislation, was along similar lines.

Hon. L. A. Logan: Maybe you did not get support from "The West Australian."

Hon. N. E. BAXTER: As Mr. Logan has said, I did not get much kudos from "The West Australian," and I did not expect it. But I say that people are entitled to get some return for the investments they have made. I moved the following amendment in 1950:—

That in lines ten to thirteen of proposed new paragraph (iia) the words "in excess of the standard rent by such sum not exceeding 25 per centum of the standard rent as made" be struck out, and the words "equivalent to five per centum on the value of the property, such value to be assessed on the One thousand nine hundred and thirty-nine value plus one one hundred and twenty-five per centum to" be inserted in lieu.

I moved that with the idea of basing the capital value in such a way as to give the owner a percentage return. I also pursued this subject in the following years, 1951 and 1952. I am pleased to see that my little efforts are now bearing some fruit, and I hope that we may be able to do something to this measure in Committee. I am prepared to support the second reading with the hope and confidence that this House will severely amend the Bill and try to make something of it.

If we get down to a reasonable basis, and give the landlords who are bearing the burden today a reasonable rent—and most of them are reasonable people—perhaps in twelve months' time we can get rid of this control legislation altogether. If we had done this two or three years ago there might not have been any need for this Bill.

There is one other aspect of the measure to which I wish to refer, and that concerns giving to rent inspectors the right to enter premises, to inspect rent books, etc., and also to fix rentals. In my opinion that is not the work of an inspector. His job is to do something under somebody else's direction. To suggest that an inspector should fix rentals is absolutely ridiculous. It could lead to anything—I

will leave that to the imagination of members. It would be dangerous, and I trust that this House will not accept that provision.

Hon. G. Bennetts: He might be able to fossick out where people were being exploited.

Hon. N. E. BAXTER: I would be quite happy about that, but the idea of the rent inspector fixing the rental of a property could lead to all sorts of abuses. I intend to support the second reading of the Bill subject to its being severely amended. If it is not, I will vote against it on the third reading.

HON. J. G. HISLOP (Metropolitan) [7.57]: I did not intend to say much about this Bill because, until last Friday morning, I felt that there was no longer any use for this type of legislation. Until then I felt we had reached a point where we had a stable economy so far as rents were concerned. But the events over the week-end have made me reconsider my decision, and now I am not at all certain that we have reached the point where we do have a stable economy. If oil is found in commercial quantities, goodness knows what will happen to the population and to the economy of the nearest major city.

I discussed the matter with those who are well versed in this subject—land and estate agents—and they have all advised me that, coincidental with the finding of oil and the boom that would follow, there would naturally be a rise—of course, not to the same extent—in real estate values within the city boundaries. Therefore, completely to withdraw all restrictions on rents, which appealed to me up until last Friday, does not, because of this frenzy about the discovery of oil, now seem desirable.

Hon. L. Craig: This only penalises the 1939 people.

Hon. J. G. HISLOP: Let me finish. What I propose to do, therefore, is to vote for the second reading, and to support Mr. Watson's amendments, because I think they will safeguard the position until we know what will happen about the discovery of oil. There are certain provisions in the Bill which I would like to see become law, provided there were certain safeguards which are at present missing from the legislation. I refer firstly to people who are forced to live in rooms which they are renting at high cost. I do not think we have any real problem about the rent of houses or flats. They are changing hands every day, and I do not think we will have the difficulties that we had a couple of years ago. But the problem of rooms is still as great as ever.

Hon. H. Hearn: Their control should not have been attached to the Bill.

Hon. J. G. HISLOP: But we should control that position. If it can be introduced in time, I would say a new Bill is

the place for it. I know of some very real hardships that have been inflicted upon individuals in the costs charged not actually for a room itself, but for the sharing of a room. It is high time we did something with these rapacious people who rent a house at a small fixed rental and charge enormous amounts for rooms, or portions of rooms. That part of the Bill appeals to me considerably. Were the Bill to be defeated, then that provision could be brought in under a separate measure. I have no intention of voting for this Bill on the third reading unless it is drastically amended in the Committee stage.

On motion by the Chief Secretary, debate adjourned.

BILL—TRAFFIC ACT AMENDMENT.

Second Reading.

Debate resumed from the 4th December.

HON. H. S. W. PARKER (Suburban) [8.11]: I propose to support the Bill, and I have placed some amendments on the notice paper. Those amendments provide that the magistrate shall have greater power than he has at present for inflicting the suspension of drunken drivers' licences. The measure allows of a greater penalty; but some two years ago, when an amending Bill was before us, I then unsuccessfully moved that the minimum suspension of the license should be for three months, with a maximum of up to 12 months, so that a magistrate would have discretion between three and 12 months. Members have probably seen in the paper from time to time that magistrates have rather implied that they would like to have suspended a licence for longer than three months, but they were not permitted by law so to do. My amendment will give them that power. For a second offence my amendment proposes that the magistrate shall have power to order from six months to two years.

I do not like magistrates being compelled to inflict a minimum penalty; but from the trend today, it seems that we will have to take steps from time to time to insist on a minimum penalty for various types of offences, because it appears to me that in regard to some of the penalties inflicted in the police court, where for a serious offence a man has been fined and sometimes only bound over to keep the peace—his fellow workers have put in and paid the fine, and he has suffered no penalty. That rather leads one to believe that the magistrate must inflict a minimum penalty. Of course, neither the Government nor Parliament has any power over a magistrate or a judge; nor can either criticise any of his decisions or the penalty he inflicts. The magistrate has absolute discretion; and, of course, that is as it should be.

HON. C. H. SIMPSON (Midland) [8.5]: Like Mr. Parker, I intend to support the Bill. As far as it goes, it is a good one, but I think it might have gone further in some directions. It has a number of features, one of which is to stagger licences outside the metropolitan area. The proposal was previously made when it was first set out that licences would be staggered in the metropolitan area—a system which I believe has saved a good deal of time for those who required the issue of licences when they became due for renewal; generally speaking it has worked very well.

The objection to staggering on the part of some road boards in the metropolitan area was that the call on the reissue of licences was not very great, and that it was more convenient for them to do the job at the one time; they would gain by way of revenue at that particular time of the year, and that would enable them to budget for the rest of the year. It would be more difficult if the licences were spread over the year. Still, if the Road Boards Association, which is aware of the facts, has recommended this, I have no objection.

The matter of adjusting under-charges and over-charges seems a very trivial one; but if the Auditor-General has indicated that he might call on the officer who made a refund, to make the amount good out of his own pocket—there being no legal provision enabling that to be done—that is a technicality which must receive attention.

Again, the free issue of licences to certain people, such as ministers of religion, obviously requires to be withdrawn if the vehicle is sold and passes into other hands. The power to cancel licences for first offences might in some cases be a power that the magistrate should have.

I am particularly pleased to note that there is the intention of declaring the Guildford-rd. a main road. Having had occasion to travel over that road almost daily, I can assure members that it is one of the worst in the metropolitan area. I know a good deal of pressure has been brought to bear over the years to have something done in this direction, but the Main Roads Board pointed out that it could only declare one highway in one particular direction; and as the Great Eastern Highway was the one declared for that direction, it was not possible to bring Guildford-rd. under the provisions of the Act.

Hon. L. C. Diver: I wonder how they had Shepperton-rd. declared a highway.

Hon. C. H. SIMPSON: I am not sure it is a highway; it is an alternative route on the Albany Highway. A traffic count was made on the Guildford-rd., and it was proved by that count that that road was carrying more traffic than the Great Eastern Highway. A special grant had

been made by the Transport Board over the years to the three boards concerned—namely, the Perth Road Board, the Bayswater Road Board and the Bassendean Road Board—but only one of those road boards, as far as I know, actually spent the money on the road for which it was designed. The others took the view that it was a Main Roads Board matter. In any case, I welcome the prospect of the very necessary attention being given to what is really a main highway. I trust that when the work is done, the crossing over the Belmont line near Whatley will be straightened out, and the rather dangerous crossing and the dangerous corner at that point will be provided for. There have been accidents at that point, both road and rail, and it is a place where all drivers have to be careful.

In relation to heavier penalties for offenders, there is no question that with the build-up of traffic on our roads—it has been phenomenal during the last few years—there is necessity for road users to be taught good road manners. Here I would suggest that some consideration be given to a plan which I believe is in operation in New South Wales where, instead of the offender being fined—if the case is not too serious—he is sentenced to attend so many meetings at an instructional school. That does not interfere with his day's work, and it does not mulct him for heavy penalties; but the authorities are very strict concerning his attendance at the school. If the offender does not attend he is in trouble.

These offenders are instructed at that school, by means of lectures and films, in road behaviour, and in safety measures. Many people who have taken that course compulsorily have requested, when the course was completed, that their friends, who were not being punished in any way, and who had not offended, might have an opportunity of obtaining similar instruction. I think something more than just employing punitive measures might be done to educate road users in road behaviour and road courtesy.

The lighting on the long vehicles is a matter which was discussed at a conference of transport Ministers at Hobart 2½ years ago. I attended that conference, and our own Inspector Gould put forward a suggestion then which seemed to have been welcomed by the entire conference. He suggested that a similar system of lighting to that employed on Fiat wagons on the Continent should become standard in Australia. It was a fair-sized triangular light on a big vehicle of 42 ft. and over, which could be yellow in the front and red behind, placed at a certain point so that the vehicle passing or overtaking would know exactly whether it was a long vehicle or not. That is another thing which I think the traffic authorities might bear in mind, as no

doubt they will, when considering the need for bringing down amending legislation at a reasonably early date.

I also think that the Safety Council should be brought under the direction of the Minister for Traffic. I have long held the view that these allied departments should be under the control of preferably one Minister, with possibly an assistant Minister. Let us take for example transport and railways, main roads, traffic, and the Safety Council; they are all more or less bound up with the operation of one job. The zone safety council is a most competent body, and I think it should receive greater recognition for the work it does, and that the suggestions it makes from time to time should be implemented where possible. The fund of information and the statistics which it has on hand would, in my opinion, be immensely valuable to the Traffic Department. Over here, however, as is the case in other States, the functions of these important departments are very often divided between three or four Ministers, with the result that a single Minister attending a conference very often is not sufficiently well-informed about the works of the other departments to give an opinion on matters that might crop up, and it is necessary on his return, for him to pass on to other Ministers the substance of the knowledge gained. With those few comments and reservations I am pleased to support the Bill.

HON. F. R. H. LAVERY (West) [8.15]: I would like to congratulate the Government on bringing down this Bill, if only for the provision it contains relating to drunken driving. As a driver of many years' experience on the Perth-Fremantle highway and in country districts, I feel that the average driver is not the bad person he is often claimed to be. Nor is he an inconsiderate person. Many factors influence the number of accidents which take place and which should not occur. Far too many come in that category. Unfortunately, it is no use anybody trying to hide the fact that drink is at the bottom of a great many accidents. There are many men who can engage in different vocations and consume a certain amount of liquor per day without its affecting their work in any way; but when they get behind the wheel of a high-powered and very sensitive car, there is not a gun in the State that is more dangerous than are they. I say that without fear of contradiction.

There are engine drivers working in the engine rooms on the goldmines who have to pass all kinds of tests before they are permitted to haul men up and down a shaft with the use of first-class machinery. Those men would not be allowed to begin work if they were under the influence of intoxicating liquor. However, they can leave the mine, get into a car, go to a hotel

at six o'clock and leave it at eight o'clock, and within five or six minutes the car is out of control. I consider that the Police Department, or whoever is responsible for the framing of the regulations, has not been drastic enough.

I make one reservation, and that is with regard to fines. I have thought for many years that imprisonment is one of the greatest deterrents to almost any crime; but to fine a person is not to hurt him very much. The great majority of men who are fined for this offence are working men, such as carpenters, electricians, and so on. The people who are most hurt when such men are fined are their families, who lose a certain portion of their weekly income as a result. There was a man who was fined £40 for drunken driving at Fremantle. I have no complaint against that, because it is the law. But what happens?

That man was a three-trips-a-day parcels driver on the Perth-Fremantle road, and he had carried out his duties for a number of years since the war without any trouble. He had five young children at home under the age of 13 and the loss of that £40 meant a great deal to his wife and children, one of whom has since gone into hospital with polio. What I am trying to point out is that it is bad enough, perhaps, to hit a business man in the pocket for £50 or £100, but that man does not feel it very much except for a week or a month. But the working man—and the great majority of these people are working men—

Hon. H. Hearn: That is a great admission.

Hon. F. R. H. LAVERY: I do not care what the hon. member says, or what the objections are. I base my remarks on personal observation over a number of years, and I say that the great majority are working men, who drive trucks during the day, and have a drink here and a drink there. They are the men who knock off from, say, a carpentry job, with three or four others, and pull up at a hotel for five or six drinks in a hurry. Of course, there are lawyers and other professional men who are equally concerned, but the majority—

Hon. H. S. W. Parker: The lawyers are usually defending the drunken drivers, are they not?

Hon. F. R. H. LAVERY: The majority of these people are not in a financial position to pay the fines levied. I think that the imposition of a fine of £100 for a second offence is something, as Mr. Parker said, that should be left to the magistrate's discretion. So far as imprisonment is concerned, I would add three months. It is bad enough to give a man a second chance after he has been convicted once. But why let him drive for a third time? When he has been found guilty a second time, he should find some other vocation.

I think that the monetary fine is too heavy a burden on some people, and that is why I agree with Mr. Parker that the matter should be left to the magistrate's discretion. The term of imprisonment should be lengthened, and after a second offence a man should not be allowed to hold a licence.

Hon. L. Craig: Does not imprisonment cost a lot of money? A man would earn nothing while he was in gaol.

Hon. F. R. H. LAVERY: Yes; it costs money. But what the hon. member fails to bear in mind is that, while a man is in prison, his wife and family at least receive sustenance.

HON. J. M. A. CUNNINGHAM (South-East) [8.21]: I have expressed myself on this matter before, and I have had no reason to change my mind. I do not think this measure has been taken as far it will ultimately have to be taken. This is one of the major problems of the world. I refer to the death rate from the increasing traffic where the automobile has become the normal means of transport for the average working man.

Hon. L. A. Logan: What percentage of deaths is caused by drunken drivers?

Hon. J. M. A. CUNNINGHAM: Strangely enough, it has not been as high as many people say. But I believe that we adopt a bad method when we leave to the man concerned the means of committing the offence for which he was previously fined or imprisoned, whether it be speeding, drunken driving, or any other form of traffic offence. Just to take his licence away, and fine or imprison him, is not sufficient. He is still left with the vehicle and is in a position to commit the same offence again; and it is remarkable how often the like offence will occur while the man's licence is suspended.

I contend that vehicles concerned in these cases should be impounded. The answer given to that has been that if the driver earned his living by driving for a firm, that firm would be penalised. I do not agree. That difficulty should be overcome easily. It has also been said that if the offender were a professional man there would be the indignity involved in his having to employ a chauffeur or in having his wife drive for him. That might have a deterrent effect. Under the present system, we are leaving in the possession of the man who has been convicted the very vehicle with which he broke the law.

Hon. N. E. Baxter: What if it did not happen to be his vehicle? That would be hard on the other man.

Hon. J. M. A. CUNNINGHAM: The same thing applies to a man who is foolish enough to lend property worth £1,000 to one of such temperament. If the vehicle were impounded, I venture to suggest that two people would thereby learn a lesson

—the man who broke the law, and the one who was foolish enough to lend him his vehicle. The latter would not be likely to do it again.

Hon. G. Bennetts: What about people who hire vehicles?

Hon. J. M. A. CUNNINGHAM: It would tend to make the hirers more careful and discerning. Before they hired a vehicle under those conditions the man under suspension would have to produce his licence, and he would find that somewhat difficult. The inference I drew from the remarks of Mr. Lavery was that the average working man is an intemperate drinker. I do not think that is correct. A more reasonable picture would be obtained by taking a cross-section of the community. Admittedly there is probably a greater proportion of workers in any given district, and we would have the appearance of a greater number; but not a greater percentage.

Hon. F. R. H. Lavery: I did not say that the average worker was a greater drinker, but that there were a greater number of drunken drivers amongst working men.

Hon. J. M. A. CUNNINGHAM: That was the inference I drew from what the hon. member said. If it is wrong, I withdraw. Again, if we are going to be soft or gentle with an offender because of his family, we will get away from the deterrent effect of the penalties. I think that the penalties prescribed are likely to have a great influence on such an offender. He himself would feel badly enough about it. I agree that it would be very hard indeed on a working man to have to pay a penalty of £100 and suffer imprisonment. However, there was an article in the "Reader's Digest" mentioning the reduction in the number of road offences which had taken place in a certain district in America following very steep increases in the monetary fine for traffic offences. I think that the accident rate dropped by about 80 per cent. or 85 per cent. The magistrates enforced the law very severely, and that had the deterrent effect that had been intended. Severe as this Bill may be, I do not think it is as severe as such legislation will have to be made in the future. I support the measure.

HON. J. G. HISLOP (Metropolitan) [8.26]: This is not a matter that one should talk on at great length at this stage of the session; but I would like to draw attention to the fact that I believe we are starting at the wrong end. I do not see how we can cure a disease by penalising people for its continuation. Alcoholism carried to the stage of drunkenness while driving a car is a disease. A man in that condition will not be helped, nor will the citizens generally, by our increasing the penalty from £50 to £200. I am waiting for the day when we can get away from the idea that the only thing

to do is to send a man of this sort to gaol, or to fine him large sums of money which his family can ill afford to lose. That seems like first-class nonsense to me. I have a different outlook on this matter altogether.

It is only a couple of years ago that, with the consent of the House, I was able to have inserted in the Act a provision giving the magistrate the right to declare to the commissioner that, in his opinion, based on the evidence, a man was a chronic alcoholic, and giving the commissioner the right to withdraw that man's licence. Since that date, I have carefully watched the newspapers, but I do not think any such case has been sent to the commissioner.

Hon. L. Craig: How would the magistrate determine that?

Hon. J. G. HISLOP: He was given power to call for evidence; and if he were satisfied on the matter, he could report to the Commissioner, who would then have power to refuse to return the man's licence till he had a medical certificate stating that the man was no longer addicted to chronic alcoholism. That went into the Act a couple of years ago.

I must plead again that the method in the Bill is not the one by which to tackle this problem. In watching the results of drunken driving, one discovers that the drunken driver nearly always ends up by killing himself. But the person who is probably the greatest danger on the road is the social drinker who is near-drunk, and I think that our first inquiry into this matter might be concerning the possibilities of lessening the alcoholic content of beer. We might then find that we could lessen the percentage of near-drunk people returning from social engagements.

Hon. N. E. Baxter: How would you do that with wine or whisky?

Hon. J. G. HISLOP: It could be done. Our content is deliberately higher than that in the Eastern States. That provision was introduced here years ago because a certain person liked his whisky stronger.

Hon. H. Hearn: Nobody has ever grumbled.

Hon. J. G. HISLOP: I still say the percentage could be reduced. The most usual form of alcohol taken in quantities by the social drinker is beer and our beverages are far stronger as regards alcoholic content than those in most other places. I think if we reduced the percentage of alcohol in our beer we would have a better chance in arriving at a solution of our problem. To fine a man £200 because he is an alcoholic seems to me to be silly, because it does not help his unfortunate family, the man himself, or the community. I will not oppose the Bill, but hope that some day the department

will scrap the idea of fines and imprisonment as a cure for the chronic alcoholic or the social drinker, because it will not effect a cure in either case.

THE CHIEF SECRETARY (Hon. G. Fraser—West—in reply) (8.32): I thank members for the manner in which they have received this measure. Although I may agree with much of what Dr. Hislop has said, I am faced with this problem and the fact that the Act needs bringing up to date. The method adopted over the years has been to amend the legislation that we have before us. Dr. Hislop has spoken along lines altogether different from the usual approach to this question; and possibly if we had on the statute book legislation of the kind he has suggested, it would achieve much of what he thinks it would. However, we must do something to meet the present situation and endeavour to prevent the offences that are being committed. It would be hard to convince me that a court would declare a man a chronic alcoholic the first time he was arrested for drunken driving.

Hon. N. E. Baxter: If he had been on the prohibited list, it could.

The CHIEF SECRETARY: We know that a large number of offences are committed by the social drinker who has been to a function and had a few drinks. If such a man is brought up on a charge, I do not think he is likely to appear before the court again; and, in any case, we make provision that if he is caught a second time, the penalty is much more severe. We do not call a man a criminal the first time he commits an offence; but, if he offends two or three times, we are justified in saying that he has criminal tendencies. It would be hard to say that a person arrested once for drunken driving was a chronic alcoholic, and I repeat that we have made provision for a second time; but the third time he is out for life.

Hon. F. R. H. Lavery: Why give him a third chance?

The CHIEF SECRETARY: I do not know that we should, but that has been the tendency in the law up to the present. I am surprised that during this debate I have been accused of not going far enough, because generally the complaint is that I want to go too far.

Hon. H. Hearn: It is difficult to please them all.

The CHIEF SECRETARY: I am happy to see the turn of the tide; and between now and next session, when we are considering alterations to the traffic laws, I will remember the debate tonight and go 50 per cent. further than I otherwise would have gone. This is purely a Committee Bill and has been put forward in good faith. Several of its provisions are the methods by which we hope to reduce the number of offences being committed. If

members saw the records, they would realise that convictions for drunken driving number about 30 per cent. of the convictions for reckless and dangerous driving, although I admit that the figures regarding drunken driving are not the true figures, since many of those who come under the headings of reckless and dangerous driving do so because they have had a certain amount of drink, though perhaps not sufficient to make them drunk. We believe the penalties provided for in the Bill, being severer than those that have operated up to date, will have some effect and lower the number of offences. If they do not have that effect, we will have to do something along the lines suggested by Dr. Hislop.

Question put and passed.

Bill read a second time.

In Committee.

Hon. W. R. Hall in the Chair; the Chief Secretary in charge of the Bill.

Clauses 1 to 7—agreed to.

Clause 8—Section 23 amended:

Hon. N. E. BAXTER: I move an amendment—

That paragraph (b) of proposed new Subsection (6) be struck out.

I do not think this paragraph is necessary, as a person might desire temporarily not to renew his licence and then later wish to do so.

Hon. H. S. W. Parker: Read paragraph (c).

The CHIEF SECRETARY: I hope the Committee will not agree to the amendment. This paragraph is to cover the period between the expiry of a licence and its renewal. If the amendment were agreed to, that would be of disservice to the person who for some reason did not want his licence to continue. Under this provision, if one renews the licence a month or six weeks late, it will date from the actual expiry date and not from the time of renewal. A man going on a trip to England would notify the Commissioner and when he came back would take out a licence which would date from the time of his return.

Hon. Sir CHARLES LATHAM: If a man with a current licence goes overseas and is away for six months, it might expire during his absence and he then could not advise the Commissioner.

Hon. H. S. W. Parker: He would have to pay for it when he came back.

Hon. Sir CHARLES LATHAM: But he would be liable to a penalty.

The Chief Secretary: He would have to pay for the licence.

Hon. Sir CHARLES LATHAM: I am sure there must be a penalty for failure to comply with this provision.

The CHIEF SECRETARY: If the holder is absent while the licence is current, and he returns after it has expired, when he reappplies to have his licence renewed he will be charged for that period which goes back to the expiry date.

Hon. Sir Charles Latham: He must notify the commissioner within 15 days.

The CHIEF SECRETARY: That is, if he does not wish to renew his licence and desires to avoid paying the fee. However, if he does not notify the commissioner, he has to pay. No penalty is provided, because, if he does not make some notification, he has to pay for the licence as from the expiry date.

Hon. A. F. Griffith: In effect, all licences will remain current unless the holders notify the department that they wish them to be cancelled.

The CHIEF SECRETARY: Yes; that is the position. Today, a driver may allow his licence to run out and take a risk for a month or two, and when he applies to have his licence renewed, his licence will then be current for 12 months as from the date he applies for a renewal.

Hon. Sir Charles Latham: They never treat me like that.

The CHIEF SECRETARY: Well, that is the position.

Hon. N. E. BAXTER: I think this whole paragraph is unnecessary. The existing situation is entirely satisfactory. If this provision is agreed to, it will make more work for the licence-holder and the Police Department. Today if a driver does not wish to renew his licence, he lets it go until he thinks he has further use for it. It should not be necessary for a driver to notify the Traffic Department in writing that he does not wish to renew his licence.

The Chief Secretary: He does not have to.

Hon. N. E. BAXTER: According to this paragraph it is mandatory, and it will only make the legislation more cumbersome and create more work for the Police Department. Even at present, a driver might return his number-plates to the Traffic Department and months elapse before the local authority concerned knows they are there.

Hon. L. C. DIVER: I support the Minister on this provision. Only recently someone asked me if I would renew his licence although he did not own a vehicle. When that man settled in Perth, he had no use for the licence, and yet he continued holding it although it was not current. This paragraph will ensure that the holder of a licence is liable to keep his licence current from one year to another unless he notifies the commissioner that he wishes it to be cancelled.

Amendment put and negatived.

Clause put and passed.

Clause 9—agreed to.

Clause 10—Section 32 amended:

Hon. H. S. W. PARKER: I move an amendment—

That in line 6 of subparagraph (i) of proposed new Subsection (3) (a) of Section 32 after the word "of" the words "not less than" be inserted.

This would give the magistrate more power, because sometimes a person who is known to be an alcoholic drives in a drunken state, but is not apprehended, but when he is caught his licence is suspended for three months. If a man is convicted for drunken driving and he then continues to drive after his licence has been suspended, the magistrate should have the power to inflict a greater period of imprisonment than three months when he considers that the circumstances warrant it.

The CHIEF SECRETARY: I will not violently oppose the amendment, but I would prefer to leave the clause as it is. After due consideration, it is thought that the penalties in this provision are more severe than those in force at present, and they should meet the position. Another point is, that in this clause we provide a definite penalty, but if the amendment is agreed to some dissatisfaction could occur because the penalties would vary. If the penalty remained constant, drivers of vehicles would know what the punishment would be if they were convicted.

Hon. A. F. GRIFFITH: Does the Chief Secretary intend to amend paragraph (ii) as a consequential amendment? If he does, it will have the effect of stepping up the penalty.

Hon. H. S. W. PARKER: The reason for my moving the amendment, is that, as Mr. Lavery stated, a monetary penalty on a wealthy man means practically nothing. However, it would be a serious matter for those drivers who use vehicles to earn their living. But in order that the public might be protected, the magistrate should have the power to inflict a heavier penalty in bad cases. I am sure there would not be much drunken driving in country towns if the magistrate were able to inflict a penalty of 12 months' imprisonment for such an offence. In my opinion the cancellation of the licence is more effective in protecting the public than the infliction of a fine or a term of imprisonment.

Amendment put and negatived.

Hon. J. G. HISLOP: If members of the Committee will study paragraph (iii) it will be seen that for a third offence the penalty is entirely different from that proposed for a second or third offence. The third offence could be committed by any one of us on a number of occasions in our lives. All of us have run that risk

at some time or another, even although, in the main, we are careful to observe the law.

Hon. G. Bennetts: Do not include me.

Hon. J. G. HISLOP: In the commission of a second offence there may be mitigating circumstances, and a fine or imprisonment may bring about the correction that is necessary. However, a man who is chronically addicted to alcohol, and who is arrested on his third offence, should be treated as an alcoholic. It is not satisfactory to punish such a man with a fine or imprisonment. If such an offender were placed in Fremantle goal where it is known that there are insufficient psychiatrists to treat him, that would achieve nothing. I would like that clause to read as follows:—

For a third offence he shall be declared chronically addicted to alcohol and admitted to Heathcote Reception Home for treatment, for such period not exceeding one year as the Superintendent of the home may decide.

I want to know whether the court has power to commit to an institution, a person declared chronically addicted to alcohol. To date, the disease of alcoholism has not been cured, and putting people chronically addicted to alcohol into Fremantle gaol will not assist in solving the problem. If the court had power to commit a person to an institution, that would be a step in the right direction. The Government should not make fines imposed on alcoholics a source of revenue. I move an amendment—

That in lines 1 to 3 of Subparagraph (iii) of proposed new Subsection (3) (a) of Section 32 the words "a fine not exceeding two hundred pounds or imprisonment for 12 months" be struck out and the following inserted in lieu:—"shall be declared chronically addicted to alcohol and admitted to the Heathcote Reception Home for treatment for such period not exceeding one year as the Superintendent of the Home may decide."

The CHIEF SECRETARY: I would point out that this is an amendment to the Traffic Act, and I doubt whether such a provision can be inserted. The usual penalty is a fine or imprisonment. The court has power under some Acts to commit a person to Heathcote, but it would be very dangerous to do so under the Traffic Act. A penalty of that description might prejudice the conviction of a person for the third time. If a doubt exists in a magistrate's mind, notwithstanding the evidence, he may decide not to commit a person for a third time, and the proposed penalty would have the opposite effect from what is intended. Very often it is a case of balancing the scales in com-

ing to a decision, and this penalty might balance a decision the wrong way. If this provision is inserted, other amendments will be necessary regarding medical evidence. Even if a person were a chronic alcoholic, it might not be within the province of the legislature to commit him to an institution for 12 months on a traffic offence.

Hon. F. R. H. LAVERY: I do not agree with the Chief Secretary. Only a few weeks ago, a person was committed to Heathcote because he stole a bicycle.

Hon. H. S. W. Parker: He was not committed. He might have been remanded for examination, which is a different thing.

Hon. F. R. H. LAVERY: It is time that something was done about the penalty for drunken driving. Although the fine of £200 is severe, it will not save a person from being killed by a drunken driver.

Hon. E. M. HEENAN: I do not support the amendment. The term "drunken driving" is over-emphasised. Under the Act, it is an offence to drive while under the influence of liquor to the extent that it impedes one's judgment. So anyone who takes any quantity of alcohol is likely to be charged under this section. Some medical authorities maintain that the smallest amount of alcohol will affect a person's judgment; furthermore, people react in different ways. The number of motor-vehicles in this State is increasing every day. A few days ago I saw 200 motor bodies passing through Kalgoorlie. That will indicate the rate of increase. I commend the reason for Dr. Hislop's amendment, and agree that this is a social problem; but it is largely a medical question. I agree that an alcoholic cannot be cured by a fine of £200 or imprisonment.

Hon. L. Craig: He can be deterred from driving a car by the imposition of a heavy penalty.

Hon. E. M. HEENAN: From my observations, the main road-offender seems to be the drunken driver, but there are also those bad drivers who speed, fail to give signals, or do not observe the regulations. I often wonder how they obtain licences. Sometimes we lose sight of other offenders by concentrating all the legislation against one class of offender. I hope Dr. Hislop will be able to put up a comprehensive scheme one day with the object of solving this difficult social problem.

Hon. J. G. HISLOP: I have made my point clearly. I agree that this is not the method by which to attack such a social problem, and I shall shortly ask leave to withdraw my amendment. I shall, however, ask the Chief Secretary to make it the business of his department in ensuing months to study the problem, to call in whatever medical advisers it thinks necessary, and try to revise this part of the Bill to make it fit neatly the requirements of modern road problems.

I do so having in mind a recent case where a person's car slid into the river; he was pinned down, and died. It was mentioned in the Press that he had three previous convictions for drunken driving. What did society do for him? It fined him, but it let him loose. He could have been responsible for the death of others. We have made no attempt to meet that problem. There is no possible chance of amending this Bill satisfactorily, and I hope the Chief Secretary will give an assurance that the matter will be considered in the next few months and that all concerned will be consulted on the problem.

Amendment, by leave, withdrawn.

THE CHIEF SECRETARY: I will have the matter examined in order to ascertain whether anything can be done along the lines suggested by Dr. Hislop. At the moment we do not know of any better method of dealing with these cases than by prescribing a fine, imprisonment, and cancellation of licence. I believe that not a large number over the years have had their licences cancelled for life, but the offence of drunken driving is becoming more prevalent, and if we can find means to meet the difficulty, it will be worthwhile.

Clause put and passed.

Clauses 11 and 12, Title—agreed to.

Bill reported without amendment and the report adopted.

Third Reading.

THE CHIEF SECRETARY (Hon. G. Fraser—West) [9.19]: I move—

That the Bill be now read a third time.

HON. F. R. H. LAVERY (West) [9.20]: I direct attention to a reference in Clause 11 (a)—"For the purposes of this section 'vehicle' includes an implement." I think the significance of this provision has been overlooked because in rural districts farmers often have to move their machines from one part to another.

HON. L. C. DIVER (Central) [9.21]: Probably members have not appreciated the effect of this provision. Some farmers have two properties, and no matter how careful they might be, they could become liable under this provision for non-compliance with the Act. The rain might be the determining factor as to when a farmer might wish to move a machine from one property to another, and so complications are likely to arise.

THE CHIEF SECRETARY (Hon. G. Fraser—West—in reply) [9.22]: The reference quoted by Mr. Lavery was included because there was no provision in the Act to cover this contingency. We have discovered instances of the towing vehicle not exceeding the width whereas

the vehicle in tow did exceed the width. This amendment is designed to overcome the difficulty.

Question put and passed.

Bill read a third time and transmitted to the Assembly.

BILL—PRICES CONTROL ACT AMENDMENT AND CONTINUANCE.

Second Reading.

Debate resumed from the 3rd December.

HON. H. S. W. PARKER (Suburban) [9.24]: I intend to oppose the second reading and it is only right that I should state my reasons for so doing. Price-fixing does not encourage production or trade. We can get cheaper goods and services only by leaving trade unrestricted.

The Minister for the North-West: Would you say that about wheat?

Hon. H. S. W. PARKER: Certainly. If the price of wheat were fixed, it would lead to decreased production, because farmers would then change over from wheat-growing to stock-raising. The effect of price-fixing is to create shortages and black markets, prevent competition, and lead to a reduction in quality. Price-control was justified during the existence of acute shortages and to assist in the prevention of profiteering during periods such as when we were living under war conditions. It was also necessary to concentrate goods for war purposes.

The position now is that most goods and services are in plentiful supply. Many prices are up through increased costs caused by control of essential basic materials required for industry, many of them imported. The question to consider is: How can we overcome the increase in cost of goods and services? Certainly not by control, but rather by competition and freedom of trade. That is the only way. Price-fixing gives no encouragement to people to start new businesses or to expand existing factories or industries. To increase production entails an outlay of more capital, and who would undertake to provide more capital when the product of that capital cannot be controlled by the producer?

The producer must have the reward of his effort and energy without interference, and especially without interference by a person or board outside the business. Let me give a few examples of the effect of price-control. An iron foundry was producing a quantity of covers for sewers and work of that description. The materials required, including iron, coke, etc., were imported and were arriving continually. The fact of their having to be imported led to increased cost in the production of those goods and the foundry could not sell until the price had been fixed. Strange to say, there was always a lag

of six to nine months in getting the price fixed, because the department investigated the matter thoroughly. The result was that the foundry people were standing out of their money, and so they said, "This is no good to us; we shall turn to other goods" and the firm no longer made those articles. This created a shortage of necessary articles for houses as well as for other purposes. Thus housing was held up because sewerage works could not be completed. This happened not long ago.

Small foundries then undertook the work because there was a demand for these goods owing to the short supply, but the small foundries could produce only at greater cost, on account of their inability to acquire the necessary plant, etc. These goods were then costing the public more owing to the higher cost of production. That is an instance of fluctuating prices caused through manufacturers having to wait so long to get prices fixed.

A most important matter is that of industrial or "C" series clothing. Many of the retail firms compete one with the other. Recently control was removed from clothing, and the "C" series class of clothing was reduced by the storekeeper in order to get the trade into his shop. But he made up his profit by increasing the margin on the higher-class goods. There is a limit to what a man can do in that way, because, if he puts on too much, his competitor will undercut him. A striking example of this was in connection with some suits which were reduced much below the amount permitted by the Prices Branch. The higher-class suits went up. The people who could afford to pay for the better-type article were the ones who were hit by the merchants, and the basic-wage earner got his clothing cheaper. When the "C" series articles went up by 2½ per cent., the merchant did not have what is called "merchandising" to play with.

This means that a firm might reduce the price on an essential line to help bring people into the place of business, and offset the reduction by placing a higher margin of profit on a more expensive line. So, without price-fixing, there is an incentive for the storekeeper, and also for the wholesaler, to try to make a purchase at low cost so that he can outdo his competitors. The recent recontrol on certain "C" series clothing has resulted in an increased cost to the public because the shopkeepers are allowed 2½ per cent. more than they were getting prior to the reintroduction of price-control, and this increase becomes necessary because they cannot merchandise in the usual way.

Recontrol has not reduced prices to the public. A mismanaged factory with old machinery will naturally have to charge more for its products than will a well-managed factory with modern machinery, because the latter will obviously turn out

more goods than the former. But the price is fixed on a cost-plus basis; and as long as the mismanaged factory, with the old machinery, is on cost-plus, it will not worry to get modern machinery. Members might say, "How does this factory sell to the storekeeper?" If any member were a storekeeper, and he was getting 32½ per cent. on his purchase price, which is the margin allowed by the Prices Branch, would he not think it better to buy a shirt from one factory at 25s. instead of from another factory at only 15s.?

The Minister for the North-West: Why does not the 15s. factory run the other out of business?

Hon. H. S. W. PARKER: It cannot, because they put their heads together. They are not going to bustle to compete against each other when they only have this limit.

The Minister for the North-West: That is why you want the limit, so that you can over-charge.

Hon. H. S. W. PARKER: There is no incentive to reduce costs; on the contrary the incentive is there to keep them up because more profit is obtained.

The Minister for the North-West: You want to remove control in order to put them up again.

Hon. H. S. W. PARKER: Not at all. I am afraid the Minister has not the foggiest notion about commerce. The public got the advantage of the summer sales when certain goods were sold at cost for the purpose of attracting people into the stores.

Hon. C. W. D. Barker: Those sales are still held.

Hon. H. S. W. PARKER: No, because the storekeepers cannot make up their profit on the other articles. They cannot merchandise. The Minister would try to bluff the basic wage worker into thinking that because there is control, everything is at a fair price.

Hon. C. W. D. Barker: You control the basic wage, anyway.

Hon. H. S. W. PARKER: Who does? Who controls the bricklayer so that he will lay only a comparatively few bricks? Who controls the worker so that he will do only a certain amount of work? Who controls the coalminer to say that he shall have a darg which increases costs? It is the man who supplies the service who sends up the costs.

The Minister for the North-West: The middleman.

Hon. H. S. W. PARKER: The middleman is defeated by the competition. How did we manage to get things so cheaply before price-control?

The Minister for the North-West: Because there were more goods.

Hon. H. S. W. PARKER: And there will be more goods if we take the control off. Controls keep down the supply of goods. Would any member here attempt to start a factory of any sort knowing that the first thing the Prices Branch would do would be to say, "You can charge only so much for these articles?" Is he going to put in extra work to get better quality when the Prices Branch will say, "It does not matter to us; you can charge only so much?" He will not do it. That is the stupidity of price-fixing. It eliminates competition and efficiency, and it leaves no incentive to produce at a lower cost. When I see goods in a shop window I am bamboozled into thinking that the price stated represents a fair margin because it is the fixed price. I do not go along and feel the quality of the goods. Perhaps I would not know whether they were of good quality if I did. Different factories might produce shirts of exactly the same quality, but of a different pattern and at vastly different cost. I, as a storekeeper, will buy the one that costs me more because I am allowed a margin of 32½ per cent. on the purchase price.

Hon. C. W. D. Barker: What is there to stop a storekeeper from reducing his prices?

Hon. H. S. W. PARKER: He has to live. He cannot put his prices down on one line unless he can raise them on another in order to make up the difference.

Hon. C. W. D. Barker: There is nothing to stop him from reducing them if he wants to.

Hon. A. F. Griffith: Not if he wants to go broke.

The PRESIDENT: Order!

Hon. H. S. W. PARKER: What a lovely thing the price-fixing of meat was!

The Chief Secretary: What a lovely thing it is now!

Hon. H. S. W. PARKER: All meat when it was controlled was blackmarketed in the most respectable shops. Lamb became decontrolled, and then we could not buy mutton anywhere. If a customer wanted beef and asked for, say, 5lb., he would be charged perhaps 15s., and when he got home he would find the weight was 1lb. light. If he complained to the butcher he would be told, "If you do not like to take my weights, go and deal elsewhere."

The Minister for the North-West: What does that chap do now?

Hon. H. S. W. PARKER: He gives us meat we can eat, and we pay for it.

The Chief Secretary: Where did you get it?

Hon. H. S. W. PARKER: If a customer insisted on correct dealing during that period, he got meat that could not be eaten.

The Minister for the North-West: Who was that chap?

Hon. H. S. W. PARKER: Every butcher. They candidly admitted that they could not live except by means of the black-market.

Hon. L. C. Diver: What is the butcher's margin today?

Hon. H. S. W. PARKER: I do not know. The population of the State has increased immensely, but how many extra butchers' shops are there? There are very few, and it is because the control of meat is no good. As soon as the control is taken away, we will find butchers' shops increasing in number.

Hon. C. W. D. Barker: You do not see butchers going broke.

Hon. H. S. W. PARKER: Of course not, and I have given the reason why. The butcher is no fool.

The Chief Secretary: Control has been off meat for a long time, but I have not seen these shops springing up like mushrooms.

Hon. H. S. W. PARKER: Go to the Housing Commission and see. Take the question of hides. We are told of the enormous cost that decontrol would mean in the case of shoes. I have not been able to get any figures, but I am under the impression that a great number of hides are imported for manufacturing purposes; and are not practically all our shoes imported? The position will not be much affected.

Hon. F. R. H. Lavery: There are approximately 1,200 employees in this State making shoes.

Hon. H. S. W. PARKER: For 600,000 people! Does the hon. member think they can produce sufficient to supply the demand? I would like to know how many members are wearing shoes or boots made in this State.

Hon. L. A. Logan: There would be 100 per cent. wearing shoes made in Australia.

Hon. H. S. W. PARKER: Yes; but I said in Western Australia.

Hon. F. R. H. Lavery: All the Armed Forces in the State wear shoes or boots made in Western Australia.

Hon. H. S. W. PARKER: I am glad to hear that. If prices are set too low, goods disappear from the market. Members will agree with that. If the price is fixed too high, it is profiteering under Government control or Government guarantee. If a fair price is fixed, a Government department is mobilised to fix it at a high cost, and slowly. It does what the trade does at no cost, and quickly. That argument cannot be refuted. We need £50,000 or £60,000 to keep this department going, when we are told we must have rent-

control because we cannot build houses. Where is the logic in having those controls which can be avoided?

The Chief Secretary: It is introduced because, although they have had a fair go, they are not satisfied with that.

Hon. H. S. W. PARKER: I pointed out how, since control, clothing in the "C" class series has gone up 2½ per cent. The trade is anxious to have these goods decontrolled so that the prices can be reduced. Under controls a blackmarket is the only place where the law of supply and demand exists. Members cannot refute that.

Hon. C. W. D. Barker: Do you say that there is a blackmarket in Perth?

Hon. H. S. W. PARKER: I have not the slightest doubt that there is with controlled goods, although I do not know of it.

Hon. C. W. D. Barker: I do not think so.

Hon. H. S. W. PARKER: As the hon. member comes from the North-West he would probably know more about it than I do!

Hon. C. W. D. Barker: I believe in my countrymen.

Hon. H. S. W. PARKER: The hon. member will agree that the earliest effect of low prices is to depreciate the quality of the goods.

Hon. H. Hearn: That is the first effect.

Hon. H. S. W. PARKER: Yes. Price control prevents manufacturers from improving their plants and so producing more goods. The management is taken out of the hands of the people whose living depends upon honest and fair treatment of their customers. I think even Mr. Barker would agree to that.

Hon. H. Hearn: He believes in his countrymen!

Hon. H. S. W. PARKER: Price-control is passed over to people who have never sold anything in their lives, and they are the people who are supposed to be more honest than the tradesmen who succeed only by honesty.

Hon. E. M. Davies: There have been a few convictions, you know.

Hon. H. S. W. PARKER: Under price-fixing, yes, because they are forced on to the blackmarket.

Hon. E. M. Davies: I thought you said they were all honest.

Hon. H. S. W. PARKER: Let me quote this from an address given to a Rotary Club in the East. It reads—

So long as the foreign manufacturer is not burdened by an Australian branch, he always has the recourse of not exporting to Australia and falling into price control's clutches. He is not

in the vulnerable position of the local manufacturer or distributor who has to accept the rules of the Prices Commissioners or else go out of business.

If you were a foreign manufacturer and you were told that you could not charge more than a shilling for an article made here, but that you could charge 1s. 6d. if you made it overseas, what would you do? Would you move your business here? Would you invest in Australian manufacturing?

Prices have gone up in Australia because investments are not being made here. Manufacturers do not dare to establish businesses in a country where profits and losses can be determined by politically inspired officers of the Prices Branch who are always prepared to make and have made producers sell at a loss for the sake of a gain in votes for the controlling party.

Is not that the position here?

Hon. C. W. D. Barker: Prices have gone up all over the world.

Hon. H. S. W. PARKER: Yes, because the workers are doing less than 40 hours a week. The only way to reduce prices is by greater production. With the recent developments in Western Australia we must encourage more factories to this State and that can be done only if there is freedom. I would like to quote a little saying I read the other day which is very true at present, and especially true as regards price-fixing. It is—

The greatest freedom of a free-born people is to transmit that freedom to their children.

That is why I oppose the Bill.

HON. L. A. LOGAN (Midland) [9.50]: I have given many hours of thought in an effort to find some justification for the continuation of this legislation, but up to date I have been unable to find any justification whatever. In opposing this Bill, I think I can claim to be consistent, as I have opposed price-control for the last few years. If one is proved to be wrong in one's line of thinking, one has every right and justification for changing one's mind. I think one should change one's mind under those circumstances, but I know of nothing that can justify my changing my mind on this subject, and that is why I intend to oppose the measure. I opposed it last year, and since then nothing has happened to cause me to alter my views. I would now like to read what the present Chief Secretary had to say about price-controls last year.

The Chief Secretary: You are going to remind me of some of my sins.

Hon. L. A. LOGAN: We are usually reminded of them at a later date, and there is one thing about "Hansard"—whatever we say is put down in black and white and

can be quoted against us later on. At page 1770 of Volume 2 of last year the Chief Secretary had this to say—

The Chief Secretary: I somersaulted that time, did I not?

Hon. L. A. LOGAN: The remarks read—

My enthusiasm for price-control has become less and less every year.

Further on he said—

It is my intention to vote against the second reading.

A little further on—

Knowing how little good or of what little value price-control is to people today, I would much prefer to see that go overboard . . .

The Chief Secretary: That was because of the shandy-gaff controls that were then being used.

Hon. L. A. LOGAN: A little later in his speech the Chief Secretary said—

Price-control has become less and less and less. There are so few articles of any consequence under control today that it appears to me the public are not very enthusiastic about it.

The Chief Secretary: I would say that again, too.

Hon. L. A. LOGAN: He continued—

It causes a lot of worry to business people and there is no advantage to anybody.

The Chief Secretary: That is so.

Hon. L. A. LOGAN: I appreciate those sentiments because they are true.

Hon. Sir Charles Latham: We will claim his vote for that.

The Chief Secretary: We were not then dealing with this legislation.

Hon. L. A. LOGAN: The Chief Secretary mentioned price-control. He did not say anything about the Act or the Bill.

Hon. C. W. D. Barker: At that time wages had not been controlled.

Hon. A. L. Loton: He was referring to a particular measure.

The Chief Secretary: That is so.

Hon. L. A. LOGAN: It has always been my opinion that price-control has, to a large extent, resulted in bad management and inefficiency. I think if we went through the books of some of our firms we would find that their costs of operation would bear out that contention.

Hon. L. C. Diver: Would you say that about the oil companies?

Hon. L. A. LOGAN: They are in probably the same position as everybody else, but I will deal with them later on. It has been said that some retailers have asked for the continuation of price-control. It appears to me that those retailers want a continuation of price-control so that the

officers of the department can work out the margins, because the people concerned are too lazy or too inefficient to work out their own figures.

Hon. N. E. Baxter: They get more out of price-control than out of competition.

Hon. L. A. LOGAN: Probably there is something in that. In my opinion that is the worst form of class legislation, and I trust that by the time I have finished members will agree with that statement. Price-control has never operated in its true sense; it has only been a retail-margin control, and I think most members in business will agree with that statement. I have been unable to find any real attempt to control the cost of manufacturing an article, or to control the cost from the manufacturer to the wholesaler, or from the wholesaler to the retailer. The screws are put on when the article passes from the retailer to the public. Surely, with price-control the correct procedure is to control prices from the time an article starts to be manufactured until it reaches the consumer.

Hon. C. W. D. Barker: Has not that always been done?

Hon. L. A. LOGAN: How?

Hon. C. W. D. Barker: By the fixing of wages.

Hon. L. A. LOGAN: Do not be silly!

Hon. C. W. D. Barker: That is correct.

Hon. L. A. LOGAN: How does the hon. member make out that wages are controlled?

Hon. F. R. H. Lavery: What about the 4s. rise that was not given?

Hon. H. S. W. Parker: From where did you get the extra £1?

Hon. Sir Charles Latham: The extra £2 16s.

Hon. L. A. LOGAN: In one of last week's issues of the daily newspaper and one of the previous week's I read where three different classes of workmen had received increases.

Hon. F. R. H. Lavery: It was a marginal rise.

Hon. L. A. LOGAN: The hon. member says that wages are pegged. That is not so.

Hon. F. R. H. Lavery: The basic wage is pegged.

Hon. L. A. LOGAN: The only aspect that has been altered is the quarterly adjustment to the basic wage.

Hon. F. R. H. Lavery: The cost of living has increased.

Hon. L. A. LOGAN: But wages have not been pegged.

Hon. F. R. H. Lavery: They are pegged on the cost of living. The hon. member cannot deny that. If he does, he is making a false statement.

Hon. L. A. LOGAN: Wages got away from the cost of living a long while ago. Over the last 12 months few prosecutions have taken place. Members can correct me if I am wrong, but I think less than 60 have taken place.

Hon. F. R. H. Lavery: That is because those people have been well looked after.

Hon. L. A. LOGAN: About 99 per cent. of those prosecutions were against the small retailers; men who are working 50 and 60 hours a week to make a living. That is why I consider this is class legislation.

Hon. F. R. H. Lavery: They should not charge any more than the permissible figure.

Hon. L. A. LOGAN: Does the hon. member mean to imply that they are the only people breaking the law; that they are the only people charging over and above certain figures? The hon. member cannot get away with that.

Hon. F. R. H. Lavery: Every time a man drives a motorcar he breaks the law in some way or another. The same thing applies with shopkeepers.

Hon. L. A. LOGAN: About 99 per cent. of the people charged were the little shopkeepers, and the hon. member cannot deny that statement.

Sitting suspended from 10 to 10.25 p.m.

Hon. L. A. LOGAN: Prior to the suspension, I was proving that price-control had developed into class legislation in its worst form. I was pointing out that over the last 12 months something less than 60 prosecutions had taken place, and 99 per cent. were with respect to one class—the small retailers; people dealing mainly with articles in the "C" series index which, to a certain extent, affect the basic wage. Without having an exact knowledge, I should say that quite a number of those prosecutions took place because the trader had increased the price of an article by probably one half-penny or one penny.

If this House is going to continue legislation of this kind, I think it will be failing to fulfill its function of looking after the interests of the community as a whole. I claim to know a little about the retail business, because I had two years' experience of it. It is well known to those with a knowledge of the subject, that a retailer might buy an article on the market one day, and, because of its quality and its price, be able to place a margin of only 2½ per cent. to 3 per cent. on it in reselling it, relying on a better buy at some other time to increase the margin by 15 per cent. to 20 per cent. in order to make up for the lower return previously received.

It is impossible for price-control to work properly with respect to a business such as I have mentioned, but that is

what is being attempted under price-control. If we are going to have price-control in its true form, why not let us apply it to everybody who is making a lot of money without working for it? Probably over the last few days a lot of people have made a good deal of money from oil shares and other shares.

Hon. F. R. H. Lavery: That is unearned increment.

Hon. L. A. LOGAN: Why not control men of that kind?

Hon. F. R. H. Lavery: Bring in a Bill and I will support it.

Hon. N. E. Baxter: The harder you work, the more you are controlled.

Hon. L. A. LOGAN: What about controlling the fellow who is producing luxury lines? To my mind he has always got away with it. He makes 100 per cent. profit on his articles, and he is not controlled. All we seem to want to do is to get the little fellow. The man doing 50 or 60 hours a week is the one the screws are kept on, and I object strongly to that happening in this State. Price-control has never prevented the cost of living from rising, and if members recall the last few years they will realise that the greatest increase in the cost of living took place when price-control was in its severest form. I do not think anyone can deny that, so what is the use of price-control when it has not accomplished its purpose?

Hon. F. R. H. Lavery: You are the only one who says that is correct.

Hon. L. A. LOGAN: The greatest rise in the cost of living took place when price-control was at its severest.

The Minister for the North-West: When price-control was severe during the war years, the cost of living did not rise.

Hon. H. Hearn: Price-control lost its efficiency when wages were unpegged. They were pegged during the war.

Hon. L. A. LOGAN: It has been said that if price-control goes overboard, the oil industry will raise the cost of petrol and oil to the consumer. I have no truck with the oil companies, and I think the statement that they are all a combine or cartel is perfectly true. I represent one of the biggest cartels in Australia, the wheat-grower. I think the wheatgrowing industry is the biggest combine in Australia today, because no grower of wheat can sell a bag of it outside the Wheat Board, and if that is not a combine or cartel, I do not know what is. I do not object to that, however, because it is in the interests of the farmers.

The Minister for the North-West: They fix the price.

Hon. L. A. LOGAN: The farmer fixes his price through his own organisation and through the international body.

The Minister for the North-West: The price for home consumption!

Hon. L. A. LOGAN: The industry has played the game and given the consumer in Australia wheat much cheaper than he would have got it otherwise. I do not say that the oil companies have played the game in that respect. Let us return to the other point, when the Chief Secretary somersaulted and said why he was changing his point of view—because one organisation only had approached him and said that if price-control went out it, a tanning firm, would go out of business.

Hon. F. R. H. Lavery: Not a tanning firm; some tanning firms.

Hon. L. A. LOGAN: A tanning firm. Did he appreciate that over all those years the tanners have been subsidised by the beef producer, who received much less for his hides than he could have got outside, with the result that it cost the industry a lot of money?

Hon. H. K. Watson: The tanner wanted to make a profit at the expense of the producer.

Hon. L. A. LOGAN: That is what he did. It has been said that there is no competition in the oil industry because there is control. Much has been said of the one-brand petrol station, which I think was the cause of the keenest competition I have ever known in the oil industry.

Hon. F. R. H. Lavery: Western Australia is only a very small part of it.

Hon. L. A. LOGAN: I am not concerned with the other States at the moment.

Hon. F. R. H. Lavery: No oil company has its general office in this State. Here they are told to do what is being done in the other States.

Hon. H. S. W. Parker: Like the A.L.P. in New South Wales.

Hon. L. A. LOGAN: If members want to deal with things outside the State, I will touch on matters in Victoria. It was said that the Government of New South Wales had decided to decontrol a number of items, but the Government of Victoria would not agree to that. An extract from the Press reads—

No Decontrol in Victoria.

Victoria would not follow the New South Wales Government's lead in freeing many lines from price control, Prices Minister Slater said last night. The New South Wales Government yesterday lifted control from many types of clothing, meals, soft drinks, all building services and men's hair-cutting. Mr. Slater said that Victoria was sticking to its present price-control policy. But some Labour members, including several Ministers, think that clothing control should go to bring relief to buyers. The next Prices Ministers' Conference will be in Sydney in January.

I repeat that the one-brand service station was the cause of the greatest competition the oil industry in this State had seen for a long time.

Hon. F. R. H. Lavery: Did the motorist gain anything by it?

Hon. L. A. LOGAN: I did not say he did. I was simply breaking down the argument that there was no competition in the oil industry.

The Chief Secretary: They had agreed on the price, and so there was no competition in it.

Hon. H. Hearn: It was one form of price-fixing.

Hon. L. A. LOGAN: The other day I saw a petrol station with petrol marked 4d. cheaper than elsewhere, so one seller was prepared to cut his profit. As regards the one-brand petrol stations, a particular firm had the idea that it could scoop the pool, and here I am sure of my facts. That firm had 24 hours' start on the other companies, and in that time picked out what it thought was the best positions for petrol stations in this State. It approached the proprietors to come in as one-brand stations.

Hon. F. R. H. Lavery: That was going on for several weeks before it was announced.

Hon. L. A. LOGAN: One firm had 24 hours' start on the others.

Hon. F. R. H. Lavery: The hon. member does not know what he is talking about.

Hon. L. A. LOGAN: I can assure the hon. member that I do.

The PRESIDENT: Order!

Hon. L. A. LOGAN: If members had seen the scramble that took place in the offices of the various oil firms in an endeavour to catch up the lost ground, they would realise that there is competition in that industry. Then there was the matter of the drums. As the Chief Secretary said, they were only trying to get an advantage over each other. They had arranged that only the drums of their own companies would be received at the depots, and that had been in operation for only a fortnight before one firm would accept any drum at all, and in that way gained business that the others were losing.

Much has been said of the fact that the companies approached the price-control office for an increase in petrol prices. But the Prices Commissioner reduced the price of petrol, yet we are not told the reason why, or the fact that in that period the landed cost of petrol in this State had been reduced sufficiently to allow a reduction in the price of petrol. That is what took place.

Hon. F. R. H. Lavery: If the Prices Commissioner had not found that out, would not the oil companies have continued to collect the extra 2d.?

Hon. L. A. LOGAN: Mr. Barker said he had faith in his fellow-Australians, and so have I, but apparently Mr. Lavery has not. I think it is tough on us, as members of Parliament, to talk about the increase in the price of petrol when duties and taxes account for one-third of that price. I repeat that one-third of the cost to the consumer is made up of taxes and excise duties. If the Government would take off some of the tax, we could buy petrol 6d. per gallon cheaper.

Hon. F. R. H. Lavery: That is not a statement of fact.

Hon. L. A. LOGAN: It is a pretty heavy form of taxation on a particular article. At one stage last year, the Geraldton flour mill was overstocked with bran and pollard and had to hire an old store in which to keep these commodities. At the same time, the poultry-growers, dairymen and horse-breeders in the metropolitan area were squealing for bran and pollard. Yet the price-control office refused to allow the Geraldton flourmill to add to the price of these commodities the rail freight from Geraldton to Perth, and so the bran and pollard had to remain there, as otherwise the firm would have been selling at a loss. If that is not a fallacy, I do not know what is. Is it thought that the Prices Commissioner did the right thing there?

Hon. C. W. D. Barker: No.

Hon. L. A. LOGAN: Recently, plumbing and electrical installations were recontrolled although most of the charge in each instance is made up of wages rather than the cost of materials. The charges for electrical installations, as set down by the Prices Commissioner, when he recontrolled them, were at a higher figure than a lot of electrical fitters were charging. The few that had been overcharging would not have remained in the game much longer in any event. The public would have seen to that. Once the people realise that one man is overcharging and the next is giving service at a cheaper rate, that second man, if his work is satisfactory, will get the business; and that can happen without price-control, and is as it should be. Surely the public should be given some freedom and allowed to use their knowledge and thinking powers in order to handle a situation such as that! I am certain that if this Bill is defeated and we get back to free trading, it will make for a better, safer, and saner community. I oppose the Bill.

HON. A. F. GRIFFITH (Suburban) [10.44]: It might be said, during this debate, that I was a supporter, in another

place, of a Government which, from the time when it came into power in 1947, introduced a number of Bills to continue price-fixing. That would be perfectly true; but it is also true that when introducing those continuance measures the Government of that time expressed the view that it would continue price-control so long as it was necessary, and that from time to time, as goods became readily available to the consumers, it would progressively remove the control from those goods. As we all know, we inherited price-control from as far back as 1939. We accepted it as a necessary wartime measure; but when our country ceased to be at war we hoped that we could, within a reasonable time, return to some form of stability and reasonable living as we knew it prior to 1939.

The Chief Secretary: Your Government introduced it in 1948.

Hon. A. F. GRIFFITH: I know, and the Chief Secretary knows full well why it did. He knows that the Prime Minister of the day tried to carry a referendum among the people of Australia for permanent controls, including price-control, and when he could not have his way he petulantly threw price-control into the hands of the States and said, "You get on with it." Is not that the position? The Minister knows that it is.

The Minister for the North-West: The people told him to do it.

Hon. A. F. GRIFFITH: The people told him that they did not want permanent price-control.

The Minister for the North-West: Yes, that is so.

The Chief Secretary: Notwithstanding that, your Government reintroduced it.

Hon. A. F. GRIFFITH: I said that when I rose to my feet.

The Chief Secretary: We introduced it for the same reason.

Hon. A. F. GRIFFITH: The hon. member read us an extract from the Chief Secretary's speech made last year and the Chief Secretary has now made a complete somersault.

The Chief Secretary: Yes; because it was a poor measure.

Hon. A. F. GRIFFITH: The Chief Secretary said then that he was referring to the Act.

Hon. R. J. Boylen: And you are now apologising for what your Government did.

Hon. A. F. GRIFFITH: I am not apologising for anything. I simply said that I supported the measure that was introduced by a Government of which I was a member, on the understanding that it would progressively remove controls over commodities as they became readily available.

Hon. R. J. Boylen: But it did not do so.

Hon. A. F. GRIFFITH: That is a complete misstatement. Had it not done so we would not have been able to pick up the "Sunday Times" dated the 29th November, 1953, and read this:—

All Building Controls will end on January 1.

Improved Position.

All building activities will be free from any form of control from January 1.

The Government has decided not to reintroduce the Building Operations and Building Materials Control Act, which expired at the end of this year," said Housing Minister H. E. Graham yesterday.

"In view of the overall improved production of material and availability of building tradesmen, and with the continued co-operation of those associated with the supply of basic building materials, the requirements of the State can be reasonably met," he said.

The Chief Secretary: We will drop this, too, when the time arrives to drop it.

Hon. H. Hearn: It will never arrive with the present Government.

Hon. A. F. GRIFFITH: Will the Chief Secretary agree with me that controls are necessary only when goods are in short supply? That is the reason why price-control was introduced in 1939. According to the present Minister for Housing there are no basic building materials in short supply now.

The Chief Secretary: That is why we got control over building supplies.

Hon. A. F. GRIFFITH: Why continue this form of control?

The Chief Secretary: That was not needed, but this is.

Hon. A. F. GRIFFITH: We saw what happened in America just after the war in 1946, when that country removed all control over prices. I remember the headlines that appeared in the Press and also the rapid rise in prices that followed. Many people said, "The lid is off prices in America". It might be interesting to members to know that prices have increased by 89 per cent. in America since controls were lifted in 1946; and yet, in Australia, with the continuance of price control from 1939, the prices for goods have increased 159 per cent.

Hon. F. R. H. Lavery: That is, since 1939.

Hon. A. F. GRIFFITH: The hon. member should listen. He has done nothing but interject on members all the evening.

Hon. F. R. H. Lavery: Mr. President, I do not wish to be rude, but the hon. member referred to something that happened in Australia as far back as 1939, and then to something else that occurred in America as from 1946.

The PRESIDENT: The hon. member has no right to interject.

Hon. A. F. GRIFFITH: Thank you, Mr. President. The hon. member has kept up a running fire of interjections all the evening, which makes it difficult for members to continue with their speeches. The figures I have given showed that prices in America had increased by 89 per cent. since controls were lifted in 1946; and yet, with the continuance of price-control in Australia, prices have increased since that year, by 159 per cent. Such a comparison should be given some consideration. The other evening I was astounded to hear Mr. Barker say that if price-control were lifted from beef, the sky would be the limit. I was surprised to know that the hon. member was not aware that there is no price-control on beef.

Hon. H. Hearn: Why should you be astounded at that?

Hon. A. F. GRIFFITH: How the hon. member could cast an intelligent vote—

Hon. C. W. D. Barker: I do not think there is any record of my having said that.

Hon. A. F. GRIFFITH: I think it will be found in "Hansard," because it is never known to miss. It has been recorded that New South Wales, which is a Labour-controlled State, has decided to drop price-control on many goods as from the 2nd December, 1953. According to a Press report the Labour Premier of that State has announced that he desires to release price-control as soon as possible on all commodities that are in good supply.

I do not think it can be truly said that there are any goods in really short supply. The only material which might be in short supply at the moment, and which was the subject of the article which appeared in the "Sunday Times" and was subscribed to by the Minister for Housing, is bricks. However, that made no difference to the Minister's desire to get rid of building-control, and I am glad that he did.

The Government having been a supporter of price-control for so long, and seeing that the previous administration progressively relieved the people of these controls, I think this Government is really introducing this Bill merely to continue price-control for the sake of control. An excellent example of this was brought about as a result of a recent controversy on ice, which was reported in the Press.

Members are probably aware that ice was controlled in December, 1951. At that time, the wholesale price, as fixed by the Prices Branch, was £3 a ton. The retail price was 8d. a block, which was also fixed by the Prices Branch. In the winter of that same year, the ice wholesalers said to their vendors, "We will reduce the price during the winter months by £1 a ton; that is, we will sell it to you for £2 a ton."

The reason for that is obvious. Ice is a seasonal product and, in order that their reliable vendors could keep going, the ice companies were prepared to reduce the price in the winter months in order that the vendors could make up some leeway in their sales.

Hon. H. K. Watson: That was a voluntary reduction by the companies.

Hon. A. F. GRIFFITH: Yes. The reason for the reduction is obvious. During the winter, sales by vendors were much lower, and the distances they had to travel between customers were increased; and, as a result, their transport costs became greater. If they had not been able to buy the ice at a reduced price, many of them would have gone out of business. At the beginning of this summer, the wholesalers said, "The price must revert to £3 a ton." Some of the vendors said, "In view of our increased costs, we propose to charge 9d. a block retail to the customer." Immediately, there was an outcry by a certain section, and a complaint was made to the Prices Branch. I am reliably informed that the manufacturers gained nothing from this increase of 1d. However, the matter was considered by the Prices Branch, which fixed the wholesale price for ice at 50s. a ton; 10s. a ton less than it was in December, 1951. I ask members if there is a fragment of common sense in an action such as that.

Hon. R. J. Boylen: Yes.

Hon. A. F. GRIFFITH: If Mr. Boylen thinks there is a fragment of common sense in that action, he would think that there was a fragment of common sense in anything.

Hon. C. H. Simpson: Was not the wholesale price reduced to enable retailers to sell the ice at the original retail price of 8d. a block?

Hon. A. F. GRIFFITH: No, that did not affect the position whatsoever. The wholesale price was reduced from £3 a ton to 50s. a ton, and the retail price did not affect the manufacturers in any way.

Hon. H. Hearn: In effect, the Prices Branch made a compulsory reduction of a voluntary reduction.

Hon. A. F. GRIFFITH: Yes; the manufacturers have been making a reduction during the winter for many years, and yet the Prices Branch stipulated that the wholesale price should be £2 10s. a ton instead of £3 a ton as it was in December, 1951. That is an example of the anomalies that can occur in the administration of the Prices Branch. I oppose price-fixing, and I hope the majority of members of this House will vote against it so that business will be allowed to return to normal and competition will be given an opportunity of asserting itself. I feel sure that people will benefit from it. I oppose the second reading.

HON. A. R. JONES (Midland) [11.1]: I am opposing this measure. It is not new for me to oppose price-control, because I have done this for the last four years. It is the height of hypocrisy for the Government to come before Parliament and ask it to pass a continuance Bill such as this. Looking at the Government's history in the last few months one sees it has not in any way attempted to control prices. As a case in point I instance water rates. The Government has increased the rates for water; and, to quote an instance, the cost of laying from the main a $\frac{3}{4}$ inch water pipe was £4 10s. at this time last year. I procrastinated, and because of that I find that the cost has risen by £4 17s., and is £9 7s. today. I wonder how the Government has the hide to ask for price-control when it does not control prices for water or costs for giving services. Electricity charges, too, have risen.

The Minister for the North-West: Did not the last Government advocate increases?

Hon. A. R. JONES: Railway freights have been trebled.

Hon. E. M. Davies: You are on the wrong track.

Hon. A. R. JONES: Bus and tram fares have not been controlled in the last few months. Many members supporting the Government must have some uneasy feeling when it puts up a Bill seeking their support.

It was said that some business people asked for price-control. I suggest there are only two types who ask for it. One is the business person who has no business ability, or is too lazy to instill it into his business. He is prepared to drift along with price-control because it saves him a lot of worry. The other is the one who asks for price-control because he is incompetent to run a business on business lines. He wants to dodge the possibility of competition.

Over the last 12 months it has been evidenced by the trend of events that the solid manufacturer, who produces a good article and reduces his cost, has gone a long way to stabilise prices. Rubber manufacturers have reduced the price of tyres and tubes in the last 12 months. The last decrease was 5 per cent. on certain lines, and $7\frac{1}{2}$ per cent. on others. Admittedly those articles are still on the controlled list of goods, but their reduction did not come about because of price-control. The reductions were given voluntarily.

We also find that the price of motor-cars, trucks and utilities has decreased. Jute products have decreased in price; but, of course, they are not manufactured in Australia. They are block purchases by the Government, because jute was in short supply some years ago,

and the Government bought sufficient for the needs of the country for the following few years; so today we still have the high price of jute products.

I agree that steel products in this country have increased in price, but nothing compared with the increases in other countries. When compared with price increases of other articles produced in Australia, steel has risen the least. It has been said that combines and cartels can control prices as they wish, but I would point out that the steel industry has done the right thing by Australia because it has kept steel down as low as possible. I believe it will continue to do so.

In the last 12 months cement has come down in price, indicating that industry generally is doing its best to reduce prices in Australia. Building was at a high cost one or two years back, but today we find prices coming down because of greater competition for jobs offering. In conversation with an architect recently, he affirmed that over the last six months, when a tender was called for, many more contractors bid keenly. This is an indication that costs of buildings are likely to come down.

Hon. G. Bennetts: I do not agree with that.

Hon. A. R. JONES: Why not?

Hon. G. Bennetts: I cannot see where building operations have decreased in cost.

Hon. A. R. JONES: Building operations are on the increase. There are many more people going into building construction because of the removal of the permit system, and because materials are in better supply. Some months back, building contractors spent a lot of their time chasing materials. Two years ago a contractor told me that he did not work on the job himself but spent his time in getting materials, but now he can order the materials and they are landed on the job. He is able to work himself, and that cuts the cost considerably. Furthermore, the rise and fall clause has disappeared from contracts today. Is that not an indication that prices are stable or on the decline?

I was annoyed when I heard interjections from a member opposite who spoke about the just prosecution of small shopkeepers because they broke the law. It is a pity that many workers were not fined because they broke the law. Did not hundreds of them take advantage of the fact that labour was in short supply, and during week-ends work for people on the blackmarket by charging £6 or £7 a day without giving any receipts or deductions for taxation? Did not a lot of them do it to their own mates?

The Minister for the North-West: People did not have to employ them.

Hon. A. R. JONES: They should have been prosecuted then. The Minister in another place said there was a possibility that meat would come under price-control again. I hope it will not. We all saw the results of price-control on meat up to 12 months ago. Together with Mr. Logan, I claimed that it was not possible to control those prices. It is not possible to control the price of meat on the hoof, nor could the price of vegetables be controlled. The price of vegetables on the ground cannot be controlled nor can it be controlled when they reach the market.

It is the price between the wholesaler and the retailer which can be controlled. Some butchers today would be happy with price-control because, under that, they are given a margin of 33½ per cent. on their cost; and provided they kept within that margin, they were within the law. They were capable of making very handsome profits. Today many butchers are prepared to accept price-control because they know they can exploit the public, just as they did three or four years ago.

Another instance where the worker took advantage of the lack of labour was in the rural areas, where there is a rural workers' award. But not many workers offered for employment under award rates. They demanded at least £3 a week over that rate. Labour members who urge price-control because wages are pegged are supporting something which is false, because wages are not controlled at all. Members of the same party want the minimum wages controlled but not the maximum; yet when it comes to goods, they want the maximum price to be controlled but not the minimum. That appears to me to be a cockeyed attitude. How any member can sit behind a Government and support a measure such as this, I do not know.

The shearers, too, have an award, and a mighty good one it is, many of them earning £40, £50, £60, £70 and £80 a week. They are not prepared to work at award rates, but have to be paid higher wages, while food is given in and they receive as many other perquisites as they can command.

Hon. H. Hearn: They must be shrewd business men.

Hon. A. R. JONES: Yes. Members who are supporting this Bill should consider those points, because there is nothing to substantiate their arguments. On the one side they want all; on the other side, they take all.

The Minister for the North-West: Like the farmers.

Hon. A. R. JONES: I am pleased to have that interjection from the Minister. I claim that nobody in this country can point a finger of scorn at the farmers for not having done a reasonable job for Australia in the last ten years.

Hon. Sir Charles Latham: The last 30 years!

The Minister for the North-West: The farmer wants all he can get.

Hon. A. R. JONES: I do not mind going back to the time when some millions were raised by means of the flour tax, which helped the farming industry considerably, but that amount has been repaid tenfold by the farmers. Even today, the farmer has not the right to control the price of his product. That is fixed for him. I have heard it said that the farmers fixed the price of wheat. On the contrary, the farmers wanted 15s. a bushel and were granted 14s. We agreed to a fixed price—

Hon. H. Hearn: You had no alternative.

Hon. A. R. JONES: We agreed to a fixed price in order to help Australia to enter the International Wheat Agreement and honour its contract in that direction. Many of the farmers were prepared to accept a lower price for wheat used for home consumption so that the Government could meet its obligations under the International Wheat Agreement. Consequently, I say let us not hear from members of the Labour Party about the farmers and what they have not done. They have stuck very well to the job in hand and treated the rest of the community very liberally indeed.

Let me give an illustration of what happens when competition prevails, a state of affairs that is very obvious to me, as compared with conditions two or three years ago. I refer to the matter of boring for water in country areas. In the good old days, the charge was 10s. per foot. As costs generally increased, so the charge was raised to 12s. 6d., 15s., 17s. and £1 a foot. Anything up to 100 ft. was £1 a foot, though some companies charged 22s. 6d. Since the war, we have got boring done for as low as 7s. 6d. a foot for a dud hole while it is still £1 a foot for a good hole. A new type of boring equipment brought into the field forced contractors to bring their prices into line. That is one instance where keen competition has caused the price to be reduced.

Consequently, does it not behove us to encourage good, keen competition throughout industry in Australia? I have always maintained that to do so would pay us, and the time is now ripe to do away with the controls that remain and allow free enterprise to operate, such as we had before the outbreak of war. I am definitely opposed to the Bill.

[The Deputy President took the Chair.]

HON. H. L. ROCHE (South) [11.21]: In the past, I have consistently opposed price-control but, as I stated when speaking against the Workers' Compensation Act Amendment Bill recently, it seems to me that present circumstances are such that

members should give consideration to the possibilities ahead rather than deal with this question as an isolated subject. Personally, I do not like controls of any sort; yet we have to face the fact that certain types of control become an established part of the way of Australian life and Australian economy. Many of the industries to which reference has been made have the advantage of import restrictions and tariff protection and, but for those controls, many industries enjoying that protection could not function in this country. In spite of what Mr. Jones has said, we have got as near to a measure of wage-control as, under existing conditions, we are likely to get. In fairness, we cannot dismiss from mind the effect of the action of the Arbitration Court in suspending the quarterly wage adjustment. To my mind, the greatest threat to our economy is likely to come in the next six months. With the good prices ruling for wool and wheat, and an excellent season for both, there is a banking-up of spending power in the community that could easily begin another bout of inflation, though possibly not as bad as that of 1950 and 1951.

There is a possibility of costs increasing in the next six months, a possibility far more imminent than it has ever been since the Commonwealth took drastic action to cope with the inflationary spiral following the good wool prices realised in 1951. Costs need to be held reasonably steady in our own interests; and when I say that, I am referring particularly to primary industries with which I have long been associated. All said and done, the rural industry and the mining industry have to carry the burden of increased costs. They are the industries that cannot pass on these increases.

Certainly, there are some manufacturers—and I always regard Mr. Hearn as one of the foremost of these—who are cost-conscious, though quite a lot of them are not. Living within a semi-closed economy as they are, with tariff and import restrictions to assist them, they have not much to worry about. All they have to do is to increase their prices by 1 per cent, or 2 per cent., and that increase falls on producers in rural industries. What competition is possible when there exist associations and understandings amongst large business organisations, especially when protected by tariffs and import restrictions?

In addition to this economic effect, I believe that price-control has a psychological effect. If we ask one section of the community to abide by the decision of the Arbitration Court and accept a stabilising influence in respect to wages, it would contribute materially if, for another 12 months, we attempted to attain that end through a measure such as the one before us. I stated earlier that I was not enamoured of controls of any sort. Ever since the war, I have opposed proposals

for price-control, but on this occasion I am bearing in mind the facts I have just mentioned. I dare say we are all entitled to change our minds. Price-control was once acceptable to some members who are opposed to it now, when there is a different party in office. This change may have resulted from some experience during the last 12 months and they may have become converted, but I confess that only recently have I come to the conclusion that we ought to try to play safe. I feel sure that if we took a chance for 12 months, we might succeed in securing a stabilising of costs.

Reference has been made to meat-control. Certain members who hold similar political beliefs to mine were most insistent last year that the then Government should decontrol meat prices. I have yet to learn that the consumers gained any advantage, or that any advantage accrued to the producers. That is one instance.

Hon. L. Craig: There has not been any disadvantage.

Hon. H. L. ROCHE: I am convinced that the public received no benefit. I was as disappointed as anyone that under the decontrol of meat prices the producer fared no better. Good mutton today is selling at 6d. to 8d. per lb. at Midland Junction, and I defy any member to show me mutton selling in the shops at anything like that value.

Hon. N. E. Baxter: That would be off shears.

Hon. H. L. ROCHE: It was. I live on sheep and among sheep, and possibly know more about that industry than about the commodities with which the hon. member is familiar. Similarly with beef. There has been no marked reduction in beef, yet last year beef on the hoof was up to 210s. and 220s. per 100-lb., and today it is down to 140s. I do not think it is a good thing to adopt price-control as a permanent feature of our life, but I do believe that in the present circumstances we will be well advised to accept it for the next 12 months.

HON. C. H. HENNING (South-West) [11.31]: I do not propose to go into any great detail on the Bill other than to give my reasons for voting on it. In fact that the Bill not only desires to extend the operation of the Act for another year, but it also seeks to amend Section 15 which states—

For the purposes of this Act the Minister shall appoint to advise him an Advisory Committee of persons possessing expert or business knowledge.

The committee is to advise the Minister. The Bill will repeal this section, and another committee will be established in place of the present one. The Bill pro-

vides that five persons shall be appointed to be a consultative commission, and that the commissioner shall be chairman. The term of office of the commission, the remuneration, and the expenses payable, are mentioned, but the Bill does not say what the commission shall do. It does not even say that it shall advise the Minister. I do not think that, if the Bill became law, the commission could do anything whatsoever, because it is not what is said, but what is written into the Act, that counts, and nothing is written into the measure other than that the commission shall be appointed.

Last year I voted for a continuance of this legislation, and at the time I said that I voted in that way for two reasons: firstly because it controlled the price of butter sold by someone other than a manufacturer; and, secondly, because it repealed the Profiteering Prevention Act. If the circumstances of last year recurred, I would do the same again. I also said that in view of what was in the Act I would be prepared to take two bites at the cherry. What I did last year was the first one, and to finish the Act off this year would be the second. But there are times when one's opinions can change. During the last 12 months my opinion changed after I gave considerable thought to the matter. But I will say now that it has changed again, and the reason for that was a statement that appeared in "The West Australian" of the 14th November, 1953, under the heading, "Hawke Again Gives Prices Warning". The report is as follows:—

Mr. Hawke warned that unless the Government received either a practical indication from business interests in the near future to reduce prices, or a solid assurance that prices would be reduced almost immediately, the Government would have to decide to take action under the price-fixing legislation. He meant, action to reduce prices of the appropriate commodities to ensure that all the sacrifice in the disallowance of the basic wage adjustment was not suffered only by workers and their dependants.

When I read that I did not pay a great deal of attention to it, but not long afterwards I looked at Section 4 of the Act which states—

Subject to the general control and direction of the Minister, this Act shall be administered by the Commissioner.

In other words, the Commissioner was subject to the political whims of the Minister or Cabinet, so that no matter what the desire of the people was, the Minister could say what would be done. Because the Act was subject to the political control of the Minister I believed it could be used, and, in view of this statement, would be used without any consideration of the general principles affecting the legislation.

Hon. N. E. Baxter: It has been, too.

Hon. C. H. HENNING: I do not disagree with the hon. member in the slightest. There was another remarkable thing in the Premier's announcement when he said that the disallowance of the basic wage adjustment was to be suffered only by workers and their dependants. Ministers in particular, and all other members, should remember that the butter producer had his prices fixed almost 18 months ago when the basic wage was £11 3s. 10d., so the Premier need not try to put across any of this business of the only people who suffer being the workers. I believe that controls are good at the right time, which is in a time of national emergency. Then, materials and labour are directed to certain purposes. But a period of eight years has elapsed since we have had a national emergency. How much longer is this going on? The Minister said that New South Wales and Queensland were trying to make this a permanent feature of their legislation.

The Chief Secretary: They did not try; they have done so.

Hon. C. H. HENNING: That just shows the terrible condition that those States have come to. It also shows that the title of a little book I read not long ago was quite correct. This book was called "The Legislative Council. The Safeguard of Democracy." What have they got in Queensland? No Council. What have they got in New South Wales? A Council put there purely and simply to be a rubber stamp of the Government. It is just a waste of money.

The Chief Secretary: What about South Australia?

Hon. C. H. HENNING: The Minister did not say what had been done there.

The Chief Secretary: The Bill there passed the second reading in the Legislative Council.

Hon. C. H. HENNING: If South Australia passed the Bill it has done the wrong thing.

Hon. N. E. Baxter: It is a continuance measure there.

Hon. C. H. HENNING: Does price-control get to the root of the trouble? It controls the gross profit; but where do the costs start? They commence with production in the factory. No matter how low a manufacturer's overheads are, his main costs come from the labour put into the material he handles. Unless price-control starts there it will never do any good.

We have heard a lot said in favour of price-control, but how is it that in Australia, where we have cheap wheat, fats, hides and a number of other things, we cannot compete with European countries that are free of control? We cannot compete with any of the Americas that

are also free of control. If other countries can get rid of controls and produce cheaply, why cannot we? Many of these countries buy goods at world parity that we in Australia get—for manufacturing purposes, and for foods—at less than world parity.

I was particularly impressed by what Mr. Simpson said. I believe that if a plank of the Labour platform is to retain price-control and cut down the cost of living, Labour members would be well advised to go to the root of the matter and deal first with production costs. I oppose the second reading of the Bill.

HON. N. E. BAXTER (Central) [11.43]: This is only a small Bill, but it has the usual sting in the tail, which is that it extends the Act for another 12 months. It also contains a provision which, as Mr. Henning pointed out, is apparently purposeless. As Mr. Henning said, the Act today is subject to the will and whim of the Minister, and we have seen that will and whim exercised this year. It is unusual to provide in an Act that there shall be a consultative committee, and not stipulate what it shall do. Price-fixing today is costing about £55,000 year. This money could be spent in our country areas on reticulation of water rather than be thrown down the ditch of price-fixing.

Hon. G. Bennetts: Would it be spent there or in the metropolitan area?

Hon. N. E. BAXTER: It is hard to say with this Government.

The Chief Secretary: This is the best Country Party Government you have ever had.

Hon. N. E. BAXTER: I am glad the Minister thinks so. I certainly do not. Taking price-fixing as a whole, what does it do? It just affects the small man, the retailer, whose capital is possibly no more than £6,000. He does not work 40 hours a week, but 60 and 80 hours, and he does not show as big a margin as do some tradesmen who work only 40 hours a week. The retailer is up against continually rising costs. We know what business men have had to face in the last 12 months. Firstly, there was a rise in water rates, and that was followed by a rise in the local government rates. Then we had an increase in railway freights, and the Government has been responsible for other increases. Yet we have the Government telling us today that the basic wage is pegged. It is still increasing costs, but it expects the business people to take this sort of thing lying down.

Under price-fixing, the maximum charge is made; but under Arbitration Court awards, the wages laid down are the minimum; there is no maximum in those cases. In the building industry, over the last eight years, we have had the spectacle of tradesmen not playing the game. Brick-

layers, plasterers and even bricklayers' labourers have demanded their pound of flesh.

Hon. J. McI. Thomson: And plumbers.

Hon. N. E. BAXTER: Yes, and plumbers too. Bricklayers and plasterers have charged nothing less than £5 a day and bricklayers' labourers ask for £20 a week. That is well and truly above the wages laid down in any award under the Arbitration Court. Yet they expect the business people to take price-fixing lying down. I was rather interested in the remarks of Mr. Davies, and in today's issue of "The West Australian" I saw an article which is headed "Fremantle Rates Rise 2d. in the £." That article goes on to state—

A rise of 2d. in the £ in Fremantle rates was approved by a special meeting of the Fremantle City Council last night.

This rise makes the rate 4/5 in the £.

It was estimated that £20,000 would be spent on parks and reserves, and £13,700 would be spent on general maintenance.

That is the way that costs in industry are being kept down! Also in today's issue of the "The West Australian" there is another article. We have heard a lot tonight about the pegging of wages, but here is a cutting headed, "New Award Likely for Railway Men." It states—

Early preparation of a new award for railway employees was forecast in the Arbitration Court yesterday.

The forecast was made when the court sanctioned a consent agreement between the West Australian Amalgamated Society of Railway Employees and the W.A. Railways Commission.

Mr. Justice Jackson told the acting-general secretary of the union (Mr. C. A. Gough) that the award was cluttered with the number of amendments.

Mr. Gough said that he had discussed the position with the department with a view to preparing a new award.

The changes, which amend the 1948 award, become effective at the beginning of next week and include an increase in shift-work allowance; increased meal allowance; housing allowance increased by 15s.; increased living-away allowance (14s. traffic, and 28s. for ways and works and mechanical sections); camping out allowance increased from 5s. to 6s. a day; margins for gangers increased from 6s. 6d. to 7s. 6d. a week.

Where applicable the court agreed to the same amendments to the award governing railway employee members of the Australasian Society of Engineers.

There is another increase being granted, and we will have to pay for it by increased railway freights. Yet we have the Government saying that wages are pegged. There is no suggestion that wages are pegged. Because the Arbitration Court refused to grant the last quarterly adjustment, that does not mean to imply that it will not grant an adjustment on the next occasion.

We have to conduct our businesses and carry on under this socialistic legislation, and the only people who seem to matter are the consumers. That is a poor state of affairs. I have heard the cry of poor mouth in this House by those members who profess to represent workers. I have been to the homes of many workers, and I rub shoulders with them every day. Many of my friends are workers, and their homes are as comfortable and as well furnished as mine—some of them even more so. They can spend more money on beer and racehorses than I can, and that applies to hundreds and hundreds of workers. They can go to the racecourses and to the hotels every Saturday, whereas they would be much better employed working on a Saturday morning; working their 44 hours a week doing something for the State.

Hon. J. McI. Thomson: And be better off financially, too.

Hon. N. E. BAXTER: Yes; they would be saving money instead of spending it.

Hon. R. J. Boylen: You have made more profit since there has been a 40-hour week.

Hon. N. E. BAXTER: There is not much cop in my business.

Hon. R. J. Boylen: You are all going broke!

Hon. N. E. BAXTER: I have to work long hours to do my parliamentary duties as well. There is not much in it for the country hotel proprietor. A number of members in this House seem to have the idea that we get a big return from our businesses. That is not the case. We can charge 5s. 6d. for a three-course meal, 7s. 6d. for a bed, 4s. 6d. for breakfast, and 5s. for luncheon. To provide a bed for a person we have to use clean sheets, and that means that they have to be washed every day. We have to provide a housemaid to clean the rooms, and a yardman to clean up the bathroom and so on.

Hon. R. J. Boylen: Now tell us about the profits.

Hon. N. E. BAXTER: We are expected to provide a three-course meal for 5s. 6d., but one can go to any restaurant run by a foreigner and one still has to pay 5s. 6d. for a plate of greasy steak and eggs. That is the result of price-fixing in this State. It is not much use to this community. Some members have condemned the business in which I am interested; but I tell members that if this sort of thing goes on much longer country hotels will deteriorate more and more, and I think Mr. Boylen would agree that that has happened at Kalgoolie.

Hon. R. J. Boylen: I would not agree that they have deteriorated because of price-control.

Hon. N. E. BAXTER: That is one of the causes of the deterioration, as the hon. member knows; although of course the clubs have had a big effect.

Hon. R. J. Boylen: On the Goldfields they have improved since price-control has been in existence.

Hon. N. E. BAXTER: If members looked at the balance sheets of some of the country hotels they would realise that, although the turnover might be quite good, the proprietors are up against terrific costs, and that is where price-control has fallen down. When we are given a fair go we will give a better service to the community.

Hon. E. M. Davies: What about the increases in the rents of licensed premises? There have been increases of 100 per cent. since they were removed from price-control.

Hon. N. E. BAXTER: If the hon. member wants it, he can have it right from the shoulder. Under Bills affecting rents, hotels were not included; and if the Government is prepared to apply price-fixing to hotels, it should go the whole way and apply price-fixing to the costs in that industry. This is a half-hearted way of doing things.

Hon. E. M. Davies: Rents were taken away from control.

Hon. N. E. BAXTER: The crux of the situation is that it is of little use having a half-hearted measure like this. I have opposed the idea of price-fixing for the last four sessions and I shall continue to oppose it. I intend to vote against the second reading.

HON. F. R. H. LAVERY (West) [11.55]: I hope that my small contribution to this debate will not offend any member; but, although I am not the Minister in charge of the Bill, I think I should reply to one or two questions that members have raised. Every member who supports the Government, from the Premier down, wants to see the end of price-controls. The party and the Government want to see them ended, but we feel that this is not the time to abolish price-fixing. In all party discussions on this question, there has been complete agreement on the idea of abolishing control on an item as soon as there is an ample supply. I think that should satisfy those members from the farming districts who believe that the Labour Party is out to cruel industry.

During his speech, Mr. Henning said that one of the planks of the platform of the Labour Party was price-control and that it was time it was removed. I have with me the latest copy of the Constitution, standing orders, platform, and general rules governing the Western Austra-

lian branch of the Labour Party. There is nothing in this booklet about price-control.

Hon. C. H. Henning: Are you sure I said it was part of your platform?

Hon. F. R. H. LAVERY: The hon. member said something along those lines. One or two members were in a dismal frame of mind tonight; so much so that one would have thought that we had another hundred years to go before we found oil in Western Australia. I have never heard so many dismal speeches in my life. So far as the Western Australian branch of the Labour Party is concerned—

Hon. H. Hearn: What has that to do with the Bill?

Hon. F. R. H. LAVERY: It has everything to do with price-fixing. On every occasion Mr. Hearn comes in with the same sort of interjection. There is a portion of this booklet, in connection with the marketing and handling of produce—and this was decided at the last State conference held this year—which reads as follows:—

The produce belongs to the farmer until it is sold and the direct representation of the farmer must be prerequisite to the disposal of such products.

That it has also to apply to actual sales within the State.

- (b) On all boards there shall be a majority of producer representatives,
- (c) The return to the farmer; a just price based on the cost of production.
- (d) Adequate consumer representation be made on all boards set up dealing with production and marketing.

Speaking of what price-control can and cannot do, I would like to go back to price-control in the Commonwealth in respect of petrol. Irrespective of what Mr. Simpson and Mr. Loton had to say, during a period of years, since price control has been in force, oil companies have made continual requests to the price-fixing authorities in the Eastern States for the raising of the prices of their products in Australia.

Hon. C. H. Simpson: They had to because of the rise in the basic wage.

Hon. F. R. H. LAVERY: Mr. Logan referred to the production and the landed cost in Australia of the product concerned. Nobody denies that that was so.

Hon. L. A. Logan: If it is true, why argue?

Hon. F. R. H. LAVERY: That goes to show how necessary it was to have price-control at that time. Anybody who thinks that the oil companies do not combine in their applications and prices to the gen-

eral public should think again, because I have no hesitation in saying that I know the complete story as it relates to that feature. The price-control authorities did a good service. The oil companies asked for a rise of 1½d. on all their products, but the price-fixing authorities said they could not have it because there was a reduction in the landed cost of their product in Australia. They would not give the oil companies that 1½d. rise but brought it down 1½d.

Hon. C. H. Simpson: The first application for 1½d. was made before they knew there was any concession in freightage.

Hon. F. R. H. LAVERY: Throughout the period of the war, when rationing was in force and price-fixing boards were sitting in the Eastern States, almost monthly there was an application by the oil companies to the Commonwealth for increases. It was towards the end of the war that there was a small reduction, but most other times petrol went up in cost. In 1939 petrol cost the garage proprietor 1s. 6½d.; it is now over 3s. a gallon.

Hon. H. Hearn: It is not as much as the general increase in the cost of living.

Hon. H. S. W. Parker: What is the present tax?

Hon. F. R. H. LAVERY: The duty was 8½d. and it went up 3d. during the war. It is now about 11½d. All through these increases the garage proprietor is the one person who is not benefiting. He had to pay 1s. 6½d. per gallon in 1939 and with the margin of 2½d. he now gets only 3½d. on a price of over 3s. per gallon.

Hon. H. S. W. Parker: What are the oil companies paying their drivers now compared with what they did before?

Hon. F. R. H. LAVERY: I presume Mr. Parker knows that when the oil companies make application to the price-fixing authorities for a rise, these authorities require from them their total costs, which include the costs of administration. The drivers of the oil companies have received a higher increase in wages than drivers in any other transport industry in Australia, which shows, as I said a few nights ago whilst speaking on another measure, that there is good management in the oil industry. They are very well managed; they go to the price-fixing authorities, and lay their cases before them, and are costed accordingly.

I agree with Mr. Logan when he says there are a number of employers in this State who cannot manage their own businesses at all. There is no doubt about that. It is for that reason that their costs for producing certain articles are putting them out of business. That has nothing to do with price-control, but with management-control. There was a big story last year in relation to hides and leathers; it was said that one tanner alone asked for price-fixing. That was

not the case; a number of tanners asked for control for another year. The result is that about £7,500,000 is said to have been saved in the price of boots and shoes. Had that not been controlled, men's shoes would have gone up 13s.; women's shoes 9s. 6d.; and childrens shoes 3s. 7d. a pair.

Hon. C. H. Simpson: That is only assumption on your part.

Hon. F. R. H. LAVERY: That is based on the facts and figures possessed by the section of the community which Mr. Hearn represents.

Hon. H. S. W. Parker: We can quite easily test those figures.

Hon. F. R. H. LAVERY: That is so. Only a few weeks ago representatives of the bread manufacturers went to the Minister and asked for a minimum price. They could not get a minimum price and they said, "Whatever you do, do not take bread off."

Hon. H. Hearn: That proves their inefficiency.

Hon. F. R. H. LAVERY: The question of ice was mentioned by Mr. Griffith. Like me, the hon. member reads the paper and cuts out the bits that suit him. I have a cutting from "The West Australian" which indicates that the ice carters congratulated the Minister on what he did in this matter. Mr. Logan and Mr. Jones made great play about the small shops, and they tore into me on this matter. I have never known Mr. Jones to be so despondent.

The retail shops have a monthly paper—I think Mr. Cunningham produced it last year to show us the difficulties they experienced in fixing their prices—in which there is a jam priced at 2s. 5d. a tin. Yet we find that Charlie Carters and Freecorns Stores have that same jam at 1s. 11½d. a difference of 6d. on one tin of jam! How can the hon. member explain that?

Hon. L. A. Logan: I do not see the basis of your argument.

Hon. F. R. H. LAVERY: I certainly do. It would be idle for anyone to claim that the price-fixing authorities were responsible for the production of this paper. The responsibility rests with the Retail Grocers' Association. The figures show that there was a difference of 6½d. on a tin of jam.

Hon. H. S. W. Parker: Have competition, and that will apply to everything.

Hon. G. Bennetts: Plum jam at Charlie Carters is 1s. 9d. a tin and in Kalgoorlie 2s. 5d. a tin.

Hon. H. S. W. Parker: Because there is no competition.

Hon. F. R. H. LAVERY: I do not wish to reiterate arguments that have already been advanced, because I know that the

Minister is anxious to reply to the debate. Mr. Henning seemed to be worried about Clause 15 which provides that, for the purposes of the measure, the Minister shall appoint a consultative commission consisting of five persons, of whom one shall represent the manufacturers and wholesalers, one shall represent the retailers, one shall represent the primary producers and one, a woman, shall represent the consumers.

Hon. H. S. W. Parker: Are not they all consumers?

Hon. F. R. H. LAVERY: Mr. Henning mentioned a consultative commission of five persons but did not say who were to constitute the committee. I should like to remind members of the Country Party that price-fixing is not the only thing on which they have required help. Last year when the barley Bill was before us, I did sufficient lobbying to ensure the passage of that measure for the farmers, and I make no bones about saying so. Otherwise that measure would have gone out on its neck because the breweries were exerting pressure on the people of Kalgoorlie. It was said that if the farmers succeeded in getting the Bill passed, the price of beer would be increased by 1d. per bottle but they did not tell the Kalgoorlie people that the price of barley would have to go to 15s. a bushel to make a difference of 1d. in the price of a bottle of beer.

The DEPUTY PRESIDENT: The hon. member must keep to the subject matter of the Bill.

Hon. F. R. H. LAVERY: I shall do so as far as possible. Members opposed to the Government do not miss any opportunity of throwing jibes at supporters of the Government. Whatever party had been in power, it would have had the unpleasant duty of increasing railway freights and water rates. There are members opposite who exerted pressure on the Government last September not to increase rail freights and water rates as the election was so near, and the present Government was the unfortunate one that had to put the increases into effect.

The DEPUTY PRESIDENT: The hon. member is again getting a long way from the Bill.

Hon. F. R. H. LAVERY: All I wish to say is that I have had to listen to other members speaking about the increase in railway freights and water charges, and if I am not to be permitted to reply to them, I shall have to leave it to the Minister who, I am sure, will be able to do so effectively.

As to Tabling Paper.

Hon. J. M. A. CUNNINGHAM: I ask, under Standing Order 342, that Mr. Lavery table the document from which he has quoted.

The DEPUTY PRESIDENT: Do you require the question to be put?

Hon. J. M. A. CUNNINGHAM: Yes.

The DEPUTY PRESIDENT: The question is that the paper be tabled.

Motion put and passed; paper tabled.

Debate Resumed.

HON. J. McI. THOMSON (South) [12.18 a.m.]: I have no wish to detain the House unduly at this late hour, but desire to point out that a similar measure has been presented to us every session since 1948, and if we are going to continue this legislation year after year, we must expect price-control to assume a permanency. I am sure it was not the intention to continue this legislation year after year as we have been doing, seeing that it was introduced originally as a wartime measure.

The Minister for the North-West: Our legislation was introduced in 1948.

Hon. J. McI. THOMSON: That is so, but the Commonwealth had similar legislation previous to that and since then the State Governments have continued it.

As I say, if, year after year, we accept this continuation Bill, we will be doing what is now compulsory in New South Wales and Queensland. It is time we got back on an even keel and did away with controls. If this control were enforced in its entirety, there might be some justification for the Bill, but it is only partially in force. It is time we exercised commonsense and said to private enterprise "Let us get back to competition". We did not have price-control until the last war. Were the people of this State ever exploited, as we were led to believe they were, prior to the advent of price-control?

Hon. E. M. Davies: They were exploited.

Hon. J. McI. THOMSON: It suits the hon. member to say that, but he knows that for many years until 1939 there was no price-control as we have it now. After eight years of control, must we have this Bill? To be consistent, I shall oppose this measure. We were never intended to be regimented in this way.

The Chief Secretary: You believe in letting them have an open go.

Hon. J. McI. THOMSON: Yes, just as we did until 1939. I do not think the Minister can say that the people were then treated harshly. The Prices Branch instructs a grocer that he must sell his butter and sugar at fixed prices. Well, he does, but what does he do about goods that are not controlled? As a result of what he is forced to do by the Prices Branch, he increases the price of other goods, and what he does is accepted by the people. Why should we fool ourselves in this way? If we continue controls, we shall rear a generation that

knows no different; and God forbid that we should do that! We should vote the Bill out on the second reading. I intend to oppose it.

THE MINISTER FOR THE NORTH-WEST (Hon. H. C. Strickland—North) [12.25 a.m.]: I did not intend to speak on the Bill, but the attitude of the House makes it incumbent on me to say something. It seems that it is open season so far as prices of commodities are concerned but closed season for the great majority of wage earners—those who are controlled by the Arbitration Court and basic wage adjustments. Several workers in various industries have been quoted this evening as being black-marketers for claiming high prices and so on. But I remind the House that it always takes two to make a deal. When I hear primary producers complaining about being held up to pay high prices for services rendered by tradesmen I am surprised.

Hon. L. Craig: Those services are in short supply.

THE MINISTER FOR THE NORTH-WEST: The competition has been intensified by the generous taxation concessions which have been given to primary producers generally. They have created a competitive market for the available labour. Why stand up here and condemn the workers who accept these high prices? The farmer wants the work done because he knows that for every pound he spends in wages on his property, virtually only 10s. comes out of his own pocket. After all, although he is paying a high price, he is not really paying a high cost. The fact that America lifted price-control has been highlighted in the House. Price control was lifted in America only during the present year. What the reaction will be there, time has not been able to assess, but it is interesting to read in tonight's paper that the British Division of the Ford Coy. in London gave its workers a rise. Wages and prices generally have been controlled there for a long time, but by the paper we find that the company has offered rises of 8s. and 9s. a week, and a reduction in hours from 45 to 44, and has praised the workers for their co-operation and effort during the year.

Hon. A. F. Griffith: America gave away price-control in 1946, not this year.

THE MINISTER FOR THE NORTH-WEST: I have here a little book which says it occurred in March, 1953. This is the book that Mr. Simpson quoted the other night as being authentic, and he commended it to me. I had, in fact already read it. I agree that it is the right thing to lift control when it is possible to do so. I think Mr. Roche took the most logical view of the situation when he quoted the high prices for pri-

mary produce, and drew attention to the latest events in the State in connection with the remarkable oil find at Exmouth Gulf.

There is not the slightest doubt that the next 12 months will see a boom in this State. Any real estate agent in St. George's Terrace today will tell one what the effect of this oil strike has been on the price of real estate in Western Australia. He will assure one that without any doubt the values in the city have already jumped to some extent as a result of that find. I think members who intend to oppose this measure are taking a rather strong attitude. After all, the Act does not lay down that specific commodities must be controlled but simply gives the Government power to control, if necessary. The controls can be lifted or imposed, as one member said, at the whim of the Minister, but all Acts are subject to the Minister—

Hon. Sir Charles Latham: They are not.

The MINISTER FOR THE NORTH-WEST: Where they are not subject to the Minister, they are controlled by a board or some other authority.

Hon. Sir Charles Latham: But they have not the right to impose or remove the effect of the legislation from the community.

The MINISTER FOR THE NORTH-WEST: It may not be laid down in such plain and simple language as is contained in this legislation, but nevertheless the power is there. I hope members will take a realistic view of the situation as it applies to Western Australia today. I am pleading mainly for the hundreds of thousands of workers whose wages are pegged by the Arbitration Court.

Hon. N. E. Baxter: Not so much of the pegging!

The MINISTER FOR THE NORTH-WEST: The intention to peg the basic wage became manifest a couple of years ago when there was a softening-up policy adopted by the Press throughout Australia.

Hon. L. Craig: What about the prosperity loading?

The MINISTER FOR THE NORTH-WEST: The wage was pegged during the war years, and the prosperity loading was given as something in recognition of the disparity that appeared so quickly between the two sections of the Australian economy following the war.

Hon. N. E. Baxter: A worker can work for more than the pegged price.

The MINISTER FOR THE NORTH-WEST: Yes, and there is no penalty on the employer paying more. The basic wage is the minimum that must be paid. The prices fixed are the maximum that can be charged.

Hon. N. E. Baxter: That is where it falls down.

The MINISTER FOR THE NORTH-WEST: Only from one point of view. Those who believe this legislation should be abolished naturally feel that the maximum is not high enough and that prices should rise. I have heard arguments tonight in this House that a trader could not sell at a bargain price as he was not allowed to make up on some other article, but there is nothing to prevent him from reducing his price.

Hon. H. S. W. Parker: Nothing except starvation!

The MINISTER FOR THE NORTH-WEST: Of course, he cannot put the price up above the maximum, but there is nothing to stop him reducing it. We were told of one manufacturer producing an article for 15s. while it cost another 25s. to produce it, and then it was said that there was no competition. Surely the man who produced for 15s. could sell at 10s. below the one who produced for 25s. and still make as much margin and run his opposition out of business.

Hon. H. S. W. Parker: It is a percentage.

The MINISTER FOR THE NORTH-WEST: The hon. member said they put their heads together.

Hon. H. S. W. Parker: No.

The MINISTER FOR THE NORTH-WEST: And that they did not compete. That is what it amounts to. The workers have had their wage pegged by the court and it was admitted that they were entitled to 4s. more at the time of the last quarterly review, but the adjustment was not made.

Hon. N. E. Baxter: Can you assure us that it will not be made at the next review?

The MINISTER FOR THE NORTH-WEST: That is at the whim of the president of the court, just as it is claimed that price-control is at the whim of the Minister. No one could guarantee that if this legislation is repealed all prices will not immediately exceed the maximum.

Hon. N. E. Baxter: That puts it on a par with the other.

The MINISTER FOR THE NORTH-WEST: Where there is smoke there is fire. There has been agitation for the pegging of wages, which have now been pegged by the Federal Arbitration Court; and the State court is following suit. There is no doubt that the worker is going to remain where he is while prices run away from him, unless there is provision to steady them should that event come about. I support the Bill.

Hon. G. BENNETTS: I move—

That the debate be adjourned.

Motion put and a division taken with the following result:—

| | | |
|--------------|-------|----|
| Ayes | | 19 |
| Noes | | 8 |
| Majority for | | 11 |

Ayes.

| | |
|-----------------------|-----------------------|
| Hon. C. W. D. Barker | Hon. A. R. Jones |
| Hon. G. Bennetts | Hon. F. R. H. Lavery |
| Hon. J. Cunningham | Hon. L. A. Logan |
| Hon. E. M. Davies | Hon. A. L. Loton |
| Hon. L. C. Diver | Hon. H. L. Roche |
| Hon. G. Fraser | Hon. H. C. Strickland |
| Hon. Sir Frank Gibson | Hon. J. McI. Thomson |
| Hon. E. M. Heenan | Hon. H. K. Watson |
| Hon. C. H. Henning | Hon. R. J. Boylen |
| Hon. J. G. Hisiop | (Teller.) |

Noes.

| | |
|---------------------|-----------------------|
| Hon. N. E. Baxter | Hon. Sir Chas. Latham |
| Hon. L. Craig | Hon. H. S. W. Parker |
| Hon. A. F. Griffith | Hon. C. H. Simpson |
| Hon. H. Hearn | Hon. J. Murray |
| | (Teller.) |

Motion thus passed.

Debate adjourned.

BILL—GOVERNMENT RAILWAYS ACT AMENDMENT.

Received from the Assembly and read a first time.

BILL—ABATTOIRS ACT AMENDMENT.

Second Reading.

Debate resumed from the 4th December.

HON. SIR CHARLES LATHAM (Central) [12.45 a.m.]: This is a simple Bill, under which it is proposed to increase the number of members of the board. Personally I am extremely sorry that the Government has, at this stage, decided to increase the membership before having given the old board an opportunity of carrying out what it was asked to do. An amendment was introduced last year which brought abattoirs under the control of the board and previously they were administered by the Department of Agriculture. The board was appointed and its members took office about March of this year. Those men have had no opportunity of giving effect to any policy; they have been principally engaged in carrying out reconstruction work at the abattoirs.

I think the board should be given an opportunity to frame a policy; and if, at the end of another 12 months, the Government considers it advisable to increase the membership, well and good. But the more members on a board the more difficult it is to administer the Act concerned. Only a short time ago—last year—this House decided that three members should constitute the board, and for the reasons I have given I oppose the Bill. I ask the Government not to try to force the measure through, but to let us wait until next year and give the board an opportunity.

I think it is unwise to have the manager of a concern appointed as a member of the board as well, because he is in the position of being an employer and an employee. After all the manager is always at a board meeting to find out the policy of the board and bring before it any problems that might arise. It is not the function of a board to run a business. Its members are there to determine policy and to control the financial side of the business. The management is in the hands of the manager, and to make him a member of the board seems to me to be most unwise. That is all there is in the measure, and I oppose the second reading in the hope that the Government will give the members of the board an opportunity to carry out their policy.

HON. C. H. HENNING (South-West) [12.50 a.m.]: To me, the most remarkable thing about the Bill is that it seeks to amend an Act that has been in operation for less than one year. We have not been told whether the board is doing a good job or not. The previous legislation was assented to only on the 23rd December last; and if there is anything wrong with the parent Act, or the working of the board, we should be informed of it. It is not logical to alter the composition of a board before it has had an opportunity of proving itself.

The only amendment proposed is that to Section 12 of the Act which seeks to appoint a representative of the Meat Industry Employees' Union to the board, and also provides that the controller shall be a member. If we had been given some good reason to indicate that the board had not discharged its functions properly I would not be averse to increasing the number to five; but if we are to appoint a union representative to the board, I consider that not only should he be a Meat Industry Employees' Union representative but also one who is employed in the trade at Midland Junction.

The other point deals with the controller. The Minister certainly instanced a number of cases where the controller was a member of the board. In possibly one, or even two cases, he pointed out where he was even chairman of the board. However, he also mentioned that the controller did not have the power to engage men. If that is a fact, I think it is a serious charge against the board, because surely a chief executive officer who is not a member of a board should have the power to at least engage employees. I do not know of any board that engages men or dispenses with their services. The controller has every opportunity of attending meetings and his advice would be sought by the members of the board although it would not necessarily be accepted.

I supported the amendment to the Act last year purely because the controller was not to be a member of the board. It is

quite easy in an institution, such as the Midland Junction saleyard and abattoirs to have disputes on methods of selling and slaughtering which have to be settled by the controller. If there were an appeal against the decision made to the board, with the controller as a member, it would be a case of Caesar appealing unto Caesar. If the Minister could instance an example of where the board is not functioning properly, I would give every consideration to the proposal to appoint the controller as a member of the board.

The Minister also referred to the capital outlay by the Government, which is considerable. It seemed to me to imply that the board would not have the same respect for the Government's attitude as would the controller. After all is said and done, the Auditor General, as a result of the powers conferred on him by the Audit Act of 1904-1950, has full authority to inspect the accounts of that board. If any member cares to look at the public accounts it will be found that even after paying depreciation amounting to £14,500 and interest on capital of almost £22,000 the Midland Junction abattoir showed a profit of £23,831. This new board has not yet presented its first annual report. Section 23 of the Act states—

The Board shall prepare an annual report of its proceedings and operations during the preceding year, which report, together with copies of the balance sheet and statements of account then last prepared and audited and the Auditor General's report thereon, shall be laid by the Minister before both Houses of Parliament as soon as practicable in each year.

It is my intention, as I said before, to oppose the Bill. I believe the board should have every opportunity to prove its worth. If, after it has presented its report, a fair and reasonable case is submitted to show that it has not functioned properly, I will be prepared to give consideration to the proposal contained in the Bill and, in all probability, favour any change; but at present I cannot support this measure.

On motion by Hon. A. L. Loton, debate adjourned.

*House adjourned at 12.58 a.m.
(Wednesday).*

Legislative Assembly

Tuesday, 8th December, 1953.

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

QUESTIONS.

HOSPITALS.

As to Collie, Kununoppin, Merredin and Manjimup Finances.

Mr. MAY asked the Minister for Health:

Will he advise as follows:—

- (1) What was the original capital cost of the following hospitals:—Collie, Kununoppin, Merredin and Manjimup?
- (2) What were the conditions of repayment of capital cost of each?
- (3) What amounts of interest, sinking fund and capital cost have been paid in respect of each?
- (4) What are the outstanding balances still owing in respect to each of these hospitals?