

with that provision, although I think that some of the small shopkeepers may be affected, because of the overtime rates, and will be forced to close on those additional days. Those small shopkeepers must be given every opportunity to open their businesses without having to pay colossal overtime rates.

This applies particularly in tourist centres, because the small shops in those places remain open to give a service to the public. The holidaying public definitely require the small shops at beach resorts and so on to remain open, but I am afraid that if a small businessman is employing staff, he will be inclined to close rather than pay overtime rates.

There is a provision in the Bill dealing with the hours of trading for public houses, hotels, restaurants, eating houses, tea-rooms, etc., and once again these hours have been whittled down as regards half-holidays. If this measure is agreed to, overtime will have to be paid after 2 p.m. on a half-holiday. But the general public requires the opportunity of going into these places after knock off time.

If the Bill is agreed to, I am afraid that the proprietors of these establishments will in all probability bring forward the meal hours so that the staff can leave prior to the time at which overtime rates become affective. Therefore this amendment will bring certain difficulties to the general public because they will be unable to obtain meals, etc., on a public holiday.

I think we as a Parliament should endeavour to bring the factories and shops legislation up to date. There are a number of outmoded provisions in the Act, as the Minister mentioned when introducing this Bill. So it would be better if this measure were withdrawn for the time being, and a good deal of consideration given to re-drafting the Act to bring it up to date in all respects. If I could help the Minister in any way in bringing the Act up to date I would be delighted to co-operate with him.

I think that in most country centres the factories and shops inspectors do not police the requirements of the Act as much as they should do, and there are certain aspects which should be policed more than is done at present. The inspectors are given powers in regard to sanitation, and such like. But as regards sanitation, in my view that should be the responsibility of the local authority. That body should also be able to decide what cubic space is required for a worker, and that should not be the responsibility of the factories and shops inspectors. I hope the Minister will give due consideration to the request that he withdraw this Bill in order to bring the whole Act up to date.

On motion by Mr. Court, debate adjourned.

House adjourned at 12 midnight.

Legislative Council

Wednesday, 24th October, 1956.

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

QUESTIONS.

NURSES.

Conditions at Final Examination.

Hon. J. G. HISLOP asked the Chief Secretary:

(1) Is it a fact that at the recent final examination for nurses the candidates were not allowed to take from the examination room a copy of the medical paper, or the general nursing paper, or even the pieces of paper on which they wrote their own notes which assisted them in formulating their answers? If so, what was the reason?

(2) Will the Minister lay on the Table of the House a copy of the medical paper and one of the general nursing paper?

The MINISTER FOR RAILWAYS (for the Chief Secretary) replied:

(1) Yes. This is the usual and necessary practice followed by examining bodies when the "objective" system of examination is followed.

(2) No. These papers may be seen in confidence by the hon. member if he cares to approach the chairman of the Nurses' Registration Board.

KING EDWARD MEMORIAL HOSPITAL.*Administration, Dismissals and Appointments.*

Hon. J. G. HISLOP asked the Chief Secretary:

(1) Is it the intention of the Minister for Health that the King Edward Memorial Hospital is to be conducted in the future by the Department of Health and not by a board of management?

(2) In view of the advice of the advisory committee on the establishment of a medical school that the King Edward Memorial Hospital should be conducted by a board of management, is it the Minister's intention to appoint a new board prior to the commencement of the medical school?

(3) Does not the Minister consider that the method of dismissing the board who, as honorary members, had devoted so much time and rendered such valuable service to the hospital, was discourteous?

(4) What cardinal sin did the board commit to justify the action of the Minister?

(5) Does the Minister consider the experience of the candidate favoured by the department—Mr. Hutchinson—is equal to that of the overseas applicant—Mr. Hodgkinson—appointed by the board?

(6) Is the Minister aware that Mr. Hutchinson in a letter to the then chairman of the board, Mr. S. W. Perry, O.B.E., stated that he expected an overseas appointee to the King Edward Memorial Hospital, and that he personally had applied for an assistant administrative post at Royal Perth Hospital to gain general hospital experience?

(7) Does the Minister believe that such an action by Mr. Hutchinson suggests that his experience or suitability for the post is equal to that of Mr. Hodgkinson who is now secretary or superintendent to a group of hospitals of 1,375 beds?

(8) On the file appears an added note that Mr. Hodgkinson has had no experience in medical schools. Does the Minister accept this in view of the fact that the hospital with which Mr. Hodgkinson is associated is registered for post-graduate medical training in surgery, obstetrics, gynaecology and anaesthesia?

(9) In view of the fact that it is essential that our hospitals should be efficiently administered when the medical school commences, and that the extra Commonwealth grant will materially lessen the unemployment which the Minister gave as one of the main reasons for directing the board to revoke the overseas appointment, will the Minister reconsider his decision, reinstate the board, and allow the appointment of Mr. Hodgkinson to stand?

The MINISTER FOR RAILWAYS (for the Chief Secretary) replied:

(1) No.

(2) Yes.

(3) No.

(4) and (5) The Minister is of the opinion that a local applicant should be appointed if suitable and that Mr. Hutchinson's qualifications are appropriate in all relevant circumstances.

(6) and (7) The letter referred to was an attempt by Mr. Hutchinson to protect his interests as an applicant for the position at King Edward Memorial Hospital.

(8) I am informed that Mr. Hodgkinson has had no experience in hospitals used for undergraduate medical teaching, which are quite different in their organisation from those accepted by Royal Colleges for post-graduate medical experience. Mr. Hutchinson has had experience in a hospital used for the undergraduate teaching of dental students.

(9) The reappointment of a board is under consideration, as is also the intention to revoke the appointment of Mr. Hodgkinson.

BETTING.*Number of S.P. Licensees.*

Hon. J. MURRAY asked the Chief Secretary:

As the Betting Control Board issues two separate licences in regard to s.p. betting, i.e.:—

(a) licence for premises;

(b) licence to conduct,

will he inform the House—

(1) How many licensees under the first heading are also licensees under the second heading?

(2) The total number of licensees under each heading?

The MINISTER FOR RAILWAYS (for the Chief Secretary) replied:

(1) The number of certificates of registration held by licensed bookmakers is 192.

(2) The holders of certificates of registration of betting premises number 216, whilst the holders of licences for betting premises total 215.

Note: One certificate of registration is current at the present time, but no bookmaker is operating on the premises.

EDUCATION.*Retrenchment of Women Teachers, etc.*

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

(1) What are the reasons for the retrenchment of married women school teachers on supply, as recently announced?

(2) Will this retrenchment necessitate increased numbers of pupils in school classes?

(3) Will it not create a shortage of teachers, particularly in country schools?

(4) Does he consider this in keeping with the trend of modern education?

(5) Will it mean a reclassification of schools throughout the State?

(6) Will this retrenchment retard the introduction of the proposed extension of the school-leaving age?

The **MINISTER FOR RAILWAYS** (for the Chief Secretary) replied:

(1) to (6) There is no truth in statements made recently that the Education Department has retrenched a number of married women teachers on supply. There have been no changes in school staffing beyond those normally brought about as a result of increases or decreases in enrolment, resignations or retirements. A greater number of supply teachers are now employed than at any other time this year. The supply staff at present numbers 886 compared with 851 in August, and 786 in February. The total number of teachers employed at present is also at a peak, being 3,635 as compared with 3,606 in August and 3,622 in February.

ANGLO-IRANIAN OIL CO.

Agreement Regarding Liquor Licence.

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

Will he lay on the Table of the House a copy of the agreement between the State Government and the Anglo-Iranian Oil Co., reference:—the building of temporary bar, and hotel licence?

The **MINISTER FOR RAILWAYS** (for the Chief Secretary) replied:

Yes; but as the agreement is the subject of legislation that is shortly to be introduced, it is considered that a copy of the agreement should not be tabled until the Minister has introduced the Bill.

LEGISLATIVE PROGRAMME.

Consideration of Government's Bills.

Hon. J. MURRAY asked the Chief Secretary:

In view of the fact that there remain only 27 normal sitting-days prior to Christmas, and that His Excellency in his Speech at the Opening of this Parliament indicated some very important proposed legislation—

(1) Will he give an assurance that this House will be afforded sufficient time to give these important measures full consideration?

(2) What immediate steps (if any) are being taken to expedite consideration of Government proposals indicated in His Excellency's Speech?

The **MINISTER FOR RAILWAYS** (for the Chief Secretary) replied:

(1) So far as I am concerned the House will be given every opportunity to discuss all legislation.

(2) All possible steps are being taken in connection with the proposals indicated in His Excellency's Speech.

BILLS (2)—FIRST READING.

1, Friendly Societies Act Amendment.

Introduced by the Minister for Railways (for the Chief Secretary).

2, Licensing Act Amendment (No. 5).

Introduced by Hon. N. E. Baxter.

BILL—PROFITEERING AND UNFAIR TRADING PREVENTION.

Second Reading.

Debate resumed from the previous day.

HON. E. M. DAVIES (West) [4.40]: The object of this Bill is to prevent unfair profit-taking and unfair methods of trading and trade competition, as well as to authorise the obtaining of information relating to those matters and to enable anything necessary and incidental to any of them to be done. It also makes provision for the appointment of a commissioner for the prevention of unfair trading. I can see no objection to the proposals contained in the measure.

There are, of course, some sections of it which certain members think should be amended; but, generally speaking, I consider the Bill is necessary because the taking of unfair profits and unfair trading have an effect on prices, which is reflected in the cost-of-living figures that are used in the fixation of the basic wage.

During the debate we have heard a good deal about the inflation that is taking place throughout the Commonwealth, and it appears that some members believe that the only remedial action which can be taken is the freezing of the quarterly adjustments of the basic wage. As Mr. Simpson said last night, the present situation calls for a get-together, but it is remarkable that no mention has previously been made of such a move when there have been measures before this House seeking to compel the Arbitration Court to adhere to the quarterly adjustment of the basic wage.

As we know, the basic wage is compiled on the figures supplied in the "C" series index, and so the cost of living is a most important factor in the striking of the basic wage, which must—and of course does—follow the cost of living. If we are not prepared to take the figures supplied by the Government Statistician, to justify the raising or lowering—as the case may be—of the basic wage, I do not know what other system we can adopt.

The salaries and wages of workers in this State are dependent upon a tribunal which makes the appropriate inquiries, and it is therefore necessary for the rank and file of the industrial movement to present through their advocates the reasons why they think they should be

entitled to an increase; and so I see nothing wrong with the objectives of the measure. There are in the community a great number of people who trade, and I do not say they would all take advantage of a shortage of some commodity in order to increase prices; but there are other sections of the community that are always prepared to take advantage of anything that happens in that regard.

Rents are one matter that I have in mind. When the rent controls were lifted, we found that certain individuals who previously had charged from £1 to 30s. as rent for premises, immediately charged in the vicinity of £5. I do not for one moment suggest that that applies to the real estate agents, because I am referring to individuals who took advantage of the opportunity to obtain rentals which were not commensurate with the value of the premises rented.

In regard to any property built under present-day conditions and costs, one would naturally expect sufficient rent to be charged to cover the capital cost and depreciation; but it is unfair that people should be prepared to increase considerably the rents on properties 60 or 70 years old. Among other sections of the trading community there are individuals who take advantage of any occasion which arises to increase their prices.

The Bill deals also with unfair trading, a matter which should receive considerable attention from members. Of course there are those people who will, by various means, take steps to prevent the distribution of certain commodities for sale to the general public, in order to obtain an increase in the price. Only recently a small businessman complained to me that he had attempted to expand his business and stock another line but had been told that he would not be supplied. When he said that he would go to the manufacturers, he was told, "If you do, they will have to choose between the big purchasers of that line and a small businessman like you." He has not yet received supplies of that commodity, which he could use to expand his business and provide for the requirements of the people in his district.

I wish next to mention the wholesale chemists who dispense medicines wholesale and decide on the prices. If a retail chemist offers a pharmaceutical line at a price lower than that set by the wholesale chemists, he soon finds that he receives no further supplies of that line. This is a question which should receive a great deal of consideration by members of this House, because if the problem of inflation is to be tackled, there is no single section of the community that should bear the brunt of it.

Apparently that is what has been admitted in the past because, although the figures that have been presented to the court during the inquiries into adjustments

to the basic wage each quarter have indicated that there has been an increase in the cost of living, the salary and wage earners have been denied a comparable increase. Therefore, with any slight increase in the basic wage, prices and the cost of living rise.

The arbitration system is an important part of our democratic set-up in this country; and if the largest section of the community is dependent upon the decision of the tribunal appointed to inquire into the reasons why an increase in the basic wage should be granted, I see nothing very wrong with the proposition contained in the Bill now before the House. It provides that the office of a commissioner should be created to make the necessary inquiries into certain types of businesses and trading undertakings when it is considered that some unfair advantage has been taken by them in the circumstances that exist today.

Although this Bill has been introduced to deal with certain individuals, I am certain it would not apply to the majority of traders, because my knowledge of them makes me sure that they wish to carry on their businesses in a proper and reasonable way. I would like to point out, too, that when mention is made that a Bill such as this takes away the rights of the people, it should be realised that there are many rights that we should enjoy but are denied because of the laws on our statute book. Penalties are provided for those who break those laws.

Those who maintain that there is no freedom left to us, have only to look back over past years to realise that we have always been compelled to do this, that or the other. For instance, in our childhood we were compelled to go to school; and when we reached maturity, we were compelled to vote for the Legislature in this country. There are many other things we are compelled to do. However, as long as we conform to the laws of the land, there is no need for us to be concerned; and the same applies to this legislation.

There is no need to raise any hue and cry over this Bill if traders carry out their business in a fair and reasonable way. Those people who conduct their businesses along those lines, and who are making a fair profit, have nothing to fear from the provisions in this measure. I support the second reading.

HON. N. E. BAXTER (Central) [4.54]: When this Bill was first submitted to another place it was the greatest piece of socialistic legislation that had ever been brought before Parliament. It almost bordered on communism. I say that advisedly, because the Bill provides for the appointment of a commissioner whose powers equal those of a commissar. In the original Bill he had so much power that he had no need to refer to anybody else and had nothing to fear from any

court or any person. If that is not close to communism I do not know what is. Apparently this legislation was first presented without thought of any description.

I hear some veiled sniggers around the Chamber; but on considering the original Bill as it was first presented to Parliament, one can only come to the conclusion that it was presented without forethought, and that it was vicious in the extreme. Its application in its original state would have meant the stifling of private enterprise and would have prevented any chance of capital investment being made in this State. The original Bill placed a man with wide powers in a position to say to a trader, "I will decide what profit you shall make and what you shall trade in." The commissioner also had the right to brand a trader as a rogue and a scoundrel.

Even in its present amended state, I am not very happy about the Bill, and I hope that it will be amended still further. I doubt it would do much to curb the inflationary trend in this country today. It would indeed be a threat to those people who set themselves out to exploit the buying public. However, taking it as a whole, the Bill itself is a far cry from solving the inflationary trend today. We should face up to the facts squarely and ask: What is the cause of inflation in this country and in our State?

Firstly, since the war this State has developed beyond anything that could possibly be imagined. The same applies right throughout the Commonwealth. The amount of money that has been spent on public utilities and services in all States of Australia has been outstanding. Naturally, if the States are to continue to borrow at the rate they have been doing in the past and to spend it at a similar rate, inflation must follow, and somebody will have to pay the price; and that somebody is the Australian public.

Then our standard of living is second to none in the world. Are we to enjoy that high standard of living without giving anything in return, without making sacrifices, and without having to face up to the repercussions that follow? Of course we cannot! Other nations cannot do it, and nor can we. The trouble today, however, is that no one is prepared to make sacrifices to stop the inflationary spiral. When speaking on this Bill last night, Mr. Simpson summed the matter up in a nutshell by saying that the answer to the problem is that all sections of the community should get together in an effort to make some sacrifices. It would be a particularly big job of course. I know that only too well. However, such an effort would be the only way to curb the inflationary spiral.

Take our position in regard to industrial matters. What has happened to the powerful industrial unions today? Have they tried to pull together to do something about this position? In my opinion they

have not. On the contrary, they have given encouragement to the workers to work fewer hours for more money. I do not say that they are entirely to blame for the inflationary trend; but when this Parliament decided to abandon price fixing, it threw out a challenge to industry, manufacturers and retailers and stated that if they did not play the game, price fixing would be reimposed.

I would say that, with a few exceptions, the majority of traders and business people have played the game, because competition has come into the field, and that has kept the market static. It has even kept prices down to a reasonable degree. What has happened on the other hand? Have the unions decided to play some part in keeping prices down? The answer is "No." They still continue making applications to the Arbitration Court for fewer working hours and higher wages. At present there is an application by the railway unions for a 35-hour week. Are those things going to solve our inflationary spiral? Such applications will only increase the inflationary spiral even more.

Hon. E. M. DAVIES: Don't you think that workers should get some benefit from mechanisation?

Hon. N. E. BAXTER: Most definitely the workers should get some benefit from it! But the answer is not shorter working hours or higher pay. The answer is to use that mechanisation to do a lot more than has been done in the past. In this respect the Government has also failed to fulfil its obligation to the people.

The Minister for Railways: Which Government are you referring to? The Commonwealth?

Hon. N. E. BAXTER: All Governments, particularly this State Government. Since taking over the reins of office, has the Government been trying to cut down costs? Lately, in some departments, there has been a trend to be niggardly with regard to services given to country people; but the same policy is not applied with regard to the city, where the Government is prepared to spend as much as, if not more than, in previous years. The trend is to cut country services, such as the country school buses. On the other hand, if there should be a small cry from a section of the population in the city that school children have to travel, say, seven miles to school in a bus, a promise is made by the Government immediately to build a couple of new school rooms; that happened at Scarborough. Can any member of the Government deny that this is a wrong attitude?

The Minister for Railways: The children must be accommodated.

Hon. N. E. BAXTER: That is what I meant by the Government keeping up to its obligations to the public and not attempting, in a sound and solid way, to cut down expenditure.

The Minister for Railways: I am sure you will support the closure of many of the railway lines.

Hon. N. E. BAXTER: I shall not support the closure of country lines, but I would say to the Minister that it is time someone got down to sound facts and told the Railways Commission that this undertaking has to be run on reasonable lines, and not let the whole show go haywire as was done in the past. I am not blaming the present Minister for this, because he has been in office for only a short time. But will the Minister stand up to the powerful railway unions and tell them where they get off? Until that happens, nothing sensible will be done in the railways. In the past the administration has been frightened of the railway unions or of the threat by them to this effect, "If you put that man off, we will go on strike."

The PRESIDENT: Order! I hope the hon. member will connect his remarks to profiteering and unfair trading.

Hon. N. E. BAXTER: I was pointing out that the Government is not attempting to stop the inflationary spiral, which this Bill is supposed to do. Turning to the Bill itself, the definition of "trading," covers trading in goods or services, or both, and the term "trader" has a correlative meaning. What exactly is meant by "services"? Are they the services given by the Tramways Department, by the Railways Department, by the doctors, by the plumbers, by the bricklayers, or by any other section of the community? The definition has such a wide scope that it can mean anything. Will it be applied to all those sections of the community I have mentioned? It is too wide to be applied successfully to any of them without being applied to the whole.

The definition of "unfair profit" in the Bill includes a profit made by a person in respect of the goods concerned. Services are left out of that definition altogether. How in the world can one brand a person who is giving a service as an unfair trader, if the term "services" is not included in the definition of "unfair profit"? The commissioner proposed under the Bill cannot say that a person made an unfair profit in giving a service, because "services" is not mentioned in the definition.

Hon. A. F. Griffith: Don't you think that the commissioner will be able to say practically what he likes?

Hon. N. E. BAXTER: I agree. If a challenge is made by a person giving services, there is an opening for him to say, "I am not trading in goods, therefore I could not have made an unfair profit." That stands to reason. Then again, under his Bill it is proposed to set up a commissioner who is practically a commissar. The only right of appeal is to the president of the Arbitration Court. I do not know

why he is picked. Surely he has enough on his hands without having to decide whether a person is an unfair trader or not! I cannot understand why the appeal should not be made to a judge of the Supreme Court who has just as much knowledge and right to adjudicate on an appeal as the president of the Arbitration Court.

Furthermore, as was stated by Mr. Logan, what type of "supersonic superman" would the commissioner have to be to be able to decide all of the things envisaged in the Bill, without having any person to advise him? I believe as Mr. Logan does, that such a person would not be employable as a commissioner under the Bill because he would be so capable that he would be much better off as manager or director of a big concern; that is, if he possessed the necessary knowledge to adjudicate on all the matters set out in the Bill. That is why any person appointed as commissioner would necessarily require an advisory council to advise him on the different features involved and on the matters that come up under the Bill.

Although I am supporting the second reading, I most certainly will not support the Bill any further if, during the Committee stage, an advisory council is not agreed to, or if the life of this Bill is to go on indefinitely. In other words, I will not be agreeable to the passing of the measure if it is not to be restricted to a given period. I believe 12 months might be too short a time to give it a proper trial. On the other hand, a period of over two years would be too long to let a measure such as this continue without review by Parliament. With those remarks I support the second reading.

HON. H. K. WATSON (Metropolitan) [5.10]: In moving the second reading the Chief Secretary invited members to think for themselves and to deal with the Bill here as a House of review. I propose, as I have always done in the past, to do just that. I have read the Bill carefully and have given anxious consideration to the remarks of the Chief Secretary. His arguments seemed to indicate that the State is in the grip of an inflationary spiral; that it is our duty to halt that inflationary spiral; that this Bill is an honest endeavour by the Government to do that, after consideration of every aspect of the matter. That sums up the arguments used by the Chief Secretary in moving the second reading.

I would like to make a couple of observations on that summary. I have always understood that inflation occurs and exists when there is a shortage of everything except money; when money is cheap and plentiful but goods are in short supply; and when there is full employment. They are the elements which generate inflation, and which enable certain sections of the community to hold other sections to ransom. We experienced those conditions

some five years ago, but in Western Australia today they do not obtain. It can hardly be said that money is either cheap or plentiful in this State; or that there is a shortage of goods; or that there is even full employment.

The truth is that in Western Australia today money is tight and dear; there is an abundance or even an over-abundance of most goods; and unemployment is rearing its ugly head. To prevent the spread and increase of unemployment, and the harmful effects of factories working on short time or having to close down on account of being unable to dispose of the goods they produce or are capable of producing, there is keen competition to secure orders and to sell stocks which have accumulated; accordingly prices are kept at a minimum.

In the main, the balance sheets and accounts of manufacturers and merchants for the year just ended disclose either greatly reduced profit margins, or—in quite a few instances—substantial losses. It is true that costs of production and distribution are high, and that today most manufacturers and merchants are at their wits' end to make ends meet, to keep the wheels of industry turning, and to find the wherewithal to meet the weekly wages bill. It is well to remember the elementary fact that a manufacturer or merchant cannot for very long find the money for the weekly wages bill unless he can sell, at a reasonable figure over cost, the goods which he produces or handles.

As I said, costs of production and distribution are high, but that is an entirely different problem to the problem of inflation, and the opportunity for profiteering. On this question it is well to remember a few more elementary facts. For so long as we have high water rates and municipal rates, high electricity charges and high rail freights, we will not lower the cost of production and distribution.

Since wages, directly or indirectly, constitute by far the greatest element in the cost of manufacture and distribution, let me say with great respect that we will not lower the cost of production so long as the president of the Arbitration Court of Western Australia pleases to distinguish himself from his predecessor in office and from the judges of the Federal Arbitration Court by increasing wages each quarter according to the "rock-n-roll" formula of the "C" series index. And we will not reduce the cost of living while meat, vegetables, eggs and other primary products and foodstuffs remain at their present prices.

For the reasons I have mentioned, I cannot see anything in the speech of the Chief Secretary to justify the introduction or the passage of the Bill. At the moment our worry, I submit, is not to stop inflation but to ward off a recession; and so far as I can see, the Bill will not improve the economic health of the community. It will

not reduce the cost of products or the cost of distribution any more than it will reduce the incidence of polio or rheumatism.

Many of the real disabilities in Western Australia today are, as one or two of the previous speakers have intimated, due to the stupid conception and administration of the licensing of imports. There is no doubt that whenever Governments—the Menzies Government, the Hawke Government, or any other Government—start interfering with trade or commerce; when they go beyond the real functions of a Government, they can invariably be relied upon to make a proper mess of things and to create chaos in industry and commerce to the detriment of the country.

It may interest members to know that hard-to-come-by orders for export flour are seriously jeopardised by import licensing. Flour has to be exported in locally made calico bags; yet the importation of the requisite calico can only be made under import licences which are issued on a restricted quarterly basis, and which leave the bag manufacturers quite unable to be sure whether they can provide the bags when the flour millers in this State are offered overseas export orders subject to prompt shipment.

One month the bag manufacturer may be called on for only 40,000 bags, and the next month for 300,000. Reserve stock are essential, but are not permitted. So it may come about that an export order for flour, worth £500,000 to the State, is lost and employment is lost, because the bag manufacturer has been precluded from importing calico worth £40,000.

The distinct possibility arises of losing an export order worth £500,000 through inability to import a mere £40,000 worth of calico; and that is done in the sacred name of reducing Australia's excess imports over exports. This indicates how the official mind works under import controls and it is a fair illustration too, of how the official mind can be expected to work under this Bill. The official mind simply cannot resist poking its official nose into everything.

I have spent many hours studying the Bill, and my reaction to it is just the same as Mr. Baxter's; and, in view of the remarks he made, I was surprised to hear him say that he was going to support the second reading. My reaction is that it ought to be sent back to the draftsman who should be instructed to take the trouble to analyse his ideas and define his intentions with precision before putting pen to paper.

The Bill is entitled a "Bill for an Act to Prevent Undue Profit Taking; Unfair Methods of Trading; and Unfair Trade Competition." We will all concede that that is a title calculated to call for a hipp-hip-hooray. Apparently the title was well

chosen, for both Mr. Baxter and Mr. Roche have already signified their intention of voting for the second reading.

If there is one thing that distinguishes a democracy from a dictatorship it is the rule of law. It is commonsense, and it is a cardinal and fundamental principle of the rule of law, that when a citizen is by law to be penalised for doing something which is forbidden by law, the thing or action which is forbidden should, with clarity and precision, be detailed and set forth in the law. How else can a citizen know the law; and how else can he obey it?

It is all very well for Mr. Davies to say that citizens obey the law as it is laid down under other Acts. Under other Acts, the law is laid down, and in most of them we are told what is the law, so we know the action we have to do or refrain from doing; but this Bill offends that cardinal principle entirely. It seeks to undermine the whole fabric of the rule of law. It seeks to have the straight rule of law replaced by the crooked rule of discretion.

The basic contents of the Bill may be summed up in this manner: Firstly, it declares that its objects are threefold—

- (1) To prevent unfair profit taking;
- (2) to prevent unfair methods of trading; and
- (3) to prevent unfair trade competition.

Secondly, it leaves citizens entirely in the dark as to what constitutes unfair profit taking, unfair methods of trading, or unfair methods of trade competition. The interpretation of these vague and loose general terms is left to the discretion of the commissioner within whose power it will be to charge any citizen with having done any of these things, and then to find him guilty. The citizen is not to be tried by a judge or jury. The commissioner is to be both the prosecutor and the judge, with all the attendant opportunities of oppression, extortion, corruption and political skulduggery.

Thirdly, if the commissioner, at his own whim or caprice, or at his own favour or prejudice finds a citizen guilty, then from that time on, following the questionable right of appeal, the citizen's business is, for all practical purposes, to be conducted under the control of the commissioner.

They are the three basic principles of the Bill. It contains many other objectionable features; but I feel there is no need to pursue the other points because, in my opinion, these three basic features are sufficient. Whilst proposals such as have just mentioned might find favour with the shah or the people of some Oriental country where democracy and the rule of law are unknown, and where

extortion, graft, and corruption are the current coin, I am shocked beyond measure that they should have been presented for the consideration of the Parliament of Western Australia.

The proposals in the Bill, I submit, strike at the fundamental liberty of citizens; and, in this State, business conditions are precarious and difficult enough without subjecting businessmen and producers to the further worry and irritation of being harassed by the hordes of inspectors who would be appointed under the measure; or the fear that, for reasons unknown to them, they may be the next in line to receive the thumbs-down sign of the Caesar who is going to be appointed under the Bill.

Last night I listened to the speech by Mr. Roche, and to my mind it was really remarkable. He addressed himself to the question with a breadth and depth of vision about as wide and deep as the town drain at Kojonup. His reasons for supporting the Bill were these: He said, "The farmer is out of the Bill"; and then, with a look on his face which did appear to me to convey the unuttered expression "Dieu et Mon Droit", he said, "I am going to support the Bill." He also went on to say that he was supporting the Bill because it would prevent certain abuses which were taking place, but he made no attempt to indicate what abuses were taking place. He made the statement and let it go at that, just as the Chief Secretary did when introducing the measure. If abuses are taking place, let us put them on the table, let us have a look at them, and let us legislate against them.

Hon. H. L. Roche: And if there are no abuses, there is nothing to worry about.

Hon. H. K. WATSON: That is so. But simply to say, "We will stop these abuses and that is why the Bill should go through", is, I submit, a wholly wrong approach to the question. It may be that the farmer is, in the main, out of the Bill. But what of the primary producer? Because, with due respect to the farmer, he is not the only primary producer. We have the growers of tomatoes, beans and cauliflowers. If the measure goes through, we will find that the consumer, and these guardians of the consumer, will make it very clear that the growers of tomatoes, beans, cauliflowers and many other food-stuffs are to be brought under the Bill, and the prices reduced.

Hon. N. E. Baxter: That is not right. The auction system applies to these people and it is excluded.

Hon. H. K. WATSON: We can question oats. Oats, even as grown by the farmer, still come under the Bill. But on this question I think Mr. Logan struck the right note, namely, that if the Bill is to become law, why should it not apply

to every citizen? Why should any section of the community be exempt? Why should the farmer or any other section be exempt? Why should auction sales be exempt?

If the Bill is to become law let it apply to every section of the community. After all, that is what Parliament is here for. We are not here to legislate for sections but for the whole community. If the measure is to become law, then I say it should apply to goods sold by auction and to other goods sold by the farmer no less than to the goods produced by the manufacturer, to be sold by any other person, or to the services rendered by any other person.

Hon. L. C. Diver: I thought the auction system was the essence of free enterprise.

Hon. H. K. WATSON: The auction system could well be held to be, and not infrequently is, the setting off of one hungry man against another hungry man and allowing the goods to go to the highest bidder, riding him to the death-knock, and getting much more for the article that is being sold than it is worth. The auction system could well be said to be the exploitation of persons who for particular reasons may want the goods.

Hon. L. C. Diver: Do you not agree with the wool-selling system?

Hon. H. K. WATSON: I do not object to wool being sold by that method.

Hon. L. C. Diver: It is sold by auction.

Hon. H. K. WATSON: There are other goods sold by auction as well.

Hon. H. L. Roche: You do not think that that is good.

Hon. H. K. WATSON: In the main wool is sold for export overseas. But regardless of whether I agree with the present wool-selling method or not, I say that if there is a fault somewhere, it should be covered by this Bill. If the auction system is good and the price is fair, there would be nothing to worry about if that method of selling were brought under the control of this legislation. But why should the auction system, any more than any other system, be left out of its provisions?

Hon. R. F. Hutchison: What are you worrying about?

Hon. L. A. Logan: They buy wool from the farmer at 60d. and sell it at 80d.

Hon. H. K. WATSON: If the Bill becomes law, why should we leave anyone out?

The Minister for Railways: Including landlords?

Hon. H. K. WATSON: Landlords are already covered by the rents and tenancies legislation.

The Minister for Railways: They are still uncovered here.

Hon. R. F. Hutchison: My word they are! Under your Bill, too.

Hon. H. K. WATSON: It was typical that in the absence of any case in support of the Bill, Mr. Davies, when speaking to the second reading, devoted two-thirds of his time to discussing the question of rents, which are already covered by an Act on the statute book, and which will not in any way be affected by this legislation.

Previous speakers have indicated the vast powers that are to be given to the commissioner who is to be appointed under this proposed legislation. He may be a civil servant—and the Act contemplates that he may be because provision is made for what shall happen if he is a civil servant—or he may be an outsider.

Hon. A. F. Griffith: Do you think he would be a local man?

Hon. H. K. WATSON: I would say that the civil servant is not living to whom I would entrust the dictatorial powers that will be conferred upon the commissioner under this Bill; for that matter, the individual is not living, be he a civil servant or an outsider, whom I would trust with the powers that will be conferred under this legislation. If it is not to be a civil servant, who will be the commissioner? Are we going to transfer dear old Bert Styants from the Betting Control Board to become controller of profiteering? We can all imagine what would happen with his experience of the railways! He would probably drop down dead if he saw anyone breaking even let alone making a profit.

Hon. F. D. Willmott: The s.p. bookmaker is getting his corner.

Hon. H. K. WATSON: He is the only one who is not covered by this legislation. The Government is very careful to protect the s.p. bookmakers.

The Minister for Railways: They sell by auction.

Hon. H. K. WATSON: Let us assume that we found the individual—and heavens knows where we would find him—

The Minister for Railways: It could be H. K. Watson.

Hon. H. K. WATSON: —who endeavoured to achieve the impossible task of making this legislation work and acting as he thought fit. I would give him precisely 30 minutes in office; and then he would be in exactly the same position as is the board of management of the King Edward Memorial Hospital because, under this legislation, the commissioner is under the control of the Minister. I can see what would happen. The Minister would promptly clamp down on him, and he would quickly find himself in the same position as the board of management of the King Edward Memorial Hospital because, in their wisdom, they took an action in which the Minister did not concur.

When we come to consider what might happen if this legislation becomes law, I think a fairly good guide—and a much better one than the forecasts, promises and assurances of some of the sponsors of the Bill—is the actual experience which we had under the prices legislation of a few years ago. Let me mention a couple of illustrations which came under my particular notice at that time.

One merchant in the city found himself being investigated by a prices branch officer, and the person who was investigating his affairs, and reading the riot act to him under that all-powerful piece of legislation was none other than a former employee of his whom he had sacked approximately two years before for theft.

Hon. E. M. DAVIES: There are accountants who get charged with that, too.

Hon. H. K. WATSON: Yes; and we could well find some of them being employed in the proposed prices branch, as they were in the old concern. I can remember another case where a firm was being kept down to profit margins which were ridiculous and impossible. Though the documents concerned were under Mr. Mathea's name, it was the sub-assistant, or director, or somebody like that who had the say, even when conferences took place; Mr. Mathea did not exercise his own mind in regard to it but relied upon the other person. The star expert, and the man who was telling this business firm how to run its business, had only recently come out of Heathcote. We can smile about these things now, but it is pretty hard on businessmen when they have to put up with it.

Hon. G. BENNETTS: Not if they are honest in their trading.

Hon. H. K. WATSON: I can see the same thing happening again. Although the export of wool was a matter over which the prices commissioner, under the old Act, had no jurisdiction, the branch did not hesitate to call for the accounts and balance sheets of a wool-exporting company. It was clear that the only reason why the accounts were called for was to satisfy the curiosity of some officer, or the friend of some officer, in the Prices Branch. So I could go on. In moving the second reading the Chief Secretary said—

The Bill is not aimed at business as a whole.

That is ridiculous! Of course it is aimed at business as a whole! He went on—

The Bill is of general application.

It applies to everyone, except the farmer, at the moment; and it applies to all classes of transactions except auctions. If the Bill is passed, for my part I hope it will be made to cover farmers and will also include selling by auction. But if it is aimed at only a few businesses, why not name them? Why not put their cases on the table and let Parliament legislate in clear and unmistakable terms for and against them?

As it is, the Bill means what it says, and it leaves the whole field open for the commissioner to go on a roving expedition, either of his own accord or at the prodding of someone who has been overcharged 3d. for a pair of shoe laces, or who thinks there is a chance of getting a reduction in the price of something which he has purchased.

The Bill makes it an offence for anyone to take an unfair profit; and in his second reading speech, the Chief Secretary said that anybody who attempted to take more than a fair share of profit was a traitor to his country and to his fellow citizens. I think that is a statement that has to be read having regard to all considerations; and I start off with this consideration: Whatever profits a man or company makes are all subject to income taxation. In the case of companies, 8s. in the £1 is paid on net profit and in the case of individuals up to 13s. 4d. in the £1 is paid. So I doubt whether Sir Arthur Fadden or the Commissioner of Taxation would say that the man who made high profits was a traitor to his country.

There is room for a considerable difference of opinion in regard to the Chief Secretary's statement because we must remember that profits provide a very substantial part of the revenue of the Commonwealth and, therefore, the revenue of Western Australia depends to a large degree upon that income taxation. We also know that a substantial part of the loans made by the Commonwealth to the State Government are financed from income taxes which have been collected out of profits made by the much-maligned merchants. Take the £2,000,000 recently granted to the State Government by the Commonwealth Government. That has come out of income taxes.

The Minister for Railways: And the State has to pay interest on it.

Hon. H. K. WATSON: So we can see that even from the revenue angle the State Treasury and the Commonwealth Treasury would be in pretty dire straits if substantial profits were not being made throughout the country. So far as businesses themselves are concerned, profits are essential. They are essential to service capital; to provide for depreciation and replacement of plant, and superannuation funds; and to build up reserves against losses, and also to ensure employment for the staff.

I have said before that in the United States of America the trade unions or the employees never criticise the companies for which they work for making large profits; the criticism there is that if they do not make large profits they are not companies worth working for. That is a pretty logical and sensible approach.

I would ask: What is an unfair profit? The Bill does not explain what it is; the Chief Secretary has not attempted to define it; and, so far, no supporters of the Bill

have attempted to tell us what it is. They have not been able to do so for the very good reason that it is quite impossible to define an unfair profit. What group of individuals—apart from s.p. book-makers—are making an unfair profit within the meaning of this Bill? Let the Chief Secretary name one company—he can name half a dozen if he wishes, but let him name one company—that is making an unfair profit. Would he say that if 10 men carved up £35,000 a year that was an unfair profit?

As members know, £35,000 is the amount that the 10 Cabinet Ministers take out of the Treasury coffers of Western Australia; and there are quite a number of citizens who reckon that that is profiteering. They reckon that £35,000 is far too much for 10 men to take out of the Treasury. On the other hand, I have no doubt that every Minister of the Cabinet could satisfy himself, and many other people, that £35,000 for the 10 of them is not an unfair profit. It is all a matter of opinion and it depends at which end of the barrel one is.

I would like to inform the House that a few weeks ago the State Housing Commission submitted a small block of land to tender at 24 Morris Place, North Innaloo. We all know that the system of tender, like that of auction, is the most desirable method; and I feel sure Mr. Diver will admit that to be so. The idea is that one submits the block of land for tender and names one's upset price. But in so far as it is possible, one endeavours to squeeze out a bit more from the prospective bidder even though the upset price is considered to be fair value.

The upset price for the block of land in question was £800, which represented a sale price at the rate of £11,000 per acre. It was offered for sale at an upset price at a rate of £11,000 per acre, although the State Housing Commission purchased it from the previous owner at £60 per acre. Is that to be taken as a criterion, and is it to be considered an unfair profit? If not, what is? What is the criterion of a fair profit? That is what I would like to know; and no one yet has given me the answer.

Let us consider the price of oats, for example. A few months ago oats sold at 3s. 6d. a bushel, but today it is selling at 7s. a bushel. Under the provisions of this Bill what is to stop any smart Alec from buying oats at 7s. and then going to the commissioner for unfair trading and saying, "Three months ago a particular farmer was selling oats at 3s. 6d. a bushel, but today he is charging 7s. a bushel"? What is a fair price? What is an unfair profit? The fact remains that no one can define what is meant by an unfair profit, and that is the whole weakness of the Bill.

It was said by the Chief Secretary that the insertion of a definition of unfair profiteering or unfair profits was considered, but it was decided that one could

not be formulated to meet all circumstances. But, as an example, one firm could sell articles at a lower price than other firms and still make greater profits than its competitors. That shows the futility of the measure.

Unless a man is told what he has not to do, how in the name of justice and commonsense can he be told later that he has been profiteering and that he is liable to a fine or to have his business controlled by the commissioner? Let us make it clear in the Bill what a man is, or is not, to do. If we did that we might get somewhere. But that is not possible, because nobody can define an unfair profit.

We are legislators; and as a matter of legislation and to illustrate my point, I would remind members that a year or two ago we were presented with a Bill which we passed. The effect of the measure was to provide that any offences against children were not to be tried in the Criminal Court before a judge and jury but in the Children's Court. In drafting the Bill the draftsman included the general term "offences against children."

Those members who have read the recent reports of the Supreme Court will have observed that their honours, the justices, blandly pointed out our ignorance in this matter and the futility of our generalisation. We simply perpetuated a fault made by the Parliamentary Draftsman. The term "offences against children" was too general—as is "unfair profits"—and the court has made it clear that it does not know what is meant by "offences against children."

The court is quite sure that we do not know what is meant by the expression, and has requested Parliament to redefine its attitude, and to set out in the Act what are to be considered as offences against children. Until this is done the Act is unworkable. I submit the same judicial view would be taken of the loose, flimsy and useless expression employed in this Bill. I have tried to work it out for my own satisfaction.

Who is to be the target for this Bill? Is it to be the North-West Whaling Co.? Is that firm going to be attacked because it beat the Government to the post in obtaining the whaling station? What about the sellers of hats and furs and other luxuries?

The Minister for Railways: What about the fellows who wind back the speedometers?

Hon. H. K. WATSON: They are already provided for. If a woman wants to pay £10, £20 or £30 for a hat, or if she wants to pay £100 or £500 for a fur, I submit that is her business. But having bought it she should not then have the right to run off to some civil servant and say, "I have paid £100 for a fur, but I want to get it for £60. Come and give me a hand, and

here is my local member to help you towards that end." I can see all sorts of possibilities if this Bill is made law. I would like to read a statement made by the Minister for Native Welfare. It is as follows:—

It is nothing unusual to find two people working from 14 to 16 hours a day in a small business to make less than the basic wage, because of firms like chain stores and super markets. So it is about time someone analysed the position to see where these unfair trade practices are being carried on against the best interests of the community and the small business people. The commissioner will deal with it in due course.

That is one of the possibilities that the Minister for Native Welfare has in mind in relation to this Bill. He is going to give the super marts the works.

When we come to deal with the super markets under this Bill—bearing in mind that the Bill deals with (a), unfair profits; and (b), unfair trade practices—I suggest it is going to be a case of the irresistible force meeting the immovable object. So far as the super marts are concerned it is going to be a case of "be damned if you do and be damned if you don't." Let us look at the position. The super markets are being criticised because they are underselling other businesses, because they are selling to the consumer too cheaply. They are going to be stopped from underselling other businesses.

The Minister for Railways: Where did he say that?

Hon. H. K. WATSON: That is the implication contained in the measure. How does the Government propose to deal with the super marts? Is it the intention to make them increase their prices so that the smaller competitor will be able to sell at the same price? If that is done we will, of course, further increase the profits of the super marts. Or is it proposed that the commissioner will make the super marts reduce their margin of profit and sell at even a lower price than they did before?

If we achieve one object and make the super marts reduce their price, and make them sell at a lower profit, surely that would be unfair trade practice because it would completely put the other trader out of business. If the super marts happen to be undercutting by 10 per cent. at the present time they will be compelled to undercut by 15 per cent. I am rather curious to see how these provisions will work.

The Bill also deals with restrictive practices. It so happens that in manufacturing industries and other industries—no less than primary industries—we do have agreements relating to organised marketing. On page 5 of the Bill we see a number

of systems of organised marketing, or restrictive practices, which are to be outside the provisions of the Act. But other restrictive practices are to be brought within the scope of the Act.

There again, I submit that if this Bill is to deal with restrictive practices, and if under any restrictive practice—whether it be operating under the cover of an existing law, or whether it be not operating under cover of an existing law—there is a racket being worked, that should likewise be the subject of investigation, and under the jurisdiction of the appropriate authority.

Looking at the Bill as a piece of legislation, I say that its provisions relating to restrictive practices, both to what they are and the method and manner in which they are to be dealt with, would be a disgrace to this Parliament if they went through in the slipshod manner in which they have been presented to us. I would submit that the question of restrictive practices could well be made the subject of an entirely separate piece of legislation if it is desired to legislate against them. It should not be tangled up in a hotch-potch such as this.

It will be found that was in fact done quite recently in the Parliament of the United Kingdom in July last. That Parliament passed the Restrictive Trade Practices Act, 1956. So far as that English Act is concerned, one does know how one stands. It does not offend the rule of law, and it states clearly so that anyone who runs may read, what the act is of the restrictive practices. It sets out who will be liable and the position of the court which deals with them, and so on.

Hon. H. L. Roche: Do you agree with its provisions?

Hon. H. K. WATSON: I do not feel disposed to answer that question, for the reason that I have not gone right through it; but there are some provisions in it which I confess are, in my opinion, unobjectionable. It is an Act of some 30 pages, and this is how it operates: There is no commissioner running around the country who is a law unto himself to catch any unsuspecting merchant. There is nothing like what is contained in the Bill now before us.

It is an Act which provides what agreements should be registered, and they are to be registered with the registrar. Every agreement made and nominated by the Act has to be lodged with the registrar; and then the registrar can, at any time, make an application to the court which is constituted under the Act to declare that that agreement provides for some restrictive practice, and is inimical to the best interests of the community and the court may declare it void. However, it provides for a proper court.

The Act provides for five judges and nine other persons with the qualifications set out, and they constitute the panel from which a court is drawn; and when the registrar wants to challenge any trade agreement as being a restrictive one, he takes the parties to the agreement to the court. The schedule of the Act provides that the court may sit either as a single court or in two or more divisions concurrently, and either in private or open court for the hearing of any proceedings. The court is to consist of a presiding judge and at least two other members.

Hon. H. L. Roche: On whom is the onus of proof?

Hon. H. K. WATSON: The onus of proof, I imagine, follows the ordinary rules of law.

Hon. H. L. Roche: I do not think so.

Hon. H. K. WATSON: Regardless of whom the onus of proof is on, the fact remains that the system is that one registers an agreement with the registrar, and the registrar may take one to the court. He has not got the power himself to say, "In my opinion this is an unfair practice." He takes the person before the court; and before that court the person is given a fair trial, win, lose or draw, and I should say that is the elementary requirement in any British system.

Hon. L. C. Diver: But the onus is still on the individual.

Hon. H. K. WATSON: Pass a Bill like this English Act! In that Act, we have the basis for such a Bill. The English Act provides for the enforcement of agreements; it provides for the invalidation of certain agreements between merchants; but it also provides for the enforcement of other restrictive agreements. It is by no means a one-way Act. It can invalidate some but there are others where the merchant sells to a retailer and the retailer makes an agreement with the merchant that that article should not be sold below a certain price; similar to what Mr. Davies had to say with respect to drugstores. This Act provides for the enforcement of an agreement such as that; and to those who live on controls and favour controls—

Hon. H. L. Roche: That is price control.

Hon. H. K. WATSON: —I would commend this English Act for their consideration. In dealing with this we are at least dealing with a document and do know where we are going; we know who is in it and who is not in it. But I defy anyone to tell me what is going to happen under this Bill.

Also, I notice this English Act contains another interesting provision. It overrides a provision in the Trade Union Act. There is a section in the Restrictive Trade Practices Act which prohibits action for tort

against trade unions. This measure overrides that Act and makes the definition of "combine" include a trade union. Why should a trade union be excluded from the provisions of this Bill? In the English Act any person who has engaged in restrictive practices is liable in a civil action for damages, and presumably a trade union is likewise liable in an action for damages.

It might have a salutary effect on certain trade unions in respect of any loss arising to producers or merchants through strikes from time to time. Strikes are an unlawful and illegal action by a combine in the form of a trade union. An action could be instituted against the trade union for damages for the loss sustained. Therefore I feel that combines might well include trade unions.

There is another point on restrictive practices which I submit. It is rather futile and premature to deal with them at this juncture because, at this moment, there is a select committee from another place dealing with the question of the advisability of legislating in relation to restrictive practices. I should have thought that the logical and sensible thing to do would be to withhold any legislation of this nature pending the report of a pretty strong committee which is at this very moment considering the question.

To conclude, I do feel that this Bill is the most arrant piece of nonsense ever submitted to a deliberative body for consideration. It seems to me to be the product of an immature mind; a mind which says, "We will have a crack at something, no matter what it is. Give us the power and we will have a crack." It seems to me to be the same irresponsible mind that we find in a delinquent child which throws a brick to break a window or a telegraphic insulator as the case may be.

HON. J. M. A. CUNNINGHAM (South-East) [6.13]: Various alleged reasons for the appearance on our desk of this measure—an oppressive Bill—have been given in this House. The Bill has been put forward, it is said, as a means of curbing the activities of vicious and greedy firms, companies, combines and such, and of giving a fair deal to the public in general and to the citizens of the State to protect them from unfair trading practices. The whole thing to my mind so far has merely been a series of innuendoes against some unnamed firm or firms. Nothing definite has been given; it has merely been a series of references to some dream-like firm which is preying on the people in this city as a whole.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. J. M. A. CUNNINGHAM: I was referring to reasons that have been advanced for the appearance on our desks of this savage piece of legislation. I consider it is one of the most dangerous

assaults on individual liberties that has ever been put forward in the history of any free country. That is not as wide a statement as it might appear to be. I specifically used the words "any free country." We are told it is intended to protect the public from unfair practices, because these alleged unfair practices by unnamed firms are a contributing cause to our rising costs and the inflationary spiral.

Might I ask whether this Bill would cover such unfair trading practices as are indulged in by Government departments? Is not the State Insurance Office indulging in unfair trading practices with its price-cutting? I have in mind also that the suggestion has been made that the measure will operate against such firms as the super marts. The Minister shakes his head. But the super marts are engaged in price-cutting, and if a report were sent to the commissioner along those lines he would have to inquire into it.

We have the case of a Government firm that does that sort of thing. Let us consider the Government buses. Are not unfair trading practices indulged in when those buses are run in opposition to private transport companies? The Government buses are not subject to registration, and taxation is not imposed; but those charges fall on their opponents. Is that fair competition?

The Minister for Railways: It is a public service.

Hon. J. M. A. CUNNINGHAM: It is unfair trading against private firms in the same line of business. The same applies to the railways.

Hon. A. F. Griffith: What about some of the Government's land deals?

Hon. J. M. A. CUNNINGHAM: Probably it would be better to leave them alone! I have in mind one man whose land was taken from him, and he was "compensated." That is the word that was used. Subsequently that land was disposed of at a figure four times as large as that which represented the "compensation" paid to the man!

That is the sort of practice indulged in by Government trading concerns. Irrespective of whether they are public services, as they have been called, they are trading concerns operating in opposition to similar trading concerns run by private enterprise. Those Government trading concerns enjoy concessions—that is the way it is put—that the private concerns do not have. No one can call that fair.

The Minister for Railways: They enjoy losses, too.

Hon. J. M. A. CUNNINGHAM: If that is so, those losses are incurred in spite of the concessions which they enjoy and which private trading concerns are not given. Those in this House opposed to the Bill

are not the only ones who consider it oppressive. From all corners of the free world has come criticism of the measure. The Minister may laugh. But he must surely read the reports in the local newspapers—reports that come from overseas, from England, and from other places!

The Minister for Railways: In the Liberal Press.

Hon. J. M. A. CUNNINGHAM: This Bill has been described in English newspapers as pernicious and vicious and Eastern States papers have branded it as savage.

Hon. F. J. S. Wise: It is a sense of guilt that provokes such comments.

Hon. J. M. A. CUNNINGHAM: It is not a case of guilt at all. It is a case of a free expression of opinion in other places concerning this Bill. In no other free country of the world has anything like this ever been imposed on the people, though attempts have been made by the Minister. Let me quote a statement that was made some time ago as follows:—

Over the years we have experienced a continual rise in costs, in prices, rents, interest rates, etc.

Is there any country in the world that has not had exactly the same experience? But they are still progressing. In every country from which we have honest reporting it will be found that these rising costs have been in evidence to a greater or lesser degree.

The Chief Secretary: Where do you find honest reporting?

Hon. J. M. A. CUNNINGHAM: Don't tell me that you disbelieve everything you read!

The Chief Secretary: You emphasised the words "honest reporting." Where is it to be found?

Hon. J. M. A. CUNNINGHAM: I probably have an abiding faith in human nature and take it for granted that a statement is true until it is proved wrong. And these statements have not been proved wrong. I take as honest reporting the average reports we see from authoritative sources which appear in the daily papers. I am speaking of reports that come from free countries. I admit that there are reports which come from other than free countries, and they would be very highly coloured. I take no notice of them.

I suggest that this rise in the cost of living which has been experienced in various countries to a greater or lesser degree would, generally speaking, be governed by the conditions in those countries. There are those which have a low standard of living such as is experienced in communistic countries that are subject to oppressive controls. In the so-called social welfare states, people are controlled from birth to death. Everything they do, wear and eat; their work; where they live and what they earn—in short, every part of their everyday life—is controlled.

So far, I have been speaking of countries that have controlled living and a so-called balanced method of distribution of wealth. But I would also point to the standard of living which is experienced at the other extreme in a place like America where enterprise is really free and business enterprise is encouraged. In places like that the standard of living is the highest and controls are unknown.

The Chief Secretary: You had better give Mr. Playford a lecture, I think.

Hon. J. M. A. CUNNINGHAM: I am not interested in Mr. Playford. During the discussion on this Bill we have heard a lot of talk about profits made by firms, which are not named but are merely referred to. All the time the reference is to such-and-such an organisation that has been making excessive profits. But let us take our own experience; never mind about South Australia or any other State.

Hon. E. M. Davies: That is too close!

Hon. J. M. A. CUNNINGHAM: I am coming closer. I am taking our own State. I think we all have a very vivid recollection of the conditions which existed when controls were imposed during the war. Is there any member who cannot clearly remember all the shortages with which we were faced, and the queues into which people had to form themselves in order to get various commodities?

The Chief Secretary: We remember the different prices, too!

Hon. J. M. A. CUNNINGHAM: Has any member forgotten the fantastic profits that were reaped through blackmarkets, profits that went into the dirty pockets of the scum that controlled the supply of much-needed articles at that time? That is where the profits went in those days of control. They went into the pockets of the blackmarketers, and we did not have the right to live decent lives. But what do we find under a system in which there are no controls? We find that we enjoy free enterprise; and the profits that are made—large or small—go into the extension and establishment of businesses.

Hon. R. F. Hutchison: Where is the free enterprise?

Hon. J. M. A. CUNNINGHAM: Dividends are paid to shareholders. Do we resent those dividends? Those dividends are being paid on shares that were probably purchased from profits. That dirty word "profits"! Let us think of some of the big businesses. When people who refer to these big businesses are asked what they mean, they point to little firms like Foy's or Boans or the Colonial Sugar Refinery. But those enterprises are mere cash stores in comparison with what the world calls big business. They are merely corner cash stores.

Kwinana would be considered a big enterprise. We were very happy to have that firm sink £40,000,000 in this State. But

where did that money come from? It came from these dirty profits of which we hear so much. Since the establishment of Kwinana the company has made profits out of this State, but those profits have gone into the expansion of Kwinana. The B.H.P. company is a big business. Now that it is settled here, do we resent its presence? Do we resent the spending of some of its profits? Are those profits unfair profits? They must have been big.

Let us think of some other firms. There is the much-discussed Chase Syndicate. Mr. Wise will know something about that, and will probably be able to tell us of it. This Government is laying down the red carpet for the Chase Syndicate, and inviting it to come here and spend some of the profits it has made elsewhere. I most warmly welcome that syndicate.

The Chief Secretary: Some of your people have been telling us that we are frightening these folk away!

Hon. J. M. A. CUNNINGHAM: I am still anxious to find out what assurances have been given to this company. Its establishment here will cost the State nothing, and it will not leave the State with less money than it had when it came here. It will make big profits, I hope, which it will spend, I trust, in this State. It will make these big profits about which some members are so afraid. Very well! Are we going to stop it, or continue to encourage it? I trust that we shall encourage the syndicate to make as big profits as it can, so that more can be spent in this country.

There are other great enterprises here, like the Great Western Mining Corporation. Somewhere along the line they had to make excessive profits. They were entitled to big rewards because of the risks they undertook. As a result of those big rewards, the Great Western Mining Corporation has been able to spend millions of pounds on an old worked-out mining area, and create a new town, and open a completely equipped mine before a ton of ore was pulled to the top for treatment.

Admittedly they knew what was at the bottom. They were, in fact a bit out in their calculations, but they had a good idea of what was there. No Government could have expended that money on such a gamble, but the mining company did and it paid off and has reopened all that channel of auriferous country from Bullfinch through to Marvel Loch. That has been done out of profits. At present the difference between the production costs of an ounce of gold and what is received for it is a considerably lower margin than most business enterprises would be willing to accept, but goldmining management and processes are among the most efficient of any business in the world today.

It has been said that rises in costs must be stopped, but that cannot be done so long as we are to have rises in wages and the cost of materials. But why fear these

risers? In a booklet printed by "The West Australian", there is a talk by W. S. Robinson, who was at the turn of the century and later an adviser to three Prime Ministers of Australia—the late Mr. Hughes, the late John Curtin, and the late Ben Chifley. There we read the following:—

Where in the whole history of mankind was there ever any economic development of any moment that did not involve a pressure of demand and consequent rises in costs?

Further—

Again I estimate that the capital expenditure in Northern Australia on mining and its associated transport will, during the next decade or so, exceed £100,000,000 and provided there is no deflation this money will be found.

Of course it will be found from profits. To quote next from a talk by Professor Sir Douglas Copland—

You cannot have progress free of cost without some rises in prices, some inconvenience, some risks. The country has simply to choose whether it wants stability or progress. If it chooses stability it will stagnate.

The Government knows it cannot avoid rises in costs and takes steps to counter them. Since coming into office, it has not been able to keep down costs in certain of its departments and there have been increases in land, water, freight, electricity and power rates, as well as death duties, and the latest we hear is that hospital fees are to leap soon. In this regard we read—

Fees in all Government hospitals throughout the State will rise substantially as from the 1st November. Heavy increases in hospital costs and the financial strain on the Treasury were today given as the reason. The new fees scale, except for the King Edward Memorial Hospital will be, single bed wards 72s.—present charge 40s.; not quite double. Two-bed wards 60s., at present 35s. Three to five-bed wards 48s., a leap from 30s. All others 36s. per day where it is now 24s. per day.

Those are the latest increases in charges caused entirely by a rise in costs which the Government has not been able to keep down.

The Minister for Railways: Like every other Government.

Hon. J. M. A. CUNNINGHAM: I agree. But why is there a stigma attached to private enterprise when it takes steps to counter rising costs?

Hon. A. F. Griffith: What about the rise in the price of beer?

Hon. J. M. A. CUNNINGHAM: I am not particularly interested in that, but there was a great outcry when that rise took place.

The Minister for Railways: Particularly from the Liberal Party.

Hon. J. M. A. CUNNINGHAM: There has been a considerable rise since then, I think. In relation to unfair trading and unfair profits, I have in mind a recent instance where an advertisement appeared in a State-wide magazine offering for sale a certain brand of paint for cars—a very good line—and every purchaser of a quart tin of the paint was offered, free of charge, a sun visor for the car, there being an illustration of an attractive standard design of sun visor included in the advertisement.

A friend of mine sent for one of these tins of paint, together with the sun visor, and in due course he got the paint nicely packed in a carton. Later he came to me and said, "I have not seen any sun visor," so I asked, "What do you intend to do about it?" I added, "You have been told you were to get a sun visor with the purchase of a tin of paint, and so I will help you draft a letter to these people."

I did that and had the letter typed, and later I got an urgent telephone call from this man and he came to see me. He had found the sun visor, which was a little piece of coloured plastic a few inches square. Members laugh, and I saw some humour in it also; but it was a scoundrelly act on the part of a firm which offered paint for sale. I am prepared, next week, to show members that tin of paint, together with the sun visor and the advertisement, should they wish to see it.

Hon. G. Bennetts: Was that the 70s. tin of paint?

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

Hon. G. Bennetts: I know someone who spoiled his car by using it.

Hon. J. M. A. CUNNINGHAM: That is a dishonest trade practice. But what do we do about it?

The Minister for Railways: Support this Bill.

Hon. J. M. A. CUNNINGHAM: I do not think so, and I will tell the Minister why. In another place a long list was read of names of firms; and the profits quoted were from 30 to 40 per cent. on invested capital. That seems a tremendous profit, but I would not be prepared to say it was unfair profit. Unfortunately, every one of the firms named was an Eastern States firm. Not one of the firms mentioned was Western Australian. None of them, therefore, would come under this legislation; yet the list was read out in support of the measure.

The tin of paint I mentioned was also advertised by an Eastern States firm, over which the Bill would have no jurisdiction.

Jewellers, for instance, often show 100 per cent. profit on a sale. That is standard practice, owing to the low number of sales and the damage to jewellery which might have to be repaired. I repeat that a jeweller might make up to 100 per cent. on an article—

Hon. E. M. Heenan: Then what would you call an unfair profit?

Hon. J. M. A. CUNNINGHAM: If the Government and members opposite, with the assistance of the Parliamentary Draftsman, cannot define it, how can I be expected to do so?

Hon. E. M. Heenan: You just said a 100 per cent. profit was all right for a jeweller.

Hon. J. M. A. CUNNINGHAM: I said it was standard practice. Will the hon. member nominate it as an unfair profit? Will the paragon of virtue which we are to have as commissioner say that a profit of 100 per cent. on a piece of jewellery is fair or unfair? I might purchase a second-hand car and be satisfied with the price; but then a mechanic might tell me it was worth far less than I had paid, and I could submit the matter to the commissioner. The same could apply to a load of wood or to an intricate operation by a specialist surgeon, and the same man would be called upon to adjudicate. It is utterly fantastic.

When introducing the Bill, the Minister said it would be possible for one firm to sell an article at a price and another shop further down the street to sell the same thing at a reduced rate, yet one could be charged with making an unfair profit and the other with unfair trading methods. There is an organisation known as the "Valve Distributors Association" which deals with the sale of radio valves and associated accessories. It sets the retail price for valves in order to give a fair deal to the purchasers all over the State. They produce a guaranteed article at a fixed price, and no dealer may sell below or above that price.

Hon. G. E. Jeffery: Why not?

Hon. J. M. A. CUNNINGHAM: That is what they do—

Hon. G. E. Jeffery: Restricting the freedom of the trader?

Hon. J. M. A. CUNNINGHAM: No; it is a fair margin of profit for him. I will give some instances, and the symbols will indicate various types of valves, as shown on the actual price list. The 6 K7/G retails for 23s. and the wholesale price is 16s. 5d. If a trader is well up in his business from time to time he is able to obtain those same valves, still carrying the printed guarantee of the makers, for 7s. 6d.

The wholesale price of valve 6J8/G is 8s. 9d., the trade price 20s. 5d. and occasionally it can be bought in job lots at 15s. The retail price of valve 1K5/G is

11s. 6d.; the wholesale price is 8s.; and occasionally it can be purchased by the dealer in job lots for 2s. 6d. So it goes on.

Say, for example, that someone finds out that such practices exist, and reports them to the commissioner. The commissioner can do anything but shoot the person concerned. Under the provisions of this Bill, he can brand an unfair trader and force him to exhibit a notice in his shop declaring him to be an unfair trader.

The dealer is subject to the trade condition that he must charge a standard price for the article. If he did what the commissioner could compel him to do under the Bill by saying to him, "You will sell this valve at such and such a price below the fixed price" to ensure that he will not make an unfair profit, his opponent down the street could then report him for undercutting the price of the article. That is a specific case given as an illustration, because the Chief Secretary, when introducing the Bill, stated that such a thing could happen.

It might be asked: Is this a fair price for the article? This same firm has kept the prices for its valves stable since 1951, despite rises in costs. When we hear of instances such as that, it can be easily realised that this Bill is completely out of its depth. It is unworkable and it cannot be put into practice. No one knows what unfair profits or unfair practices are because different methods apply in every form of business.

I want to make one final point. The present financial economic troubles of this country are attributed, in some measure, to those firms which are making unfair charges. It has been said that the cost to the community is an unfair burden to carry and this Bill allegedly seeks to lighten that burden.

If I may digress very briefly, I wish to refer to the legislation that was in operation in this State to exercise control over prices. This Bill is a price-control measure. In fact, it goes further. Before we finished with price control in 1953 we had established a prices branch which had powers that would be remarkable in any country. It was a branch full of tailor-made Mussolinis.

The Minister for Railways: Who set it up?

Hon. J. M. A. CUNNINGHAM: The Minister knows who set it up.

The Minister for Railways: Who advocated it?

Hon. H. K. Watson: So what! It does not matter who advocated it.

Hon. J. M. A. CUNNINGHAM: At that time we were employing 50 civil servants to wage an unequal battle against a fantastic set of circumstances similar to those proposed in this Bill. When they started their employment they were untrained

clerks, but they were certainly not untrained when their services were dispensed with.

To police the provisions of the prices control legislation they had to have an incredible army of snoopers. That is all they were because their activities and their very calling was a shameful thing. From time to time I sat in the office of the Prices Branch when taking up cases that were referred to me, and the number of people who called at that office to lay complaints against some other worker in regard to a load of wood that was under weight or in regard to the price being excessive was fantastic.

Hon. F. R. H. Lavery: They would not be workers.

Hon. J. M. A. CUNNINGHAM: They were workers.

Hon. F. R. H. Lavery: A difference of 7 cwt. in the ton is not bad.

Hon. J. M. A. CUNNINGHAM: Can anyone believe that every case that was taken to the Prices Commissioner at that time was proved to be true? No doubt there were isolated cases of unfair practices and dishonest persons. Nevertheless, do we need such a great army to police such practices?

The Minister for Railways: You thought so at one time.

Hon. J. M. A. CUNNINGHAM: I have bought loads of wood from one man; and as long as I get a fair deal from him, I go back to him and his trade increases. However, if I received a bad deal from him I would not return to him, and I am sure that he would not get any trade from anybody else. In 1952 the cost of administering the prices branch amounted to over £90,000.

Hon. F. R. H. Lavery: What did it save in increases in the basic wage?

Hon. J. M. A. CUNNINGHAM: That is what it cost us in 1952 to administer a straight-out prices branch. But under this Bill that figure will be much higher because amongst the provisions are these—

The cost of the administration of this Act shall be paid out of moneys appropriated by Parliament for the purpose.

For the purposes of giving effect to the object of this Act, an office by the name of Commissioner for Prevention of Profiteering and Unfair Trading is hereby created.

The Governor may appoint to the office for such term, at such remuneration, and subject to such conditions of service, as the Governor determines, and is hereby authorised to determine, a person having experience in commercial, business and trading affairs.

The Minister may, on the recommendation of the Commissioner, appoint to such other positions as, in the opinion of the Minister, are required to carry out the purposes of giving effect to the objects of this Act, such persons for such terms, at such remuneration, and subject to such conditions of service, as the Minister determines and is hereby authorised to determine.

The Governor may, at any time appoint a person, to be called the Acting Commissioner, to act and who shall act as Commissioner during the absence of the Commissioner or during any vacancy in the office of the Commissioner.

With the consent of the Minister administering any department of the Public Service of the State, or of any other State of the Commonwealth, or of the Commonwealth, the Minister may, for the purposes of this Act, co-opt the services of any person employed in that department upon such terms as may be agreed between that Minister and the Minister.

He may also pay expenses and travelling expenses for the services of various people whom he calls in and co-opts.

Which would prove cheaper to the State—the unfair trading practices of a firm which occur occasionally—which, in my opinion, do not exist because they have not been named or indicated but only referred to—or the establishment of an office to police such practices at a cost of £90,000 a year or more? There is no doubt that once this office is created, the number of cases that will be reported will amount to thousands. The Minister for Railways may smile, but there will be thousands of trivial little incidents reported to the commissioner. People will be well aware that under the provisions of the Bill they will have the right to lodge complaints against any practice which is considered to be unfair or dishonest.

Also, how far is this power to be delegated to junior administrators, inspectors or commissars? One can give them any name one likes, but there is no doubt that there will be a terrific army of the old-time prices branch snoopers investigating the various complaints that are made.

The Chief Secretary: You supported the price control regulations a great deal.

Hon. J. M. A. CUNNINGHAM: I know I did.

The Chief Secretary: Well, what are you—

The PRESIDENT: Order, please!

Hon. J. M. A. CUNNINGHAM: I admit that I supported that legislation, because at that time the circumstances were different from what they are now. What is more, under that legislation, all kinds

of appeals could be made. That legislation was far different from this obnoxious measure. I supported the price control legislation at the time it was brought before this House, and the Chief Secretary was glad of it. This is a House of review. We stood up to the acid test then, and we are standing up to it now. I realise that my duty in this case is to protect the citizens of this State from such an oppressive measure as the Chief Secretary is advocating before this House tonight.

I do not believe that there is one per cent. of the population of the State which agrees with this unfair measure. If the Chief Secretary knows of any specific cases of unjust or unfair charges being made on the people of this State, I promise him that I will support him to the hilt to bring those people to book. However, I will not support such an unjust and unfair measure as this. This is a free State, and we want to keep it free; but we cannot do so with a piece of price-fixing legislation such as this.

HON. E. M. HEENAN (North-East) [8.13]: I intend to support this Bill. It is worth reporting that the economic situation not only of Western Australia but also the whole of Australia has worsened considerably in recent years. One does not have to belong to one section of the community or another to realise the stark fact that in recent years the cost of living has alarmingly increased and keeps on increasing from month to month.

It is not easy to say why that happens. There is no point in blaming this Government or any Government; but surely there is a responsibility for people in Government to study the situation and to try to rectify it! I do not think the statement I made is exaggerated: that is, that the economic situation in this country has deteriorated and continues to worsen in such a way that all the authorities are considerably concerned, so much so that we have read in the newspapers of the Prime Minister calling a meeting of all the Premiers at Canberra at an early date to discuss ways and means of dealing with the situation.

Hon. Sir Charles Latham: Would it not be better to adjourn this measure until the meeting has been held?

Hon. E. M. HEENAN: That is not my prerogative. I shall deal with the point raised by the hon. member as I go along. The Prime Minister of this country apparently agrees with the argument I put forward that the economic situation will develop to such a stage that it will reach a climax unless something is done in the meantime.

We have also read in the newspapers that the Leader of the Opposition in the national Parliament of Australia has given notice of a no-confidence motion dealing specifically with this self-same subject, the economic position of Australia. So one

cannot brush this Bill off with extravagant statements such as those made by Mr. Cunningham. He said that the Bill had no application to the State Insurance Office or other Government institutions. I tried to correct him by referring to Clause 7 which says—

This Act applies to the Crown in right of the State and to agencies and instrumentalities of the Crown in right of the State.

So a good part of his argument indicates that he did not read further than Clause 6 of the Bill.

Hon. H. K. Watson: You are suggesting that one Minister will sue another. That is nonsense.

Hon. E. M. HEENAN: The hon. member should read Clause 7. It was said by Mr. Cunningham that all the free countries of the world are appalled by this legislation.

Hon. J. M. A. Cunningham: I said the newspapers in the free countries of the world were appalled.

Hon. E. M. HEENAN: The hon. member says he is a fair-minded person, but in his next breath he spoke about commissars and snoopers. As I understand it, the sole argument used by him and by Mr. Watson is that there is no definition of unfair profits. If they were to read the Bill they would find a definition which goes as far as I suggest any definition can go. The term "unfair profit" does not frighten me in one respect. Mr. Cunningham said that if he gets a fair go from any shop or from any dealer he goes back to him; and if he has an unfair go he keeps away. So he apparently knows what a fair go is. I agree with him. There is fairness in different businesses and in different situations.

Hon. F. D. Willmott: Who is to be the judge?

Hon. E. M. HEENAN: As my friend interjected, here we all have a general idea of what is a fair go. But it follows to some extent there is a difference of opinion, and that is why in this country we have judges and other people appointed to responsible positions. As envisaged in this Bill, the commissioner will be a person having experience in commercial, business and trading affairs.

Hon. F. D. Willmott: Where will the State find the money to employ such a person?

The Chief Secretary: From the black-market potato growers.

Hon. E. M. HEENAN: I imagine the commissioner will be paid an adequate salary. Good men can be found in any category. In this State we have good magistrates, good judges and good heads of departments. I think it is possible in Western Australia—I have at least that much faith

in my fellow-beings here—to get a reputable, capable, conscientious and fair-minded person to fill this onerous and difficult job.

Hon. J. M. A. Cunningham: They crucified him 2,000 years ago.

Hon. E. M. HEENAN: I shall deal with this term "unfair profits" which raises such horror in the minds of Mr. Cunningham and Mr. Watson. Let me tell them this: We talk about people taking an unfair advantage, and that is a common expression which is interpreted by magistrates and judges almost every day of the week. We talk of the law taking cognisance of unfair reports in newspapers when it deals with libel action and slander. The term "unfair reports" is not defined any further. The judge takes all the circumstances into consideration to decide whether any case comes within that category, and that is his function.

We talk of unfair remarks. In the course of his speech, Mr. Watson made some reference to a former member of another place, Mr. Styants. I thought that was an unfair remark. We have heard of cases where two people come to blows in the street. Magistrates and courts decide whether one of them has made an unfair attack on the other, but that term is not defined any further. On the circumstances of the case the judge or magistrate decides that point.

Has anyone ever heard of undue force being applied? Has anyone ever heard of the phrase "undue influence"? That is all the term "unfair" means. It is not defined any further in any Act of Parliament or legal textbook. The courts determine that point on well-established principles.

Hon. J. M. A. Cunningham: It is determined by judges and magistrates who are trained. But the commissioner is not; he is not a judge.

Hon. E. M. HEENAN: The society in which we are living is becoming more complex as time passes. We have the motorcar and the big cities with us.

Hon. G. C. MacKinnon: Also rules and regulations and oppressive laws.

Hon. E. M. HEENAN: Rules and regulations must exist in any integrated and complex society such as we live in today. The hon. member is deluding himself if he thinks society in these days can function without them.

The Chief Secretary: We cannot in this State live without them.

Hon. E. M. HEENAN: The person who uses undue influence; who, by force of his power, his situation or his influence exercises that unfairly on some other person, is punished.

Hon. J. M. A. Cunningham: Who decides whether it is unfair?

Hon. E. M. HEENAN: A magistrate or a court.

Hon. J. M. A. Cunningham: Exactly! A trained man. But the commissioner is not.

Hon. F. R. H. Lavery: How do you know he will not be a trained man?

Hon. J. M. A. Cunningham: Do you?

Hon. E. M. HEENAN: If anyone makes an unfair attack on another citizen in the street the law deals with him. In this society, do we want the person who makes an unfair profit to get away with it? Mr. Cunningham went on to tell us that it would be a stigma on private enterprise, and to talk about the awful word "profits."

We all realise that genuine profits have to be made, and that private enterprise fulfils a very useful function in our society. But just as no one can drive at an unfair speed or do anything that is unfair to the rest of the community, I say that no one who manufactures, sells, or is in a position to deal with his fellow-man should make an unfair profit. Mr. Cunningham does not want that person to get away with it, either.

Hon. J. M. A. Cunningham: We agree. You name them and I shall support you.

Hon. E. M. HEENAN: The hon. member asked me to name the persons in this State who are using undue influence or making unfair profits. Of course I cannot name them. I hope that no one will be convicted under this Act. The majority of business people and traders that I know on the Goldfields and elsewhere are decent and hard-working citizens, and they will not have the slightest thing to fear from this legislation.

Hon. J. M. A. Cunningham: We agree. There is no such thing in existence today and there is no need for the Bill.

Hon. E. M. HEENAN: Is it possible that someone in our community has taken an unfair advantage?

Hon. J. M. A. Cunningham: We should not have to guess.

Hon. E. M. HEENAN: I hope I have dealt with the shibboleth about the definition and the tying down to a definition. We have not got definitions. A common phrase in commercial and business life is "fair wear and tear." Can we define fair wear and tear any further than that?

The goldmining industry was mentioned by Mr. Cunningham. If people go into the far-distant parts of Western Australia and risk their millions of pounds in that industry and they make a big profit over a few years, what fool is going to say that that is an unfair profit? It is ridiculous.

Hon. L. A. Logan: What fool is going to say they are making an unfair profit?

Hon. E. M. HEENAN: Surely this commissioner will work to well-established principles! What is adequate in one case

may not be adequate in another. I am certain that no ordinary decent concern will have anything to fear from this legislation, which is unique. The situation has been worsening all these years, but not one practical thing has been done to cope with it. We are the first State in Australia, apparently, to introduce legislation like this.

Hon. J. M. A. CUNNINGHAM: You have nothing to be proud of then.

Hon. E. M. HEENAN: It is contentious. I can understand some people who have not read the Bill being afraid of it because of the propaganda that has appeared in the paper and that has come from people like Mr. Cunningham and others who have spoken about commissars, snoopers, and that sort of thing. Naturally the business community will get alarmed.

Hon. J. M. A. CUNNINGHAM: It was already alarmed before I spoke.

Hon. E. M. HEENAN: Mr. Watson put forward the argument about the lack of definition. That is easily explained.

The Chief Secretary: It could be said that they were making unfair statements, could it not?

Hon. E. M. HEENAN: I am certain that the measure will not do injury to anyone, and it will not encroach on the freedom of the great majority of traders in Western Australia who, I am convinced, run their businesses efficiently and properly, and treat the public fairly. It will, however, cope with those people who make unfair profits, in the same way as the law at the present time deals with people who drive at undue speeds on our roads or who use undue influence or make unfair attacks on others.

If the Bill does that it will do a lot of good; and at any rate it is a piece of legislation that is attempting to do something. We all talk about the worsening situation, but nothing is done about it. The measure will not be a cure-all, but I sincerely believe that it will be a contribution towards dealing with a situation which the Government's advisers apparently have convinced it, needs attention.

HON. G. C. MacKINNON (South-West) [8.35]: I have read and studied all that has been said in connection with the Bill since its introduction. One of the things that has made it difficult for us to speak for or against it is the fact that the whole case for the Bill has been clouded with nebulous statements and generalities. We have heard terms generally preceded by "They say," and when any question is asked, we get answers like, "You should know" and catch-cries such as "Inflation."

The Chief Secretary: That is a catch-cry, is it?

Hon. G. C. MacKINNON: Yes, to the extent it has been used. It seems that no adequate basis for a Bill of this nature has been worked out or presented to us.

It would also appear that the Government has been convinced of the advisability of the Bill, and such convincing must have been done in some conclave because it certainly has not been done in public.

Let us examine the situation under which we could possibly require a measure such as this. It seems that the requirements needed would be twofold. Firstly we would have to have monopoly and, secondly, profiteering. A monopoly on its own would not of necessity make a Bill like this a wise measure, for we all realise that under some circumstances monopolies can be a good thing. Surely the last people to decry monopolies must be the members of a Government which has a deep-rooted belief in socialism which tends to place many industries under one central control.

A monopoly on its own is not necessarily evil. There are many cases that we can all call to mind where monopolies have brought down the prices of certain articles, and at the same time have improved the quality.

Hon. G. Bennetts: It is usually the other way.

Hon. G. C. MacKINNON: No; strangely enough it is not usually the other way, because a monopoly which profiteers is an open shot for anyone to crack. The classic example of this is to be found in the record business—the pressing of discs—which was a very large monopoly in America. This monopoly did not maintain its price as rigidly as it should have done, and the monopoly was broken by one man starting on his own. So we can see that a monopoly which lets its head run away with itself sows the seeds of its own destruction.

Mention was made of the oil companies. I have no doubt that many members have read the history of the oil companies and know of the early wars in America for the control of oil with the one aim and object, namely, to create a sufficient monopoly to bring the price down, cut out the wild-catters and popularise the use of paraffin products. It was a ruthless war, and one which none of us can admire, but nevertheless it had the desired effect. If Mr. Bennetts studies the history of monopolies he will find that what I say is correct and that, generally speaking, monopolies have reduced prices and improved qualities. So, on its own, a monopoly is not an evil.

If the monopoly also profiteers so that we have these two things conjointly, then we have a basis for some restrictive type of legislation to deal with the situation. At the present time an inquiry is proceeding to ascertain whether in this State we have such a situation existing. It seems foolish to carry this piece of legislation when we have had no proof presented to us, either in this or another place, that the basis upon which it must rest does, in actual fact, exist—that is, that we have

a monopoly which is profiteering. Even in the most general terms that specific basis has not been anything like proved.

We ask ourselves: Do we have these conditions in Western Australia? I have asked myself that question, and I have asked it of many other people, but I have not yet been given a case. People say, "Yes. Such and such a firm produces an article and has it sold at a fixed price which no one can cut." That aspect has been mentioned by several members tonight. But if they go into a shop they will find an article of an identical type. It might be tomato sauce. Half a dozen brands of tomato sauce will be found.

The principle of price fixing by a manufacturer or wholesaler has on several occasions been attacked. No one has asked whether this is done purely to make an extra profit, or what the basic reason is. The general principle underlying that type of marketing, as I understand it, is that a firm produces a quality article under a trade name, and it is nationally publicised. They arrange a fixed selling price for it. It has been suggested that this is highly immoral. Such an article is placed on the market and the grocers, or whoever it might be who buy it, take advantage of the national advertising paid for by the manufacturer.

In a price war they commence to cut the price with the result that their profit return drops. Most progressive firms arrange their displays on the net return to them so that as the price of an article drops they no longer have the desire to sell it. So, instead of having that article on the front of the counter in a big display, they put it to the end of the counter in a little display and they sell in its stead an article which carries a more reasonable profit from their point of view which is, of course, a better margin of profit.

The sales on the nationally advertised line would drop, and it is to protect and keep themselves in business that this type of marketing has been pursued. The fact that these lines, in competition with similar articles, have maintained their market is proof that the prices must be fair. We can go through a grocer's shop, a chemist's shop or any other sort of shop and pick out articles which have fixed prices. If members do that they will find that there is one brand of tomato sauce at a fixed price and at the same time, displayed alongside it, all sorts of brands of tomato sauce some of which are fixed in price and some of which are not—but they all sell. That is proof that this is not an evil in itself.

About the only way by which any lead has been gained on just what the aim of the measure is has been in the main from the replies made by Government members to the interjections of those opposing the measure. One such indication

was given last night when Mr. Logan mentioned chemists, and it seemed clear that there was a feeling that chemists should be brought under this legislation. We heard some wild statements about chemists. But let us consider them. Mention was made last night that they scrape the labels off bottles of standard specific and charge an extra 10s. when it is prescribed in a doctor's prescription.

Hon. G. Bennetts: Those fellows charge according to how you look.

Hon. G. C. MacKINNON: There we have a classic example of the difficulty there would be in administering this Act! Mr. Bennetts is a man we all admire and hold in high esteem. He considers that chemists are grossly unfair in the prices they charge and indicates that they are getting an unfair profit.

Hon. G. Bennetts: Not all of them.

Hon. G. C. MacKINNON: Now the hon. member is beginning to alter his mind. At first he said that all chemists charged what they thought a customer could afford. Mr. Bennetts is a reasonable man, and yet he makes a statement like that. So how on earth could we get a commissioner with a completely unbiassed view when a man like Mr. Bennetts makes a statement of that nature! Members can see the difficulties there would be in operating legislation of this type.

The standard charge for supplying a bottle of specific is 2s. 6d.; and for that the chemist has to scrape the label off the bottle—because that is an accepted ethic of the profession if a doctor prescribes a particular standard specific—and the chemist has to do a lot of other things as well. He has to decipher the prescription; then he has to enter the prescription in his book, soak the bottle in water, scrape off the label and type a new label to stick on the bottle. Then he has to wrap it up and give it to the customer; for all that he gets an extra return of 2s. 6d.

Hon. G. Bennetts: For scraping the label off!

Hon. G. C. MacKINNON: Apparently Mr. Bennetts, and others, consider that is an unreasonable charge. Under the free medicine scheme, which is actuarially worked out, a chemist working on his own is expected to do four prescriptions an hour; 15 minutes are allowed for each. Yet in that time a master plumber would get about 25s. So members cannot say that 2s. 6d. is a bad price. As a matter of fact, I think that the chemists should be charged for unfair trading—they are not charging enough in relation to union members' charges.

Hon. A. F. Griffith: Take a car to a garage and see what a mechanic charges for fixing it up!

Hon. G. C. MacKINNON: Even the veiled inference that there is a need for this Bill because of chemists' charges falls down when the whole matter is examined. After listening to some speeches that have been made, I think that a certain amount of doubt exists in some members' minds; and that there is a degree of woolly thinking. The Chief Secretary, in introducing the Bill, said—

In bringing down this Bill the Government is actuated wholly and solely by a desire to protect public interest. We are firmly of the opinion that the interests of the public far outweigh those of any particular company or individual operating in trade, or industry, or commerce.

It is peculiar that in Western Australia, and indeed in the whole of Australia, the idea seems to be that because a man works for a company he is not a part of it, and that he gains no advantage from the profits or losses of that company. But in many countries of the world today employees get worried if they see the business of their particular company going downhill; they know full well that their jobs are secure only so long as the company which employs them is solvent. So it is indeed strange that the Chief Secretary should adopt the attitude he has adopted in regard to this matter.

In reply to an interjection by me the Chief Secretary went on to say—

The wage and salary earner of today does not hail basic wage increases with delight—far from it . . .

That makes strange reading indeed!

I would like to quote from an article which appeared in the "Reader's Digest" of July, 1956. It has a direct bearing on this Bill, and the article is headed "Norway: Case History in the Socialist experiment." It is written by Max Eastman. The whole article is interesting, but I should like to read only one particular section of it, because it is relevant to this evening's discussion. He refers to the socialist party or, as they call themselves, the Labour Party of Norway.

Hon. G. Bennetts: A good party, too.

Hon. G. C. MacKINNON: I quote—

The party proposes to "safeguard personal liberty by means of a systematic management of society." The price control law makes a mockery of the "personal liberty" pretence, unless businessmen are not regarded as persons. This law gives to a State bureau—which means a single bureaucrat—practically unlimited control not only over prices but over profits, dividend payments, distribution, terms of delivery, quality of products, what can be sold or bought, or even whether a firm may sell at all. I say practically unlimited because the bureaucrat's

decisions are, of course, "subject to review by the courts"—a most costly and cumbersome procedure.

Of course, this legislation does not permit of review by the courts. It goes on—

Aside from that remote comfort, everything depends upon what in this individual's judgment constitutes a "reasonable" price or a "deserved" profit. The word "deserved" is quoted from the party credo, the word "reasonable" from the law itself. These vague phrases obviously contemplate a use of arbitrary power by Government officials. Instead of a reign of law, they contemplate a reign by persons—which is the negation of freedom.

The writer of that article mentions bureaucrats; and when I hear that word, I always think of the Asiatic boys we had in the tropics and their habits of work. If one had an Asiatic boy, one had only to take out a handkerchief to blow one's nose and it would be immediately whipped away and a clean one put in its place. They will frequently kneel in front of a person to help him put on his trousers. They do everything in their power to make themselves indispensable. One would go to a cupboard to get handkerchiefs and be unable to find them. Consequently one would have to call the boy to get them. He knows that after a time his services become indispensable and the same applies to everything else.

I was not served like that for very long, although I was in the tropics for some time. But I have been told by those who have lived for years in the tropics that that is a characteristic of those people. Unfortunately it is also a characteristic of almost everybody who is given a reasonably good position. All people in departments tend to try to make their jobs everlasting; and that is natural enough. After all, the individual has the responsibility of his wife and children; and if he can keep his job, he will do so. Consequently he tries to make his own particular department more and more important.

It seems that one of the requirements of Governments is to protect the public not only from exploitation, if it can be proved that it exists, but also from the encroachment of power and additional expenses. The Government has not proved that there is a basic necessity for this Bill, because it has not been able to show that there have been monopolies or that there has been profiteering. But we can prove quite definitely that the Bill will bring an encroachment of power and added expenses to this community.

This Government seems to be bent on usurping powers which we associate historically with kings way back before the Georges, when a monarch could appoint a man to carry out certain functions. There was no appeal to a court of

any type, and in those days there was the rule of the common informer. Mr. Heenan must know the history of that very well indeed. Those in the British Empire have long fought for the establishment of courts and it was amazing to hear Mr. Heenan confusing the ability of a judge to interpret with the ability of the commissioner.

I think we have all spoken to lawyers and have heard various criticisms of the legal fraternity with regard to the court set-up as it exists in Australia even today. There are many good lawyers who contend that before a man sits in judgment he should be infinitely better trained in the interpretation of law—in jurisprudence—than those appearing before him. Despite that fact, we hear people advocating that evidence should be heard by a commissioner who is untrained in the taking of evidence.

Even if we get a man with all the qualifications required under this legislation, he will still be untrained in the hearing of evidence and in the assessment of it. Any judge has at his disposal all the cases that have been tried on similar counts. He has had years of training and has a background which fits him for that position. But a commissioner would not have that knowledge or training; by his very nature he could not have it. It is obvious that criticisms of a Bill of this type could be continued for ever. The Minister for Railways interjected and said something about secondhand motorcars and about fellows who turned the speedometers back.

Hon. G. Bennetts: Turned them back 10,000 miles.

Hon. G. C. MacKINNON: Are we going around to blow everybody's nose? There is that old saying "Caveat emptor." There are reputable firms from whom one can buy second-hand motorcars. Those people do not do that sort of thing. Invariably we find that the person who gets taken in by things like that, will be taken in by the confidence trickster. He is looking for a quick profit or is hoping that he will get a good car and then be able to sell it with advantage to himself. But for the payment of 30s. anybody can join the R.A.C. and can have a car tested by them before he purchases it. Any legitimate dealer is only too happy to let his cars be subjected to that test.

Hon. G. Bennetts: A lot of people do not know that.

Hon. G. C. MacKINNON: Surely people who are buying a costly article like a motorcar should be able to look after themselves in that way. We cannot protect, protect and protect.

Hon. G. Bennetts: That is why we want somebody to protect these unfortunate people.

Hon. G. C. MacKINNON: We cannot go on doing that forever. Mr. Heenan talked of fair wear and tear. He said it is terribly

difficult to judge fair wear and tear. A person might bring a car to me and say that it has not had fair wear and tear; but when it was measured with calipers, it could be found to be perfectly all right. I could put an engine on the block and run it for a number of hours, then measure it with calipers, and find that there had been a certain amount of wear. So there can be all sorts of holes in that argument.

No one has proved that we have a fundamental requirement for legislation of this type. Nobody has been able to show that we have monopolies, and that there has been profiteering. When I talk of a monopoly I do not mean a firm that is making an article which can be replaced by a similar type of article; I mean a firm which has a monopoly inasmuch as it is making every article of that type bought in this State. Those who are in favour of the Bill have not proved their case yet, and I do not see how they can possibly prove it. This Bill does envisage an encroachment of power—and no one will say that this man is not being given power. Don't try to tell anybody that, not even the Babes in the Wood! There is no doubt that it envisages an encroachment of power and an addition of expense, and I oppose the measure.

HON. J. G. HISLOP (Metropolitan) [9.11]: I have read the Bill with great interest; and I believe if it had become an Act in the terms in which it was first placed before Parliament, it would never, and could never, have been proclaimed because I feel it would have been completely unworkable; besides which I doubt whether anybody would have accepted the post of commissioner.

This is a Bill which the Government will one day rue; the Government will regret introducing it because, if we examine the measure thoroughly, we will find it is of a paranoid character. There is, deep through the Bill, a sense of persecution; as if one section of the public is acting unfairly against the other. Unfortunately we have seen and heard that viewpoint and state of affairs emphasised many times within the halls of this Parliament. I believe it is not in the interests of Australia to keep emphasising class distinction in this way.

I would stress once more what Mr. Watson said this afternoon, namely, that in the United States a workman works for an organisation or a firm that makes a solid profit, realising that his position is much more sound and safe if he works for a sound organisation.

Hon. R. F. Hutchison: What has that to do with it?

Hon. J. G. HISLOP: I said two years ago that the interjections that come from behind me come from a sick mind. Let me go further and say that I believe it is not in the interests of Australia that that continuance of a division between the classes.

should be maintained. It is wrong in principle that the worker should be told to consider the employer an excrescence, or that the employer should be told to regard the worker as an excrescence. One is completely dependent on the other and for the progress of the country we need both of them working in harmony. No country can succeed while one section of the public lives in suspicion of the other. Once we learn to realise that we are totally interdependent, and that we need each other, we may make progress in our economy to the extent that some other countries have.

I have looked through this Bill to see what really lay behind it; to see what was the desire of its sponsor and what he was attempting to achieve. I have come to the conclusion that whilst unfair profit may be something that is proving difficult for the sponsor of the Bill to understand, the main desire behind the measure is to examine and destroy if possible the restrictive trade practices. I am confirmed in that view when I realise that the first speech I heard on this measure made by a supporter of the Government after its introduction by the Chief Secretary was made by Mr. Davies. He brought forth the statement about the wholesale pharmacist who would not supply a product to an individual chemist who desired to sell that product for less than the fixed price.

In that view I am confirmed because, when I listened to Mr. Roche's speech on this Bill, I found it vague in the extreme, but obviously directed towards control of some unknown or untold restrictive trade practices. Therefore we seem to have two factors in this Bill: one is the desire to control unfair profit, and the other to examine, and if necessary, destroy restrictive trade practices.

I wonder when examining this measure whether we realise that we are living in a world of almost ceaseless change; and I wonder whether we are accommodating our thinking to the changes that are taking place. Have we visualised for one moment what changes have been brought about, not only in this country but in Great Britain, and even in the United States, by the increasingly high taxation rate? Let me give the House one example that has come to my notice in order to emphasise what I am driving at.

I learned that in the United States today, if a firm is running a large fleet of cars or trucks, it is no longer necessary for that firm to lay out capital with which to purchase that fleet; the car manufacturers will provide and maintain it at a charge per annum. They maintain the right to remove such car or cars and maintain them and replace one should its maintenance cost become heavy.

But as a rule, the agreement provides that each vehicle is replaced every two years. In the main, this is done for the

simple reason that organisations are finding it difficult, with the high rate of taxation, to maintain an adequate return to the shareholders and yet maintain a fleet of trucks or cars that may be necessary.

This will soon apply to many other necessitous implements, instruments or anything else that the company may need to carry on its business. We may think that is far-fetched, but it has already come down to our own State. I learned that a road board not very far from here which has a few trucks—about three I think—replaces one of its trucks every third year. The board has to find about £1,200 to replace the truck and it has to be maintained during those three years. One of them is always in its third year in a state of mechanical degeneration.

I am told on the best authority that that road board has been offered a scheme whereby, for a sum less than it costs it to replace one truck every three years, it would have a fleet of three trucks constantly maintained and replaced every year. That is happening in our own State. Since learning this, I have also spoken to other individuals who would be quite willing to accept the same offer for their own business cars.

What does all this mean? It means that in the near future—and some estimate it at five or 10 years—the whole of the business of car sales will be from the car manufacturers through a finance company direct to the purchasers; so that we may find that what has happened as a result of his inability for expansion and replacement of necessary articles is that the intermediate man will no longer be wanted, and that the finance companies will have taken the matter over.

That can be a very serious state of affairs for some persons and firms in this community and in every Australian community. It will need a good deal of expert thinking to know how to meet such conditions. This is not the only type of trade in which it will take place. Once having contemplated the idea, we will find it could be expanded in many directions; and therefore finance companies will grow and grow as Australia grows. Yet the possibilities of the intermediate firms continuing are very small; in fact in some cases they are likely to disappear. That is just one aspect which we should consider to try to meet the changing conditions in which we live.

Let us go a bit further with this question of restrictive trade practices, because I believe it is here and along these lines that members are thinking. Let us return to what Mr. Davies said when he referred to the wholesale pharmacist who would not allow the chemist to sell goods at a lesser cost. I wonder what Mr. Davies would think of a person who, as a trade unionist, was entitled to the basic wage, and who offered his services for less, and

said he wanted to break the ring. I do not think he would approve of that. If such a man were paid less, then the court would take action against the employer. This whole set of circumstances is more or less the replacement that is occurring in the restrictive trade practices of Great Britain.

We must emphasise this question of a fixed price by examining what happened in Great Britain in regard to net book sales. In about 1899 to 1900, book publishing and book selling was at a very low ebb, and something had to be done in order to stimulate trade. I want to emphasise that what at one time may be regarded as a means of stimulating trade can, after a period of years, be looked upon as a restrictive trade practice. And so the pendulum will swing, and it will swing again in those things I have mentioned.

In the case of the net book sales it was simply arranged that certain books could be sold only at a fixed price. Not every book printed by the publisher was fixed as a net book, but only certain of them; and if the retailer then attempted to or did sell those books at less than the fixed price, the publisher took action against him and refused to supply him with books. There were many reasons given for it, and one was that something had to be done to maintain the book trade. There is no doubt whatever that it did.

It did this also: It provided better services to the book producer, because when the business was established and there was a profit from the sales of net books, many of these retailers could stock books of culture and of science; books which were slow sale ones and which they did not attempt to sell before. Now discussion is taking place as to whether if they sold these books at less than the fixed prices it would have such influence on the type of books maintained within the bookshops.

It is of interest that the Restrictive Trade Practices Act in Great Britain will now enable these individual retailers, if they care to, to sell the books at a lower price, but the Act will also give the right to the publisher to take action against the individual for breaking an agreement. So, as Mr. Watson said, this restrictive trade Act in Great Britain does give the agreement a permanency of validity.

Hon. H. L. Roche: And the public, of course.

Hon. J. G. HISLOP: Let us look at another restrictive trade function and examine the building trade. The builders in the past have, in the main, tendered on the open market; and up until about, I should say, the 1st World War it was the custom for people wanting to build to look around and find for themselves a builder or organisation with whom or with which they would like to do business.

However, they did this in the main to use them just as a standard in this competitive trade of tendering. Then as society became more complex and more difficult with money changes, the matter of open competitive tendering was questioned by the builders, because it was realised that no builder could afford to tender for work and consider that as a complete loss. Eventually it was argued that if there were three unsuccessful tenders and a successful fourth, the fourth paid for the three losses. So that really the successful tender was one which paid to the builder the cost of his building plus the three unsuccessful tenders.

Then all sorts of ideas came with the object of protecting both the purchaser and builder, and an attempt was made to average out in costs the cost of tendering plus the cost of construction. It could be argued that these were restrictive trade acts. It was done simply for this reason: that in competitive tendering, certain organisations apart from single builders found themselves in difficulties. Government Departments particularly would find themselves in difficulties since they could not always accept the lowest tender, because I think the architect would hesitate to say to them they should take the lowest tender. He might feel the lowest tender would not provide first-class work.

It began to be realised that Governments were in extreme difficulty in accepting other than the lowest tender and so departments in Great Britain began to make changes early in the 1950's. One of the English departments—I think the Health Department—made a definite regulation that the lowest tender had to be accepted every time unless there was proof of dissatisfaction, and it was against the interests of the community to accept that lowest tender.

All sorts of other disabilities have arisen, and there are now such things as a group of builders. When one man is approached to tender for a building, he puts in what is known as a cover tender which will always be somewhere around about, but usually higher, than a normal tender. So it means that that man gets the tender, but the others put in tenders in order to keep themselves before the business of construction and building.

I am not putting the position as skilfully as Mr. Thomson could, but I am emphasising that there are restrictive practices in many trades. I would have no objection to a Bill which sought to examine those restrictive practices to see whether they did affect the individual, and in order to see whether they produced a better standard of building where the practices were unfair to the builder or purchaser. I do not think anybody would have any objection to the establishment of a court similar to that under the English Act to probe into and examine these practices.

We might go to a wider sphere and look at the International Air Transport Association and see how it came into being. It fixes the fares on all airliners, and that may sound a very restrictive process. But at the same time it makes it possible for people to walk into any airlines office and pay for their world's journey. They simply submit an application to the International Air Transport Association and their whole journey will be arranged at the one office.

Because the air world has grown so complex and yet so compact it was necessary for some organisation such as this to take over the application of an individual to travel the world. There are people in our own State whom I know, who have gone into a local office and organised their whole transport around the world from that one office. That is of advantage to the individual, but it is a restrictive trade practice which would benefit the individual.

The air fares are fixed in the same way as any trade fixes its prices. They are fixed on a basis that a reduction of fares competition might well see the small man go out of the air line business or it might see safety disregarded in air travel in order to bring down costs. It is so organised that any person in any country in the world can write to that organisation to complain about a fixed air fare. If the association agrees, the fare can be altered.

A recent article in the "Listener" in regard to this Air Transport Association did give a point of view contrary to this view by stating that what happened was that it caused Great Britain to maintain overseas all land-based planes, when its vast empire gave it the ability to use sea planes at a much less cost. We have in our own State very costly aerodromes.

What might be regarded today as wise in restrictive practices might, in five, 10 or 50 years be regarded as unwise, and they would have to be looked at time after time. I do not feel these restrictive practices are designed against the public interest, because these organisations have to maintain vast services. They have tremendous capital behind them, but they are not the sort of people who would resort to trade practices which would restrict trade.

I did not intend to say very much about petrol because a Royal Commission, which has just investigated the question of garages and petrol stations in our own State, has produced a report, which I have not read; but the same subject has been under discussion in Great Britain, and the tying of agreements between the petrol people and the single garage to sell only one brand of petrol would not come under the Restrictive Trade Practices Act of Great Britain. But there are portions of

the agreements which could bring them under the Act, and it would be very interesting to members of the committee to read the British Act in relation to the tied garages.

Those are some of the examples I wanted to bring before the House to make all of us realise that if we are voting for this measure purely because we feel these restrictions of trade are unwise, this is not the measure to bring about what we desire. The measure is one that is directed more at individuals and companies than at actual agreements, and I think we might quite well review our thinking along those lines.

Thinking on the Bill itself, I would say that there are certain features about it I cannot like. I cannot like that part which invites the common informer to go along and lay complaints about the practices of certain individuals. That is taking us back some hundreds of years in our civilisation, and I do not think the present situation warrants such a piece of legislation.

I also cannot conceive for one moment that this commissioner could be found, because the qualifications which he would need to have could not possibly be held by any one man. The Bill reminds me that either the Government will have to go around like Diogenes with a lantern looking for one honest man; or the commissioner, having been found, will have to assume the role of Diogenes and wander around the city of Perth looking for one honest man, and suspecting everybody else.

We must not forget that this honest man when appointed commissioner—a man highly skilled in every trade, occupation and profession; a man who need not call in anyone to assist him, but can do so if he thinks fit; this man of wise vision and tremendous wisdom will have to sit in calm judgment, realising that behind him is a Minister pledged to socialism and therefore opposed to free enterprise. What a difficult situation for anyone! That is why I said in the first place that if this measure had gone on as it was originally planned, it could not have been proclaimed, because it was completely unworkable.

The other thing that interests me in regard to the Bill, bearing in mind the discussion that has taken place on it, is that it looks as though it is one which will have its influence only in the metropolitan area.

Hon. L. A. Logan: The poor country storekeepers will suffer.

Hon. J. G. HISLOP: Yes; they might. But when Mr. Roche was speaking, he said that the primary producer and the small man would not sustain much damage from the Bill if he maintained the practices of the firms from which he bought his goods. Then Mr. Heenan said nobody in Kalgoolie would be affected by the Bill. So it has nothing to do with the Goldfields.

Hon. G. Bennetts: They will if they rob the public.

Hon. J. G. HISLOP: But Mr. Heenan said that no one there would do so.

Hon. G. Bennetts: I wouldn't say that!

Hon. J. G. HISLOP: It has nothing to do with the primary producers, or the man in the country, or the man on the Gold-fields. So it is primarily aimed at big business in the city. It is a sectional Bill. As such, I do not think it is wise or sound legislation. It seems to me a most extraordinary attitude for a man to adopt to look at the Bill and say in effect, "The section of the community I represent is out of the Bill—

The Chief Secretary: I am surprised that you represent the unfair traders, Doc!

Hon. J. G. HISLOP: —the community I represent is not interested in the Bill and is not mentioned in the Bill, and I therefore feel very free indeed to condemn the others." That does not seem to me to be even just or honest. I believe that the person with that view in this House is strictly honest but misled, from the point of view that I reiterated when I started: that this Bill really is trying to examine restrictive trade agreements and has got mixed up with unfair profits.

We were told by Mr. Heenan that unfair profit cannot be defined. I wonder whether we can define profit unfairly made; whether that would not be a better approach to the problem. But I do not quite understand how that could be done.

Like Mr. Watson, I would rather see everybody in this Bill. If one section is to be taken out, I might suggest that I would agree with an amendment, of which notice has already been given, to take out the professional classes. Similarly, each one might sort of bid himself out of the Bill so that it would cover only the fellow not named. That seems to be the more useful way to deal with it.

Hon. J. Murray: That would leave the Bill and the commissioner himself.

Hon. J. G. HISLOP: That would be the correct approach. If we take one section out, let us have the other sections out, too: All the professional classes have some means of curbing unfair profits and dealing with unfair actions on the part of their members. The legal men have their Barristers' Board, which is very strict with them. The medical profession has the Medical Council, which can take exemplary action against the medical man. That has been done. Action has been taken against both legal and medical men by their respective organisations. Under the Workers' Compensation Act, if members of the medical profession act unfairly in levying charges, there is a committee which can make investigations.

So on the whole there is very little reason why they should be included in the measure. Consequently, to me it seems

that everybody should be in this, or we should all take ourselves out one by one. We should all see that our respective vocations are not covered by the Bill. It would be a useful measure then. The more one looks at the Bill the more foolish it becomes and the more unjust to sections of the community. It is unjust to say that one section should be absolved and not others. But if there is to be any taking out of sections, I will certainly see that I offer some method of removing my own particular profession. However, I do not think it would be fair to do so. It would be much fairer to make the measure apply to everybody.

Hon. Sir Charles Latham: You are going to oppose the amendment?

Hon. J. G. HISLOP: I am going to oppose something, and I think it will be the entire Bill, because there is nothing about it I like and I think I have said ample against it.

HON. G. BENNETTS (South-East) [9.40]: I had not intended to speak on this measure until I heard the remarks of some members to the effect that no evidence had been produced to justify the introduction of the Bill. Since it was announced that the Government intended to bring down the measure there has been considerable anxiety on the part of big business and other people. Both in Kalgoorlie and in the metropolitan area, pounds and pounds have been spent in condemning the Government through the Press and over the air, and all sorts of complaints have been made as to what would happen if the Bill were agreed to. Some terrible stuff has been put over to the people to the effect that they will be crucified and so on. Those things have been said over the air and published in the Press.

Reference was made by Mr. Cunningham to the basic wage. For some time that wage was pegged, and the wage-earner thought that by that means the cost of living would remain static. On the contrary, however, it rose considerably; and eventually the bench of the Arbitration Court decided that adjustments would have to be made, and increases were granted. Since then the cost of living has risen continually and wages have thus been forced up.

It has been said that no one could bring forward instances to prove that this Bill was necessary. Perhaps some of the excessive charges that have been made for commodities may not seem much to some people but to members of the working class with families they mean a lot.

I belong to a medical benefit fund and can obtain free medicine if I go to my chemist. But on one occasion I had to go to a chemist in Kalgoorlie to whom I presented my doctor's prescription. I was charged 6s. 6d. for the bottle of medicine.

When I came to Perth it was necessary for me to have the prescription repeated. The chemist to whom I went down here charged me 10s. 9d. for the same medicine.

Hon. A. F. Griffith: The rent would be more.

Hon. G. BENNETTS: I suppose that would be the excuse offered. But the contents of the bottle probably consisted of aspros and water or something of that sort; and whatever it was, the Perth chemist got a big percentage of profit out of me.

Hon. A. F. Griffith: Did it do you any good? That is the point.

Hon. G. BENNETTS: I would not say that it did. Only recently I had to purchase for someone in my district a ton of a certain material and I went to three firms. The price quoted by one of them was £118 12s. The second one quoted £113 6s. Those two firms could not let me have the material immediately, so I went to the third firm, whose price was £107 6s. I placed my order with that firm; and on making inquiries, I discovered that that was the proper price of the commodity. Yet one firm wanted to charge me £118! It must have wanted a much bigger profit than was desired by the firm from which I bought the material and which was dealing fairly and squarely and was satisfied with a decent return.

Hon. Sir Charles Latham: He anticipated a rise in freights or wages.

Hon. G. BENNETTS: Then I wanted a room-heater, and I went along to a firm which quoted me £37 10s. I ordered one to be sent to me for use when I returned at the end of the week. When I came back it had 22s. tacked on because they said there had been an increase in the price while I was in Perth. I told them to take it back and eventually got it elsewhere at the price originally quoted. Before going to Esperance recently, I measured up my backyard for a complete new water reticulation service; and while on the trip I estimated that I could put in a better system than I had originally envisaged, and so I wired back telling them to stop work until my return the following day. When I got back they told me the cost of the pipes already laid had risen by 1s. 1½d. per foot; and if that is not profiteering, I do not know what is.

If the four people I have quoted are doing the things I have mentioned, it is obvious that many others must be doing likewise. None of the small business people in my electorate has complained to me about the measure, but several of the bigger business men have done so. In reply, I told them that as they had always done the right thing they had nothing to fear from the Bill.

They then said that they had been told by their organisation that it would cause them a great deal of trouble. One man

explained to me that he had bought a consignment of trousers at 3s. less than the ruling price, by taking the whole lot, and he was worried whether that sort of thing would come under the Bill. I assured him that he would not be victimised for a deal of that nature. The Government does not want to interfere with people in matters such as that but to catch those who are indulging in really unfair trading.

It was mentioned by Mr. Watson that certain firms were not doing too well. I have a good friend in the furniture trade in Perth, and he told me that his business has fallen off considerably and he is finding it hard to pay his staff. He should not expect to raise the prices of his goods by about 50 per cent. for that reason. I think there are too many people in his line of business, and that eventually some of them will have to go, as there is no longer so much money available, with the result that fewer furniture shops are now required. Mention has been made of second-hand car trading.

Hon. L. A. Logan: Some of them will go broke.

Hon. G. BENNETTS: I know of a Holden which was put into a used car shop by a commercial traveller. When I saw it it was in a very bad state, being literally run to earth, yet when I saw it again a fortnight later, ready for sale, the tyres had been put on a machine which replaced the tread marks and I would defy any member of this House to say they were not new tyres, judging by their appearance. In parts of the body work wedges had been driven to stop the rattles and it was amazing to see the difference in the general appearance of the vehicle. It was eventually sold for more than 100 per cent. above what the firm paid for it, yet if that car was taken over a corrugated road it would be a death trap, as the tyres were down to less than 50 per cent. of their original strength.

Hon. L. A. Logan: There is a law against that sort of thing now.

Hon. G. BENNETTS: In addition, the speedometer had been put back 30,000 miles. That is the kind of trading desired to be covered under the Bill. Let us consider monopolies such as Peters Ice Cream and the huge profits they make. That firm now charges 6d. for a little cone of ice cream, while years ago a larger cone was supplied for 2d. The result is that today children are being exploited and are very often having to go short.

I will now refer to the Australian Glass Company. An American glass manufacturer here recently told one of our big cool drink manufacturers that Australian glass was the worst in the world and that Western Australian glass was of a lower standard than he had ever seen elsewhere. Until that firm got a monopoly of the trade one could buy unbranded bottles for 1s. 3d.

per dozen and use them for a long time, while today they cost 9d. each and will stand refilling only six times owing to the very poor quality of the glass.

At one stage there was a monopoly in ice at Kalgoorlie. When there were two or three ice works there the vans would deliver ice to the door; but when one factory got the monopoly, the size of the block of ice was reduced and one had to go to the factory to get it. The same applies to bread, cool drinks and so on. I cannot understand why members say that monopolies make goods cheaper, because my experience is the reverse.

Hon. A. F. Griffith: Do you think the commissioner would make them deliver the cool drinks in Kalgoorlie?

Hon. G. BENNETTS: The position regarding wood was serious and on the Goldfields many of the wood trucks were delivering underweight loads.

Hon. J. M. A. Cunningham: Those people are all out of business now.

Hon. G. BENNETTS: They would put the wood over the weighbridge, but God only knows what became of part of the load after that.

The PRESIDENT: Order! The hon. member must be more moderate in his language.

Hon. G. BENNETTS: In view of the instances I have mentioned, I feel it is necessary to pass comment. Once the Bill has become law, people of that sort will not try to take advantage of the public. I have pleasure in supporting the Bill.

HON. J. D. TEAHAN (North-East) [9.55]: I support the Bill, which seeks to deal with unfair trading, unfair profit taking and unfair methods of trade competition. Several speakers have touched on these matters, and Mr. Heenan said that the desire of our leaders in Australia and in this State has been to halt the inflationary spiral. Generally it can be said that little has been done, but when an attempt has been made by the present Government of this State to do something in a courageous and unusual way it has been condemned.

The heavy guns of the Press have been trained on this measure in an endeavour to persuade the public that it is unfair and dangerous, yet if the Government had done nothing in this regard the same Press would have trained its heavy ordnance on it for having attempted nothing. I give the Government full marks for what it has endeavoured to do—something courageous which has not been done in the other States—and I feel certain it will succeed. We have all seen in the Press, in recent months, advertisements inviting those with money to invest it at 12½ per cent., which in my opinion is an unfair rate of interest.

Hon. L. A. Logan: It depends on the risk.

Hon. J. D. TEAHAN: It is an unfair rate of interest because if anyone offers 12½ per cent. it is obvious that he in turn expects to get a still better return on the money. He is not there simply to handle the money as an agent but to pass it on at a greater rate of interest. It is my belief that a large portion of the money to which I have referred is used to finance hire-purchase sales of various kinds, including many household appliances which, in turn, are being sold at excessive prices. The result is that the 12½ per cent. which is being offered for money must be added to considerably and in the final reckoning it is generally the person on the basic wage who is paying for it.

Hon. G. C. MacKinnon: What percentage of the community is on the basic wage?

Hon. J. D. TEAHAN: It does not matter; but 12½ per cent. interest would be too much for any person on the basic wage to pay.

Hon. G. C. MacKinnon: You referred to the majority of the community.

The PRESIDENT: Order!

Hon. J. D. TEAHAN: Last night I strolled around the city of Perth and I could not help noticing that there are many drapery stores, handy food stores and quite a few confectionery stores and so on, but there are very few shoe stores. Every person in the community, whether a man, woman, boy or girl, has to wear shoes. How many shoe shops are there in Hay-st., Murray-st., or any other city street? I do not know what goes on, but that seems to indicate to me that there is something amiss.

Why are there not more shoe stores everywhere? Is it because there are some unfair trading practices in existence? I do not know; but my survey of the city seems to suggest to me that such is the case. The price for shoes, particularly children's shoes, is extremely high. That may be one reason why there are very few shoe stores.

Recently I went shopping with a close relative of mine who visited one of these large emporiums. At the time there happened to be a sale in progress. One of the articles this relative of mine wished to purchase was an ordinary suitcase. Most of the goods in the store had been discounted because of the sale. However, when the request was made to purchase a suitcase at a reduced price, the salesman explained that it could not be sold for less than the usual price because the price was fixed by the manufacturer, and if one went to another store it would be found that the price would still be the same.

On another occasion, when I was on a shopping tour, in one of the big stores there were large sale notices everywhere, indicating huge reductions in prices. During my wanderings I saw exhibited mattresses for a bed. One of the salesmen was asked

the price of a mattress and he said that he was sorry that there was no reduction in price for that mattress. How many articles are fixed in price I do not know. I do know that there are more fixed prices for articles than there were when I was younger.

Another point that has struck me is the age of many of the deceased persons whose estates are assessed for probate. Many of these persons are comparatively young although very wealthy. To my mind, if one can become wealthy at an early age the wealth must have been accumulated at the expense of someone else.

Hon. G. C. MacKinnon: A statement such as that must be supported by facts.

The PRESIDENT: Order, please!

Hon. J. D. TEAHAN: The statement made by the hon. member is stupid. I will quote further facts to him.

The PRESIDENT: I ask the hon. member to address himself to the Chair.

Hon. J. D. TEAHAN: As a justice of the peace I can state that not once but on many occasions before I came to this House, I witnessed declarations, mostly made by small traders, in which they were giving an undertaking that they would sell articles at the price stipulated and that they would observe the conditions relating to the sale of them. There was a clause in that declaration implying that if they did not observe the conditions set down, no more articles would be supplied to them. Members cannot deny that, because I will give a statutory declaration to that effect myself if required.

Despite the pegging of wages, the inflationary spiral has continued. It has been stated that it has been due to wages going up with a following increase in prices. However, that theory has been disproved. Wages have now been pegged for over a year and yet prices have continued to rise. If the increase in wages is not the cause of the inflationary spiral something else must be, but what it is we do not know. The Government, by the introduction of this measure, is endeavouring to find out by attempting to curb these unfair trade practices.

If no unfair trading is being indulged in, no one has anything to fear. Even during the past week-end, when in Kalgoorlie, I visited several small stores to make various purchases and the proprietors of those stores raised the subject in conversation with me; it was not I who raised it. Strangely enough, all of them were in favour of this Bill. They have reason to know of some of the practices that this Government intends to curb.

Hon. G. C. MacKinnon: Merely because they have not studied it.

Hon. J. D. TEAHAN: In my opinion, Dr. Hislop, in his concluding remarks, advanced arguments not against the Bill but

in favour of it. He and other speakers have implied that there is no unfair profit-taking or unfair practices being carried out. Yet he said—and we know that it is true—that the Barristers' Board deals with unfair charges that are made by any solicitor. If one receives a list of costs from a solicitor and one feels that they are unduly high, application can be made to the Barristers' Board to have them taxed. That shows that there is necessity for such action at least in one sphere. I think Dr. Hislop said that the B.M.A. is also in a position to deal with cases of a similar nature.

If such steps are necessary in the legal profession, do we know of any organisation that exists to prevent, at the present time, any unfair trade practices in wholesale or retail trading of merchandise? If such trade practices do not exist, traders will have nothing to fear from this legislation. The Government is merely putting forward this Bill to prevent such unfair trade practices if they do exist. The Bill will have the same effect as any other piece of legislation. For example, traffic laws often prevent many traffic offences from occurring. The law generally is designed to prevent crime. Therefore, this Bill will prevent unfair trade practices from occurring.

This measure will also cover such practices as the cornering of merchandise or produce. At one time I used to attend the markets regularly and there I saw such practices being performed in a small way, although I regarded them as being unfair. I am certain that such practices are also indulged in in higher places. This Bill will prevent any person or body from cornering a certain article at the expense of someone else in the community. Therefore, without adding more to what I have already said, I intend to support the second reading of the Bill.

On motion by Hon. R. C. Mattiske, debate adjourned.

BILLS (5)—FIRST READING.

- 1, Police Act Amendment (No. 1).
- 2, Betting Control Act Amendment.
- 3, Bookmakers Betting Tax Act Amendment.
- 4, Licensing Act Amendment (No. 3).
- 5, Pig Industry Compensation Act Amendment.

Received from the Assembly.

ADJOURNMENT—SPECIAL.

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

That the House at its rising adjourn till 3.30 p.m. tomorrow.

Question put and passed.

House adjourned at 10.16 p.m.