

Hon. H. K. WATSON: We must not imagine that the passage of legislation for providing finance will solve the problem; because, as the Chief Secretary pertinently interjected, saturation point has been reached.

Hon. G. Bennetts: Does that apply to bricks only?

Hon. H. K. WATSON: Bricks, tiles and galvanised iron. The supply of asbestos is six months behind orders. I cannot understand why bricks are in short supply. Two years ago, when the State commenced a new brick works, we were told that within 12 months of that time there would be sufficient bricks to supply the Western Australian demand. I do not know whether the Chief Secretary can enlighten us about that.

The Chief Secretary: The demand for bricks has exceeded all expectations.

Hon. A. F. Griffith: The South Perth Civic Centre cannot get bricks for building, but I notice that the Italian Club is doing all right.

Hon. H. K. WATSON: To my mind, while finance is an important factor, it is not necessarily the final solution of the problem, as the Bank of New South Wales so timely pointed out in its last Quarterly Review, when discussing the Australian position. It applies with equal force to Western Australia. The quotation can be found in last week's issue of "The Financial Review," as follows:—

Finance for building, both housing and other, has become progressively more freely available since the financial stringency of 1952 and has piloted the recovery of the building industry.

But if building costs again begin to rise substantially, prudence will dictate a tightening of lending conditions for all types of building.

With low interest rates and low deposit terms available to borrowers, this may mean that many intending home-builders will have to continue to wait long periods for finance.

Unfortunately as this position is, it is preferable to the alternative of a renewal of bottlenecks in labour and material, lengthening construction schedules, and mounting and unpredictable costs.

In other words, the supply of finance for building must be related to the productive capacity of the building industry, not merely to the demand for finance.

We should bear those points in mind. I support the second reading.

On motion by the Chief Secretary, debate adjourned.

*House adjourned at 8.55 p.m.*

## Legislative Assembly

Tuesday, 17th August, 1954.

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

### QUESTIONS.

#### ELECTORAL.

(a) As to Council Enrolments and Quotas.

Mr. JAMIESON asked the Minister for Justice:

(1) What is the present number of electors enrolled for each of the fifty Legislative Council sub-divisions?

(2) What is the present number of electors enrolled for each of the ten Legislative Council provinces?

(3) What are the present "quota" figures for—

- (a) Metropolitan provinces;
- (b) Mining, pastoral and agricultural provinces?

The PREMIER (for the Minister for Justice) replied:

(1) The enrolments for the part-provinces are as follows:—

**Central Province:  
Part-provinces.**

|                           |              |
|---------------------------|--------------|
| Avon Valley               | 1,206        |
| Dale                      | 1,653        |
| Darling Range             | 1,484        |
| Mt. Marshall              | 1,018        |
| Northam                   | 1,063        |
| Toodyay                   | 1,170        |
| <b>Total for Province</b> | <b>7,594</b> |

**Metropolitan Province:  
Part-provinces.**

|                           |               |
|---------------------------|---------------|
| Claremont                 | 2,081         |
| Cottesloe                 | 1,842         |
| East Perth                | 973           |
| Leederville               | 1,440         |
| Nedlands                  | 2,414         |
| North Perth               | 1,190         |
| Subiaco                   | 1,325         |
| Wembley Beaches           | 2,504         |
| West Perth                | 1,245         |
| <b>Total for Province</b> | <b>15,014</b> |

**Midland Province:  
Part-provinces.**

|                           |              |
|---------------------------|--------------|
| Geraldton                 | 1,433        |
| Greenough                 | 1,447        |
| Moore                     | 1,522        |
| <b>Total for Province</b> | <b>4,402</b> |

**North Province:  
Part-provinces.**

|                           |              |
|---------------------------|--------------|
| Gascoyne                  | 704          |
| Kimberley                 | 390          |
| Pilbara                   | 450          |
| <b>Total for Province</b> | <b>1,544</b> |

**North-East Province:  
Part-provinces.**

|                           |              |
|---------------------------|--------------|
| Hannans                   | 2,154        |
| Kalgoorlie                | 1,869        |
| Murchison                 | 1,128        |
| <b>Total for Province</b> | <b>5,151</b> |

**South Province:  
Part-provinces.**

|                           |              |
|---------------------------|--------------|
| Albany                    | 1,203        |
| Katanning                 | 1,144        |
| Narrogin                  | 1,038        |
| Roe                       | 1,168        |
| Stirling                  | 1,226        |
| <b>Total for Province</b> | <b>5,779</b> |

**South-East Province:  
Part-provinces.**

|                           |              |
|---------------------------|--------------|
| Boulder                   | 1,855        |
| Eyre                      | 1,229        |
| Merredin-Yilgarn          | 1,251        |
| <b>Total for Province</b> | <b>4,335</b> |

**South-West Province:  
Part-provinces.**

|                           |              |
|---------------------------|--------------|
| Blackwood                 | 1,243        |
| Bunbury                   | 1,391        |
| Collie                    | 890          |
| Harvey                    | 1,007        |
| Murray                    | 1,353        |
| Vasse                     | 1,421        |
| Warren                    | 816          |
| <b>Total for Province</b> | <b>8,221</b> |

**Suburban Province:  
Part-provinces.**

|                           |               |
|---------------------------|---------------|
| Canning                   | 5,328         |
| Guildford-Midland         | 3,204         |
| Maylands                  | 2,638         |
| Middle Swan               | 4,624         |
| Mt. Hawthorn              | 2,863         |
| Mt. Lawley                | 3,014         |
| South Perth               | 2,997         |
| Victoria Park             | 2,752         |
| <b>Total for Province</b> | <b>27,420</b> |

**West Province:  
Part-provinces.**

|                           |               |
|---------------------------|---------------|
| Fremantle                 | 2,829         |
| Melville                  | 4,985         |
| South Fremantle           | 3,786         |
| <b>Total for Province</b> | <b>11,600</b> |

(2) The enrolments for the provinces are as follows:—

|              |               |
|--------------|---------------|
| Central      | 7,594         |
| Metropolitan | 15,014        |
| Midland      | 4,402         |
| North        | 1,544         |
| North-East   | 5,151         |
| South        | 5,779         |
| South-East   | 4,335         |
| South-West   | 8,221         |
| Suburban     | 27,420        |
| West         | 11,600        |
| <b>Total</b> | <b>91,060</b> |

(3) The Electoral Districts Act does not provide for any quota for electoral provinces. Section 9 of the Act prescribes the

manner in which the boundaries of the provinces shall be adjusted following a re-adjustment of boundaries of the Legislative Assembly districts.

*(b) As to Implementing Electoral Districts Act.*

Hon. Sir ROSS McLARTY (without notice) asked the Premier:

Was any consideration given to the question of redistribution of electoral boundaries at the Cabinet meeting on Monday last? If not, would the Premier indicate when a decision will be arrived at in this regard? Does he not regard the provisions of the existing Electoral Boundaries Act as being perfectly clear, and does he not think that the provisions should be carried out?

The PREMIER replied:

There was some discussion on this matter at the Cabinet meeting held on Monday of this week. The matter is listed for further consideration in ensuing meetings of Cabinet. In reply to the second part of the question, it may be said fairly safely that the provisions of this Act are as clear as the provisions of most Acts.

*(c) As to Consideration by Cabinet.*

Hon. Sir ROSS McLARTY (without notice) asked the Premier:

Will he give members an assurance that when Parliament meets on Tuesday next he will be able to give information to the House with regard to the Government's proposals on redistribution?

The PREMIER replied:

No. It is not reasonable to expect me to give an assurance of that kind. If I were to give it, I might find myself not in a position to fulfil it when the House meets next Tuesday. As the Leader of the Opposition well knows, Cabinet has before it from week to week the consideration of very urgent matters. In its wisdom Cabinet has to decide, from meeting to meeting which matters are to be dealt with in priority of importance. The only assurance which I can give to the Leader of the Opposition, and one which I am capable of fulfilling, is that Cabinet will conclude the consideration of this matter in the reasonably near future. If I might hazard a guess of what might arise out of the final decision of Cabinet, I would think that legislation would be introduced in Parliament as a result of the decision.

*(d) As to Failure to Implement Act.*

Hon. Sir ROSS McLARTY (without notice) asked the Premier:

Will he indicate to the House why the Government has not carried out the provisions of the Electoral Districts Act, as it is supposed to do?

The PREMIER replied:

Simply because we have been giving consideration to various angles of it. We think that the basis of the law is unjust and before we carry out the provisions of the present law—

Hon. Sir ROSS McLARTY: What do you mean by "basis?"

The PREMIER: The quota basis. As the Leader of the Opposition well knows, his Government fixed the quotas, and I need not suggest to members of this House the reason why the previous Government fixed the quotas as it did.

**MILK.**

*(a) As to Warning to Offending Producers.*

Hon. Sir ROSS McLARTY asked the Minister for Health:

Would he give favourable consideration to a warning being issued to a producer of wholemilk before he is prosecuted for selling under-standard milk, which is not adulterated?

The PREMIER (for the Minister for Health) replied:

No. In prosecutions taken under the Health Act the matter of warning or prosecution should be left to the local authority to decide on the individual merits of the case. In the majority of cases a warning is given.

*(b) As to Board Being Sole Prosecuting Authority.*

Hon. Sir ROSS McLARTY asked the Minister for Agriculture:

As Minister in charge of the Milk Act, does he not consider it desirable for the Milk Board to be the sole authority to prosecute for all offences relating to milk, and so prevent the continuance of the present position whereby two authorities can prosecute for the same offence?

The MINISTER replied:

No, as it would mean the Milk Board taking over the functions of the public health authorities. On the grounds of public policy, this is not desirable.

**FREMANTLE RAILWAY BRIDGE.**

*As to Resumptions and Cost Involved.*

Hon. D. BRAND asked the Minister for Works:

(1) How many buildings are to be demolished in having the railway connected with the proposed new railway bridge over the river at Fremantle?

(2) How many—

(a) have already been resumed;

(b) are to be resumed?

(3) What is the anticipated total cost of resumptions involved in the proposed new siting of the railway bridge?

The MINISTER replied:

Plans have not been established by survey, but tentative inquiries indicate—

- (1) 40.
- (2) (a) Nil (two have been acquired by private negotiation).
- (b) 38.
- (3) £200,000 for railway purposes.

#### EDUCATION.

(a) *As to Fate of Perth Boys' High School.*

Mr. COURT asked the Minister for Education:

- (1) What will be the ultimate fate of Perth Boys' High School when a substantial increase in the number of metropolitan high schools takes place?
- (2) If the present P.B.H.S. site is not to be retained as a Perth boys' high school, is there a plan to preserve the tradition of this century-old school?

The MINISTER replied:

- (1) and (2) This matter will be given consideration when it seems likely that sufficient high schools will be erected in the metropolitan area to absorb the students of this school.

(b) *As to Bunbury High School.*

Mr. GUTHRIE asked the Minister for Education:

Will he state details as to when repairs etc., at the Bunbury High School will be commenced?

The MINISTER replied:

The renovation of the Bunbury High School has received the attention of the Public Works Department, which has completed the preparation of specifications and cost estimates for the work. It is intended to submit the matter for Treasury approval this week, following the receipt of which work will be commenced as soon as possible thereafter.

(c) *As to Extension of Bunbury Girls' Hostel.*

Mr. GUTHRIE asked the Minister for Education:

Will he inform the House whether any further extensions are contemplated for the girls' hostel in Bunbury? If so, will he give details?

The MINISTER replied:

The department's intention is to erect a new recreation room at the girls' hostel, Bunbury, and plans and estimates of cost have been prepared. It is hoped to secure funds for this work to allow of its completion by the end of 1954.

Future extensions of the main building include new lavatories and ablution block and kitchen which, when erected, will permit of the recreation room being converted to a diningroom.

(d) *As to Communists at Teachers' Training College.*

Mr. ACKLAND (without notice) asked the Minister for Education:

On the 17th June last, when asked a question regarding the report concerning communist student-teachers at the Teachers' Training College, he replied that the Government had not given consideration to the matter.

On three subsequent occasions, when asked questions relating to the same subject, he replied that the matter was still under consideration by the Government.

As it is now two months since the original questions were asked—

- (1) Will he inform the House if the Government has come to any decision regarding this important matter?
- (2) If not, how long does he expect it to be under consideration before the Government reaches a final conclusion?

The MINISTER replied:

In reply I have to indicate that it is expected a decision will be made in the near future.

#### SURF LIFE SAVING ASSOCIATION.

*As to Increasing Annual Subsidy.*

Mr. HUTCHINSON asked the Treasurer:

(1) Will the Government increase the grant of £400 paid annually to the Surf Life Saving Association, in order to bring this annual grant more in line with the much more generous grants made by the Queensland, New South Wales and Victorian Governments?

- (2) If not, why not?

The TREASURER replied:

- (1) Not at present.

(2) One reason is that it is not usual to increase any grant merely on the basis of a bald request. A second reason is that the grant to this association was increased by £250 in the financial year 1951-1952. A third reason is that requests for Government financial help are being received from many directions and it is not possible to approve in every instance.

#### TRANSPORT.

*As to Carnarvon Goods Traffic.*

Mr. NORTON: asked the Minister representing the Minister for the North-West:

(1) What was the total tonnage of all goods transported to Carnarvon for the year ended the 30th June, 1954—

- (a) by sea;
- (b) by road?

(2) What was the total tonnage of all goods transported from Carnarvon for the year ended the 30th June, 1954—

- (a) by sea;  
(b) by road?

The MINISTER FOR MINES replied:

|                       | Tons.  |
|-----------------------|--------|
| (1) (a) General cargo | 9,658  |
| Bulk fuel oil         | 2,698  |
| Sheep                 | 493    |
| Cattle                | 23     |
|                       | Tons.  |
| (2) (a) General cargo | 10,273 |
| Whale oil             | 4,881  |
| Bulk fuel (bunkers)   | 1,488  |
| Sheep                 | 6,313  |
| Cattle                | 78     |

With regard to road transport there is no way of officially determining the quantity of goods carted. Licences are granted to numerous carriers for the haulage of goods but neither the quantity of goods to be carried nor the number of trips is specified. There may also be producers who elect to cart their own produce.

#### WAR SERVICE LAND SETTLEMENT.

*As to Registration and Issue of Lease Documents.*

Mr. NALDER asked the Minister for Agriculture:

(1) How many lease documents have been registered and issued to war service land settlers?

(2) How many lessees have been on their properties for three years or more and have not received their leases?

(3) How many war service land settlement properties has the Rural & Industries Bank refused to take over because of insufficient development?

The MINISTER replied:

(1) 255.

(2) 230. Departmental notices approving of leases have been issued and these are binding upon the department.

| (3)                               | Wheat & Grazing | Dairy | Other | Total |
|-----------------------------------|-----------------|-------|-------|-------|
| Lessees transferred to Rural Bank | 387             | 66    | 7     | 460   |
| Lessees withheld from Rural Bank  | 33              | 99    | 35    | 167   |
| Lessees on Assistance Period      | 36              | 25    | 1     | 62    |
|                                   | 456             | 190   | 43    | 689   |

The Minister for Lands is the credit authority.

The Lands Department is responsible for supervision until the planned development work approved by the Commonwealth has been completed and the lessee has a reasonable chance of meeting working expenses and paying portion at least of his lease commitments.

Officers of the Land Settlement Department and the Rural & Industries Bank confer before any decision to transfer accounts to the Rural & Industries Bank is reached.

#### HARBOURS.

*As to Bunbury Transit Shed.*

Mr. GUTHRIE asked the Minister for Works:

Can he inform the House the date on which the transit shed will be commenced in Bunbury?

The MINISTER replied:

No firm date can be given.

#### RAILWAYS.

*As to Items Included in Losses.*

Hon. A. F. WATTS asked the Minister for Railways:

(1) Referring to Question No. 4 on the notice paper of Thursday, the 12th August, will he provide the information asked for in that question for the year ended the 30th June, 1953, in lieu of the 30th June, 1954?

(2) Will he also state the total loss incurred by the railways during the year ended the 30th June, 1953, and state which of the items given in answer to question No. (1) were included in arriving at that loss?

The MINISTER replied:

(1) and (2) Information relating to the railway deficit for the year ended the 30th June, 1953, may be seen at folio 9 of the annual report, a copy of which has been tabled in the House.

The deficit, which amounted to £5,882,756, included depreciation £777,043 and interest on capital £846,863.

Interest is not calculated on capital written off, in so far as the railway accounts are concerned.

#### BRIDGES.

*As to Finance for Narrows Construction.*

Hon. A. F. WATTS asked the Minister for Works:

In meeting the expense of constructing the proposed bridge over the Narrows, does he expect to finance it from Federal aid road funds, traffic fees, or loan funds, or partly in one way and partly in another, and if the last mentioned, in what proportions does he expect the expense will be met?

The MINISTER replied:

Financial provision for the construction of the proposed bridge over the Narrows will be made partly from Federal aid road funds and partly from traffic fee funds spread over a period of years. The proportions will be determined from time to time in accordance with available funds.

**NORTH-WEST.***As to Hold-up of Ships, Carnarvon.*

Hon. Sir ROSS McLARTY (without notice) asked the Premier:

In today's "Daily News" I notice a report that two ships are held up at Carnarvon. Has the Government received any notification of the hold-up? If it has, what action has been taken? If it has not, what action does it propose to take?

The PREMIER replied:

The Minister for Supply and Shipping has been notified officially of the hold-up. He has been in negotiation with some of the parties concerned to try to end the dispute as early as possible. He will continue those negotiations on behalf of the Government until a settlement is effected.

**STATE CIVIL SERVICE.***As to Infiltration of Communists.*

Mr. ACKLAND (without notice) asked the Premier:

In view of the nature of some of the evidence which is being presented at the inquiry now being held in Sydney, and also the fact that the communists are gaining control in countries much nearer to our own shores, does the Premier intend to give any consideration to looking into our own Civil Service with the idea of weeding out any communists who may be in it?

The Minister for Housing: McCarthyism!

The PREMIER replied:

My reply offhand to this question is that the present Government accepted with all faith the Civil Service that it took over from the hon. member's own Government.

**BILLS (3)—FIRST READING.**

- 1, War Service Land Settlement Scheme.  
Introduced by the Minister for Lands.
- 2, Factories and Shops Act Amendment.  
Introduced by the Minister for Labour.
- 3, Lotteries (Control).

Received from the Council.

**BILL—WAREHOUSEMEN'S LIENS ACT AMENDMENT.**

Returned from the Council with an amendment.

**BILL—PRICES CONTROL.***In Committee.*

Resumed from the 12th August. Mr. Brady in the Chair; the Minister for Labour in charge of the Bill.

Clause 10—General powers of commissioner (partly considered):

The CHAIRMAN: The Minister for Labour had moved an amendment as follows:—

That after the word "declare" in line 29, page 3, the words "with respect to any goods and services that are specified in the Second Schedule to this Act or such other goods and services as may be prescribed by regulation" be inserted.

The MINISTER FOR LABOUR: I think it due to the Leader of the Country Party that I should make an explanation. The Chief Parliamentary Draftsman has considered his remarks and apparently the hon. member desired the provisions of the measure to be confined to goods and services enumerated in the Second Schedule. I have been advised that, if the Bill be amended in that way, the powers of the Government would be limited. If we desired to add items to the schedule, an amending Act would have to be passed.

It was further submitted that, if it were the hon. member's desire that the Bill should include power to add by regulation to the items in the schedule, Clause 10 (1) already provides that power when read in conjunction with the words "or such other goods and services as may be prescribed by regulation." The words in Subclause (2), "In particular but without limiting the generality of the last preceding subsection" show that the general powers conferred by Subclause (1) are not diminished by the specification of the various items mentioned in Subclause (2).

When the Bill was first drafted, the verbiage was taken from the original Act introduced by the then Attorney General. Cabinet discussed whether, as an indication to Parliament that it did not desire to put a blanket control on all commodities and services, it should introduce a schedule of the most important items. For this reason the amendment has been moved. Obviously the Government should have the necessary power if the circumstances should arise, and it has been suggested that the wording of the subclause with the amendment should be adopted. I repeat that there is no desire to impose a general control on the prices of all commodities. Each one would be dealt with according to prevailing circumstances, but I think members will agree that, if we are to have an Act, the power should be reposed in the Government so that it may be exercised if necessary.

Amendment put and passed; the clause, as amended, agreed to.

Clauses 11 and 12—agreed to.

Clause 13—Secrecy:

The MINISTER FOR LABOUR: I move an amendment—

That before the word "Schedule" in line 4, page 6, the word "First" be inserted.

Amendment put and passed; the clause, as amended, agreed to.

Clause 14—agreed to.

Clause 15—Regulations:

The MINISTER FOR LABOUR: I move an amendment—

That after the word "services" in line 30, page 7, the words "specified in the Second Schedule to this Act or such other goods and services as may be prescribed by regulation" be inserted.

This is consequential on the amendment made to Clause 10.

Amendment put and passed.

The MINISTER FOR LABOUR: I move an amendment—

That the words "particularly in relation to food, clothing and housing" in lines 30 and 31, page 7, be struck out.

Amendment put and passed.

The MINISTER FOR LABOUR: I move an amendment—

That after the word "services" in line 33, page 7, the words "specified in the Second Schedule to this Act or such other goods and services as may be prescribed by regulation" be inserted.

Amendment put and passed.

The MINISTER FOR LABOUR: I move an amendment—

That all the words in lines 34 to 36 inclusive, page 7, be struck out.

Amendment put and passed.

The MINISTER FOR LABOUR: I move an amendment—

That at the end of line 41, page 7, a paragraph be added as follows:—

- (d) prescribing goods and services to which the provisions of this Act apply in addition to those specified in the Second Schedule to this Act.

Amendment put and passed; the clause, as amended, agreed to.

Clause 16—Consultative committee:

Hon. A. V. R. ABBOTT: The committee here proposed is to consist of five members, representing respectively the manufacturers and wholesalers, the retail traders, the primary producers and the consumers, the fifth to be the commissioner. In the legislation introduced by me in the past, the committee consisted of three members, one representing the consumers and appointed by the president of the Arbitration Court, a representative of the business interests and the chairman.

I would remind the Committee that to be of any value, a committee such as this must be comprised of experts, because the members might have to examine, for instance, the accounts of an oil company or some

other large organisation. The appointees, therefore, must be such that the committee will be of a highly technical nature and, for that reason, I feel that the committee provided for in the previous legislation was more efficient. I move an amendment—

That the word "five" in line 31, page 8, be struck out and the word "three" inserted in lieu.

If the amendment is agreed to the committee could then consist of three technical experts, the consumer's representative being appointed by the president of the Arbitration Court. Such a committee was most efficient under the old Act.

The MINISTER FOR LABOUR: I oppose the amendment. The committee suggested by the member for Mt. Lawley is taken straight from the old Act, whereas we have deliberately substituted the present provision, which indicates that the Government believes the committee proposed in the Bill would better suit the requirements. The hon. member said technical advisers would be necessary to examine, for instance, an oil company's accounts, but I would point out that access to such accounts would be confined to the commissioner or his authorised officers. It would not be fair to a company to allow members of an advisory committee access to its accounts.

Were the Bill passed in its present form I think, if I were administering the Act, I would get in touch with the organisations concerned and ask them to nominate suitable representatives. I have no doubt that they would select the appropriate persons to represent them. In that way the Minister would have available to him expert advice from the various interests concerned, to help him in deciding what items should or should not be controlled. The committee proposed in the Bill is widespread in its representation and I think the Minister should at least have authority to invite some person to act as the consumer's representative. I believe the committee, as proposed in the Bill, would be most helpful in the administration of the Act.

Hon. A. V. R. ABBOTT: I think the Minister has missed the point about the value of the committee I have suggested. The committee, under the chairmanship of the member for Nedlands, was invaluable to me and to trade generally, when I was Minister for Prices. The committee must be small because it is given confidential information and, under the provisions of the previous Act, its members were sworn to secrecy. The biggest problem I had to face was an appeal from certain industries regarding the margins allowed for their goods. A decision on that could not be given without consideration of the figures of the industries and, of course, those figures were confidential. Any other advice that the Minister wants is always available to him.

Many deputations that I received gave me valuable information as to the conditions that existed in the industries concerned. For instance, the brickmakers would have a deputation to me and they would submit their point of view. The next day it might be the timber people, and so on. What would the manufacturer of bread, as an example, know about the making of bricks? The only way to get such information is to obtain it from the people concerned, and that is done by receiving deputations. The view of the departmental officers can be given to the Minister only through the commissioner; the Minister cannot interview the various departmental officers. In my view, the average Minister has not the time, the accountancy knowledge or the experience necessary to enable him to decide whether prices should go up or down. In that regard the committee I mentioned was invaluable to me.

It was an expert committee and it used to meet the commissioner and arrive at a conclusion. In most instances the matter was not referred to the Minister. If, however, the committee and the commissioner could not arrive at a decision, both parties would put their points of view to the Government, and the Government would make a decision. If the Minister wants a truly representative committee, it would be necessary to have a representative from each of the trades, and that would be ridiculous. This committee cannot give the Minister the same assistance as could be available from an expert committee of technical men. I suggest that the Minister gives way on this point.

**THE MINISTER FOR LABOUR:** There will be nothing to stop the prices Minister from consulting with any particular interests. I think the committee would be most helpful, and when the member for Mt. Lawley was the Minister for Prices he had a couple of committees to guide him.

Hon. A. V. R. Abbott: I did not.

**THE MINISTER FOR LABOUR:** I discovered two. With all due respect to the obvious capacity of the member for Nedlands, who was chairman of the committee referred to by the member for Mt. Lawley, he could not be expected to have a wide knowledge of the ramifications of industry in general.

Hon. A. V. R. Abbott: We do not pretend that he did.

**THE MINISTER FOR LABOUR:** Let us examine another member of the committee—the conciliation commissioner, who was the consumers' representative. He would not have an expert knowledge of the timber industry, for instance.

Hon. A. V. R. Abbott: He was an expert on figures.

**THE MINISTER FOR LABOUR:** He was not; I am not saying that in a derogatory fashion.

Hon. A. V. R. Abbott: I think he was.

**THE MINISTER FOR LABOUR:** The third gentleman on the committee could not be expected to know everything about everything.

Hon. A. V. R. Abbott: He was a public accountant.

**THE MINISTER FOR LABOUR:** He was also an engineer, but he would not have an expert knowledge of every industry. Speaking from memory, another committee to which the member for Mt. Lawley referred, was connected with manufacturers and retailers. Its members said that they gave advice to the previous Minister.

Hon. A. V. R. Abbott: They used to make submissions.

**THE MINISTER FOR LABOUR:** The hon. member can use the word "advice" or the word "submissions", but they tendered advice to the previous Minister.

Hon. A. V. R. Abbott: I had more than that.

**THE MINISTER FOR LABOUR:** I am letting the hon. member off lightly; I mentioned only two.

Hon. A. V. R. Abbott: Each industry had its own committee.

**THE MINISTER FOR LABOUR:** In addition, there were a highly qualified commissioner and highly skilled technical officers. There was a qualified electrician who used to examine the accounts and charges for electrical installations. There were also other technical people in the Prices Control Branch, and if one wanted to set up a committee to deal with all the ramifications of industry, one would need 50 or more representatives. The proposed committee will represent general interests. I am sorry I cannot agree with the member for Mt. Lawley, because this has been worked out after mature consideration and should be given a trial.

Hon. A. V. R. ABBOTT: I want to know from where the Minister proposes to get assistance of a technical nature. From where will he get a check on the commissioner, because it is only fair, when an industry is vitally concerned, that there should be some check or appeal? From where will the Minister get that assistance?

**THE MINISTER FOR LABOUR:** From where you got it.

**MR. COURT:** I do not want to become involved in a discussion regarding individual members of the previous committee, because we are considering the principle at which the measure is aimed. I was chairman of the committee referred to, and I was well served by two capable and conscientious men. I think the difference between the approach of



the member for Mt. Lawley and that of the Minister is in the intention of the Minister with respect to the committee. From what the Minister said earlier, I gather that he does not envisage this committee becoming involved in a lot of technical detail. Apparently he does not think it necessary for the members of the committee to be covered by the oath of secrecy in the ordinary way, because they would be approached only for general advice regarding the control or decontrol of a given industry.

If that is the Minister's approach, it materially affects the need for certain personnel, and I would like him to indicate whether that really is his approach. It is referred to as a consultative committee, and if the Minister could amplify the exact duties of the committee, it would be of benefit to members. If the Minister intends to use the committee for advice on technical matters, the members will need to have access to certain financial information. Perhaps the Minister could give us some information about that point.

**The MINISTER FOR LABOUR:** The use of the word "consultative" implies that the Minister will use it for consulting purposes. The commissioner will be a member of the committee, but to allow the members full access to the financial accounts of any particular company—no matter how honourable those members may be—would not be right. I think the member for Nedlands can see the danger of that. The representative of one particular section might be the director of a company operating in competition with another, whose financial returns were being investigated. That would not be fair to either party, and the accounts should be inspected only by responsible and competent officers of the Prices Control Branch.

The function of the consultative committee would be to consult with the Minister on general matters appertaining to price fixing; whether items should be controlled or decontrolled. Overall, I think it could be very helpful to the Minister in administration. It would be inadvisable and impracticable for a committee of five or 20 to try to fix prices, because, although the consumers' representative might suggest a certain price for meat, the representative of some other organisation might suggest a different price. To try to fix a price on that basis is unscientific; price fixing must be done on a scientific basis. When a price is fixed, the Minister is responsible for its equity and should be able to stand up to any criticism.

Hon. A. V. R. Abbott: How can you?

**The MINISTER FOR LABOUR:** It has been done. After perusing the accounts and figures in connection with which representations have been made for altered prices, I found that the prices commissioner was able to put up a watertight case.

Hon. A. V. R. Abbott: How do you know?

**The MINISTER FOR LABOUR:** Just the same as the previous Minister knew.

Hon. A. V. R. Abbott: You could not go into detailed figures.

**The MINISTER FOR LABOUR:** I will be quite frank with the hon. member and tell him that I took time to investigate some of them, and I was satisfied that the machinery and the basis of costs and prices were very sound. If the companies spoke the truth, it would be found that officers of the Prices Control Branch were very fair, competent and logical in their approach to price fixing. If the previous Minister felt that justice should be done, he would offer the same commendation of the officers of that branch.

Hon. A. V. R. Abbott: I agree, but it did not prevent the commissioner from altering his view.

**The MINISTER FOR LABOUR:** He would not alter his approach, but he would alter prices, with altering circumstances. Amendment put and negatived.

Hon. Sir ROSS McLARTY: I move an amendment—

That in lines 9 and 10, page 9, the words "as member of the Committee is such as the Minister thinks fit" be struck out with a view to inserting the words "shall continue in operation until the 31st December, 1955."

I know that this provision is very much the same as it was in the previous Act where it was set out, with respect to the committee, that it would "hold office during the pleasure of the Minister." But this refers to each person who shall hold office for such term as the Minister thinks fit. This is not a satisfactory provision in this type of legislation. The position could arise where a member of the committee could be at variance with the views of other members of the committee, and indeed with the views of the Minister in charge of the legislation. It would be more satisfactory if provision were made for the entire committee to retire at the same time. It should not be left to the Minister to say, "I am not satisfied with you; your term will expire in a month's time," or whatever the term may be.

**The MINISTER FOR LABOUR:** I appreciate the point made by the Leader of the Opposition. But this can cut both ways. I do not say that every member of the committee would act in this manner, but it might be that one member was apathetic and not interested in meetings of the committee. In that case it would not be fair if he were allowed to carry on for the period suggested by the Leader of the Opposition. An organisation might say that its representative no longer had its confidence, and yet the Minister would have to accept him for the term stipulated.

Hon. D. Brand: Could it be that he had the confidence of the organisation and not the confidence of the Minister?

The MINISTER FOR LABOUR: Personally, I do not think so. If a representative had the confidence of his organisation, I do not think any Minister would be small enough to say, "Your views do not coincide with mine, and therefore you are no longer a member of the committee." I cannot visualise any member adopting such an attitude. If the Minister had the sole right to recommend or appoint, there might be something in the contention put forward by the Leader of the Opposition, but it does not arise when representatives are nominated by particular interests. The Minister may decide that Mr. Jones is no longer a member of the committee; he may ask the organisation for another nomination and Mr. Jones might again be nominated. The Minister's position would be untenable in such circumstances. If the measure became law and I were Minister, I certainly would not terminate the membership of a representative who held the confidence of his organisation, merely because I did not see eye to eye with him.

Hon. Sir ROSS McLARTY: After hearing what the Minister had to say, I ask leave to withdraw my amendment. The Minister said he was prepared to accept the nominees of industries, or sections of industry, referred to in this clause, and that he is not likely to interfere with their nominations.

Amendment, by leave, withdrawn.

Clause put and passed.

Clauses 17 and 18—agreed to.

New Clause:

The MINISTER FOR LABOUR: I would like to make sure that I will not be precluded from moving my amendment to insert the word "first" before the word "schedule," if the member for Mt. Lawley is successful in his amendment to insert a new clause.

The CHAIRMAN: That will be dealt with after the new clause has been considered.

Hon. A. V. R. ABBOTT: I move—

That the following be inserted to stand as Clause 19:—"This Act shall continue in operation until the thirty-first day of December, one thousand nine hundred and fifty-five, and no longer."

I am glad that the Minister is giving serious consideration to accepting this.

The Minister for Labour: You are joking!

Hon. A. V. R. ABBOTT: The Minister said he felt it might be carried.

The Minister for Labour: I did not.

Hon. A. V. R. ABBOTT: I must have misunderstood the Minister. It has been indicated as the policy of the Government that it does not believe in controls except where an emergency warrants them. In other words, the Government does not believe in permanent controls. The Minister has said that this is a permanent price-fixing measure. I admit that items can be controlled and decontrolled by regulation, and to some degree that would place the matter in the hands of Parliament. But if the Bill became law, there would remain on the statute book permanent price-fixing legislation. We cannot have an administrative branch abandoned one day, brought into being the next and abandoned the next.

The Bill envisages a permanent investigation of prices, and permanent control. I do not think that is warranted and my amendment would make the measure operate until the 31st December, 1955, and no longer. The Government could then submit a new Bill to continue the Act, if it desired; and that could be done from time to time, and the control abolished when that was thought fit. I want the Minister to come into the open and say whether he believes in controls or not. If he does not, why does he want a permanent control measure? If he does not believe in permanent price control, he could not have any objection to the amendment. If control is the policy of the Government and the Minister's party, let him say so, and let us know where we are.

The Minister for Housing: Where would that get you?

Hon. A. V. R. ABBOTT: It would not get us anywhere; but the public would know the Government's point of view, and it would save the Minister from a little confusion of thought.

The MINISTER FOR LABOUR: I think the member for Mt. Lawley is confused; I am not.

Hon. A. V. R. ABBOTT: You believe in controls?

The MINISTER FOR LABOUR: The member for Mt. Lawley says that there is confusion of thought on my part; but I know where I stand, and I explained it earlier. I cannot accept the amendment. I said during my second reading speech that it was necessary for the Government to have this authority reposed in it.

Hon. A. V. R. ABBOTT: Permanently?

The MINISTER FOR LABOUR: Yes. The Government should have authority to control the prices of essential commodities. There should be reason in all things. If prices were reasonable and there were no exploitation, the Government would not impose controls or extend them just for the sake of doing so. But the power to control should exist. If at any time circumstances warranted the intervention of the Government on behalf of the

people, then the Government should intervene for their protection. We have a situation under which wages are pegged; that is, controlled.

Hon. A. V. R. Abbott: They are not pegged; you cannot say that.

The MINISTER FOR LABOUR: There has been control, because the court has pegged wages.

Hon. A. V. R. Abbott: It has not. It is lawful to pay any wages one likes. Do not say the court has pegged wages!

The MINISTER FOR LABOUR: Wages are pegged by the Arbitration Court, and this is a time when the Government should have power to control prices. As far as I am concerned, that would be done only in a case of emergency or necessity. There is no confusion of thought on the part of members of the Government. The Act should be permanently on the statute book, and should not be a political football every 12 months. If at any time a Government of another political colour decided that the Act should be repealed, it could exercise its power to that end.

Hon. Sir ROSS McLARTY: I support the amendment. There is quite a deal of legislation that comes up for review annually. This Bill provides for permanent price control; the Minister admits that. We on this side do not favour permanent price control; and the Minister, on the second reading, told us that he was not in favour of control for the sake of control. If he accepted the amendment, which extends the life of this measure to the 31st December, 1955, he would still have an opportunity, when Parliament met again, of introducing a Bill to continue the Act and give members an opportunity of discussing the pros and cons, as is done with other legislation.

It was stated by the Minister that some future Government could repeal the Act, if it wished to do so; but he knows that it is much easier for a Government to repeal a measure if that measure has been given a life of a certain period than if it has been made permanent; and there is no doubt that the Bill, as it stands, does create a permanency.

The Premier: If the Minister were to agree to the amendment, would the Leader of the Opposition give us some guarantee that the Bill, in that form, would go through another place?

Hon. Sir ROSS McLARTY: No; I am not going to give any such guarantee. I knew that was coming! I am not so simple as to fall into that net.

The Premier: It is not a matter of simplicity, but of trying to find a compromise, if one can be found.

Hon. Sir ROSS McLARTY: I do not know why the Premier wants a compromise. If this amendment were carried

and the measure were extended to the end of 1955, he would have his legislation on the statute book and could deal with it from time to time. This Bill is an attempt to put price control on the statute book in a manner of which I do not approve. I would much rather have the Minister say, "This is part of our policy, and here is a chance to implement it, and we are going to do so."

The Premier: This was our policy at the election.

Hon. Sir ROSS McLARTY: Yes.

The Premier: Why are you objecting to it?

Hon. Sir ROSS McLARTY: Because I am opposed to the reintroduction of price control, and all the confusion which I think it will bring about. I hope the Premier and the Minister had a look at the "Daily News" and saw the result of the Gallup Poll on price control. We have had illustrations of Gallup Polls given to us from that side of the House from time to time.

The Premier: They are very good when we agree with them.

Hon. Sir ROSS McLARTY: I think that might be true. They are good when we agree with them, or when the forecast has been proved correct.

The Minister for Labour: Do you believe in the price of milk being fixed?

Hon. Sir ROSS McLARTY: It has been fixed for many years.

The Minister for Labour: Do you believe in it?

Hon. Sir ROSS McLARTY: What has that to do with this Bill?

The Minister for Labour: Answer the question!

Hon. Sir ROSS McLARTY: We will have the member for Melville talking to me about bread directly.

The Premier: That was a cow of a question!

Hon. Sir ROSS McLARTY: Surely the question of the control of milk does not open up the whole question of price control! The original intention of the introduction of legislation concerning milk was to ensure a supply.

The Minister for Labour: But the price of milk is controlled by the Milk Board. Do you agree with it?

Hon. Sir ROSS McLARTY: I think I was one of those who keenly supported the introduction of the Bill. If the Minister likes to look back, he will find that I spoke on the matter on several occasions. But I cannot see a parallel between this measure and a Bill that was introduced with the idea of ensuring a supply of milk to the public.

The Minister for Works: For the sake of completeness, it would be as well if you gave us your views on the price of bread.

The Hon Sir ROSS McLARTY: I hope the amendment will be agreed to; and, if the Government will not agree to it, I think the member for Mt. Lawley should divide the Committee.

New clause put and a division taken with the following result:—

|      |    |
|------|----|
| Ayes | 16 |
| Noes | 20 |

Majority against .... 4

#### Ayes.

|                        |                  |
|------------------------|------------------|
| Mr. Abbott             | Sir Ross McLarty |
| Mr. Ackland            | Mr. Nimmo        |
| Mr. Brand              | Mr. North        |
| Dame F. Cardell-Oliver | Mr. Owen         |
| Mr. Court              | Mr. Thorn        |
| Mr. Doney              | Mr. Watts        |
| Mr. Hearman            | Mr. Wild         |
| Mr. Manning            | Mr. Hutchinson   |

(Teller.)

#### Noes.

|               |              |
|---------------|--------------|
| Mr. Andrew    | Mr. Moir     |
| Mr. Graham    | Mr. Norton   |
| Mr. Hawke     | Mr. Nulsen   |
| Mr. Heal      | Mr. O'Brien  |
| Mr. W. Hegney | Mr. Rodoreda |
| Mr. Johnson   | Mr. Sewell   |
| Mr. Kelly     | Mr. Sleeman  |
| Mr. Lapham    | Mr. Styant   |
| Mr. Lawrence  | Mr. Tomkin   |
| Mr. McCulloch | Mr. May      |

(Teller.)

#### Pairs.

| Ayes.        | Noes.         |
|--------------|---------------|
| Mr. Hill     | Mr. Jamieson  |
| Mr. Mann     | Mr. J. Hegney |
| Mr. Bovell   | Mr. Guthrie   |
| Mr. Oldfield | Mr. Hoar      |
| Mr. Yates    | Mr. Rhatigan  |

New clause thus negatived.

#### Schedule:

The MINISTER FOR LABOUR: I move an amendment—

That after the word "the" in line 24, page 10, the word "First" be inserted.

Amendment put and passed; the schedule, as amended, agreed to.

The MINISTER FOR LABOUR: I move an amendment:—

That, after the First Schedule, page 10, the following new schedule be inserted:—

#### THE SECOND SCHEDULE.

##### Groceries and Foodstuffs.

Bread—including white bread, brown bread, wholemeal bread and wheatmeal bread.

Butter.

Cheese.

Eggs in shell.

Flour—wheaten, wholemeal, wheatmeal and self-raising.

Milk—dried or in powder form, condensed or malted.

Onions.

Potatoes.

Rice.

Oatmeal, flaked oats and rolled oats.

Soaps, including soap extracts, flakes and powders, soap substitutes and detergents.

Margarine.

Tea.

Sugar—all kinds.

Infants' and invalids' foods.

Meat—beef, mutton (fresh or frozen), including offal meats thereof.

Sausages and sausage meat.

Jams.

Liquors and Tobaccos.

Beer and stout, or any mixture thereof or any mixture with aerated waters and/or cordials.

Tobacco—manufactured.

Cigarettes and cigarette papers.

Hides, Leather and Rubber.

Manufactured parts for footwear, including slipper forms and piece goods and rubber soling and heeling materials, in any form, including "Kromhyd," "Tuffhide" and similar materials and substitutes thereof, including "Neolite."

Leather.

Tyres and tubes—rubber.

Tyre rubber.

#### Footwear.

Footwear, other than bespoke.

Soles, heels, boot and shoe uppers, including rubber pads, rubber soles and rubber heels, and all component parts, materials and aids to manufacture used in the manufacture or repair of footwear of all descriptions.

#### Miscellaneous.

Bran and Pollard, sharps, branato and polato or any mixture thereof.

Prepared stock and poultry foods.

Meat meals and bone meals.

Wheat and ground wheat.

Fertilisers—superphosphate.

Pyrites.

Petroleum and shale products, oils, mechanical and lubricating, excluding aviation gasoline.

Greases.

Kerosene.

Coal.

Agricultural machinery and parts thereof.

### Services.

All services supplied in the manufacture, partial manufacture or repair of footwear, of all descriptions, including sole-sewing, stuff cutting, upper sewing and shanking.

The service of installing, repairing, rewiring of electric circuits (including the supply of materials in connection therewith) and the connecting of electrical appliances thereto.

The service of plumbing, including the supply of any goods and materials in connection therewith.

Hon. A. V. R. ABBOTT: Again, I am a little surprised at the Minister. He said that the list of controls proposed immediately was to give the Committee an indication of what it was intended to recontrol. If that is his point of view, he has certainly attained it, because we could not get a much wider list. The Minister might have made the list much smaller, because he has the right at any time, by regulation, to bring under the operations of the Act any further goods. If, under the Act, he was limited to those set out here, his amendment would have some weight, but that is not so. He has said, "This is the first hop". The Minister will agree that he can, by regulation, add to these goods and services any others that he thinks fit.

The Premier: Only if Parliament accepts the regulation.

Hon. A. V. R. ABBOTT: That is so. Of course, it could be disallowed. This shows the intention of the Government to have a wide and extensive control. Therefore I oppose the schedule.

The MINISTER FOR LABOUR: I assure the member for Mt. Lawley that he has misunderstood my remarks. I did not say that we were going to control all these items.

Hon. A. V. R. Abbott: Why bring them under the Act?

The MINISTER FOR LABOUR: It is intended that some items may be controlled if necessary. Flour and bread need to be controlled. The bread manufacturers want control of prices. We will not control any of these items unless the circumstances warrant their control. We could have kept the list to two or three items, but that would not have been fair to the Committee. This is an indication of what might have to be controlled.

Mr. COURT: During the earlier debate on this measure, there was a lot of cross-firing regarding bread. The Minister implied, as did the Minister for Works, that bread was at present under control. I cannot find out where it is. I know that on the statute book we have the Wheat Products (Prices Fixation) Act, which could

control both the minimum and maximum prices of bread, if the Act was operative, but, as I understand the position, the committee under that Act has not been reappointed; and, furthermore, the price range for flour fixed by the legislation is inadequate to make it effective today. Minimum and maximum prices were provided during the period that the Act was operative.

The Minister said he had received representations from the master bakers for controls in order to keep prices up because of the alleged unfair competition from the foreign element. There has been an agitation by the master bakers for a minimum price to be implemented because, under the prices law, up to December, 1953, maximums only were fixed and not minimums. I feel that the Minister has misinterpreted the view of the master bakers. They are anxious that the Wheat Products (Prices Fixation) Act shall be operative again so that they can have the legal power to enforce minimum prices. They are not so concerned about the maximum prices.

Hon. L. Thorn: The greatest complaint is that the foreign bakers are taking away the wholesale market.

Hon. A. V. R. Abbott: They supply cheap bread.

The Minister for Labour: They want price fixing.

Mr. COURT: The Minister could clarify that point. Does he consider that the Wheat Products (Prices Fixation) Act is operative at the present time; and is there control over the price of bread at the moment, without this measure being passed? I gather that the Minister considers there is a form of control.

The MINISTER FOR LABOUR: The bread manufacturers want price fixing. One set of business interests wanted all price control relinquished, but the Perth and Suburban Bread Manufacturers' Association wanted some control retained.

Mr. Court: They made out a good case against price control.

The MINISTER FOR LABOUR: They have asked for it.

Mr. Court: But only to keep prices up.

The MINISTER FOR LABOUR: There we are—one wants one thing, and another something else. I think that a couple of the members of the committee appointed under the Wheat Products (Prices Fixation) Act have resigned, but I understand that the questions of the price of flour and the price of bread, which could be fixed under the Act, will come up for attention within the next month or two.

New schedule put and passed.

Title—agreed to.

Bill reported with amendments.

# **BILL—INDUSTRIAL ARBITRATION ACT AMENDMENT.**

## *Second Reading.*

Debate resumed from the 3rd August.

**MR. MOIR** (Boulder) [6.10]: The Bill must receive the support of quite a number of members as it provides that quarterly adjustments of the basic wage shall be made automatically and not left to the discretion of the court. Similar measures have previously been brought forward, opposed by the Opposition, and finally rejected by their colleagues in another place. I think that this measure should be looked at with a deal of realism and a view to the substantial justice of the case.

I listened with interest to the speech made by the member for Mt. Lawley, and the arguments that he voiced, reiterating the opinion that he held on previous occasions when similar measures were before us, that the question of the quarterly adjustments should be left to the discretion of the court. He seemed to think that there was no justice in this Parliament directing the court to make quarterly adjustments. I point out to members on the other side that, from time to time, they have seen fit to give directions to the court with regard to other matters pertaining to the Industrial Arbitration Act. During the term when the present Opposition occupied the Government benches, it brought in by way of amendments to the arbitration Act, one of the most controversial measures that has ever come before this Parliament. In these amendments, the then Government directed the court to do certain things in certain circumstances.

Hon. A. V. R. Abbott: No, we did not.

**Mr. MOIR:** Yes.

Hon. A. V. R. Abbott: You cannot see the word "direct" in any of my amendments.

**Mr. MOIR:** The hon. member directed the court to do certain things in certain circumstances, and left the court without any option. If it was fair enough to do that, then it is fair enough now to direct the court that quarterly basic wage adjustments shall be made. Reference has been made to the fact that the Federal Arbitration Court has departed from the formula for fixing the basic wage that has operated for many years—that is, the needs basis.

Hon. A. V. R. Abbott: You would agree with that proposition, would you not? You do not believe in the needs basis.

**Mr. MOIR:** I certainly do believe in the needs basis.

Hon. A. V. R. Abbott: You do not believe they should get these extra bonuses.

**Mr. MOIR:** Yes.

Hon. A. V. R. Abbott: You cannot have it both ways.

**Mr. MOIR:** Why not?

Hon. A. V. R. Abbott: You cannot.

**Mr. MOIR:** Oh! I take it that it does not just make it so because the member for Mt. Lawley says emphatically it is so. I take it that we can have a basic wage fixed on a needs basis, and that we can also have something in addition if the economy of the State can afford it.

*Sitting suspended from 6.15 to 7.30 p.m.*

**Mr. MOIR:** Before the tea suspension I was referring to the needs basis in connection with the fixing of the basic wage and the amounts that had been added to it as prosperity loading. A member on the other side of the Chamber interjected and asked whether I believed in the needs basis and, of course, my answer must be "Yes." The first essential that any worker is entitled to is the right to receive sufficient remuneration to maintain himself and his family in reasonable and decent comfort. Subsection (2) of Section 123 of the Industrial Arbitration Act reads as follows:—

The expression "basic wage" means the sum sufficient to enable the average worker to whom it applies to live in reasonable comfort having regard to any domestic obligation to which such average worker would be ordinarily subject.

That interpretation has been written into the law as a result of deliberations by the Parliament of this State. I submit that few could quarrel with that interpretation. The majority would regard it as fair and just. Further, no one with any sense of justice would deny that the worker is entitled to receive any additional amount that can be afforded him over and above the basic wage.

From time to time we have heard a good deal in this Chamber about the plea for more production. The member for Moore very often expresses himself on the subject, and we have been obtaining substantially more production due to the efforts of the workers in this State and the Commonwealth in general. In response to the calls made upon him and if he is instrumental in having industry produce more, surely the worker is entitled to some additional reward for such effort. The court has recognised that principle.

But last year the Commonwealth Arbitration Court decided that quarterly basic wage adjustment should be set aside. The merits of that decision could be argued at some considerable length. If, after granting that certain sums of money should be paid to the worker in addition to the basic wage, it was found that industry could not afford to pay those amounts, the court might then have had a right to take away a certain proportion of them, but not the right to suspend the quarterly adjustment, which has become a vital factor in assessing the basic wage. This Government has quite rightly, brought this Bill forward

to provide that no discretion on quarterly basic wage adjustment should lie with the court.

From time to time Parliament has given directions to the court. The Act itself is a direction to the court and it has been evolved by Parliament. One of the reasons why Parliament should give a direction in this matter is because of the great difference of opinion that has existed among the learned gentlemen who have occupied the position of president of the Arbitration Court from time to time. In this House it has been said that any discretion on this question should be left to the members of that court, but it all depends on who occupies the position of president as to whether that should or should not be done.

The opinion held on this matter has varied with the holder of the office of president. I want to draw the attention of members to an opinion expressed by one highly respected occupant of that office in the Arbitration Court. This was a judgment given by the late President Dwyer in 1932. I will quote part of what he said and some of the words used have been used by the lawyer, who made the annotations to the arbitration Act. This appears on page 101 of the Industrial Arbitration Act appearing in the 1952 Reprinted Acts of the Parliament of Western Australia—

The Court has not, however, an absolutely free hand in determining the basic wage. The basic wage is fixed to enable "the average worker to whom it applies to live in reasonable comfort," and that is an end in itself. The Court is not at liberty to use the basic wage as an instrument for the furtherance of a general economic theory. Questions of general financial policy remain the responsibility of the Legislature. "It seems to me," said Dwyer, P., in the 1932 B.W.D. (12 W.A.I.G. 59), "to follow from the foregoing (i.e. Sections 123 and 994 (2)) that it is not our present duty to consider the rehabilitation of the financial system of the Australian States or interstate competition, or other cognate matters. Questions dealing with the balancing of the national ledger, the difference between imports and exports and the alteration in the rate of exchange, though very interesting, are outside the scope of the inquiry, or only very remotely connected with it. If these matters are to be considered, they must be dealt with by special legislation amending the provisions above quoted forming part of the Arbitration Act."

That was President Dwyer's opinion on the matter, but, as I have said, the office of president changes from time to time and other presidents would hold different views. It is high time that legislation was

enacted to provide that quarterly basic wage adjustments "shall" be made and not "may" be made.

Hon. A. V. R. Abbott: Even if they cause inflation?

Mr. MOIR: In reply to the hon. member, I would say that the worker is in the unfortunate position of having to go to the court to obtain a determination of what is a living wage for him to receive—

Hon. A. V. R. Abbott: No, he does not. Not a living wage.

Mr. MOIR: —but there are many other people who are engaged in industry and commerce who do not have to approach any tribunal for such a determination. Some of them fix their own rates of remuneration and the cost is passed on to the public.

Hon. A. V. R. Abbott: Are you referring to members of Parliament?

Mr. MOIR: I am referring to the people who control industry.

Hon. A. V. R. Abbott: You are not referring to members of Parliament?

Mr. MOIR: At present, I am referring to producers. The people on the other side of the Chamber object to prices being controlled, but their colleagues in another place discarded the rents and tenancies legislation, which had the immediate effect of increasing rents considerably. Nevertheless they say, in effect, "That is quite all right." They also say it is quite all right for the worker to carry the burden; for the increase to come out of the worker's pocket; for him to stand the brunt of this financial tragedy, as it were.

Mr. Oldfield: We do not want to control anything, let alone the Arbitration Court. You want to control everything; rents, prices and the Arbitration Court. We believe in decontrol.

Mr. MOIR: I heard the member for Maylands make some interjection, but I do not think it amounted to anything.

Mr. Oldfield: You are a party of control. We do not want to control the court. Ask Dr. Evatt what he thinks about it!

Mr. MOIR: I pointed out previously that when the quarterly adjustment ceased, the basic wage for males in the metropolitan area was £12 6s. 6d. a week and on the Goldfields £12 9s. 4d. Since that time, increases in the prices of commodities in the "C" series index have resulted in an increase of 19s. 11d. per week over the present basic wage. The increase for the last quarter of 13s. 8d. was made up of 10s. for rent and 3s. 6d. for meat. That means if the quarterly adjustments had continued, male workers in the metropolitan area would be receiving £13 6s. 5d. per week, and those on the Goldfields £13 9s. 9d. I suggest that the deduction of 19s. 11d. per week out of the pay envelope of the worker on the basic wage is a very serious matter for him.

Mr. Ackland: What percentage of the workers are on the basic wage?

Mr. MOIR: There would be quite a large percentage, far more than the interjections from the other side would indicate. Not only are there quite a number of workers on the basic wage, but that wage is the standard on which the wages of other workers are graduated. If figures are produced showing workers on the basic wage, they will include a certain number on a margin of perhaps 3s. per week. I suggest that is a very trivial margin.

Hon. L. Thorn: There are plenty of others on a 15s. margin.

Mr. MOIR: There might be others on 15s. per week, but we must remember that those workers were awarded that margin for a very good reason. They had to establish their claims before the appropriate tribunal or court before the margins were granted. At present we all know that the margin for skill has completely lost the relationship to its value when first granted. I find it very difficult to follow the attitude of the Opposition in opposing a measure of this nature. There is no logic or justice in expecting one section of the community to bear the burden, that section being the least able to shoulder it.

Mr. Hearman: What about the dairy farmers? Are they not making their contribution?

Mr. MOIR: I must point out that Australia has certain resources, and everyone living in this State, which is part of the Commonwealth should share in the resources. When the share of one section is restricted, while the share of another section is unrestricted, the situation immediately becomes unfair. Over the years I know there has been the cry that wages were too high. According to some people, there was never a time when wages were not too high. That has always been the argument put forward when the workers have approached the court with higher claims. In this community, there are people who receive a reward out of all proportion to the services they render.

Mr. Ackland: Why not advocate the same principle to apply to the worker, and let him receive what he earns?

Mr. MOIR: The worker forms the backbone of this country. He is the worker, the basic producer and he should be entitled to every consideration. There are, however, other people who are fortunately placed and who can make their own demands on the economy of the State. And they have made their demands on it. For years we have seen those people who are in the position to do so, imposing their demands, plundering the community right and left. I take very strong exception to the argument of some people that the man on the basic wage is not entitled to be given due consideration.

Hon. A. V. R. Abbott: Who has put that forth? No one has.

Mr. MOIR: I earnestly hope that Parliament will pass this Bill so that some measure of justice will accrue to the basic-wage earners of this State. I would like to quote the words of the member for Mt. Lawley, which he uttered with certain qualifications. He said—

In my view, it is in the interest of the community to pay the highest possible amount and not merely to have regard to what a man needs. The highest possible basic wage the State can afford should be paid.

I agree with that wholeheartedly, but not with his qualifying remarks, because they savour of "a dollar each way."

Hon. A. V. R. Abbott: I did not qualify my remarks.

Mr. MOIR: The hon. member did, but I am not going to quote those remarks. I agree with the words which I read out. I do wish they had been uttered in sincerity and not as something to tickle the ears of people who might read or hear those words.

Hon. A. V. R. Abbott: They were absolutely sincere. That is my principle.

Mr. MOIR: Most members on the other side of the House have merely an academic interest of the problems of the basic-wage earner. I would ask them to give earnest consideration to this Bill, and to try to put themselves into the position of the wife of a basic-wage earner, struggling to maintain a home with a little decency and comfort and doing her best to give her family their needs.

MR. COURT (Nedlands) [7.54]: I oppose the measure because I feel it would upset a very desirable state of affairs that exists, namely, the decision on the vital matter of quarterly basic wage adjustments is now made by a properly constituted tribunal which is free from the party political atmosphere that one would normally expect in a Parliament such as this. In my opinion, it is sufficient and desirable that the Arbitration Court, constituted as it is today, has the power to make a decision which can vary or retain the basic wage level.

A discussion on this Bill, small though it is, could be the subject of an elaborate discourse on the economic implications. But I propose to be very brief and not involve myself in the more elaborate aspects of the economic outcome of such a measure, if we made it mandatory for the Arbitration Court to award the quarterly basic adjustments. In reviewing the findings and the evidence at the 1953 Federal Arbitration Court examination of the basic wage, I feel that an important principle was established by the trade union movement in particular; I think it was supported by the employers in their submissions before the Arbitration Court.



Briefly, the principle established was that henceforth until some other determination was made, the basic wage should be determined by the capacity of industry to pay. I consider this to be a much more equitable method of assessing the basic wage than tying employees to the treadmill of the "C" series index, or to what is otherwise referred to as the "needs" wage.

Mr. Lawrence: Is that after the employer has taken out his profits, or is it assessed before the profits are taken out?

Mr. COURT: The Arbitration Court of the Commonwealth or of the State has ample facilities to find out how the economic climate of the country is going and to assess the capacity of industry to pay.

Mr. Lawrence: After the books have been rigged?

Mr. COURT: I do not think that is fair comment. The hon. member has implied that there is a process of accounts rigging practised universally by businesses.

Mr. Lawrence: You know that as well as I do.

Mr. COURT: It is not fair comment.

Mr. Lawrence: It is fair comment.

Mr. COURT: It will be argued by Government supporters that the worker is suffering undue hardship at the present time, due to the increase in rent and in the price of meat. Superficially, this would appear to be so. But great economic issues, such as the one immediately affected by this legislation, should be approached on a broader basis than mere temporary expediency. If we accept the principle that the basic wage should be assessed on the ability of industry to pay, it follows that there must be times when the responsible tribunal does not directly relate the movement of the basic wage to a price index.

Although the principle of relating the basic wage to the capacity of industry to pay was only officially announced at the 1953 basic wage hearing by the Federal Arbitration Court, it cannot be denied that the court has followed this principle in the past on certain occasions when it granted considerable prosperity loadings that had been included in the basic wage. I submit that the unions in advocating their case cannot have it both ways.

I cannot remember any public outcry by the unions concerned when the court on several occasions granted loadings which were not directly related to the needs wage or to the "C" series index. In other words, the court said, "Here is the 'C' series"—or what is sometimes referred to as the needs basis—"We feel that industry can pay more". The court has issued findings, granting a loading to the index or the needs wage. To the best of my knowledge there was no outcry from either side when that was done. It naturally follows if we adopt the principle of

the capacity of industry to pay, that on occasions the automatic increases are not granted by the wage-assessing tribunal. In other words, they would do what the Federal Arbitration Court did last year, namely, suspend at the discretion of the court the quarterly basic wage movements, be they up or down.

There is another significant factor, and that is the lack of any declaration by the union movement of this State that it proposes to take advantage of the provisions of the Act which permit it to have a review of the basic wage made by the court. If the unions are still of the opinion that the present basic wage is an inadequate one or an unfair one, or does not adequately reflect the needs of a basic-wage worker, they would quickly have applied for a review of the basic wage. In the absence of any declaration of an impending application, one is entitled to assume that they feel that the overall figure assessed for the basic wage at present is in excess of what they would receive if the wage were restricted to a needs basis or to a price index.

For the reasons that I favour the basic wage being based on the capacity of industry to pay, provided due regard is had for the needs test as being the absolute minimum rather than have the basic wage tied to this hurdygurdy of a price index, and because I favour the assessment of the basic wage being made by a tribunal independent of the political atmosphere, I oppose the measure.

MR. LAPHAM (North Perth) [8.2]: I support the Bill, and I do so because it provides for an automatic adjustment of the basic wage or, to express it in more simple terms, it provides that the standard of living that the people have enjoyed since 1950 until recently shall be maintained.

During the course of the last major war, statements were made by people in prominent positions that, on the successful conclusion of the war, we would have a new order, and that the people were entitled to a new order. I remember that the Prime Minister of the day, the Leader of the Opposition and a number of people prominent in Australia, including this State, all said that we should have a new order after the war. As a matter of fact, the new order became part of the recruiting campaign in the early stages of the war and became part of the loan drive, and it was generally accepted that there would be a new order after the war.

Therefore, in 1950, when the basic wage judgment ushered in the £1 rise, the wage-earners generally felt that the new order assurance was honoured and were quite satisfied in consequence, but in 1952-53, during the basic wage inquiry by the Conciliation Court, it was decided to keep the basic wage at its then level. The

workers suffered a rude awakening because they realised that that was the beginning of the end of the new order and a return to the previously well-established order of a struggle for existence. As a matter of fact, the struggle for existence in this State has become intensified, due to the attitude of certain people to the rents and tenancies legislation.

In my opinion, the rent element in the basic wage has not reached its true figure, and in that thought I am not alone. I shall quote an extract from the "Daily News" of the 12th August, as follows:—

#### **BANK EXPECTS RISE IN RENTS TO CONTINUE.**

More than 200 eviction orders have been issued from the Perth and Fremantle Local Courts in the three months since the ending of rent controls, says the National Bank monthly summary.

At the end of July a further 97 cases were listed for hearing during the following three weeks.

The report says that rent increases of 100 per cent. and more have occurred, that most tenants are agreeing to pay—because of the shortage of suitable alternative accommodation.

It would appear that, unless legislation intervened, the rise could continue until the economic limit of tenant's capacity to pay had been reached.

That is a statement from the National Bank summary. During the debate on rents and tenancies, I warned members that economic chaos could follow complete decontrol of rents. Unfortunately, my plea fell on deaf ears. I asked members to adopt a middle-road policy, even though some landlords would suffer. Was it worth while to upset the whole economic structure because one or two landlords would suffer? As I have said, my plea fell on deaf ears. In the very brief time that has since elapsed, economic chaos has been felt, and I believe it will not be long before businessmen, as well as workers, will be demanding a return to previous conditions.

The refusal of the court to increase the basic wage in accordance with the cost of living is throwing the whole burden of wage stabilisation and economic stability upon the shoulders of those who cannot bear it. Quite a lot of people would say that it was being thrown on the shoulders of those least able to bear it, but I maintain that those people in receipt of wages and salaries based on the basic wage cannot bear the economic burden that is being imposed upon them today. The palliative that has been adopted of freezing the basic wage is, to my mind, a despicable stratagem of the Federal Government to appease party supporters by granting a free-for-all in the prices field at the expense of the labour commodity.

Mr. Oldfield: We are not doing that.

Mr. LAPHAM: It has been noticeable that the Arbitration Courts in Australia always follow the policy of the Government, and therein lies the whole trouble.

Mr. Hearman: What are you complaining of if they always follow the policy of the Government?

Mr. LAPHAM: On the other hand, we find that price fluctuations in commodities are permitted, but not the price rise of the wage commodity. Rising costs for commodities are not permitted to be reflected in the basic wage.

Hon. A. V. R. Abbott: Oh yes; an employer may pay a labourer or building trades worker what he likes above the award rate.

Mr. LAPHAM: Yes, but it is based on the basic wage. That is what sets the standard of living; the other is extra.

Hon. A. V. R. Abbott: That is so.

Mr. LAPHAM: I regard it as a vicious system that reeks of class distinction, because it allows the employer to receive more for his effort, while the employee's return for the sale of his labour must remain static.

Hon. A. V. R. Abbott: Why?

Mr. LAPHAM: Because the basic wage is based on the cost of living. During the debate on the Industrial Arbitration Act Amendment Bill last session, I spoke of the good understanding that existed between employers and employees. That good understanding prevailed during the war period and after, but it will be lost through the freezing of the basic wage. The employee can see that every price increase will return more profit to the employer, while he suffers the consequences of every price increase, which lowers his standard of living. Everybody realises that the basic wage is built up on certain items and is calculated on the items needed to keep an unskilled worker in reasonable comfort. These items include food, clothing, rent and whatever is necessary to keep him in a fit state of health so that he can continue to work as part of the profitmaking machine of the employer.

In 1907, Mr. Justice Higgins considered an application by H. V. McKay for a declaration that the wages paid by that firm were fair and reasonable. His decision is known as the Harvester judgment. In endeavouring to find what was fair and reasonable, he used this comparison—

If A lets B have the use of his horses, on the terms that he give them fair and reasonable treatment, I have no doubt that it is B's duty to give them proper food and water, and such shelter and rest as they need; and, as wages are the means of obtaining commodities, surely the State, in stipulating for fair and reasonable

remuneration for the employees, means that the wages shall be sufficient to provide these things, and clothing, and a condition of frugal comfort estimated by current human standards.

So Mr. Justice Higgins compared horses and workers, no doubt in his subconscious mind considering them both creatures of burden! If members think that I have gone too far back in quoting that judgment, let me refer to the Commonwealth Arbitration Reports of 1934, where the judgment of the Chief Justice Dethridge and Judge Drake-Brockman is reported, as follows:—

There is no clear means of measuring the general wage-paying capacity of the total industry of a country. All that can be done is to approximate, and one of the methods of approximation is to find out the actual wage upon which well-situated labourers are at the time maintaining the average family unit. We may be pardoned for saying that Mr. Justice Higgins very wisely used this criterion in the Harvester case. Moreover, if the average sized families of such well-situated labourers have become accustomed to enjoy, and do actually enjoy, a certain standard of living in our community, it may reasonably be assumed that such a standard for all labourers is probably not beyond the capacity of industry in general to provide

So back in 1934 they were still dealing with the living standard of a labourer and what was necessary for him to live in a standard of reasonable comfort. The phraseology they used was that he enjoyed a certain standard but I think they should, in fact, have said that he suffered it. However, that is only a choice of words. To bring this question of the basic wage more up to date, I will now quote from Chief Judge Kelly, in the basic wage inquiry of 1949-50, where he stated—

It must be assumed, there being no evidence to the contrary, that the basic wage awarded as a result of the 1937 inquiry was adequate for the adult male unskilled labourer at that date. Provided that the "C" series index is an appropriate measure of the variation in the purchasing power of wages since 1937, it will be evident that the standard of living provided by the basic wage resulting from that inquiry has not only been maintained but has been increased as a result of the 1946 interim basic wage decision.

There he is basing it all on the needs of the labourer and the crux of the position is that the basic wage is still based on those needs—on what is necessary to maintain the labourer in a standard of reasonable comfort.

It is obvious that today there are many items in the basic wage which are purely and simply for the needs of the labourer and that there are a number of other items, not included in the basic wage, which have fluctuated considerably. They are not reflected in any rise or fall in the basic wage. The standard of living that we have enjoyed in recent years and which education has taught us to believe we should enjoy—that standard which even the unskilled man has enjoyed—does not include, within the figures that go to make up the basic wage, such an item as carpeting for a floor, a washing machine, a refrigerator, an electric polisher or any other of the household amenities which I believe should be in every home today.

The basic wage does not take them into account at all, but only those bare items that are necessary to keep the labourer fed, sheltered and clothed so that he may be in a condition to turn up for work on Monday morning. It must be of very little comfort to the housewife to read, in the record of the basic wage inquiry of 1952-53, these words:—

Provided—

I would like to call the attention of members to these provisos.

—the prices for our principal exports are substantially maintained; provided levels of rural production do not fall away as the result of bad seasons, and provided our already high level of costs do not rise higher, it appears to the court that with a stabilisation of internal prices, which there seems to be a good reason to expect, the prospects for the future are not unsatisfactory.

There are a lot of provisos in that judgment.

It is all very nice for the judiciary to include those provisos and finish up by saying that the future may not be unsatisfactory, but the housewife knows that her rent has at least been doubled; that the basic wage should today be 19s. 11d. per week more than it is; that her husband's income is not sufficient to make ends meet and not sufficient to keep the family in the standard of living which education has taught it that it has a right to expect.

Both the housewife and her family know that father cannot earn any more, because the basic wage is frozen. He is working to the limit of his capacity now and can earn no more, yet somehow or other the housewife must find extra money, perhaps to replace the shoddy pair of shoes that the schoolgirl daughter has already worn out, although they are only six weeks' old—the shoddy shoes that the manufacturers produced, with no thought of quality, being more interested in their profits.

She knows that the increased rent must be paid and that, irrespective of what the judiciary has to say, her money will not go as far now as it did. She tries to effect

economies because the months of June, July and August this year have been the worst three months experienced in this State since the war, as any businessman knows, because business is completely stagnant.

Mr. Oldfield: Because the money is tied up in oil shares.

Mr. LAPHAM: No, because of the rise in rents. People do not know when their rents will go up and therefore they are trying to effect economies. There has also been a considerable rise in hire purchase and the cash order system. In the "Daily News" of the 12th instant there appeared an article as follows:—

**£100,000,000 on Hire Purchase.**

Melbourne, Thursday. Australians are buying a record amount of goods on terms. Outstanding debts for consumer goods total nearly £100,000,000—almost twice as much as two years ago. Australians are entering into purchase agreements for household and personal goods at the rate of more than £500,000 a year. Before the war they owed only £12,000,000. These figures were released by Victorian Institute of Public Affairs secretary, N. H. Warren. He said that 30 per cent. of cars, 50 per cent. of furniture and 60 per cent. of refrigerators were being sold on hire purchase terms.

Mr. Court: Is that necessarily a bad sign?

Mr. LAPHAM: Yes, because people pay cash when they can and use cash orders and hire purchase only when they have not the ready money available. In that article the fact is mentioned that Australians are entering into purchase agreements for household and personal goods, and "personal goods" could mean anything.

Mr. Lawrence: Was not legislation recently introduced in the Eastern States to prevent hire purchase?

Mr. LAPHAM: I do not know, but "personal goods" could include men's clothing or anything of that kind. That is one of the reasons why I support this Bill which seeks to bring about the automatic adjustment of the basic wage and restore our standard of living. I recommend every member to support the measure because there are thousands of housewives today who are finding it extremely difficult to make ends meet.

My milkman volunteered the information the other day that he is having considerable difficulty in getting the money for his milk. So many people have had their rent increased—he also delivers in a Housing Commission area—that they cannot pay their way any longer. He said to me, "I am asked to wait week after week, and I know I will not get paid unless something of an extraordinary nature occurs, because if they have not the money one week they will not have it the next, but I am in so far

that I have no alternative." Any member can check that information by asking his own milkman, butcher or grocer.

Mr. Oldfield: There is always the slow payer, even at the height of prosperity.

Mr. LAPHAM: Perhaps, but the majority of people will pay if they have the money available and will not run up bills. It is only in extreme circumstances that people get £10 or so behind in their milk bill, and that is a sign of the times. However, it is quite understandable because, after all many rents have increased from 35s. to perhaps even £4 or £5 per week and I heard one member in this Chamber say glibly that £6 6s. a week was a fair rent, although the basic wage is £12 6s. 6d. It is all very well for some members to say that £6 6s. is a fair rent but how can the working man pay it?

The statistician's figures show that the cost of living has risen by 19s. 11d. in the last twelve months and that means that it takes 19s. 11d. more each week to maintain the same standard of living. That extra money should be going each week into the family purse, but the basic wage is frozen. I will now quote an economist's statement, endorsed by Professors Copland and Giblin and Dr. Wood. It was submitted to the court in the basic wage inquiry of 1937 and appear in volume 37 C.A.R., page 590. It reads—

In effect the economist's statement in support of an increase of wages is an endorsement of the theory that one of the causes of cycles of depression is a recurring lack of balance in the application of the money income received by the members of the community. This money income is broadly speaking equal to the money value of all real income of the community in goods made for sale and services rendered for payment in money. For the enjoyment of prosperity in a modern industrial community the money income and the real income should be in a constant full flow of mutual interchange. The spending of all the money income, which has really been created as a result of the production and supply of previous goods and services, now creates a market for further goods and services being produced and offered. As put in the old phrase "Money would be circulating" and business and employment would be good.

Subject to a reservation as to over-spending on producer goods, it is immaterial whether the spending is done by the capitalist section or by the wage-earner section of the community, as long as it is done in the community and done quickly. In either case the money cannot be spent without resulting employment and wages or payment for wage-earners or other workers who supply goods or services.

But there is this difference between the spending by the capitalist section and the spending by the wage-earner section of the money when they gain control. The wage-earner section has to spend its money at once within the community and to that extent keeps alive the market for the suppliers of goods and services. So far as the capitalist section spends at once within the community the money in its control, it also keeps that market alive. But it is more likely to spend some of its money abroad and thus reduce that market.

More important, however, is the fact that it may become infected with a lack of confidence in the outcome of investment of that part of its money not spent in consumer goods or services—money commonly called 'savings'—and refrain from investing the savings, with the result that the money is not spent promptly. So far as it so refrains, it kills the market for the suppliers of goods and services, wage-earners lose employment and wages, and other suppliers find it useless to produce. The economic problem therefore is to arrive at a wage level which, while not so high as to prevent the capitalist section investing all the "savings" which come into its control, is not so low as to allow money to pass to the capitalist section which may not spend it promptly within the community, from the wage-earner section which would forthwith use it within the community to buy goods and services. (Apart from economic reasons, there are of course humanitarian reasons why the wage level should be made as high as is economically possible, but for the moment, only economic reasons are being considered.) If at any time it is made to appear that the capitalist section for reasons other than an excessively high level of wages then prevailing, is refraining from investing "savings" in its control, it may be quite good policy to raise the wage level so as to transfer the spending power from it to the wage-earner section.

To my mind, that report clearly shows that the wage-earning section of our community spends its money quickly. Economic necessity absolutely drives that section to do so. This keeps money circulating and that assists industry. But the other section may or may not spend money; there is no economic necessity for it to spend its money quickly. It is purely a matter of whim. Consequently, industry could suffer and could stagnate.

Today we are faced with the stark reality that the basic wage is 19s. 11d. per week less than it should be. That means that each week there is 19s. 11d. less in every pay envelope and that money is not circulating in industry. Of that sum of 19s.

11d., approximately 10s. is represented by increases in rents. The present rent element in the basic wage is 26s. and if we add to it the 10s. extra that ought to be granted, we arrive at a figure of 36s. That sum should represent the amount for which any person can secure a home. Can any member tell me where a home is procurable in the metropolitan area for 36s. a week? Why, even Housing Commission homes—and they are the cheapest in the community—

Mr. Hearman: Oh, no!

Mr. LAPHAM: Yes, they are.

Mr. Hearman: Do not give us that!

The Minister for Housing: Easily!

Mr. LAPHAM: People in North Perth who pay rent would be only too happy if they could obtain a Housing Commission home because they are based on £2 10s. a week on a basic wage income.

Mr. O'Brien: They are the cheapest on the Murchison.

The Minister for Housing: And in the metropolitan area, too.

Mr. LAPHAM: The wage-earner should now be able to rent a home in the metropolitan area for 36s. a week, if the figures regarding the basic wage are correct.

Mr. Court: Are you sure that the figure is only 36s. for rent?

Mr. LAPHAM: Yes, 26s. to 28s. and approximately 10s. extra that has not been granted.

Mr. Court: Do not you think it is time that the whole aspect of the basic wage was reviewed in detail?

Mr. LAPHAM: I agree with the hon. member. It is high time that an inquiry into the rent figure at least was made. I recommend to the Premier that we hold an inquiry into the rent figure as soon as possible, because the method of fixing it is absolutely outmoded.

Mr. Court: Why not have an inquiry into the whole wage?

Mr. LAPHAM: I would not mind that, either. I think I have proved conclusively, from the extracts I have read this evening, that the standard of living, under the present basic wage, is assessed on the unskilled worker and is supposed to be sufficient to give him food, clothing and shelter and enable him to be in a fit state of health to turn up for work on Monday and take his part in operating the profit-making machine of the employers.

Mr. Court: That is the wrong approach.

Mr. LAPHAM: I am telling the truth. Does the hon. member say that any employer employs any person out of the goodness of his heart? All employers employ people for one reason and one reason only—to make a profit out of their labour.

Mr. Hearman: Is that not a good and sufficient reason?

**Mr. LAPHAM:** Of course it is, but there are extremes.

**Mr. Ackland:** The working section of the community has never been so well off as it is today.

**Mr. LAPHAM:** Yes, it has—just prior to the freezing of the basic wage. If we could get back to that standard, I would be quite happy.

**Mr. Hearman:** They were complaining bitterly about inflation.

**Mr. LAPHAM:** We had reached the stage where we were enjoying a decent standard of living. Unfortunately, because of the freezing of the basic wage, we are rapidly getting back to the previously well-established struggle for existence. I suggest to members that they be honourable about this.

**Mr. Brady:** Honest with themselves.

**Mr. LAPHAM:** Let us put this question in its proper perspective. Rents have skyrocketed. How can we expect a wage-earner to pay increased rent when he is not receiving an increase in his wages? It is an utter impossibility. This excess money is going into the landlords' pockets. The wage-earner is compelled to spend his wages in order to exist, and unless the money that he pays the landlord is spent week by week, industry must stagnate. That is one of the reasons why June, July and August have been the worst three months in this State for many years. I suggest to members that they review the whole position and once again I ask them to be honourable about this.

**MR. McCULLOCH** (Hannans) [8.36]: Although there is not much in this Bill, I would like to say a few words about it. I suppose members of the Opposition have the idea that we decided upon this Bill in July last year. However, the proposal in this measure has been under consideration for some time. In July last year I wondered what would happen if prices were reduced. If the word "shall" had been used in Section 127, the basic wage would have been automatically reduced. However, it seems that that position has not arisen and prices have increased, but the basic wage has been pegged as at July last year. The cost of living in the metropolitan area has increased to the extent of 19s. 11d. a week, and still the basic wage has not been brought into line with that increased figure.

For many years we heard that the prices of commodities were tied to the basic wage and that the prices of goods were increased because of increases in the basic wage. That assertion has proved to be fallacious. The basic wage has been pegged for 12 months and yet, with the exception of one quarter when there was a decrease of 1s. 6d., the cost of goods has increased. I believe that the basic

wage goes up the stairs and prices go up the lift; in other words, the basic wage can never catch up with increased prices.

During his speech, the member for Mt. Lawley mentioned Mr Justice Powers who, in 1921, considered the establishment of quarterly adjustments to the basic wage. I believe that it was justified at that time and is justified under present conditions. As a matter of fact, a coalition Government in this State abolished the yearly adjustment of the basic wage and introduced quarterly adjustments. That was brought about because prices of commodities would happen, if, in the September quarter, the statistician's figures showed that the basic wage ought to be reduced by 25s. If that reduction were made, what would the worker think? Naturally, there would be an industrial upheaval in this State.

If this Bill is agreed to, the worker will be under an obligation to accept a reduction, if the figures show that a reduction should be made; and the court will be under an obligation to grant an increase, if the figures show that an increase is warranted. A lot has been said about the "needs" basic wage. Strangely enough, in Section 123 of the parent Act it states that prior to the 14th June in each year a basic wage will be established. I have not heard anything regarding the 1954 inquiry. I realise that the whole position is in a state of flux, but Section 123 also provides that the State court need not take cognisance of the actions of any other court. On the other hand, I read in the Press that our Arbitration Court did not grant an increase in the basic wage because the Commonwealth court had refused to grant an increase. The State court is not tied to the Commonwealth court. Section 123 states—

Provided also that in fixing the basic wage the court shall not deem itself bound by any previous decision of the court or any other court fixing a minimum or basic wage.

Some people opposite say that the country's economy would not stand an increase in the basic wage. Yet, Mr. Menzies tells us that the prosperity of this country was never greater than it is today.

The Premier: Yes, and Opposition members cheered him wildly when he said that.

**Mr. McCULLOCH:** I agree that these increases to the basic wage are not much good. When the basic wage on the Goldfields was £3 17s. my wife could go down the street with a net and £1 note and bring home enough goods to keep the family for the following week. Unfortunately, today she cannot do as much with £10 as she did with £1 in those days.

**Mr. Heal:** What is a net?

**Mr. McCULLOCH:** A net bag; I did not mean a fishing net. Some members say that as the Commonwealth basic wage is

pegged, it would be disastrous if the State basic wage were permitted to increase. In 1926 our basic wage was 5s. higher than the Commonwealth basic wage and that 5s. in 1926 would buy a lot more than would 10s. 6d. today. As a matter of fact the whole of the 13s. 8d., according to the papers, in the last March-June quarter, was made up of 10s. 6d. as an increase for rent and 3s. 2d. as an increase for meat. I have my doubt about that. I cannot doubt the statistician, but if he were given a free rein and not tied to the rules by which he was bound in 1938, instead of an increase of 10s. 6d. in house rents, I think I would be justified in saying it would have been at least 34s. or 35s.

It must be realised that houses at Willagee and Ashfield are not taken into consideration when the basic wage is fixed; the statistician is bound by a certain figure that operated in 1938 and he must keep to that figure when fixing his increases. I can remember, in 1942, or during the war, when the late President Dwyer decided not to increase the basic wage. It was done by the Premier of this State by regulations. So I thought it very strange that the rates for houses at Kalgoorlie were not increased.

The basic wage increase granted at that time should have been 6s. 3d. in the metropolitan area and nothing on the Goldfields, and I wanted to know the reason for that. I knew that rents on the Goldfields had decreased slightly, but I did not know they had decreased to that extent. Today the basic wage on the Goldfields is depreciating to a serious extent. The basic wage in the metropolitan area is £12 6s. 6d. plus 19s. 11d. which makes it £13 6s. 5d. On the Goldfields it is £12 9s. 4d. and the last 1s. 2d. would have made it up to £12 10s. 6d. After taking the basic wage in the South-West into consideration, it will be seen how much the basic wage on the Goldfields has depreciated as compared with that in the metropolitan area.

I do not agree with all this humbug. I do not agree that it cannot be done because only so many individuals are working on the basic wage. Everybody is on the basic wage plus a margin. Even members of Parliament are affected by the adjustments to the basic wage. We find that there are quite a number who are only on the basic wage. Railway workers may be getting a 3s. margin but that is not extortionate. We also find that there are others in the Water Supply Department who are on the basic wage; municipal workers and road board workers are also working on the basic wage. Further we find that many farmers employ men on the basic wage. Accordingly we cannot give an exact number of those who are employed on that basis, but the increase or decrease that may be affected will be applicable to everybody. I have great pleasure in supporting the Bill.

**MR. HEARMAN** (Blackwood) [8.50]: I do not intend to take up the time of the House very long. A remark made by the member for North Perth to the effect that the standard of living was much higher just prior to the pegging of the basic wage, as he terms it, is hardly consistent with a remark made by the Premier during his speech on the Address-in-reply debate on the 26th August, 1952. At page 553 of "Hansard" of that year the present Premier had this to say—

I am quite aware of that; I am also aware, and I hope the Premier is aware of it, too, that the standard of living amongst hundreds of thousands of people in Australia has gone down as a result of prices being allowed to get out of hand; as a result of inflation being allowed to develop to the serious stage at which we find it at the present time.

I do not think there is much comment needed except that it is hardly consistent with the postulation of the member for North Perth.

The only other point I would like to make is to lodge my protest, as I did last year, about the timing of the Bill; it has been introduced and discussed at a time when the quarterly adjustment is before the Arbitration Court. Last year there may have been some excuse, though it was not a valid one, inasmuch as Parliament did not meet until the end of July or early August. This year Parliament was called together early in June and it would have been possible for the Government to bring legislation down before the question of the quarterly adjustment came up for discussion and consideration by the Arbitration Court.

I feel sure that if we looked through "Hansard" we could find a quotation by the Premier in which he said it is wrong for Governments to influence a court; for a Government to, consciously or unconsciously, influence a court. On this occasion the timing of the Bill is a deliberate attempt to influence the court, and I think the principle of influencing courts by legislative action is wrong. I again lodge my protest against the introduction of this Bill, and its timing, bearing in mind the date when this session commenced.

**THE PREMIER** (Hon. A. R. G. Hawke—Northam) [8.52]: I am afraid I will die still wondering what kind of logic the member for Blackwood employed in the point he was making. I rather think that all other members of the Chamber, except perhaps himself, will die in the same confused mental condition.

In reference to the second point the member for Blackwood made, I would say that the Government gave no thought whatever to influencing the Arbitration Court in deliberations upon which it might be engaged. Even if we thought that the

court could be influenced, we would not seek to influence it. The court has a job to do and members of the Government have no doubt that the court will do its job to the extent of its ideas, its views and its own condition of conscience.

As I pointed out previously we introduced this Bill on the basis of principle, and principle only. We say, and I think we say with considerable consistency, that if it is a good thing for workers of this State—the wage and salary-earners—to have their wages adjusted downwards every quarter in the period when the cost of living is going down, then it is only just for them to have their wages adjusted upwards every quarter when the cost of living is rising.

I have been interested to find the court itself concerned with the question of the ability or otherwise of industry to pay any increase which the court might decide upon. I have also been interested to hear members opposite dealing with the same question. It is an important question; it is deserving of consideration and discussion; it is not easy to make up one's mind positively upon the problem. However, there seems to me to be an equally important question—at least equally important—which is: Can the wage and salary-earners, especially the family men, afford to do without 'his money'?

Mr. O'Brien: No.

Hon. A. V. R. Abbott: You cannot have margins and increase the basic wage necessarily, can you?

The Minister for Housing: Why not?

Hon. A. V. R. Abbott: It is not there.

The Minister for Housing: It is not where?

Hon. A. V. R. Abbott: You cannot split up the national income.

The Minister for Housing: Who is getting the lion's share? Not the worker!

The PREMIER: It has been pointed out in this debate that no less a person than the Prime Minister of Australia himself—who should be better informed than any one of us on the condition of Australia—declared only three or four weeks ago that Australia was in an extremely prosperous condition. I think he was right. It is true that in the economy there are some weak spots; it is true that as cost of production goes up, the prosperity of the country could be detrimentally affected according to the effect which the increased costs might have upon particular industries.

However, in the general sense there is no doubt that Australia is prosperous; there is no doubt that industry is well situated at the present time and can afford, I think beyond question, to pay something additional to the wage and salary-earners to offset the increased cost of living which has come to pass during, say, the last 12 months. I would not care to argue that all industry today is

capable of paying the full amount that would be involved; that would require some close investigation.

Hon. A. V. R. Abbott: That is the point, is it not?

The PREMIER: That is not necessarily the only point. I would think that most industry, if not all industry, could afford to pay a fair proportion of what is involved. A reason I want to put forward in support of this Bill is a new one which, I think, has considerable significance. It is a great pity that this Bill did not become law at least a year ago, probably two years or even five years ago. I believe that if the principle contained in the Bill had been on our statute book a year ago, or longer than that, it would have created a greater sense of responsibility within the Parliament of this State.

In my own mind, I am positive that if this principle had been the law of the land and all members of Parliament had known that any increase in the cost of living would automatically have been given to the wage and salary-earners of the State there would, generally speaking, have been a much more responsible attitude displayed in this Parliament, at least during the last year, than we have noted. I am sure that towards the end of last year we would have seen a more responsible attitude displayed by some members towards the rents and tenancies legislation and towards the legislation dealing with price control; possibly also towards other legislation of like character.

Is not it a wonderful thing for some members of Parliament to know that they can vote light-heartedly if needs be to destroy rents and tenancies legislation—or to destroy its effectiveness—and also to destroy the effectiveness of the prices control legislation while knowing that the policy of the courts of arbitration is to refuse to grant to wage and salary-earners any increase in the cost of living?

Hon. A. V. R. Abbott: That is not the policy of the Western Australian court.

The PREMIER: It is the policy of the Western Australian court at present and has been for some months.

Hon. A. V. R. Abbott: It has been in the past, but will not necessarily be so in future, and the president made that quite clear. I admit the reference to the Federal court but not to the State court.

Mr. Hearman: Why try to influence the court?

The PREMIER: I have more respect for the court than has the member for Blackwood.

Mr. Hearman: How do you know?

The PREMIER: It is obvious from the hon. member's speeches in this House that he has no respect at all for the stability or good judgment of members of the court.



I am positive in my own mind that the court cannot be influenced and that it is beyond influence.

Mr. Hearman: Then what are you complaining about?

The PREMIER: The hon. member is doing all the grizzling and does so every time he makes a speech on a Bill regarded as controversial. He is developing into what may be described as a perpetual grizzler.

Mr. Manning: Now you are becoming personal.

The PREMIER: I think that if the member for Harvey, who has a reasonable approach and outlook, cared to study the speeches of the member for Blackwood on controversial matters, he could get some idea as to how personal he has been. However, that is by the way. The point I was trying to develop was that the putting into the statute of a principle of this sort would create in the minds and attitudes of all members of Parliament a far deeper sense of responsibility towards the economic and productive systems of the State. If that were so, every member would approach the consideration of legislation in a much more responsible way, and that would be all to the good.

Hon. A. V. R. Abbott: I think that is entirely fallacious.

The PREMIER: I always respect the opinion of the member for Mt. Lawley because he tries to approach these problems in a reasonable way. I would not say that he always succeeds, but he always makes the attempt and there is a good deal of merit in that. If this principle were the law of the land, would it not create a sense of responsibility and restraint in all sections of trade and commerce and industry in the State? If all sections of trade and commerce and industry knew that every increase in the cost of living would mean an increase in wages and salaries, I think we would find those sections restrained and careful to ensure that increases in the cost of living were imposed only when they were unavoidable.

It seems to me, therefore, that the argument is worth considering. We cannot develop within the Parliament too great a sense of responsibility, and I suggest that this would be a method whereby a sense of responsibility, especially in another section of the Parliament, could be increased very greatly; and that is something to be desired. What has happened in this Parliament during the last 12 months or so has occurred largely because a sense of responsibility has not been operating. We can quite imagine the light-hearted approach of members of another place to the rents and tenancies legislation and to price control legislation when they know, as they have known, that no matter how high the cost of living might go, wage and salary-earners will not get the adjustment—

Hon. A. V. R. Abbott: Will not get the adjustment automatically.

The PREMIER: —and that therefore trade and commerce and industry will not have to meet any burden as a result of this more or less irresponsible attitude of those people to the legislation I have mentioned. So I think there is, in regard to all of us and more particularly some of us, a very great necessity to develop more responsibility in our approach to these matters.

The wage-earners and salary-earners do not want high wages and salaries simply for the sake of having them high. They know enough about the working of the economic system under the present set-up to appreciate that it is not the number of pounds in the pay envelope that counts; it is the effectiveness of what each pound will purchase in the shops when they exchange the pound note for goods or for services. However, there is no gain-saying the fact that, in the present situation, wage and salary-earners are being deprived of something that is their just due. There is no denying the fact that the family people amongst them are worse off today than they were six or 12 months ago.

Hon. A. V. R. Abbott: You know that you are anticipating a decision of the court when you talk like that.

The PREMIER: No, I am speaking of an obvious fact.

Hon. A. V. R. Abbott: It is not obvious; the matter is under consideration now, is it not?

The PREMIER: Does the hon. member not agree frankly that, because of the refusal of the court for its own reasons to grant the cost-of-living adjustment for the last few quarters, the wage and salary-earners are worse off?

Hon. A. V. R. Abbott: They were not worse off because there had been no undue increase in rents.

The PREMIER: The hon. member cannot isolate one item like that.

Hon. A. V. R. Abbott: That represented 13s. 8d. of it.

The PREMIER: I am prepared to leave the rent figure out for all the quarters in question, in order to meet the contention of the hon. member, and I still ask whether he would not agree that, as a result of what happened, the wage and salary-earners are worse off today than they were six months ago.

Hon. A. V. R. Abbott: It is very questionable because if you had not stopped this spiral—I do not think it could have been stopped otherwise, and that was the opinion of the Tariff Board and the Federal Arbitration Court—they would have been worse off.

The PREMIER: That goes back to the point I was making a moment ago that what we want to do in this present situation is to put the responsibility good and hard upon Parliament—

Hon. Dame Florence Cardell-Oliver: Then why do not we reduce our own salaries?

The PREMIER: —so that Parliament will deal with these economic questions and not allow the Arbitration Court to say, "Inflation is still with us and, in order to ensure that it is reduced or arrested, we will make the wage and salary-earners of the State meet the whole burden in the attempt to solve the inflation problem." That is not a reasonable proposition. If there is inflation, if it is damaging and if it is necessary for something effective to be done, then let all sections of the community meet their fair share of the burden and not put the whole burden on one group.

Hon. A. V. R. Abbott: Nobody would dispute that proposition.

The PREMIER: As I have said, I believe that the placing of this principle upon the statute book would compel Parliament to accept that responsibility and would lead members in both Houses to accept a greater share of responsibility to the overall problem, and to take whatever steps were necessary, may be in co-operation with the Commonwealth Government and the other State Governments, to handle the problem of inflation in such a way that no one section would have to carry the whole burden, but that the burden would be spread reasonably over the shoulders of all sections of our people.

MR. JOHNSON (Leederville) [9.11]: I am amazed that we do not hear more from the other side of the House on this particular matter. I can assume that it is the intention, in the main, of members opposite to vote silently. I trust that the way in which they vote will be recorded in divisions in this Chamber and in another place. I wish to emphasise a couple of points in connection with the Bill.

The purport of the measure is to ensure that when the index moves either up or down, the adjustment will follow automatically each quarter, provided that it is more than 1s. It does not tie the basic wage to the scale absolutely; it provides only that when no full-scale hearing takes place, the quarterly adjustment shall be in proportion to the scale and to the movement in the index. It does not prevent the employers or the employees making an approach to the court for a new relationship between the scale and the wage; nor does it prevent the court of its own motion calling for evidence and conducting a hearing if it has any reason to do so.

The immediate effect of the Bill is, of course, an increase of 19s. 11d. per week per worker in practically every instance.

It would affect all members in this Chamber to the tune of about £60 per annum, as a result of the manner in which our wage adjustments are made and the fact that at the time the adjustments ceased, we did have a proportion of them unmade. It would, incidentally, increase the allowance to the Governor by between £300 and £400 per annum.

The effect of the Bill on trade would be important. It would increase purchasing power very considerably; and it would immediately increase retail sales in shops. It is noticeable that of late the retail trade in this city has been indulging in heavy advertising because of an apparent weakening in the sales rate. An increase of approximately £1 a week per wage-earner would make a large and immediate difference to the retail trade. I think that those Liberals who oppose an increase in retail sales will find that that particular section of their backing will not be entirely pleased with them.

In relation to hire purchase, a growing section of trade which has been causing considerable worry to all people who have an eye on the financial state of the country, an increase in income would reduce the need for that worry because it would ensure that the payments could be made. I can imagine that this increase in the wage cost would produce some opposition in primary industry, but I would point out, that an increase in wages now will not enter into the cost of the wheat which is at present being sold; and as far as the current season is concerned, it will only enter into the cost of the harvest labour. It will not affect the cost of production of last season's wheat, and it will not enter into the cost of production until next year's price is set in the wheat industry.

No one will deny that the wool industry could, without a murmur, afford to pay double the wages it is paying now; so this particular increase would not affect it in the slightest. It might mean that the wool-growers would have to reduce their standard of living from two cars per member of the family to one; but that would hardly be considered important. The dairying industry will be affected to some extent, but not as much by the wage increase as by the shortage and high price of wheat offals.

There has been a severe falling-off in the flour trade of Western Australia because of the excessive cost of wheat to mills. This has resulted in a severe reduction in the amount of wheat offals available to various industries—in particular, dairying, poultry, eggs and bacon, which are all food-producing industries. Producers have been paying well above the reputed market price of offals to ensure supplies. I suggest that the increases in food costs are much more closely connected to wheat prices than to wages. If anyone wants to examine that proposition closely, the figures produced by the statistician are available for the purpose.

It is anticipated that the marginal mines in the goldmining industry will receive assistance under Commonwealth legislation, which has been promised. The highly profitable mines will, of course, be able to absorb the increase which will be of no great per cent. of cost to them. The coal-mining industry will pass the cost direct back to the Government for the taxpayer to meet. Those engaged in the building industry will pass the cost straight on to the purchasers of buildings and will pocket a percentage of the increased cost. They, I think, will be pleased to see this increase because it will mean greater gross profits and net profits to them. Their only complaint will be that they will have to pay more taxation on their increased earnings.

In relation to manufacturers, I wish to read an extract from an American book "Labour Economics and Labour Relations" by Lloyd Reynolds, Professor of Economics at Yale University. I have chosen an American text-book because it is the type of publication which supports the theories of the Opposition. No one could define this particular gentleman as having, in the slightest, a socialist tendency. A limited extract from a chapter on "The Economics of Wage Raising" reads—

A very common situation is a wage increase which occurs during the upswing of a business cycle, which is usually a belated effort to catch up with the rising wage maximum of the firm, and which exerts no serious pressure on company profits. The increases which present a real problem, however, are those which put a squeeze on profits and which therefore call for counter measures by management.

I might interpolate there that there is a very interesting schedule of figures in "The Financial Times" in the reading room, which indicates that of the group of industries that were examined in Melbourne by the statistician, only two out of 103 showed a downward trend in dividends in the last financial year, to the 30th June, as compared with the previous year, and in both instances special circumstances were involved.

In one case it was an increase of capital to such an extent that although there was a reduced dividend rate, the real return was a great deal higher. The majority of the other industries showed increased rates of dividend. I therefore presume that at least in relation to manufacturing industries, it would be particularly true, as in this quotation, to say that it is a belated effort to catch up with a rising wage maximum of the firm and exerts no serious pressure on company dividends. To continue—

What will happen when wages are raised, no other change in the firm's situation having occurred meanwhile?

The first effect is to reduce the profit margin of the company. If the previous profit margin was so large that the new wage level is still below the wage maximum of the firm, this may be the only effect. So long as estimated sales volume remains unchanged, there is no reason to expect any appreciable effect on production or employment. Suppose, however, that the new wage level is above the wage maximum of the firm. The wage increase, in other words, has reduced prospective profits below what management regards as a safe level, or perhaps threatens to eliminate profits entirely. What is to be done?

A sudden reduction in the profit margin, however, may galvanise management into action. There may be a fresh scrutiny of costs and an effort to prune them to the lowest possible level. Success in this direction raises the firm's wage maximum and may even restore profit reduction in employment, but will not necessarily do so. The order which goes down from top management is to save money, not to save labour, and money will be saved by whatever means comes first to hand. If it turns out that certain operations have been overstaffed in the past, or that men on certain jobs have been operating below standard efficiency, lay-offs on these jobs may result. Many types of waste reduction and methods improvement can be carried out, however, without affecting employment at all.

A slower and less direct effect of a wage increase is the incentive which it gives management to save labour by increased mechanisation of production. It is difficult to say how important this effect is, since little is yet known about the factors influencing management decisions on new equipment. Major technological improvements are usually so much more productive than the processes they replace that the decision to install them would probably be little affected by a change of 10 or 20 per cent. in wage rates. There may at any time, however, be certain items of equipment which it would not quite have paid to introduce previously but which are pushed over the margin by the wage increase.

Hon. A. V. R. Abbott: That is all very technical.

Mr. JOHNSON: Yes, and it has been chosen by me as a quotation from people on the other side, as regards their economic beliefs. It proves, largely, that the theorists on the other side of the economic argument realise the truth of the stand taken by members on this side of the House, that high wages mean high profits.

To comment on the extract which I have read, it is anticipated that the Commonwealth Budget will include a return to something in the nature of the initial depreciation allowances which were previously embodied in our taxation laws, and that, added to the incentive mentioned in the quotation, should be enough to encourage many of our Western Australian industries to re-tool and improve and examine their own efficiency.

In relation to the efficiency of industry I will quote from the annual report of the Tariff Board for the year 1953, as this body is so much quoted by the member for Roe. It states—

Even where the techniques of manufacture adopted in Australia and the machinery used are not the same as those in operation overseas, mainly because of the restricted market available to the manufacturer in this country, it is possible to come to general conclusions on relative efficiency.

In recent years the board has been pleased to refer to industries which had increased their efficiency and, as a result, had lowered costs of production or offset to a considerable extent the rising costs of material and labour. Similar instances have come under notice during the year under review

Another instance relates to a large factory where the labour cost per unit of production had shown an increase for some years. It has recently been reduced, as illustrated by the following table, using 100 as the index based on October, 1938:—

| Date             | Labour cost<br>of<br>manufacture<br>per unit. | Adult male<br>worker's<br>wage per<br>week of<br>40-hours. |
|------------------|---|--|
| October, 1938 .. | 100   | 100  |
| March, 1949 .... | 133   | 148  |
| March, 1950 .... | 132   | 159  |
| March, 1951 .... | 155   | 211  |
| March, 1952 .... | 186   | 235  |
| March, 1953 .... | 178   | 256  |

Those figures illustrate that although the labour cost per unit of manufacture, has risen from 100 to 178, the relative wage scale has increased from 100 to 256, indicating what efficiency, given some stimulus, can do to reduce that particular group of costs in an industry. Another point I wish to make is that we, in this State, are at the beginning of a very important increase in our productivity and this particular stimulus is what is needed to make our employers—not all of whom are efficient managers—examine their efficiency and see whether they can join in improvements which efficiency brings to industry.

There has been some reference to the Harvester scale and the standard of living, and the needs basic wage. Let us realise that the needs basic wage was based on a standard of living which was accepted as reasonable for the people concerned at the time of that award. The public conscience of Australia—and of Western Australia—would not permit that level to be accepted as the minimum level for human beings working in our economy now. The increase of £1, which was given when the movement was made from the needs basis to the ability of industry to pay basis, was an acceptance by the court and the public conscience of the belief that the minimum standard should be brought into line with an up-to-date standard which was acceptable to the people of Australia.

Back in the days of the Harvester award, the accepted food level was bread and jam and other similar low standards of feeding. That would not be accepted today by our health authorities, and for good reasons. Those reasons show in our expectation of life tables. The standard granted by the court on the allowance of the £1 increase, is one which should be accepted as complying with our minimum needs. "The Australian economy was never more prosperous" is a quotation from the Federal Leader of the Liberal Party. It cannot be said that industry and the Australian economy cannot afford to pay the increased basic wage.

The decisions of the Federal court and of the State courts which followed are an infringement of parliamentary privilege. In my opinion, in both cases the courts stepped outside their authority and encroached on the respective Government's right to control the economy of the country. I refer once again to the statement of Mr. Justice Dwyer on the basic wage in 1932. He said—

The court is not at liberty to use the basic wage as an instrument for the furtherance of a general economic theory. Questions of general financial policy remain the responsibility of the Legislature. "It seems to me," said Dwyer P., "to follow from the foregoing that it is not our present duty to consider the rehabilitation of the financial system of the Australian States or interstate competition or other cognate matters. Questions dealing with the balancing of the national ledger, the difference between imports and exports and the alteration in the rate of exchange, though very interesting, are outside the scope of the inquiry, or only very remotely connected with it. If these matters are to be considered, they must be dealt with by special legislation amending the provisions above quoted forming part of the Arbitration Act."

I might mention that Governments in all States have, at all times, taken that authority to deal directly with all matters of economic control in the country—and rightly so.

The passing of this Bill will, as our Leader so ably pointed out, ensure that that authority rests with Parliament and, provided Parliament leaves in the hands of the Legislature, power to control prices, rents and tenancies and other allied matters, authority will remain where it should be—in its proper place and not in the hands of an irresponsible outside body. A body that is not responsible to the electors cannot be called a responsible body in that particular regard. The power should not be exercised by anybody who is not directly responsible to the people concerned.

I maintain that economic policy is the responsibility of Governments. Members opposite are relying on another place to defeat this Bill—and other Bills, such as price control, rents and tenancies, and so on—because in that House they have a fortuitous power. I have previously quoted a statement by the Leader of the British Tories that power without responsibility is the perquisite of the harlot. A harlot is a person who sells, for personal gain, those principles which the majority of us hold as important and priceless. Yet we see members on the other side behaving in that manner. I assume that I would be truthful in saying that they are the cheapest politicians that money can buy. No one with the interests of the State and the people at heart will vote against this Bill or those measures dealing with prices and rents and tenancies.

To cover finally the points I have tried to make, the Bill does not tie the basic wage to the scale; it only ensures an automatic percentage adjustment whenever the basic wage scale moves. It does not prevent a full hearing at the request of either the employers or the employees. The Bill does restore the standard of living to that which has been accepted by the public conscience of Australia and Western Australia as the reasonable needs of a reasonable being. It will increase considerably the purchasing power of trade, and it will increase the investable savings of the public to produce investments for capitalisation of manufacturing concerns. It will provide greater profit for building and other industries, and will give a greater opportunity and incentive to management—members opposite are always talking about incentive—to make their industries efficient, effective and profitable. I support the Bill.

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

|              |       |    |
|--------------|-------|----|
| Ayes         | ..... | 13 |
| Noes         | ..... | 12 |
| Majority for | ..... | 1  |

## Ayes.

Mr. Andrew  
Mr. Graham  
Mr. Hawke  
Mr. Heal  
Mr. Johnson  
Mr. Lapham  
Mr. Lawrence

Mr. Moir  
Mr. Nulsen  
Mr. O'Brien  
Mr. Sleeman  
Mr. Styants  
Mr. May

(Teller.)

## Noes.

Mr. Abbott  
Mr. Ackland  
James F. Cardell-Oliver  
Mr. Donev  
Mr. Hearman  
Mr. Manning

Mr. Nimmo  
Mr. North  
Mr. Oldfield  
Mr. Owen  
Mr. Thorn  
Mr. Hutchinson

(Teller.)

## Pairs.

Ayes.  
Mr. Jamieson  
Mr. J. Hegney  
Mr. Guthrie  
Mr. Tonkin  
Mr. Hoar  
Mr. Rhatigan  
Mr. W. Hegney  
Mr. Sewell  
Mr. Kelly  
Mr. Norton  
Mr. Brady  
Mr. McCulloch

Noes.  
Mr. Hill  
Mr. Mann  
Mr. Bovell  
Mr. Brand  
Sir Ross McLarty  
Mr. Yates  
Mr. Court  
Mr. Cornell  
Mr. Nalder  
Mr. Perkins  
Mr. Watts  
Mr. Wild

Question thus passed.  
Bill read a second time.

## In Committee.

Mr. Brady in the Chair; the Premier (for the Minister for Labour) in charge of the Bill.

Clause 1—agreed to.

Clause 2—Section 127 amended:

Hon. A. V. R. ABBOTT: This clause is the crux of the Bill. I merely wish to make quite clear the attitude of those who sit on this side of the Chamber, namely, that we think the highest standard of living and the highest possible basic wage should be afforded every worker.

Although he raised an interesting point, I must differ with the Premier when he said that if there were compulsory basic wage rises members of Parliament would consider more seriously some of the Bills brought before this House and also those outside of it would consider that their responsibilities would be greater. I think such a contention is most fallacious. I am not debating the point whether the basic wage should or should not rise.

One cannot face up to a serious rise in rents without giving a great deal of thought to the position. However, we know that only 20 per cent. of the people pay rent. The remainder own their own homes. The Premier must give serious thought to automatic basic wage rises in view of the large amount in which the State would be involved, especially in regard to the railways. The automatic rises in the charges made by the State Electricity Commission have always been contingent upon the rise in the basic wage. Therefore, the Premier would not readily agree to automatic rises. Are we to say that because something is automatic, we will have greater responsibility? We would all like a higher basic wage. The policy of

the court that I approve of is that it grants the highest basic wage which industry can possibly pay.

The Minister for Housing: This is to retain a high basic wage.

Hon. A. V. R. ABBOTT: No, it is not. Eminent authorities have said that the mere fact of raising the basic wage does not necessarily mean that the worker will gain any advantage. The result is that electricity charges go up, tram fares go up, and so on. The only way a basic wage-earner can be given a higher standard of living is to take something away from someone else.

We have to lower margins and it must be admitted that over the years margins have been lowered. I am not going to argue that policy. Alternatively, we could increase production. Everyone must agree that any step taken in the interests of the people as a whole must result in some hardship which should be spread over the whole of the community. However, it is a question of how we can achieve that. Parliament is not so capable of deciding the most difficult economic questions. The member for Leederville made an interesting speech, but it was highly technical.

Hon. L. Thorn: Of course it was, especially when he referred to us as harlots! It is about time he was fumigated, I think.

Mr. Moir: What about yourself?

Hon. L. Thorn: That is all right. They ought to put him in a fumigator and then in an incinerator.

The CHAIRMAN: The member for Toodyay must help to maintain the decorum of the Chamber and not interject.

Hon. A. V. R. ABBOTT: Therefore, I do not think the mere fact of automatically increasing the basic wage would increase responsibility.

Clause put and passed.

Title—agreed to.

Bill reported without amendment and the report adopted.

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

##### *Council's Message.*

Message from the Council received and read notifying that it insisted on its amendments Nos. 14 and 15; that it did not insist on its amendment No. 16; that it agreed to further amendments Nos. 1, 2, 3 and 4 made by the Legislative Assembly to Council's amendment No. 26, but disagreed to further amendment No. 5 to Council's amendment No. 26; that it disagreed with the Assembly's alternative amendment to the Council's amendment No. 29 and that it insisted on its amendment No. 29.

*House adjourned at 9.52 p.m.*

## **Legislative Council**

Wednesday, 18th August, 1954.

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

### **QUESTIONS.**

#### **MILK.**

*As to Licensed Suppliers and Quotas.*

Hon. C. H. HENNING asked the Minister for the North-West:

(1) What was the number of dairymen licensed to supply milk to the metropolitan area—

- (a) on the 28th February, 1954;
- (b) on the 31st July, 1954?

(2) How many established a maximum daily quantity during—

- (a) the months of March, April, May;
- (b) the months of April, May;
- (c) the month of May?

(3) How many are there now supplying who did not establish a quota during March, April and May?

(4) How is the quota fixed where a dairyman did not supply during the full fixed period of establishing an M.D.Q.?

(5) How many are there who established quotas during 1953, dried off their herds during the summer, 1953-54, and have been granted new quotas?

The MINISTER replied:

(1) Dairymen supplying treatment plants—(a) 482; (b) 491. Dairymen-Vendors—(a) 5; (b) 6.