

The PREMIER: All right. We will consider ourselves on a level in that regard.

Mr. Marshall: He would be a happy man if that were true.

Mr. May: I will have the balance.

The PREMIER: Do not let us forget there has been an increase in wages to meet the increased cost of living. There is more money in our savings bank today than there ever was previously.

Mr. Marshall: No, there is not.

The PREMIER: Yes, there is.

Mr. Marshall: No, there is not.

The PREMIER: The hon. member is getting on to his pet subject. I anticipate hearing something from him in that direction before the session ends.

Mr. Styants: Do not encourage him.

The PREMIER: I say emphatically that living costs in Western Australia do not compare unfavourably with those of the other States. The hon. member complains that we have been too lax. I have had many complaints in the opposite direction. I say again that there has been considerable activity in regard to the policing of prices, and I am told from a reliable source that greater activity has been displayed by the States than was carried out by the Commonwealth.

Mr. Graham: Don't you believe it!

Mr. Hoar: The position has got worse, anyway.

The PREMIER: This vote of censure! Summing up, I claim that the Government is not deserving of censure.

Hon. J. T. Tonkin: You surely do not think it should be applauded?

The PREMIER: I would not expect that from the hon. member.

Hon. J. T. Tonkin: From anybody.

The PREMIER: I would not expect it from the hon. member; but I think the average person in Western Australia will agree that the Government has handled a very difficult situation in a fairly satisfactory manner.

Mr. Kelly: Your ear is not too low to the ground.

The PREMIER: It was to the ground a few months ago when members opposite were making continuous reference to the very subject under discussion today.

Mr. May: You promised at the election to deal with this question.

The PREMIER: As I have said once before, we were returned to office. The people must have believed we were doing a good job—and this is one of the most important matters with which we have to deal—or else they would not have returned us.

Mr. W. Hegney: You are in a minority.

The PREMIER: Let me remind members that there have been no suggestions from members opposite as to what they would do to alter the position if they came into power.

Hon. J. T. Tonkin: Yes, there have.

The PREMIER: If the hon. gentleman were a member of any other Parliament, not only in Australia, but in the British Commonwealth and he thought it expedient for him to do so, he could move a similar amendment to this one irrespective of the political colour of the Government concerned. We are pretty lucky to be living in Western Australia today, despite all the things that have been said in regard to this matter of prices. There is but one solution to our difficulties and we all know what it is.

Mr. Hoar: A change of Government.

The PREMIER: No, it is not a change of Government.

Hon. A. H. Panton: You surely expected that!

The PREMIER: Do not waste the time of people by making such a suggestion! The only solution is greater production in order to provide for the tremendous amount of spending power. I would be prepared to co-operate to the fullest extent with members opposite to see how we can bring about that increased production.

Hon. A. R. G. Hawke: This is a death-bed repentance.

The PREMIER: No, it is not.

Hon. A. R. G. Hawke: Yes, it is.

Hon. J. T. Tonkin: We have been showing you for months how you could do it in certain directions.

The PREMIER: I would be prepared to co-operate to the fullest extent to get increased production, not only in the interests of Western Australia, but in the interests of Australia, and, indeed, of the world generally. Until we get that greater production we will have this continuous trouble about prices and price control. I do not think the Government should be censured or that the House should agree to the amendment moved by the Deputy Leader of the Opposition because, taking all the facts into consideration, I do not know what else could be done to deal with such a difficult position.

MR. OLIVER (Boulder—on amendment) [5.44]: I support the amendment. I want to avail myself of the opportunity to congratulate the member for Nedlands on what I thought was a very fine, constructive maiden speech. Coming as it did from a very young man it showed particular promise, and I considered his remarks on the devaluation question particularly timely. I look on this talk of revaluing the Australian £1 as being full of menacing possibilities. I think it could

bring disastrous consequences, because I cannot see how it could improve the lot of the worker; but I can see how it could reduce the national income by reducing the income of our basic producers. What earthly good can it do a country like Australia to reduce the income of its basic producers? I believe that the movement of sterling from the dollar saved the gold-mining industry, in particular, from a very serious crisis.

Mr. SPEAKER: Order! The hon. member is not speaking quite to the amendment, which concerns prices. He may be coming to it.

Mr. OLIVER: I think the question of valuation has a bearing on the subject with which we are dealing, and that is why I want to refer briefly to it. Costs are continually increasing, and the benefits gained from the movement I referred to are gradually being lost as a result. If something is not done in the near future, the goldmining industry will probably again be appealing for some assistance. A lot has been said as to wages in this State. It has been urged that they have been not only the major cause but, in fact, the whole cause of increased costs. As an advocate in connection with this particular feature of our economy, the basic wage, I claim to know something about that.

I could not agree that the basic wage has had much to do with the upward trend of prices, because it is something that follows prices; and it follows prices always. The only time the worker could gain any real benefit would be if costs showed a downward trend and wages started to follow the downward trend. In my experience, I can remember only one such situation, and the powers at that time did not wait for any downward trend for the basic wage to follow, but took arbitrary action. They cut the basic wage. Everyone knows that. They introduced the Financial Emergency Act, and the basic wage was arbitrarily reduced. That is what happened, so that even on that occasion, when the worker might have benefited, he received no benefit.

Mr. Fox: A Liberal Government did that.

Mr. J. Hegney: They brought about quarterly adjustments to bring it down quicker.

Mr. OLIVER: The movement of sterling from the dollar was something that did affect the Australian £1, but the part we are concerned with is this, that the Australian £1 did not move away from sterling but retained its value with sterling—a value that was given to it as far back as 1932-33. There has been no alteration in the relationship of the Australian £1 and the £1 sterling since 1932. But if we look

at the basic wage, we find that we had a basic wage in 1929, in Perth, of £4 6s. a week, and in the outer areas of the State of £4 5s. Today, in Perth, it is £7 6s., and in the outer areas, £7 11s. 6d., the difference being, in Perth, 67 per cent., and in the outer areas, 75 per cent. Let us look at the prices of our basic commodities. Take the year 1928-29—that was not a depression year but was looked upon as a very prosperous period.

I remember that there was a land boom then and people were paying fabulous prices for land, which indicated that primary production was experiencing a boom. We find that wheat was then at an average price of 5s. a bushel, wool 1s. 4d. a lb., and gold was worth £4 5s. an ounce. In 1947-48, which is the only year for which I can get complete figures, wheat was 17s. 6d. a bushel and wool, 3s. 6d. a lb. Gold, in 1949, was £15 10s. an ounce. What is the difference in the case of those three major items of our State's production? In the case of wheat it is 12s. 6d. per bushel, in the case of wool, 2s. 2d. per lb., and in the case of gold £11 5s. per oz. Let us now take the difference in percentage increases. In the case of wheat it is 250 per cent., equal to 3½ times the previous value.

Mr. Ackland: The wheat export price was less than 9s. in that year.

Mr. OLIVER: My authority was "The West Australian Year Book." I repeat that the value of wheat in 1947-48 was 3½ times the value in 1928. In 1947-48 the value of wool was 160 per cent. higher, or nearly 2½ times the value in 1928. Gold increased in price by 250 per cent., again 3½ times its value in 1928. That has been the experience of the people producing those items and one can clearly see the comparison with the basic wage, where the highest increase has been 75 per cent. over that period. I do not complain about the producers of those commodities receiving high prices, and I hope they continue to do so, because I know that while they are receiving those returns there will be money to spend in this country; but I am concerned that the worker, who contributes a major portion of the effort necessary for that production, has received a so much lower percentage increase.

To devalue the £ would reduce our national income and would not benefit the worker one iota. I hope that whatever influence the Government has will be used against any movement in that direction. The Minister for Prices said, on several occasions yesterday, that rises in the basic wage preceded any rise in prices. I do not think the Minister for one moment really believed that, because everyone who has given the matter even brief thought knows that that is not so. Before the Arbitration Court, which is the only authority in this State that can vary the basic wage,

makes any move to increase or decrease the basic wage, it is supplied with figures from the State Statistician. The wage is then kept constant or varied up or down according to what those figures indicate.

In the reply to an hon. member, the Minister for Prices said that if the price of meat goes up by 5d. per lb. the basic wage will go up by 5s. 11d. per week. Surely that is an indication to the Minister for Prices that what I have said is true. If the price of meat goes up 5d. per lb. the basic wage follows with a rise of 5s. 11d. per week. Surely that is conclusive proof, coming from the Minister himself. Early as it is in this debate, much has been said about price fixation. I was one of those who believed, rightly or wrongly, that price fixation could succeed. I believed it was one way of securing to the worker a reasonable standard of living. But I never believed that several authorities could successfully administer price control.

I knew that if authority over the control of prices was taken away from the Commonwealth it would fail, and that has been the result. It is not my endeavour tonight to fasten the responsibility for that failure on anyone in particular, but those who advocated the defeat of the Federal referendum on the 29th May, 1948, must accept responsibility for what has happened. The people who advocated the defeat of the referendum and said they could control prices better than could the Commonwealth now know that they have failed abjectly. It has been a miserable attempt and, judged by present standards, an unqualified failure. On the 29th May, 1948, the day of the referendum, the basic wage in Perth was £5 15s. 9d. per week. Now, in August, 1950, it is £7 3s. 6d., an increase of £1 7s. 9d. per week. In the whole history of the State's economy there has never been such an increase; there has never been such a price movement as is indicated by the basic wage, and the basic wage is the best indicator of any price movement because it follows prices up. That is the only reason that the basic wage could have gone up—it followed prices.

If members look back on our experience of basic wage fixation they will see what I mean. The basic wage was first fixed in 1926 and, if we take the total increases from then until May, 1948, we find that the increase in all that period—something over 20 years—was just about equal to what has happened in a little over two years. There has been a greater devaluation in two years, or a little over two years, than there was in the previous 20 odd years. Surely that is something to give any responsible person plenty to think about.

We hear a lot of talk about the value of the £. Obviously the £ is useful to any person only for what it will purchase. As far as I am concerned, as

far as every member is concerned, the £ is only worth what it will purchase. It would not matter to me or anybody else, if we had chaff bags full of pound notes, if we could not purchase anything with them—they would be worthless. Therefore, whatever number of pound notes is put into the basic wage the worker is concerned only with what they will purchase. We know too, that the £ will not purchase very much today. We hear all sorts of pronouncements as to the value of the £, and in the last Commonwealth elections the present Prime Minister, Mr. Menzies, said that the £ was worth 10s. He went further and said that it may be worth less than 10s. I think that most workers would agree with what Mr. Menzies said but I have tried to get at the real value of the £.

Mr. Read: No-one can do that.

Mr. OLIVER: The member for Victoria Park says that no-one can do that. I am not suggesting that he is right because I think we can get some idea of the value of the £. I have discussed this question with the State Statistician and with several men who are in charge of banks. I have even corresponded with Mr. Rydge, who edits "Rydge's Journal," and they all inform me that the best guide to the value of the £ is the all-item "C" series. We all know that the all-item "C" series is the series upon which the basic wage is fixed. Therefore, it can be seen that it all comes back to the basic wage. These people all say that the best indication of the value of money is obtained at the date the basic wage is fixed. If we accept what these people say—and unless we have some authority who will give us something different we must accept it—the £ in Perth today, based on the "C" series is, worth about 12s.

I am a little kinder than Mr. Menzies. But, let us have a look at the "C" series. It provides for certain elements that are included in the basic wage and if the system is followed correctly and faithfully it is quite all right; but the Minister for Prices tells us that if meat rises in price by 5d. a lb. the basic wage must be increased by 5s. 11d. a week. I tell the Minister for Prices that meat has exceeded the fixed price in Kalgoorlie by 5d. a lb. for many months. I might say that that has been so for the last two or three years.

Mr. McCulloch: For years.

Mr. OLIVER: Obviously people in Kalgoorlie have been underpaid. Then, if we take the position of house rents, it does not need much calculation to realise that the element in the basic wage, relating to rent, is not correct. The element for rent, in the calculation of the basic wage, provides for £1 0s. 8d. a week for the rent of a house. We all know that is not correct. If we include Commonwealth-State rental homes in the average rental the

element for rent in the basic wage should be 31s. which is something like 10s. 3d. in excess of what is at present allowed. It is argued that the Commonwealth-State rental homes should not be included in the elements because anyone who resides in them has the option of purchase. Personally, I do not think—I am not very optimistic anyway—that any of those homes are being purchased.

Mr. J. Hegney: A very small percentage of them.

Mr. OLIVER: Yes, but if one excludes the Commonwealth-State rental homes from the elements, the rental being about 26s. 6d. per week, it still puts the basic wage earner something like 6s. below the basic wage. Therefore, if we take these fictitious prices of meat and rent into consideration the basic wage earner is still something like 16s. behind. So how can it be said that the basic wage is the cause of high prices? Obviously, the man on the basic wage today is underpaid and that will be proved on the first occasion the unions can enter the court to present the figures. There is no doubt the basic wage will have to rise again, and not by two or three shillings but by something approaching £1. That must be the result of a full inquiry.

I am not one of those people who holds responsible any group of individuals for what is happening. I know that once a country is caught up in an inflationary spiral it takes a lot of arresting, but to blame the worker for it is obviously stupid; he is the victim and always will be. He never benefits from any inflationary spiral. For example, take a worker who is affected by the meat situation, with which problem we have been concerned in recent months! I am prepared to listen to any story on that question, but one reads in the Press of the economic chaos in the industry. One reads in the "Daily News" leading article as to what should be done about the meat prices; how unfair it is to control them unless controlled from the source.

One tries to assess what is wrong with the meat industry. I know that no butcher will admit to saying that he sells meat at the fixed price. I have discussed it with butchers. They are quite open about it, and state that they could not do it and do not try. I listened to the Premier very attentively tonight and he suggested that the remedy was for the people concerned to report the blackmarketers. I believe that would be one way of overcoming the difficulty, but let members put themselves in the butchers' position. Just imagine them selling meat in Kalgoorlie! A butcher there wants two carcasses of meat and he sends to Perth expecting to get them at the ceiling price and finds he cannot. If he wants them at the ceiling price he does not get the meat. The man who sends the meat to him cannot charge above the

ceiling price—or appear to charge—so he practises a subterfuge. He sends two carcasses of meat but to the account he charges two carcasses of veal. Who is paying for that? Obviously, the consumer!

Mr. Nalder: A very strong case for de-control.

Mr. OLIVER: It may be, but let the hon. member listen to the whole story. If one reads the journal of the Allied Meat and Trades Federation, it will be noted that bullocks have stopped growing fore-quarters and have only hindquarters. All the steak that comes from a bullock these days is rump steak. We all know that no matter how elderly a sheep may be it is still only lamb. Who is paying for it? Obviously, the worker! Yet it has been constantly inferred that he is the cause of these rapidly increasing prices. I will repeat that I am not complaining about what the producer is getting for his product, but he must admit he is having a wonderful honeymoon.

Mr. Perkins: We want to hear the hon. member suggest a remedy.

Mr. OLIVER: What I suggest is that the hon. member should offer his stock to the saleyards at a cheaper price. Would it not be natural to think that the producers of this country owe a duty to it? Are they not always harping on the point that the workers owe a duty to the country to produce more? Surely, if the country needs meat it is the duty of the producers to provide it.

Mr. Perkins: Is that the remedy.

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

Mr. OLIVER: I was speaking of what I considered to be the remedy to solve the problem of the meat supply. I do not profess to be able to give an answer to all our problems, but I suggest to the member for Roe that the answer to this problem would be to produce more meat. I venture to say that the hon. member is a believer in the law of supply and demand, and, carrying the matter to its logical conclusion, it means that the producer is not producing the goods. We have been told that the worker should increase his output in order to solve our economic problems, and I suggest that that is the remedy for the producers of meat to adopt.

Mr. Perkins: Do not you think they might be producing something else, for instance, wool?

Mr. OLIVER: I am aware that they are producing wool, but that merely shows the lines upon which the producers are thinking. They are not worrying about supplying the people with meat, but are prepared to produce the commodity that returns the more money. We need the meat more than the wool.

Mr. Perkins: Do you not think there is need for wool?

Mr. Ackland: Would you direct an artisan to an industry where he would receive less wages?

Mr. OLIVER: I am not suggesting to the member for Moore that he should not do what will return him the most money, but we hear a lot from these public-spirited people as to what ought to be done in the matter of production.

Mr. Perkins: It is very interesting to hear you say that we do not need the wool. I am afraid your leader would not agree with that.

Mr. OLIVER: We do not need all the wool that is being produced, but we do need more meat. Here we have an item in the "Daily News" headed, "Beef Famine Threat with Population Growing." There is no question of a threatened meat famine at Kalgoorlie; such a famine has existed for months. There is no beef at Kalgoorlie and has been none for months. If I want beef for my family I send it from Perth. This in itself is proof that the producers have failed to produce the goods.

Nobody can claim that there are not all the facilities available to produce the cattle to supply the beef. We have only to look at the Kimberleys to realise the potentialities there for producing all the meat required. Obviously, little is being done. I would say that so far from the Kimberleys having been developed over the last 50 or 60 years, they have been progressively destroyed as a beef producing territory. One may travel from Wyndham to Hall's Creek without finding a fence. Without having to bother to open a gate, one may drive right through that country. Nothing has been done to increase the beef production there. We have a wonderful plant at Wyndham to handle beef and, notwithstanding all that territory around Wyndham, only about 35,000 bullocks a year are handled at the works there. If the Kimberleys were properly worked, the beef requirements of the State could be met and the Wyndham Meat Works would probably operate for ten months in a year.

I wish to touch briefly on housing costs, which are closely allied to the matter of prices. Some 18 months or two years ago, a worker raised a loan to enable him to build a house. When the loan was arranged, a large building contractor in Perth quoted for building the house, £1,225. Some nine months elapsed while the place was being built and the worker obtained possession in January of this year. He has already paid over £1,700 and has still to pay probably another £50.

There we have an instance of how costs have gone up. This worker used his deferred pay from the Military and his small savings to build the house and, when the

cost was quoted as £1,225, he could have paid for it but I am very doubtful what the result will be. In fact, he is inclined to give it up. That has happened in the brief space of two years. So, what I said earlier is quite true, that no matter what the worker might do or no matter how he might try, he would be the victim all the time. I repeat my belief that if everyone had been honest about price control, it could have been made effective. I am satisfied that it, had passed the experimental stage and that it would have worked. The fact that it is not working satisfactorily is because people have not been honest, and those people must accept the responsibility for the present state of affairs.

MR. STYANTS (Kalgoorlie—on amendment) [7.40]: I do not propose to speak on this matter at any great length. I was very much impressed with the attitude taken up by the Premier in defence of the Government's action in connection with price-fixing. He is quite a different personality today from what he was two years ago when the people were considering the merits of the referendum concerning the handing over of control of price fixing by the Commonwealth to the State. I think he was pictured in pretty well every paper with that characteristic pose of his and declaring, "I say to you today," and he promised the people that the States would effectively control prices. Tonight, however, he tells us that the States cannot control prices.

The Premier: I never said that.

Mr. STYANTS: I understood the Premier to say that. But if he denies that he did, I would say that he quite definitely said that this State could not control prices. We do not expect this State by itself to control prices. We expect all the States of the Commonwealth to amalgamate, and the Premiers and their Ministers, with their machinery for price control, effectively to control prices in Australia. We are not suggesting that this State should adopt a price control system by itself. But the Premiers of those States which have anti-Labour Governments are particularly responsible for seeing that the assurance they gave in connection with the control of prices two years ago, when the referendum was being conducted, is given effect to. Of course, we know quite well that that promise has not been carried out and that very little has been done; and as I will show later, the Minister for Prices in this State—and in passing I would point out that most people in the street today refer to him as the Minister for inflation—has not done all in his power. As a matter of fact, I think he has raised his hands in the air and been quite prepared to let price-fixing slip. I