

# Legislative Council,

Tuesday, 13th November, 1928.

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

## BILL—BUNBURY ELECTRIC LIGHTING ACT AMENDMENT.

Read a third time and passed.

## BILL—ELECTORAL DISTRICTS ACT AMENDMENT.

*Second Reading.*

**THE CHIEF SECRETARY** (Hon. J. M. Drew—Central) [4.35] in moving the second reading said: This is a Bill to fix the basis for a redistribution of seats in order to give a more equitable representation to the people. The measure does not require any lengthy explanation inasmuch as the whole of the Bill, with the exception of one clause and the schedule, is identical with the Electoral Districts Act of 1922, which had a similar object in view. As in the Act of 1922, the fixing of the boundaries is to be left to electoral commissioners, consisting of a judge of the Supreme Court, the Surveyor General, and the Chief Electoral Registrar, whose powers will be exactly the same as they were under the previous legislation. In the discharge of their task the commissioners are required to take into consideration community of interest, means of communication, distance from the capital, physical features, and the existing boundaries of districts. The margin of allowance which the commissioners may make in any of the areas is one-fifth above or below, exactly the same as before. The portion of the State now comprised within the electoral districts of Kimberley, Roebourne, Pilbara and Goscoyne, with such modifications of boundaries as the commissioners may think fit, is to be divided into four electoral districts. There is one

departure from the legislation of 1922. In that legislation, apart from the North-West districts, provision is made for four electoral areas—the metropolitan, the goldfields central, the agricultural, and the mining. The Bill reduces these four areas to three. The Goldfields Central has been excised and is included in mining and pastoral. It has been considered unnecessary to have “mining” under two different heads as it appears in the present Act, because owing to further decrease of population in the intervening period the conditions are now very much the same throughout the goldfields. Taken as a whole, these goldfields are not only remote from the capital, but the population is scattered over a wide stretch of territory, in portion of which the pastoral industry predominates. The agricultural area is to remain the unit, as it is now. Under the existing Act two electors in the metropolitan area would be equal to one elector in the agricultural area. That provision has been departed from in this Bill, and we make two electors in the agricultural area equal to three in the metropolitan area. “One vote, one value” is a principle which it is difficult to argue against. But in a State like this, in which the population is spread thinly, over a large extent of country, at long distances from the seat of Government and from their ports as well, the application of that principle could not, with wisdom, be enforced even in the interests of the thickly-peopled centres of the State. For it stands to reason that lack of adequate representation of these remote electorates would perhaps be reflected in a failure to recognise fully the necessity of developing the industries in these outback places, and consequently the interests of the State as a whole would suffer. At the same time it is possible to go too far in writing down, as it were, the power of the franchise in the aggregate, when each elector’s vote has the same weight at the polls no matter where he or she resides. I have pointed out that, under the Bill, two electors in the agricultural area will have as much representation as three in the metropolitan area. In pursuance of the same principle, one elector in the mining and pastoral area will be equal in political strength to two in the agricultural area. As I have already stated, the outer areas are largely pastoral now. They are many hundreds of miles from the capital, and offer all the disadvantages inseparable from their conditions.

It might be said that one or two of the main centres should not enjoy the quota proposed by the Bill. But it must be remembered that their population has been steadily declining since 1922, and that there is no stronger reason for treating them differently from the other mining districts than there would be to treat less favourably those agricultural districts which are within a stone's throw of the capital. Let me explain the Bill in another way. There are 214,689 electors enrolled for the Legislative Assembly, and of these 108,866, or more than half, reside in the metropolitan area. Under the Bill the average number of electors in the metropolitan area entitled to a seat will be 6,404. The minimum, allowing for the one-fifth below that under the Bill there could be in any metropolitan district, would be 5,124. On the other hand the maximum, the one-fifth above, would be 7,684. The number of members elected under these conditions would be 17, as against 12 now. In the agricultural districts the number of electors is 86,749, and there the average number in each electorate would be 4,131—as against 6,404 in the metropolitan area—with a minimum of 3,305, and a maximum of 4,957. The number of seats will be 21, the same as at present. In the mining and pastoral area there are 15,836 electors, the average being 2,000, the minimum under the Bill 1,583, and, similarly, the maximum 2,375. The number of members would be eight, or a reduction of five on the present number. In the northern district the number of electors is 3,238 with four seats, giving an average number for the four of 809. So that if we start at the north, there are 800 voters per seat: coming down to the goldfields, the number is 2,000 for each seat; coming still further down to the agricultural area, the number is 4,000, and in the metropolitan area it is 6,400. When the commissioners rearrange the boundaries, they are required to make a report to the Minister charged with the administration of the Electoral Act, and that report has to be laid before both Houses of Parliament. A Bill must then be introduced for the purpose of a redistribution of seats in accordance with the re-adjustment of the boundaries; and the Bill, if passed, will come into operation on a day to be fixed by proclamation. I move—

That the Bill be now read a second time.

**HON. E. H. HARRIS** (North-East)

[4.36]: I move—

That the debate be adjourned until Tuesday next.

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

Ayes	..	..	..	15
Noes	..	..	..	10

Majority for .. .. 5

#### AYES.

Hon. J. Cornell	Hon. W. J. Mann
Hon. J. T. Franklin	Hon. E. Rose
Hon. W. T. Glasheen	Hon. H. Seddon
Hon. V. Hamersley	Hon. H. A. Stephenson
Hon. E. H. Harris	Hon. H. Stewart
Hon. G. A. Kempton	Hon. Sir E. Wittenoom
Hon. Sir W. Lathlain	Hon. H. J. Yelland
Hon. A. Lovekin	(Teller.)

#### NOES.

Hon. J. R. Brown	Hon. G. W. Miles
Hon. J. M. Drew	Hon. A. J. H. Saw
Hon. J. Ewing	Hon. C. B. Williams
Hon. G. Fraser	Hon. E. H. H. Hall
Hon. E. H. Gray	(Teller.)
Hon. W. H. Kitson	

Motion thus passed: the debate adjourned.

## BILL—LAND TAX AND INCOME TAX.

### Second Reading.

Debate resumed from the 8th November.

**HON. H. SEDDON** (North-East) [4.50]:

The thought strikes one in reading the Bill as to whether it is not premature, in view of the fact that the Estimates in connection with the State finances for the current financial year provide for a deficit of £94,000. We do not know what factors were taken into consideration by the Treasurer in arriving at that estimate. We may be sure that the Premier has endeavoured, as a Treasurer should, to balance the State finances. As the result of his consideration of the question, he arrived at the decision that he had to budget deliberately for a deficit of £94,000. If that is the position, then I think the whole question of taxation should be reconsidered from that point of view. I am aware that this House has no power to amend a taxation measure, but we can express our opinions as the representatives of the people on a budget that, under existing conditions, provides for such

a large deficit. There is the question of what further action should be taken regarding that deficit. If it is intended to meet the expected budget out of the revenue of a subsequent year, would it not be more sound business to endeavour to balance revenue and expenditure at present rather than to defer it until a year when the position may possibly be worse?

Hon. W. T. Glasheen: Do you suggest balancing by means of increased taxation?

Hon. H. SEDDON: I have mentioned that as one phase of the Bill that may be considered. Perhaps the hon. member may have other suggestions to offer regarding the balancing of revenue and expenditure. There is another factor that enters into it. If we are to fund the deficit as in the past, there will be a burden to be imposed upon the people that will be vastly different from that imposed upon them hitherto. The Financial Agreement provides that any deficit funded shall carry a sinking fund of 4 per cent., so that the people of Western Australia will be landed with a burden of  $5\frac{1}{4}$  per cent. interest together with 4 per cent. sinking fund, or a charge of  $9\frac{1}{4}$  per cent. that will be imposed upon them, because they did not meet their obligations when they incurred them. It is from that standpoint that I will deal with the matter, and I wish to produce some figures to show how the Bill will affect our financial position. I would refer hon. members to the returns placed before us in connection with the Budget. If they look at Return No. 2, they will notice some interesting figures in connection with taxation. I would also like to quote some figures I have taken out regarding production, which I have culled from the "Statistical Abstract." If hon. members refer to the year 1921, they will find that in that year the value of the agricultural production of the State amounted to £6,926,532, whereas the income tax collected in that year amounted to £334,320. Hon. members will remember that 1921 was a bad year from an agricultural standpoint. In 1922 the value of agricultural production was assessed at £6,495,948 and the income tax collected amounted to £320,874. Then I will mention the years 1924 and 1925. The former year resulted in greater agricultural production, which was valued at £11,183,727, and in that year the income tax collected represented £502,265. In 1925 the production from

agriculture again dropped, and the value is given as £9,754,956, while the income tax collected in that year amounted to £478,642. At the beginning of this year, estimates issued by the Statistical Department indicated that we would secure a 40,000,000 bushel crop. The revised estimates that were issued the other day show that it is now anticipated there will be a 30,000,000 bushel crop.

Hon. H. A. Stephenson: I don't think we shall get that.

Hon. H. SEDDON: Last year the acreage under wheat was 2,571,187, whereas the acreage this year is said to be 2,998,430. We have been given to understand that the price of wheat this year, in all probability, will be considerably lower than the price obtained last year. There is every indication, therefore, that the country's income from that standpoint will be considerably affected by the agricultural position, and I think every hon. member realises the fact that Western Australia, more than any other State, depends upon primary production for its income. If these predictions prove correct, the revenue will be considerably affected. Unless the Premier has taken these factors into consideration in framing the Budget—I contend it was prepared before the position was known—it will be found that the estimated deficit will be a long way out. Instead of having a deficit of £94,000, we may have a deficit amounting to a much larger figure. In that event we may find ourselves landed with a greater adverse balance, one that we may find difficult to face next year. From that standpoint I think it is right for us to question the basis upon which the Estimates were arrived at, and to ask whether the Bill will meet the conditions we shall have to face. I would draw attention to a point raised by the Premier in another place when he said that he had been disappointed with the returns he had received from the income tax. He advanced in explanation of the reduction in returns under that heading, that it was due, in his own opinion and in the opinion of the Commissioner of Taxation, to the fact that many businesses had been converted into limited liability companies. I think there is another factor that has operated, and which the Premier did not mention. I think it has had a decided effect upon returns from income tax. I believe farmers will support me when I say it is

recognised that the cost of production in our primary industries has been increasing. As those costs have increased, it must be recognised that inevitably the taxable income will be smaller per head. This may have had a decided effect upon the reduced return from income tax. Taking all these points into consideration, I think the House would be well advised to ask the Chief Secretary to reply to them, and before doing so, to confer with the Government as to whether it is not desirable, in order to meet the expenditure next year, to revise the Estimates and, if necessary, to revise the taxation proposals in order to balance our finances now, rather than to defer doing so until the position may be more difficult to meet from the returns that will be received. Under these conditions, I will defer deciding upon my attitude towards the Bill until I hear the Chief Secretary in reply.

**HON. H. STEWART** (South-East)  
[5.0]: I move—

That the debate be adjourned.

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

Ayes	..	..	..	..	16
Noes	..	..	..	..	10
					—
Majority for	..	..	..	..	6
					—

#### AYES

Hon. J. Ewing	Hon. G. W. Miles
Hon. J. T. Franklin	Hon. E. Rose
Hon. W. T. Glasheen	Hon. H. Seddon
Hon. E. H. Harris	Hon. H. A. Stephenson
Hon. G. A. Kempton	Hon. H. Stewart
Hon. Sir W. Lathlain	Hon. Sir E. Wittenoom
Hon. A. Lovekin	Hon. H. J. Telford
Hon. W. J. Mann	Hon. V. Hamersley

(Teller.)

#### NOES.

Hon. J. R. Brown	Hon. W. H. Kitson
Hon. J. Cornell	Hon. J. Nicholson
Hon. J. M. Drew	Hon. A. J. H. Saw
Hon. E. H. Gray	Hon. C. B. Williams
Hon. E. H. H. Hall	Hon. G. Fraser

(Teller.)

Motion thus passed: the debate adjourned.

### BILL—PROFITEERING PREVENTION.

*Second Reading—Amendment (six months) carried.*

Debate resumed from the 6th November.

**HON. A. J. H. SAW** (Metropolitan-Suburban) [5.5]: I think the House can congratulate the Honorary Minister upon the

manner in which he introduced the Bill; for I am sure we all detected a note of apology running through the hon. member's speech as he moved the second reading.

Hon. E. H. Harris: And it was due, too.

Hon. A. J. H. SAW: Undoubtedly it was. For the Honorary Minister was a member of a commission appointed in 1925 to inquire into the desirability of price-fixing; and that commission carried on its proceedings over a very long period, held innumerable sittings, travelled, I think, from Dan to Beersheba, and finally the mountain groaned in labour and brought forth a mouse. The commission produced a perfectly innocuous report, in the course of which it said—

There is no evidence of general excessive profit-making on the part of merchants and retailers engaged in the distribution of ordinary household commodities, of such a nature as to warrant the introduction of price-fixing in the State.

Having subscribed to a report of that kind in 1925, and there being no evidence that any other condition of affairs exists to-day than existed in 1925, the Honorary Minister, I can quite understand, would have an apologetic note in his voice when he moved the second reading of the Bill.

Hon. E. H. Harris: And that report followed on a thousand pages of evidence taken!

Hon. A. J. H. SAW: After a long interval the Government have transformed this report of the Prices Regulation Commission into the Bill before the House. They might have transformed this mouse into a lion or a tiger, animals which, although they may strike terror into our hearts, yet compel our admiration on account of their courage and strength. But instead of doing that, the Government have transformed this mouse into what I might call a veritable jackal which, I understand, is an animal that hunts only in packs and attacks small game, preferring in fact to feast on the game that has been killed by nobler animals. This is one of the foolish Bills that the Government from time to time introduce into Parliament.

Hon. H. Stewart: Because there is a Legislative Council.

Hon. A. J. H. SAW: I think we may sometimes wonder what is the motive that underlies the Government's action in doing so. One might suggest that they proceed somewhat on the principle of the young

mother who, on the advice of some grand-dam, gives a crust to the infant. The Government give their political majority in another place a mouldy but rather hard crust on which to cut its political milk teeth, knowing full well, as Mr. Stewart has suggested by interjection, that when the Bill comes into this Chamber members here will masticate it with what I might term their wisdom teeth. There may be another motive underlying the action of the Government. This may be merely a window-dressing procedure. Sir William Lathlain, in discussing the Bill, alluded to the custom that traders have of putting forth some special line by which to attract customers into their shops. Sir William mentioned that one of those lines might be Eno's fruit salts, which I understand on the assurance of Mr. Nicholson is a superior article. But this article which the Government are pushing forward is a shoddy and flimsy article, although nevertheless to some customers it has a somewhat attractive appearance. But I fancy it is so flimsy that on examination it will fall to pieces. Everybody except the present Government knows that when the supply is short, that is to say, when the demand increases and the supply of an article remains stationary or perhaps recedes, then the price rises. This rise of prices, as a matter of fact, is a salutary process. Although it may perhaps occasionally seem rather hard, it is salutary because it advertises to everybody engaged in the trade that there is a shortage in some particular article; and therefore it holds out the hope that if they procure more of it, or produce more of it, they will get an increased profit and so it will be worth their while to supply the demand that has arisen. In other words, rising prices stimulate production and so, paradoxically enough, by stimulating production cause a reduction in price. We have seen that process in reference to wheat. In consequence of a rise in price there has been an increased supply of wheat from Western Australia, from Canada and from America. Unfortunately that increased supply of wheat has not extended to Russia. But it is the response of those countries I have enumerated to the demand, it is because of the increased demand that they have brought about an increased production. And as soon as the production comes near to the demand, then

of course prices begin to fall. If the second reading of this Bill should pass this House—I do not for a moment think it will—I will propose to amend the title of the Bill to “A Bill to Restrict Production.” We have seen in the newspaper to-day exactly what has happened in the Ukraine in consequence of a measure something like this price-fixing Bill. To-day the Ukraine, which was the granary of the world, is on the verge of starvation. The Bill is a wide-reaching one. If members will study its provisions, they will see that it embraces every trade, every profession, in fact every industry in every walk of life, under the definition of “commodities.” Those provisions include transport, and the Honorary Minister told us that they include also rents. They include any service to the public, and so they bring everything within the purview of the Bill.

Hon. A. Lovekin: Not timber.

Hon. A. J. H. SAW: I should imagine that people who supply timber render some service to the public. I maintain that the scope of the Bill includes even the Arbitration Court and the members thereof, for even they think they render some service to the public. To my mind the Bill constitutes a higher authority than the Arbitration Court and will give the Government, through a casual prices commissioner whom they may appoint to-day and sack to-morrow—for the Honorary Minister told us it is proposed that the commissioner shall be appointed only from time to time—it will give the Government power in that way to levy an impost on all industry. Though I have compared this Bill with a jackal, I think there is a good deal of the fox in it. In fact, I think we may say it is a wolf in the jackal's clothing. Nor has there been any demand for the Bill. The only demand the Honorary Minister could inform us of was from the Housewives' Association.

The Honorary Minister: Not at all.

Hon. A. J. H. SAW: That was the only one I heard instanced on the floor of the House. The Housewives' Association is very well known to me; I know a great number of its members. They, I understand, have a quarrel with the bakers.

Hon. E. H. Gray: A just quarrel.

Hon. A. J. H. SAW: If they have a quarrel with the bakers, the remedy lies in their

own hands, because it is within their power to make their own bread.

Members: Hear, hear!

Hon. A. J. H. SAW: A good many of my friends who pride themselves on their baking of bread are good enough occasionally to send me a sample of their industry, and I can assure members that as a rule it is much superior to the bought article.

The Honorary Minister: Do not you think there is room for improvement in such circumstances?

Hon. A. J. H. SAW: The Honorary Minister was a member of the Commission that made inquiries a few years ago, and I have already quoted portion of the report.

Hon. E. H. Gray: That industry was not then so bad as it is to-day.

Hon. A. J. H. SAW: The housewives have the remedy in their own hands; they could bake their own bread or combine with their neighbours so that one could bake it this week and another next week, and so they could defeat any unjust dealings on the part of the bakers.

Hon. J. R. Brown: They could not make their own groceries.

Hon. A. J. H. SAW: At the moment we are dealing with bread.

Hon. J. R. Brown: We are dealing with profiteering.

Hon. A. J. H. SAW: According to the Honorary Minister there is no profiteering. Many of the ladies comprising the Housewives' Association are well known to me and I believe they exhibit all the domestic virtues, but the Government in introducing this Bill have displayed a lamentable ignorance of the first principles of political economy.

**HON. SIR EDWARD WITTENOOM** (North) [5.18]: I simply rise to express my astonishment that the Government should have submitted a Bill of this kind to the House, especially in view of the Honorary Minister's statement, which Dr. Saw has quoted, that there has been no profiteering and on evidence of profiteering.

The Honorary Minister: I did not make that statement.

Hon. A. J. H. Saw: But the Commission of which the Honorary Minister was a member did.

Hon. Sir EDWARD WITTENOOM: According to notes I have taken, the Honorary Minister said that no commodity is at present sold at too high a price, but it may be

and therefore it would be well to appoint a commissioner. The Commission said there was no evidence of general profiteering, but the Honorary Minister considers that for fear there might be, a commissioner should be appointed to inquire into the prices of various commodities. I do not think we need take the Bill seriously. Members might be inclined to take it seriously were not they convinced, as I am, that it has been sent to this House for one purpose, and that is for us to throw it out and make good ammunition for the Government.

Hon. E. H. Harris: For political purposes.

Hon. Sir EDWARD WITTENOOM: I have nothing more to say except that I shall vote against the second reading.

**HON. J. NICHOLSON** (Metropolitan) [5.20]: This Bill does not require very extensive debate. After the light that has been thrown upon it by Dr. Saw, I think members must feel convinced of the futility of such a measure. The whole question resolves itself into an economic one. We have heard that the Premier has lamented the fact that he has not derived as much as he anticipated from that source of revenue known as income tax. Whatever ground he may have had for his lament in the past, I venture to predict that if such a Bill as this passed into law, the Government of the day would regret that they had ever been so foolish as to introduce it. One has only to look at two or three clauses of the Bill to realise that, instead of income tax proceeds increasing, there would be a very serious diminution in the profits of business concerns and in the success of people engaged in business. Let me refer to one or two of the clauses. The definition of "commodity" is so wide, as has been pointed out by Dr. Saw, that it might include almost anything and everything. It is calculated to be wide enough to embrace all sorts of services.

Hon. J. Cornell: Even the legal profession.

Hon. J. NICHOLSON: Yes, and the medical profession, and probably even the services of politicians.

Hon. A. Lovekin: I do not see that it includes bricks and timber, in which industries the Government trade.

Hon. J. NICHOLSON: Then the hon. member cannot have appreciated the full interpretation of the word "commodity" in

the Bill. It is quite true that "timber" is not specifically mentioned. According to the definition, "commodity" includes—

(a) Any article of food or drink for man or for any domesticated animal.

Hon. A. Lovekin: Where are the bricks and timber?

Hon. J. NICHOLSON: The definition continues—

(b) Coal, firewood, coke, kerosene, petrol or other fuel; (c) Any article of clothing or apparel for man; (d) Any article which enters into or is used in the composition or preparation of any of the foregoing commodities; (e) Agricultural implements, fertilisers and seeds for sowing; (f) Any public utility and in particular, without limiting the generality of this expression, the supply of light, heat and power; (g) Freights and transport charges.

I think Mr. Lovekin will realise that timber and other things would come under the next paragraph—

(h) All goods, wares or merchandise or services rendered to the public, or other things which, by a proclamation under this Act, are declared to be commodities to which this Act applies.

All that is necessary is for a simple proclamation to be made that the Act shall apply to timber or any other article, and it will be brought within the scope of the measure.

Hon. A. Lovekin: Could you say that bricks came under that?

Hon. J. NICHOLSON: If once bricks were proclaimed, they would come under the measure. Anything could be proclaimed, no matter what it was. It is difficult to say exactly how wide the scope of the Bill is, but that it is extensive is obvious from the definition I have read. There is another serious aspect to be considered. Let us look at the measure from the economic standpoint. A trader engages in business in order to make profit. He wants to turn over his goods, and it is said that competition is the life of trade.

The Honorary Minister: What if there is no competition?

Hon. G. W. Miles: There are a lot of bakers here, anyhow.

Hon. J. NICHOLSON: I know very few arts or trades in which there is no competition.

Hon. J. Cornell: I wish there was no competition in politics.

Hon. J. NICHOLSON: Whenever it is found that there is a possibility of making

profits, the number of people who seem to sift out the profitable undertakings is extraordinary, and in place of one or two enjoying the profits that might be reasonably expected by a few, many people seek to share them. We have only to consider how businesses have multiplied. Take garages: their number throughout the State is legion. One can move hardly more than a few yards without finding a garage, and there is a petrol bowser at the corner of almost every street.

Hon. W. T. Glasheen: Do you maintain that so many of them make for cheapness?

Hon. H. Stewart: No: they make for insolvencies.

Hon. J. NICHOLSON: We can take it for granted that not only with persons engaged in the business of motor engineers but with suppliers of petrol and such like, the greater the number, the more cutting of prices there would be.

Hon. J. Cornell: Surely the hon. member does not infer that there is competition between the bowsters.

Hon. J. NICHOLSON: No, but the multiplicity of bowsters would probably induce a cutting of prices in order to secure trade. It is the natural outcome of competition. So it is with any other business; I care not what the nature of the business may be. My contention is that anyone who enters into trade expects to make a profit.

Hon. H. A. Stephenson: He is often disappointed.

Hon. J. NICHOLSON: Quite so; but if a man is fortunate enough to make a profit, it is reflected in no more prominent place than his income tax returns, and thus the Government secure a benefit. If business is restricted by the imposition of price-fixing, what will the natural outcome be? A shrinkage, and a very serious shrinkage, in the volume of business transacted. That will react to the obvious detriment of the Government, so that every member who opposes this Bill is a greater friend of the Government than is one who supports it.

Hon. J. R. Brown: The man who opposes it is not on the bread line.

Hon. J. NICHOLSON: The hon. member thinks he is not on the bread line.

Hon. J. Cornell: He suggested that you were not on the bread line.

Hon. J. NICHOLSON: If this measure were passed, many people might be on the bread line or even below it for the simple

reason that instead of there being employment for many, as there is at present in numerous places of business, there would be fewer opportunities. If any measure was ever calculated to create unemployment, this one is, and we should be doing wrong if we passed it.

Hon. J. R. Brown: We had a measure like it before.

Hon. J. NICHOLSON: I am glad the hon. member has reminded me of it.

Hon. J. R. Brown: It was all right then.

Hon. J. NICHOLSON: The price-fixing board, to which the hon. member alludes, resulted in very little good. It was appointed at a time of emergency and it is doubtful whether it would not have been better to have left prices just exactly as the trade regulated them.

Hon. C. B. Williams: Did it cause unemployment?

Hon. J. NICHOLSON: It did not help employment, but the conditions that existed at the time do not obtain now. Therefore there is not the same demand for a similar measure now as existed then. If the volume of business is to be restricted, the result will be that merchants will refuse to import goods because if they have to be bound by price-fixing, they will find it impossible to carry on their operations and show a reasonable profit. The more we encourage business here, the better will it be for everyone, but when we find such clauses as Clause 12 in the Bill, the position will be intolerable. Clause 12 reads—

Where the Commissioner considers that any commodity, which in his opinion should be distributed for public use, is being withheld from sale, he may so report to the Minister. The Governor may thereupon, by notice in the "Gazette," authorise the seizure and distribution of such commodity by the Commissioner, paying therefor the declared price less such sum as he thinks reasonable to cover the expenses of seizure and distribution; and any person acting under the authority of the Commissioner may enter any place in which such commodity is or is suspected to be and use such force as may be necessary.

To give anyone such power as is proposed by that clause would create a condition of affairs that would seriously injure trade in the State.

Hon. H. A. Stephenson: It is done in only one part of the world.

Hon. J. NICHOLSON: I think the hon. member is right. We have the example of the Motherland, with all its disadvantages,

if one may say so, arising out of free trade, and the difficulties it has to face in that respect; yet we do not find there price-fixing legislation such as is proposed here. I hope the Government, for their own sake, will recognise that if they expect to make revenue by means of income tax, land tax, or in any other way, they will not achieve their end with legislation such as this in existence. I could comment on quite a number of the clauses in the Bill and show how seriously their operation would affect the welfare of the State. Sufficient has been said to demonstrate that this House would be acting unwisely if it carried the Bill. I intend to vote against the second reading.

HON. J. CORNELL (South) [5.34]: It looks as if the Bill were going to have a rough passage, for very few appear inclined to give it reference. It is my intention to support the second reading. Probably one could detain the House for hours on the subject of the law of supply and demand and the economics of trade, but let us take the principle advanced by the Honorary Minister. It was that the commission that inquired into prices of commodities in 1925 found that there was no necessity for any undue action in regard to prices, indeed for any action at all.

The Honorary Minister: That is hardly correct.

Hon. J. CORNELL: There may have been isolated cases, but generally speaking the position was satisfactory in respect of prices; otherwise the commission would not have made the recommendation they did, and action would have been taken. The Minister did not cite any specific illustrations of profiteering. Personally, I do not like the word "profiteering," and when the Bill is in Committee I shall move an amendment to alter the Title.

Hon. G. W. Niles: We shall never get into Committee on the Bill.

Hon. J. CORNELL: The word "profiteering" was first used in respect of trade during the war, and I think we can substitute something different at the present time. The Honorary Minister told us that it was not proposed to enforce the measure unless there was actual necessity for it.

Hon. H. Seddon: Then it will not be of any use.

Hon. J. CORNELL: That is not our business: it will be the Government's funeral.



If it will not be of any use, that will be evidence of faulty drafting. Anyhow, the Honorary Minister told us that only in extreme cases would the measure be put into force. Then its existence will be like another institution.

Hon. A. J. H. Saw: The mental asylum.

Hon. J. CORNELL: No; an institution that often keeps a lot of us out of the asylum—the police force. I take it from what the Honorary Minister said that the Bill, if passed, will remain on the statute-book just as the laws relating to the control of the police force; that is to say, if it is necessary to enforce it, it will be enforced. After all, what is the police force for? Merely to keep the peace. The police force does not function until there has been a breach of the peace. That is how I view the Bill we are discussing and if it was the intention of any Government, with such a measure on the statute-book, to enforce it without full inquiry, it would be an act of imbecility. I will admit that such an Act, if it were in existence, would have a salutary effect on some individuals in this community, and it would be the only way by which we could get at them. Fortunately there are only few such people.

Hon. E. H. Gray: There are many of them.

Hon. J. CORNELL: The hon. member must have mixed in company totally different from that which I keep. There are only a few who, with such legislation in existence, could be brought to book or run to earth. It is generally conceded that all our laws are so framed as not to look after the honest, and it is safe to say that 60 per cent. of the community need no law, need no police to watch them.

Hon. A. Lovekin: Could you give us a concrete instance of profiteering to-day?

Hon. J. CORNELL: Yes, though it may not be called profiteering. It may be called scientific manipulation of trade—I refer to the liquor trade. What has happened is that the price remains the same but the size of the pint pot has been reduced to half.

Hon. J. Nicholson: There is a regulation in regard to the glass.

Hon. J. CORNELL: That is one concrete illustration of what appears to be profiteering.

Hon. J. Nicholson: But the size of the glass is regulated by statute.

Hon. J. CORNELL: I am not talking about the glass; I am talking about the pint-pot.

Hon. A. J. H. Saw: The pint-pot has been made smaller?

Hon. J. CORNELL: Before the war in the liquor trade there was the standard pot, or what was known as the pint pot—the Imperial pint of 16 ozs. The pot now contains about 8 ozs., but there is little difference in the combined weight, but what it contains is just half what it was before the war.

Hon. E. H. Gray: The beer is better.

Hon. J. CORNELL: I will extend an open invitation to Dr. Saw to come to Boulder with me when it is 110 in the shade, and I will then demonstrate to him what the pint pot really is.

Hon. Sir William Lathlain: Why not invite all the House; why limit the invitation to Dr. Saw?

Hon. J. CORNELL: If the hon. member will run loose for a while, I shall have much pleasure in inviting him also. I intend to support the second reading of the Bill because there should be some such legislation on the statute-book.

**HON. H. SEDDON** (North-East) [5.42]: I must express considerable disappointment because up to the present time, with the exception of the remarks made by the Minister introducing the Bill, and Mr. Cornell, who supported it, I have not heard a voice in favour of the Bill. Legislation against profiteering is a plank of the Labour platform. For years we have heard all sorts of statements made by Labour representatives with regard to profiteering and what should be done to control it. The subject is supposed to be one on which every Labour man is an authority, yet to the present time we have not heard a word in support of the Bill from the six stalwarts who sit around the Honorary Minister. If there is anything in the arguments we have heard on the subject of profiteering, we should have heard the voices of those hon. members telling us what the Bill was going to achieve and the purpose for which it was designed. Dr. Saw and others members have pointed out the economic side of price-fixing and profiteering, and those of us who read have to admit that their arguments are based on laws just as immutable as any other natural law.

Hon. J. Cornell: But the hon. member will admit that the police force does not entirely prevent crime.

Hon. H. SEDDON: I have not yet expressed my opinion on the Bill, but I will go over certain arguments connected with it, and I challenge hon. members opposite to produce the evidence I asked for in my opening remarks. I have read books on the subject, and have conversed with people on the question, and I wish to be shown how the Bill will achieve its purpose. The measure, so far as it goes, is good in parts, like the curate's egg. For instance, the memorandum attached to the Bill points out that under Clause 8—

It will be the duty of a commissioner, if and when required by the Minister to do so, to investigate and report upon the state of the prices of any commodity . . .

That is a good provision if the commissioner is going to do his duty, in view of the misleading statements being made and the misinformation that is being circulated. If the commissioner does his job, he will effectively dispel those misconceptions. In view of that circumstance I feel inclined to support the Bill. The experience we have had during the last 10 years with regard to profiteering has not been available to previous generations. The conditions were such that if profiteering could have been prevented, it would have been. But no example has yet been given of profiteering prevention proving successful. Hon. members are aware that in normal times the tendency is for prices to fall. If prices rise, there is an abnormal reason for it. I refer hon. members to the literature on the subject. There has been compiled an index showing the range of prices in Great Britain for the past 100 years. From that index it is found that in every case where there was a rise in prices a definite reason for it existed. We see the effect of the Napoleonic wars reflected in the prices of commodities. On the other hand, we see the effect of the discovery of gold in California, Australia and South Africa. In normal times the tendency is for the prices of commodities to fall, the reason being that production is continually progressing, and that with the progress of production we naturally obtain an increased output per head. Consequently prices of commodities fall. We have not had any example of profiteering prevention operating successfully in normal circumstances.

It was introduced during the war, and if ever it was to the benefit of a community to enforce profiteering prevention, it was then. Can any hon. member give an instance of its successful operation? The whole of the rise of prices during the war was in the face of profiteering prevention legislation in force. Is there anything in the Bill that will make a man import commodities? If a commissioner is going to fix prices for imported commodities, is anything going to compel the merchants of this State to import the commodities at the prices fixed? The Bill deals with services as well as commodities. Is the measure going to enforce services at prices fixed by commissioners? Those prices have been fixed by the Arbitration Court, which has proved powerless to enforce them. I fail to see that the Bill is going to be more powerful than the court, which has power to enforce penalties for disobedience to its awards. I feel quite sure that the penalties proposed by the Bill will not prove any more effective than those possessed by the Arbitration Court. It may interest hon. members to hear a few figures which have been taken out as to the value of services rendered to the community by certain sections of it. The agricultural industry, for example, in the year 1923 produced £322 of value per head of the persons engaged in it, and in the year 1926 produced £475. In the same two years the pastoral industry produced £718 and £832 respectively, the dairying industry £242 and £283, and manufacturing industries £226 and £264. If the Bill is to achieve its purpose, I contend the value of those services should be the criterion of remuneration in those industries. If that were the case, the anomalies to-day existing in the manufacturing world and in its wage scale would be entirely overthrown. The man in the agricultural industry would have his remuneration raised proportionately with his production, and there would be a corresponding fall in wages in the manufacturing industry. These contentions might well be answered by hon. members opposite.

Hon. E. H. Gray: Why do you refer to members opposite? I thought this was a non-party House.

Hon. H. SEDDON: Because the hon. members I refer to hold as one of the axioms of their bible the prevention of profiteer-

ing. Yet we have not heard a single word from the other side in regard to this Bill. The time has arrived when those hon. members should take up the debate and give us all the information at their disposal in illustration of the value of the Bill. Dr. Saw has instanced profiteering in Russia, where all power is in the hands of the Government and where there is not the slightest compunction about chopping a man's head off if he does not comply with regulations for price-fixing. Yet there was in every great city of Russia an underground trade in the necessities of life. It is up to the Labour members to rise in support of the principle: they have been elected to support.

Hon. E. H. Gray: The profiteers know more about Russia than we do.

Hon. H. SEDDON: Literature about Russia is available. If those hon. members want the Bill to pass, they must give far more evidence in support of it than they have given so far. Let me draw attention to one illustration that is found in every Labour publication, the illustration of the Colonial Sugar Refinery Co. We hear about the sugar industry from one year's end to the other. Can hon. members show how the sugar industry will be affected by the passing of the Bill to the advantage of consumers? That would be an interesting example for them to deal with. In conclusion, I await information.

**HON. W. T. GLASHEEN** (South-East) [5.54]: I shall vote against the Bill. At the same time I am rather amazed at the previous speaker's statement that the measure proposes to compel people to do things.

Hon. J. Nicholson: It compels them to sell.

Hon. E. H. Harris: You have not read the Bill closely.

Hon. W. T. GLASHEEN: I have read the Bill closely enough to reply to the previous speaker. He said the Bill would compel a man to sell goods at certain prices. That, in fact, has been the rock on which every attempt to stop profiteering has split. When a prices commissioner set about analysing the price of a commodity and declared that the price was too high, the man who dealt in the commodity—say boots—had the privilege of discontinuing the sale of boots. And that was what always happened. There is no power to compel a man

to sell boots, but there is power to compel him to sell—if he does sell—at a certain price.

Hon. H. Seddon: Will you read Clause 10?

Hon. W. T. GLASHEEN: Does Clause 10 compel a man to continue in trade whether he is making a profit or not?

Hon. A. J. H. Saw: Read paragraph (b) of Clause 10.

Hon. W. T. GLASHEEN: If Clause 10 sets out to put such a proposal into operation, it is the most ridiculous clause ever brought before a legislative body. Will anyone assert that if I were engaged in trade and were not allowed to charge a reasonable price for my commodity I could be compelled to continue in that trade?

Hon. E. H. Gray: The commissioner would allow you a profit.

Hon. A. J. H. Saw: Paragraph (b) of Clause 10 says it shall be unlawful for any trader to refuse to sell at the declared price any commodity if he has it in his possession.

Hon. W. T. GLASHEEN: Although I have said that I shall vote against the Bill, I entirely disagree with Mr. Nicholson's economic reasoning. The hon. member said that competition is the life of trade. I contend that competition is more often the death-knell of trade. That kind of thing can be traced back in history to Babylonia. All along the commercial track attempts have been made to regulate prices of goods, and those attempts have regularly failed to effect their purpose. From time to time it has been sought to prevent profiteering, excessive prices, and economic waste, particularly by our Labour friends. The remedy tried was socialism or State communism. The attempts were in a small way, not socialistic in the general sense, but socialistic for all that. Hon. members will recollect that not many years ago the people generally, the people in the street as one may term them, thought the price of meat too high. Those engaged in the beef industry were then termed beef buccaneers and so forth. Thereupon the Government of the day said, "All right, we will open a butcher's shop and by that process lower the price of meat." I have a lively recollection of Mr. Scaddan going away with the first leg of mutton sold in the State butcher's shop. That experiment was supposed to be the end of the excessive price of meat. A little later people said, "Fish is

too high in price," and the State opened a fish shop to prevent excessive prices being charged for that article of food. All those State enterprises have gone by the board; we hear no more of them now. I agree with Mr. Cornell that if there is any industry in which there is undue profiteering—I refer to the size of glasses as well as the price one has to pay for beer—it is the liquor business. But what becomes of the argument as to competition being the life of trade? All over the world, instead of indulging in State socialism, business enterprise has been cutting out competition by other means, to some extent socialistic. Everywhere we find great combinations of commercial enterprises. Those enterprises have amalgamated their forces, and have abolished the system of numerous small enterprises here, there and everywhere with their overhead expenses and outlay for advertising. The tendency of the world is for people engaged in a trade to get together, amalgamate forces, and cut down prices by that process. With all due respect to those who have socialistic ideas, I contend that the only true way to regulate prices is by means of co-operation, certainly not by such nostrums as those suggested by legislation of this description. I would instance what the farmers did. We found that people, who were dealing in wheat, were dying as millionaires, while we who were growing it were forced to live in our tin shanties. We found that someone else was living on the fat of the land while we had to struggle along as best we could. We got together and, by means of co-operation, cut out the middleman and gained a better return for ourselves. That is the only way to deal with prices. People should get together and remedy their troubles by means of co-operative effort.

Hon. Sir William Lathlain: Bread was the only item that the advocates of the Bill mentioned.

Hon. W. T. GLASHEEN: Someone has said that bread is dear for many reasons, but I think it is dear because of the existing conditions of the industry. The ordinary housewife does not consider the economic point of view, nor does her husband. If she wants a penny loaf of bread she telephones her baker at Subiaco, five miles away, and expects the bread to be delivered at her door. So it is if she wants half a lb. of

meat. If we consider all those things we see how they influence the question of prices. We find these elements criss-crossing throughout the problem and they all make for increased prices. The remedy for that is not to be found in legislation of this type. Rather is it in supporting what is really a socialistic move, in the direction of co-operation. In the agricultural community that effort has led to splendid results in connection with the disposal of wheat, and I will be prophetic to the extent of saying that the co-operative movement as we know it will grow, and when it is adopted universally we will hear less of these legislative nostrums and attempts by Parliament to regulate the problem as the Government suggest.

HON. E. H. H. HALL (Central) [6.3]: At the risk of detaining the House with a discussion that can end only in one way, I desire to intimate that I view this question as one too serious to be made the sport of party politics. Certain flippant remarks have been passed in this House and for those remarks I have neither time nor sympathy. I regard the matter seriously because of its effect, as Mr. Brown remarked, on the man on the bread line. Those who are not in that position may find it easy to make this question a matter for mirth or jest. If we have in Western Australia a court that fixes the basic wage, why should we not have provision to enable an attempt to be made to fix the basic wage for men who supply the goods on which others live? As has been pointed out, the Bill must present very serious difficulties to any logical thinker who desires to vote for it. That was apparent when Mr. Glasheen spoke and reference was made to the attempt under a clause of the Bill to compel a trader to sell goods at a fixed price, in default of which he would be guilty of an offence! There is another telling accusation that can be levelled against the Government who, we realise, are merely carrying out their duty to the workers and to the men on the bread line, in endeavouring to have the Bill placed on the statute-book. The Government here attempt to fix prices and, because of their position regarding one industry, they should be able to control the price of our jarrah supplies. When we consider that problem, we must remember that the housing question has received serious consideration at the hands of Governments

in all parts of the British Empire, if not throughout the world. At the same time we must realise that the question in this State has received scant consideration from the present Labour Government. I do not know if it is true, but it has been said that the Government are in agreement with the powerful timber combine in this State regarding the regulation of timber prices. I will mention that point so as to give the Minister in charge of the Bill an opportunity to refute it. The statement has been made on more than one occasion in this Chamber.

Hon. Sir William Lathlain: And it applies to bricks, too.

Hon. E. H. H. HALL: If that is so, I make no apology to the people who sent me here for registering my vote against the Bill. In the words of another hon. member, surely there must be a considerable amount of hypocrisy about the Bill! I want hon. members to consider one phase, and perhaps it should be considered in a wider sphere too. I would instance the position of country storekeepers. I have a serious complaint to make against the Industries Assistance Board, a Government institution that has done a great deal of good for the farmers throughout the State. That board has not acted fairly or justly with the country storekeepers. I know nothing about the city stores, but I have had years of experience of what country storekeepers have had to put up with. Were it not for the fact that country storekeepers have frequently been willing to take risks that the Government were not prepared to accept, many thousands of acres that are now under wheat would not have been opened up. That is a fact that cannot be contradicted.

The Honorary Minister: Will the hon. member state what he meant when he said the Government had been unfair to the country storekeepers?

Hon. E. H. H. HALL: I will certainly make that clear to the Honorary Minister. I shall be at once glad and sorry to give him the information. For years the Industries Assistance Board has taken, as the Honorary Minister must surely know, every penny from the produce of the farms of its clients, while the country storekeepers, who supplied the wherewithal to enable those farmers to live, have not received a penny back from the board. That can be proved at any time.

Hon. H. J. Yelland: That is, in a general way.

Hon. E. H. H. HALL: It can be proved easily.

The Honorary Minister: Will the hon. member state the whole of the facts, and not part of them?

Hon. E. H. H. HALL: I have stated the whole of the facts as I know them.

The Honorary Minister: The hon. member should not speak until he knows the whole of the facts.

Hon. E. H. H. HALL: I can only speak from experience; one cannot do more than that.

The Honorary Minister: Your experience is incomplete.

Hon. E. H. H. HALL: My experience is only too complete. It is not a fair thing that the Industries Assistance Board should treat many country storekeepers in the way I have indicated. I was secretary of a traders' association and yet the Honorary Minister, without any actual experience, can sit there and tell me that I do not know what I am talking about! I know only too well what I am talking about. That the country storekeepers have been placed at a serious disadvantage can be proved at any time before any impartial tribunal.

Hon. J. Nicholson: Are their accounts not taken into consideration?

Hon. E. H. H. HALL: I want to follow up the remarks made by Mr. Glasheen regarding co-operation. Dr. Saw, in a facetious manner, congratulated the Honorary Minister on the way he introduced the Bill. I am not here to indulge in any facetious remarks, and I will not congratulate the Minister because the whole of his remarks had reference to meat and bread, important though they may be.

Hon. J. Cornell: I varied that a little.

Hon. E. H. H. HALL: Yes, the hon. member brought in beer, also very necessary. Recently a Royal Commission was appointed to inquire into the cattle industry, and I give the Government every credit for having secured for that purpose the services of the best three men obtainable in the State. The report of that Commission is before us for any hon. member to read. As Mr. Seddon said, it does not represent rush literature. Hon. members have been able to peruse that report and to appreciate its contents. Yet the Honorary Minister was able to get up and ask us to support the

Bill because of beef prices! Mr. Gray interjected that there was more profit to be made out of selling beef than out of beer.

Hon. E. H. Gray: I said nothing of the kind. I referred to bread.

Hon. E. H. H. HALL: Then the hon. member said there was more profit to be made out of beef than out of selling bread.

Hon. E. H. Gray: Not at all. I said there was more profit to be made from selling bread than from selling beer.

Hon. E. H. H. HALL: I accept the explanation. We have heard a lot about the agitation started by the Housewives' Association and Dr. Saw has told us that he knows many of those estimable ladies. With Mr. Seddon, I say that Labour members in this Chamber missed a golden opportunity of joining with the housewives and establishing a co-operative bakery. If hon. members peruse the advertisements in the "West Australian" they will notice that dozens of bakeries are for sale. There is nothing more easy than to start a bakery, and if the housewives and Labour members who support this legislation were to get together, they would have no difficulty in establishing many co-operative bakeries. If there is one section of the community that deserves an adequate return for the commodity produced, it is the baker equally with the producer of the wheat from which the bread is ultimately made. I do not want to register a silent vote on this question. The Bill is one of be treated with due respect and not with levity.

Hon. J. Cornell: At any rate, it looks like going out!

Hon. E. H. H. HALL: I do not suggest that I am on the bread line, but those who know men in receipt of the basic wage with families of two or three children, cannot fail to realise how difficult it must be to make ends meet. I often wonder how their wives, to whom I give every credit, manage to get through. I know that anything that can be done by the Government to assist the people, will benefit them. On the other hand, the Government introduce the Bill now before us, but at the same time they have made no attempt to improve the housing conditions of the people. If Dame Rumour has it aright, they have allied themselves with a powerful timber combine to keep up the price of timber, and they have allied themselves with those in control of bricks as well. Despite that, they have in-

troduced a Bill that, as Dr. Saw pointed out, ranges from Dan to Beersheba, and will give unlimited power to some gentleman to fix prices of all sorts of commodities and who although appointed to-day, may be dismissed to-morrow.

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

HON. E. H. GRAY (West) [7.30]: I desire strongly to support the Bill and to emphasise the necessity for it. Nobody who has been living in close contact with the people could subscribe to the sentiments expressed by Dr. Saw. The thing is altogether too serious to joke about.

Hon. A. J. H. Saw: I was serious in what I said. I was not joking.

Hon. J. Nicholson: And I did not joke. So I do not know who did.

Hon. E. H. GRAY: Well, I refer to the various speakers who tried to ridicule the Bill and who went as far abroad as Russia to bring in an example showing how price-fixing boards have failed. There is no argument whatever in that.

Hon. Sir William Lathlain: Well, you are endeavouring to copy them.

Hon. E. H. GRAY: We are endeavouring to do nothing of the kind. Neither do we want the support of people who dealt with Russia before the war. History will prove that many big business men were well in the game with Russian Imperialism and their supporters, and that many awful things happened through the general degradation in Russia previous to the revolution. What has happened there since then has nothing to do either with Australia or with the Bill. The various factions in Russia brought about the present position, and price-fixing had nothing whatever to do with it. As pointed out by the Honorary Minister, there are in particular two things that justify the Bill, namely, high rents and the price of bread. The acuteness of the existing housing problem and the necessity for some action being taken in that respect justifies the introduction of the measure. Those who are in close touch with municipal government—I am speaking now more particularly in regard to Fremantle, for I do know the conditions there—are well aware that the municipal councils cannot administer the law as it should be administered, because of the acute housing problem. If decent rents were charged and decent accommodation

for hundreds of families were provided at the port, the position would be very much better and the municipal council would be able to carry out its duties under the Act and condemn many dwellings that are now rack-rented, the tenants being compelled to live in them because no other accommodation is available.

Hon. G. W. Miles: The Government could alleviate that position by reducing the prices of bricks, timber and so on.

Hon. E. H. GRAY: The Government have done their share. If they were provided with funds to carry out their policy on a far larger scale than they have been able to do, undoubtedly they would improve the position. Under the Workers' Homes Act, houses are provided on a system of payments spread over a number of years, and in course of time the house becomes the property of the worker occupying it, although he has had far less to pay in charges than other less fortunate persons, have to pay in weekly rentals on houses, many of which should have been condemned long ago.

Hon. Sir William Lathlain. The Government are doing that with the people's money.

Hon. E. H. GRAY: An audit of the Workers' Homes Board accounts shows that the scheme is a financial success.

Hon. E. H. Hall: That is why I say the capital of the board should be increased.

Hon. E. H. GRAY: But where so much money is required for so many things, the Government are handicapped. Even if it did nothing else, this Bill in dealing with the rapacious landlord—not all of them are rapacious, but a sufficient number to warrant action being taken—and authorising the appointment of a commissioner to go into the question of rentals, would fully justify itself.

Hon. A. Lovekin: Does not the rent largely depend on the cost of the building?

Hon. E. H. Harris: Cannot more houses be built if the demand warrants it?

Hon. J. Nicholson: Will the Bill speed up the building of houses?

Hon. E. H. GRAY: I think so.

Hon. J. Nicholson: I think it would stop it entirely.

Hon. E. H. GRAY: Then I must differ from the hon. member. Anybody who knows the metropolitan area at all must know that something should be done to

deal with the high rents being charged at present, not only rents of working class houses, but rents of business premises.

Hon. Sir William Lathlain: What can you expect when land in Hay-street brings £1,500 a foot?

Hon. C. B. Williams: Is that not profiteering?

The PRESIDENT: Order! I must remind hon. members that it is Mr. Gray who is addressing the House.

Hon. E. H. GRAY: I repeat that the acuteness of the housing problem, the very great and serious disadvantages suffered by the people of the metropolitan area and the high rents charged for, very often insanitary, dwellings justify the House in seriously considering the measure, amending it if necessary and then passing it into law. Let me mention the subject of bread. Here we have an instance where the people are not getting value for their money. For several years now the bread-making industry has been developing into a highly-specialised industry in which a number of the master bakers could turn out bread cheaper and better than the article we are getting to-day. But those master bakers have formed themselves into a splendid combine, the fulfilment of a dream that has been the dream of all master bakers since the days of Adam.

Hon. H. A. Stephenson: Well, that was assisted by yourself.

Hon. E. H. GRAY: No, there was no such combination when I was in the industry.

Hon. H. A. Stephenson: You got out.

Hon. E. H. GRAY: No, I did not get out. The hon. member is mistaken. It was one of the enterprises of my life in which I was successful. In the days when I was making bread, things were not so good for the master bakers as they are at present.

Hon. G. W. Miles: Were you a master baker or an employee?

Hon. E. H. GRAY: I was a master baker, and a successful one at that. To-day the combination that we used to dream about is more effective than I ever thought to see it.

Hon. G. W. Miles: You got out too soon.

Hon. E. H. GRAY: I never thought the master bakers would be able to combine so effectively as they have done. But they are not doing their job. Of course every business man goes into his game to make as much as possible out of it. But there is

such a thing as giving good service and providing a good article for the public. Considering the prices charged for bread, the up-to-date methods now adopted in its manufacture, and the machines that can be procured by the master bakers, I say the prices being charged for bread are not justified. The prices are too high and the article is not all it ought to be.

Hon. J. Cornell: Why not go back to the old life and put them on the right track?

Hon. E. H. GRAY: The master bakers, although so efficiently combined, take no effective measures to deal with the high cost of living. They do not bother about it. The local bread is costing up to 2d. per loaf for delivery. That is a reflection on the trade.

Hon. H. A. Stephenson: I thought the Arbitration Court fixed the prices.

Hon. E. H. GRAY: The court has very little to do with the delivery. The wasteful, higgledy-piggledy method of delivering, sometimes twice a day, is responsible for the huge waste in the baking industry. The master bakers have taken no effective measures to prevent it. They are quick enough to take effective measures to prevent bad buyers from imposing on them and their fellow master bakers.

Hon. Sir William Lathlain: Are they not entitled to do that?

Hon. E. H. GRAY: If they took as much pains to give better service to the public and to prevent waste as they do to prevent themselves from being robbed by unscrupulous persons, the bread would be of far better quality and of lower price than it is today. This effective combination of the master bakers has resulted in the high price of bread, which is not warranted. Then there is the huge waste in the cost of delivery, coupled with the fact that a small master baker running practically a one-man business, can effectively compete with the bigger firms. In consequence, he manages to make a very decent living, and generally he has a motor car. The bigger firms, of course, have the very latest machinery, capable of turning out twenty times as much bread as is required. Despite this, all the master bakers are charging the one price, to the great disadvantage of the people.

Hon. E. H. Harris: Do you think the Bill would affect the position?

Hon. E. H. GRAY: I think it would justify the Government in appointing a commissioner to inquire into the cost of the

manufacture and delivery of bread. I believe the commissioner would be able to do a very great service to the public by conducting an exhaustive inquiry into the industry and putting the master bakers where they should be.

Hon. A. J. H. Saw: In the bankruptcy court.

Hon. E. H. GRAY: There is no possibility of the master baker being put in the bankruptcy court at present. He is too well guarded by his combination. One member referred to the comparative ease with which a man may become a master baker. It is not as easy as it looks. First there is the cost of getting the oven built, and then there is the difficulty of securing a share of the business. Unless a man has strong financial backing, there is always the possibility of a master baker finding that he did not enter into any paradise when he started bread manufacturing in the metropolitan area.

Hon. H. Seddon: Will you show us how the Bill will make a master baker bake if he does not want to bake?

The Honorary Minister: There is no necessity to do that.

Hon. E. H. GRAY: There is no necessity to do that, because the commissioner would not be out to ruin the industry. It would be very foolish of him if he were, unless he tried to do it in order to justify the Government in cancelling his appointment and appointing another man.

Hon. H. Seddon: But suppose the master baker refused to bake at the price fixed by the commissioner?

Hon. E. H. GRAY: The commissioner would fix a price that would give a reasonable profit.

Hon. H. Seddon: Suppose he would not bake?

Hon. E. H. GRAY: If he would not, let somebody else do it. That, however, would not happen.

Hon. E. H. Harris: But the union might not allow it.

Hon. E. H. GRAY: Then the hon. member could get the Housewives' Association to bake. I do not think that sort of thing is likely to happen.

Hon. E. H. Harris: Your argument is not very convincing.

Hon. E. H. GRAY: It would take a lot of argument to convince some members. Members who have spoken against the Bill have asked for concrete instances of where



such legislation has been successful. It was successful during the war period. There was only one thing it could not touch and that was the shipping combine.

Hon. Sir William Lathlain: Did it touch the timber combine?

Hon. E. H. GRAY: The shipping combine is an outstanding example that opened the eyes of the people to the unscrupulous methods adopted.

Hon. Sir William Lathlain: Does not the same thing apply to the timber industry?

Hon. E. H. GRAY: A prominent British statesman, the late Mr. Bonar Law, stated in the House of Commons that he was ashamed of the profits that were being made by the shipping companies. That shows the lengths to which some people will go to get money. But for the price-fixing boards in different countries of the world, the same thing would have happened with various commodities. The Commonwealth ships performed a great service to the Commonwealth. Members of the Country Party will admit the value of their services as a war measure.

Hon. Sir William Lathlain: But this is a peace measure.

Hon. E. H. GRAY: It was found necessary to adopt such legislation during the time of war.

Hon. H. Seddon: Did it work?

Hon. E. H. GRAY: To a certain extent. but because instances cannot be adduced to show that the legislation stopped profiteering, members are not satisfied. As Mr. Cornell pointed out we cannot prevent stealing, but no one would suggest sacking all the members of the force. The very existence of a police force reduces stealing to a minimum. If there were not measures to protect the public against thieving, that crime would rapidly increase. The passing of this measure would tend to reduce the operations of unscrupulous traders or manufacturers. Bread and rents are two things about which I know something.

Hon. H. Seddon: You did not prove the necessity for the measure on the ground of high rents.

Hon. E. H. GRAY: Did I prove it in the case of bread?

Hon. E. H. Harris: No.

The Honorary Minister: Is it necessary to prove any case at all?

Hon. H. Seddon: I think it is.

Hon. E. H. Harris: It is necessary in order to justify the Bill.

Hon. E. H. GRAY: My statements about the delivery of bread should be sufficient to convince members.

Hon. Sir William Lathlain: Does not the question of delivery enter into every commodity that is delivered?

Hon. E. H. GRAY: But the price of delivering bread and milk could be reduced if commonsense methods were adopted by the firms concerned.

Hon. Sir William Lathlain: Would you suggest that Dr. Saw should be permitted to go into only one particular area to exercise his skill?

Hon. E. H. GRAY: It would be quite easy in these days to define the quality of household bread. If people wanted a better quality of bread and were prepared to pay for it, they could do so.

Hon. J. Cornell. They had better make it themselves.

Hon. E. H. GRAY: I do not think they can. The talk about women being able to make bread better than skilled men can make it is all moonshine.

Hon. A. Lovekin: You wait on Mrs. Cowan and ask her.

Hon. E. H. GRAY: I do not regard Mrs. Cowan as an authority on bread. The price of bread is higher than ever before. The combination of the master bakers to protect themselves is perfect. They are not giving the service or the quality they should give, and everyone who understands what good bread is has carried on a sort of guerilla warfare with the bakers of bread.

Hon. E. H. Harris: Has that been your experience as a baker?

Hon. E. H. GRAY: It is my experience at the present time. Anyone who understands what the best bread is knows that the bread carter's job is to deliver the bread that is easiest to manufacture.

Hon. G. W. Miles: Which is the best bread?

Hon. E. H. GRAY: I must not give away trade secrets like that. The bread that is more expensive to prepare and bake is kept well in the background. Only the people who understand what constitutes the best bread and who demand it, get it. On that ground the master bakers are not doing their job.

Hon. Sir William Lathlain: If you give us much more secret information—

Hon. E. H. GRAY: I am not giving secret information.

Hon. A. Lovekin: You are doing well. Do not let them put you off.

Hon. E. H. GRAY: The master bakers, through their combination, are not giving the people the service to which they are entitled. This Bill will give the Government power to appoint a commissioner to investigate the cost of manufacturing and delivering bread, and I am certain the result of such an investigation would be a vast relief to the public. The price of bread would be reduced and the master bakers would be forced to take steps to economise in the matter of delivery. Thus, while reducing costs and giving the public cheaper and better bread, they would be able to make a good profit.

Hon. G. W. Miles: It would be of benefit to the public if you let them know the best bread to ask for.

Hon. E. H. GRAY: That is a matter of opinion. What the public buy as good bread, I do not consider is good bread.

Hon. J. J. Holmes: Will you tell us why you got out of the bread industry if it is so good?

Hon. E. H. GRAY: Yes; to go on the land.

Hon. A. Lovekin: And you are worse off in consequence.

The PRESIDENT: Order! I wish members would allow Mr. Gray to proceed with his speech.

Hon. E. H. GRAY: Mr. Holmes always seems greatly interested in the history of my passage through life. Bread-making was my life's work.

Hon. H. A. Stephenson: What is a fair quantity of water to put to a bag of flour?

Hon. E. H. GRAY: But I desired to go into the bush and do something that would be of real service to the country. For that reason I left bread-making, in which trade I was very successful, and went on the land. I met Mr. Holmes afterwards. I shall not discuss other phases of the Bill.

Hon. G. W. Miles: Do not you admit that this Bill is put up as window-dressing, and merely for us to throw out.

Hon. E. H. GRAY: No, I do not believe in that sort of business. I believe the Bill is required for the protection of the public and that, if it is passed, it will prove of great benefit to them. I cannot claim to

know anything about the price of millinery and other things mentioned by Sir William Lathlain, but I have always hoped that the kind of business in which he is interested would be improved and that the people would not be saddled with the high costs attached to the selling of millinery and drapery lines that have to be borne at present. I have always hoped that a more equitable standard would be set up for the sale and distribution of such lines.

Hon. J. Nicholson: The commissioner would be able to tell the drapers how to do that!

Hon. E. H. GRAY: I would not say what the commissioner might be able to do in that respect. I have known of many attempts being made to simplify the business and eliminate the hypocritical methods adopted, but without success. The way drapery firms conduct their businesses and hoodwink the people by foolish advertisements imposes an outrageous charge upon them. I trust the Bill will pass the second reading, and that if members can improve upon any of the clauses in Committee, they will table amendments.

HON. G. W. MILES (North) [7.56]: I move an amendment—

That "now" be struck out, and the words "this day six months" added.

I have listened to the arguments for and against the Bill and particularly to those of Mr. Gray. As I interjected when he was speaking, I consider that the Bill has been put up merely that this House might turn it down. The hon. member stood up and spoke about high rents, well knowing that the present Government are in a combination to keep up the price of bricks and timber, and it is farcical for him to appeal to us to support a Bill of this sort.

THE HONORARY MINISTER (Hon. W. H. Kitson—West—on amendment) [7.57]: I must oppose the amendment and express surprise that Mr. Miles should take such action on a Bill of this kind. Reference has been made to flippant statements used in support of the Bill, and to members, including myself, desiring to treat the Bill as a farce. The Government have put the Bill forward in all seriousness, and I make no apologies for their having done so.

Hon. G. W. Miles: The Government have not shown their sincerity in regard to rents.

The HONORARY MINISTER: The Government have shown their sincerity in everything with which they have had to deal.

Hon. G. W. Miles: By keeping up the price of bricks and timber.

The HONORARY MINISTER: The hon. member delights in making statements that he cannot prove. The statement he made just now is merely the repetition of a statement made by other members, and is incorrect.

Hon. G. W. Miles: The Government are in the combine.

The HONORARY MINISTER: They are not in the combine. I am sick and tired of hearing members make such statements and building upon them arguments to show why the Government should do this and not the other thing.

Hon. A. Lovekin: You say the Government are not in the combine?

The HONORARY MINISTER: I say they are not.

Hon. E. H. Harris: They work in conjunction instead of in competition with the combine.

Hon. H. A. Stephenson: An honourable understanding.

The HONORARY MINISTER: The Government are not in any timber industry combine.

Hon. J. Cornell: Are they selling timber at lower prices than the combine?

The HONORARY MINISTER: I go further and say that the Government, in connection with the brickworks, have at no time taken any such action as that suggested by Sir William Lathlain. There is an instance of the incorrect statement made and arguments based on it to induce members to oppose this measure.

Hon. W. T. Glasheen: Then how does the price come to be the same?

Hon. J. J. Holmes: Did you bring down the price of timber?

Hon. G. W. Miles: How is it you keep the price of timber at the same figure?

The HONORARY MINISTER: The price of timber is not at the same figure. Sir William Lathlain made a very definite statement, a most damning statement in fact, against the Government when he said

that there was a lot to fear from the Bill. He went on to say—

One of the things that might be feared is the possibility of investigation opening the eyes of the people to the operations of the Government . . . .

Do hon. members think for a moment that the Government would bring forward a Bill of this kind if they were afraid as the hon. member suggested. He went on to say—

because it has been definitely stated in this House that the State brickworks would not supply bricks to contractors unless they purchased their timber from the State Sawmills.

Hon. Sir William Lathlain: Is that not true?

The HONORARY MINISTER: It is absolutely untrue, and I defy the hon. member to prove the statement.

Hon. H. A. Stephenson: Does that refer to iron?

The HONORARY MINISTER: Anything they are trading in. Then Sir William Lathlain went on to say—

Consequently, the operations of the Government in trading concerns may come in for severe criticism. We can all remember the time when the State Brickworks management howled because the other brickmakers quoted a lower price for bricks.

What are the facts? Have the other brickmakers ever quoted a lower price for bricks?

Hon. Sir William Lathlain: They did at one time.

The HONORARY MINISTER: The information I have is that the manager of the State Brickworks gives a definite assurance as follows:—

When contractors or others are ordering bricks, no question is ever raised as to where or how they are going to purchase other materials required for building purposes. The State Brickworks sell bricks to the State Sawmills, and it is possible that the State Sawmills may endeavour to induce people who go to them for bricks to purchase their timber.

Would it be a proper trading concern if they did not?

We have no knowledge whatever that the State Brickworks ever howled because other brickmakers quoted a lower price for bricks. In fact, we have no recollection that other brickmakers ever did quote lower prices for bricks. At the present moment some of them are charging higher prices than the State Brickworks.

And it is on such flimsy statements and arguments that we are asked to agree to the

amendment that the Bill be read this day six months, in other words that the measure be thrown out. The present Government have at all times been sincere in any legislation they have brought before this House, and regarding this particular measure no Government was ever more sincere. Dr. Saw, when speaking, quoted some words of mine in regard to the Royal Commission appointed in 1925. The words he quoted were from the report of the Commission. Unfortunately for Dr. Saw, he quoted only a few of those words. Had he quoted more, a different idea would have been gained by the House as to the report the Commission did actually submit. I was a member of that Commission.

Hon. E. H. Harris: Are you going to quote the recommendations they made?

The HONORARY MINISTER: Not any more than I quoted in my second reading speech.

Hon. A. J. H. Saw: And it was from your second reading speech that I quoted the words I used.

The HONORARY MINISTER: The hon. member did not quote the whole of them.

Hon. A. J. H. Saw: Yes, dealing with that particular point.

The HONORARY MINISTER: The words the hon. member used were to the effect that there was no evidence of general profiteering. He did not go further. Some hon. member interjected that it was a strange thing that the Government took no notice of the recommendation of the Commission, at any rate not until the present time. The legislation being introduced by the present Government respecting price-fixing—or in fact regarding any other measure of a similar nature—has been introduced when it has been possible to do so. This particular measure, while it has not been introduced principally as the result of the findings of the Royal Commission, is nevertheless supported by the findings of that Commission and can be justified by those findings. I would like to quote two or three of those findings which will prove what I have said. With regard to flour, the commission reported—

Your Commissioners find that as millers, on their own admission, look to local sales of flour for sufficient profit to enable them to speculate in overseas markets, and as there is no competition as regards the local price, it being fixed by the Flour Millers' Association, some

adjustment of the price charged for local sales is necessary. Your Commissioners therefore recommend that the Prices Commissioner should confer with the Flour Millers' Association in an endeavour to reduce the price of flour for home consumption.

That is one item.

Hon. E. H. Harris: Was it done?

The HONORARY MINISTER: The commissioner was not appointed, so how could it have been done? The next recommendation dealt with bread and was as follows:—

There is practically no competition among the bakers as regards price, the retail selling price being fixed by the Master Bakers' Association, and (b) the existing price of 6d. per 2lb. loaf is too high, and should be reduced. They therefore recommend that the Prices Commissioner should confer with the Master Bakers' Association with the object of reducing the price of bread.

That is definite enough. The next recommendation dealt with groceries, clothing and boots, and was as follows:—

Your Commissioners find that consumers in this State are largely dependent for supplies upon the Eastern States; that though competition among retailers is apparently keen, there is evidence that among wholesalers the policy of price-fixing is almost general.

The next recommendation dealt with boot repairs and read—

Your Commissioners find that the charges made by repairers are fixed by the Metropolitan Bootmakers and Repairers' Industrial Union of Employers. The charge for repairing men's and boys' boots is unduly high, and should be reduced. Your Commissioners recommend that the Prices Commissioner should confer with the union with a view to revision of the charges.

There is another instance where the definite statement was made that charges were too high.

Hon. A. J. H. Saw: But the Commission said that there was no evidence to warrant the introduction of price-fixing legislation by the State.

The HONORARY MINISTER: The Commission then went on to make their recommendations.

Hon. A. J. H. Saw: They appear to be in conflict.

The HONORARY MINISTER: This Bill is not inconsistent with the report of that Commission. It does not provide for price-fixing in the ordinary sense of the term; it provides as I have stated to the House on many occasions for the appointment of a commissioner in the event of its being con-

sidered that the price being fixed for any particular commodity at any particular time was too high. There have been many instances in the last year or two where very high prices have ruled and we, as individual members could have pointed to some item the price of which was too high. I put this suggestion to hon. members that if everything is all right in respect of general trading, as hon. members have declared, what is there to fear?

Hon. J. J. Holmes: The Auditor-General has pointed out that already a million of money has been lost on trading concerns.

The HONORARY MINISTER: The hon. member has a habit of making references of that kind, but they do not carry much weight at all.

Hon. G. W. Miles: Will you deny the truth of that statement.

Hon. J. J. Holmes: Have you lost a million of money on trading concerns?

The HONORARY MINISTER: I ask the hon. member to make clear just what he means. These inferences without any definite statement are not worth the breath that one has to waste upon them.

Hon. J. J. Holmes: Have you lost a million of money on trading concerns? Are you trying to compete with the profiteers?

The HONORARY MINISTER: The hon. member is referring to losses made in the interests of all the people. If he will mention some particular item and then ask whether we will deny it, we shall be able to give him a definite answer. The principle of the Bill before the House is either sound or unsound, and from the storm of opposition it has aroused in this Chamber, I should imagine that there is room not only for such a Bill but a more drastic measure.

Hon. H. A. Stephenson: It is only a waste of time considering it and expense to the country.

The HONORARY MINISTER: By all means let us stop an investigation if we have something to hide.

Hon. H. A. Stephenson: Have you told us all you know about the flour position to-day?

The HONORARY MINISTER: There is no necessity for me to do so.

Hon. H. A. Stephenson: I will tell you a little.

The HONORARY MINISTER: The hon. member may do so at the right time. I will

repeat what I have already said, that even though the report of the Royal Commission declared that there was no evidence of general profiteering, that is no reason why the Government should not have the power they are asking for to make investigations.

Hon. J. Nicholson: It does not stop at investigations; it goes on to price-fixing.

The HONORARY MINISTER: It stops at investigations unless there is necessity for fixing prices. If a Royal Commission find there is no need for fixing prices—

Hon. J. Nicholson: Anyhow, it is economically unsound.

The HONORARY MINISTER: If the Bill passed this House and became an Act and investigations were to the effect that there was a necessity for price-fixing in a particular trade, I do not think there would be the same opposition exhibited as we have had evidence of to-night. That is one of the strongest reasons to urge why the Bill should be passed.

Hon. H. A. Stephenson: Why put the country to the expense of investigating something that is in the clouds?

The HONORARY MINISTER: It is a question of the State having power, if the necessity should arise, to step in and prevent a few people from extorting undue profits from consumers.

Hon. J. Nicholson: Don't you think the increased profits would go to the man outside the State?

The HONORARY MINISTER: How?

Hon. J. Nicholson: Merchants here will simply refuse to import and the goods will be brought in direct from outside.

The HONORARY MINISTER: I have always found that when there is a demand for a particular article somebody is prepared to supply that demand, and I venture to say that even though this measure were in operation, it is not certain that a price-fixing commissioner will be appointed this year or next year. Suppose owing to some circumstances which one cannot visualise at the moment, such as the last shipping strike, or the last strike on the water front, certain men in the metropolitan area used that very fact to their own ends, and demanded prices a long way above the ordinary prices for certain articles, simply because they were in possession of fair supplies while other traders were short. I am aware that some hon. members agree with that as being legitimate business. I consider it illegitimate

business, and I would put a stop to it to-morrow if I had the opportunity.

Hon. W. J. Mann: What about the Cave House, which charges a shilling for a cigar that can be bought for sevenpence anywhere else?

The HONORARY MINISTER: The hon. member knows that prices at the Cave House compare favourably with prices anywhere else in the country.

Hon. W. J. Mann: I can justify my statement.

The HONORARY MINISTER: I do not desire to be personal, but even in the case of the Press there have been allegations of profiteering. The Bill has given hon. members ample scope for expressing their imaginative views as to what is likely to happen if the measure is enacted. They have dealt with all sorts of matters, most of them extraneous to the Bill. Mr. Nicholson calls it a foolish Bill.

Hon. J. Nicholson: I do not think I used that expression.

The HONORARY MINISTER: Yes, the hon. member did.

Hon. J. Nicholson: I think I called it an unwise Bill.

The HONORARY MINISTER: The Government do not think so; they regard the Bill as necessary. While they will admit, as I have admitted, that there are only isolated instances in which it would be necessary to put the Bill into operation, yet the Government should have that power. In two or three cases which have occurred recently the Government, had they possessed the power, would not have hesitated to put it into operation. The Bill provides for no definite action until investigation has taken place. If investigation proves that there is need for protection of the consuming public, the Government should have the power to afford such protection as might be requisite. It is to be regretted that one or two members seem to delight in making incorrect statements, or statements which are only half correct, and building on them their opposition to a measure. I have dealt with Sir William Lathlain's statements, but I give an emphatic denial to his assertion regarding the sawmills and the brickworks. Now I will refer to Mr. Hall's statements. The hon. member bids fair to live up to the reputation he has acquired during a long term of years. He seemed to think that what he had to do was to find some further

fault with the Government. In order that he may get a hit at the Government on this occasion, he wants the Honorary Minister to reply to a question relating to the Industries Assistance Board. He accuses the Government of not having dealt fairly with certain country traders. He also says that but for those traders thousands of acres now under crop would not be under cultivation. All that has nothing whatever to do with the present Government, so far as I know. A previous Labour Administration, however, was responsible for the establishment of the Industries Assistance Board. Had it not been for the establishment of the board, the agricultural industry of Western Australia would be in a far worse plight than it is to-day. The Industries Assistance Board can claim that as a result of its activities hundreds of farmers to-day are prosperous whereas otherwise they would have had to go off the land. In the process of assistance being rendered to farmers, one or two traders may have suffered. I do not deny that they have suffered, but in that case they have only themselves to blame, and not the Government.

Hon. E. H. H. Hall: Not at all!

The HONORARY MINISTER: They are to blame in that they allowed themselves to be so dealt with by the farmers as not to be able to recover the money to which they were entitled. In other words, the traders suffered as the result of dishonesty on the part of some of those farmers.

Hon. E. H. H. Hall: It is not a question of honesty. It is a question of the State coming along with offers of sustenance at £8 a month for a man and his wife and children.

The HONORARY MINISTER: That has nothing to do with the Bill. However, the hon. member cannot be allowed to make such statements unchallenged.

Hon. E. H. H. Hall: It has a lot to do with the Bill.

The HONORARY MINISTER: The Government stuck to those settlers, going so far as to pay them sustenance. If a storekeeper chose to go further than was wise, that must be his look-out. Many of the farmers took unscrupulous advantage of the traders. But if a storekeeper allowed that to be done, it is his concern, and not the Government's.

Hon. E. H. H. Hall: Do you think £8 a month is sustenance for a man with a family?

The HONORARY MINISTER: We are told that competition will regulate prices. I believe that it will do so in some industries. But to-day there are not many industries in which there is competition.

Hon. Sir William Lathlain: You should go into the drapery trade.

The HONORARY MINISTER: Even in the drapery trade, while there is keen competition among some of the retailers—and this Bill does not deal solely with retailers—there is very little competition amongst wholesalers, as the hon. member interjecting knows full well. He knows the methods that are adopted to-day. There is the case of a wholesale firm standing behind an individual and putting him into business, but tying him down to obtain his supplies wholly from that firm. That sounds all right, and I find no fault with it, and the price commissioner would not find fault with it; but how can it have any bearing on the Bill? It is altogether extraneous. I agree with Sir William Lathlain that Perth is served better than almost any other town in the Commonwealth. I believe that the traders of Perth are just as honest as one could expect them to be. But, from time to time the consuming public are charged prices much higher than they should be. When we know that occurs, we should give the State power to make the necessary investigation and, if the fact is proved, to take whatever action is needed to prevent a continuance of such prices. The Bill will give that power. If this House says that the Government shall not have that power, it simply means that the House stands behind the profiteer.

Members: Nonsense!

The HONORARY MINISTER: If hon. members declare that on such occasions the State Government should not have the power for which the measure asks—

Hon. J. Nicholson: That is treating the subject in an extraordinary manner.

The HONORARY MINISTER: I think it is only a fair statement to make. Some members have said, in effect, that there is no necessity for the Bill.

Hon. H. A. Stephenson: You said so yourself.

The HONORARY MINISTER: I said nothing of the kind.

Hon. H. A. Stephenson: You did, in your second reading speech.

The HONORARY MINISTER: No.

Hon. H. A. Stephenson: You said, not at the present time.

The HONORARY MINISTER: I did not say that at the present time there is no necessity for the Bill. I may have used some such words as that at the present time there was very little need for the measure. There are, however, cases in which inquiry is advisable. Mr. Seddon says it is necessary to prove that excessive prices are being charged. If I could prove that, there would be no need for the Bill.

Hon. H. Seddon: I said such instances were necessary to justify the Bill.

The HONORARY MINISTER: From time to time dissatisfaction is expressed by various sections of the consuming public; from time to time industrial unrest is created mainly by the fact that wages will not go so far as they used to do, by reason of increase in prices.

Hon. W. J. Mann: Do you expect the Bill to remedy that?

The HONORARY MINISTER: I do not. But there is a gradual demand on the part of these people that some action should be taken to lower the prices of essential commodities. When the public are told that the reason for an increase in price is so and so, they are not prepared to accept the statement unless some definite proof is given. The only means of furnishing such proof is investigation of the position. If investigation shows prices to be justified, the public will be satisfied.

Hon. H. Seddon: I agree with you.

The HONORARY MINISTER: If, on the other hand, investigation shows that a higher price than can be justified is being charged for a given commodity, particularly for one of the necessities of life, the Government should have the power to step in and say, "This shall not continue any longer than we can help." That is all the power asked for under the Bill.

Hon. H. Seddon: Will the Bill achieve that purpose?

The HONORARY MINISTER: Of course it will.

Hon. H. Seddon: You think so?

The HONORARY MINISTER: I am convinced of it.

Hon. H. Seddon: I do not think so.

Hon. A. J. H. Saw: It will make water flow uphill.

The HONORARY MINISTER: That is a ridiculous interjection, because we know

very well that water will not flow uphill. I was much struck with Mr. Glasheen's remarks. I wish we had a few more members equally fervent in their advocacy of co-operation. If the public of this State would only do as advised by Mr. Glasheen, they could of themselves bring about reductions in the prices of numerous commodities.

Hon. J. Cornell: Labour is opposed to co-operation.

The HONORARY MINISTER: That is another absolutely incorrect statement, on which opponents of the Bill can build a fine argument. Labour has always supported the principle of co-operation. Reverting to Mr. Glasheen's remarks, it would be very nice indeed if we could rely upon the people to adopt co-operation with a view to reducing the prices of the necessities of life. Unfortunately that is rather a long process, and in the meantime there is need for the Government to possess the powers sought under the Bill. I am aware of what has been accomplished by means of co-operation both in Western Australia and in other parts of the world. It is my experience of the co-operative movement that has shown me how totally wrong our system is in many respects. The factor of delivery increases the prices of a large number of commodities. There is a good deal in the remarks of Mr. Gray on that point. I do not think it necessary for me to dwell upon what happens in the metropolitan area. A street with half a dozen houses will be visited by half a dozen milk carts, half a dozen butchers and half a dozen bakers every day.

Hon. A. J. H. Saw: I would advise the Government to bring in a milk control Bill.

The HONORARY MINISTER: There has been a controversy for some considerable time regarding that phase. However, it is impossible for any Government to bring in a Bill to deal with every subject under the sun.

Hon. A. J. H. Saw: You are baulking at the hurdle.

The HONORARY MINISTER: The Bill has nothing to do with what hon. members have referred to. It represents merely an effort on the part of the Government to secure power to take action, when satisfied after investigation that it is necessary, with regard to people who charge extortionate prices for the necessities of life.

I do not know that I need say any more except that I hope the amendment will not be carried. If we are to reject the Bill, let it be done after there has been a proper debate, and members have had an opportunity of saying whether they are prepared to accept the principle. If they are satisfied with the principle, but disagree with some of the provisions of the Bill, let them move amendments in Committee. If we agree to the amendment, it will mean passing the Bill out without giving any opportunity to amend it.

Hon. G. W. Miles: Why waste the time of the House?

The HONORARY MINISTER: If the hon. member does not agree with the principle of the Bill, why does he sit in his seat and not get up and speak. Apparently he is one of the hon. members who is not in accord with the principles embodied in the Bill, and so he says it would be wasting the time of the House if it were given consideration. I oppose the amendment.

HON. E. H. H. HALL (Central—on amendment) [8.33]: I wish the Honorary Minister to know that for once I am in agreement with the Government, and that I intend to vote against the amendment moved by Mr. Miles. Although I may at times criticise the Government—

The Honorary Minister: We do not mind that.

Hon. E. H. H. HALL: I am sure the Honorary Minister would be the last to deny me that right. I am opposed to the amendment. I wish to assure the Honorary Minister that he has, with some commendable heat, definitely refuted equally definite statements made in this Chamber that the Government had allied themselves with certain combinations with the object of keeping up the prices of timber and bricks. I accept his statement as correct, and that will influence my vote on the Bill. So that the Bill may be treated on its merits, I shall vote against the amendment because I do not think that is the proper way to deal with it.

HON. H. A. STEPHENSON (Metropolitan-Suburban) [8.34]: It is my intention to vote for the amendment. I have listened attentively to hon. members who have spoken for and against the Bill. I



say at once that I am totally opposed to the arguments advanced in favour of the measure. In my opinion the Title of the Bill is entirely wrong. If I had an opportunity to provide it with a fresh Title, I would say that it was a "Bill for an Act for the Restriction and Disorganisation of Trade and Commerce."

Hon. J. Cornell: Perhaps you will be able to do that in Committee.

Hon. H. A. STEPHENSON: I would go further than that and say that the Bill is a reflection on, and an insult to, the trading and commercial community of the State, which will compare favourably with that of any other State.

Hon. E. H. Gray: Who attacked it?

Hon. H. A. STEPHENSON: The Bill attacks trade and commerce and says there are dishonest traders.

The Honorary Minister: It says nothing of the kind.

Hon. H. A. STEPHENSON: We know what trade and commerce has done for the British Empire and for Australia. Trade and commerce represent the life blood of the Empire. We have been known as a nation of shopkeepers, and we are proud of it. It has built up not only the Old Country, but Australia. Neither the Empire nor Australia has been built up on a Bill of the description now before us, but rather as the result of trade and commerce being allowed to flow along natural channels. The Bill attempts to bring about artificial price-fixing. It is merely a glorified price-fixing Bill. Although the Honorary Minister has declared on two or three occasions that he did not say there was no necessity for the Bill, I repeat that he said he was not at the present time in the position to say there was any profiteering, or that there was any necessity for a Bill of this description. He made a strong point of the fact that there has been much discussion about high prices but he could tell us of only one association that had complained.

The Honorary Minister: No.

Hon. H. A. STEPHENSON: He referred to the Housewives' Association.

The Honorary Minister: That was in reply to an interjection. I can give you others as well.

Hon. H. A. STEPHENSON: He referred to meat and bread.

Hon. Sir William Lathlain: And mending boots.

Hon. H. A. STEPHENSON: And also to sugar, dried fruits and butter.

The Honorary Minister: I made no complaint about butter and bread.

Hon. H. A. STEPHENSON: Mr. Gray also stressed the position regarding bread. We all agree that Mr. Gray knows something about the baking trade. We do not know how long he was engaged in it, but he does seem to know something about bread, if we may judge from the number of times he has referred to the baking industry during the last few years. The Honorary Minister referred to a Royal Commission of which he was a member. I understand it took something like six months before the members of that Commission were in a position to present their report. Some of the commodities that had been dealt with in the early stages of the Commission's work were scarce at that time, and high prices ruled. Before the Commission had finished the inquiry, those commodities were a glut on the market. That simply goes to show how difficult it would be to regulate prices. A great deal has been said about profiteering, but to my mind there is very little of it in Western Australia. On that point I agree with the Honorary Minister. Personally I do not think he was quite fair in his references to the flour milling industry. It is well known that the price of bread is controlled by the price of flour, which in turn is controlled by the price of wheat. The Honorary Minister stated that when the report of the Royal Commission was presented, it was set out in that document that there was some cause for alarm regarding the high price of flour, and that the millers had been charging much higher prices for local flour than for overseas sales. Every business man knows that the same position arises in connection with every line of goods we have for export. It is done with butter and with dried fruits. The simple reason for that is that once we produce sufficient for the local market, we have to look somewhere else to place the balance of our produce. That means that if we export the goods overseas, we have to sell them in the open market and compete against the world. The Honorary Minister knows as well as I do that when we send flour to Europe or to the London market, we are at a great disadvantage compared with other nations that produce wheat and flour, on account of our great distance from the market. Therefore it is necessary

for the producers in many instances to charge comparatively higher prices to local consumers than they get in the world's market.

Hon. J. Nicholson: They do that with sugar.

Hon. H. A. STEPHENSON: Yes, and Western Australia pays between £250,000 and £300,000 in taxation and Queensland gets the benefit. If the Labour Party are returned to power, they will increase that burden. That is Western Australia's position in relation to sugar! However, let me finish with the situation regarding flour. The Honorary Minister knows quite well that during the last year or so a judge of the Federal Arbitration Court has been travelling throughout Australia inquiring into the position of the flour-milling trade. That was done because the mill employees had asked for a new industrial award. I feel certain that the Honorary Minister knows what the decision of that Arbitration Court judge was, for the decision was given only a short time ago.

Hon. E. H. Gray: What judge was that?

Hon. H. A. STEPHENSON: Judge Drake-Brockman. I know he will not be acceptable to the hon. member, who works in such a narrow groove.

Hon. E. H. Gray: He was once the president of the Employers' Federation!

Hon. H. A. STEPHENSON: But he is now a judge and the hon. member has no right to cast reflections upon that gentleman. It is not right to make insinuations.

Hon. E. H. Gray: What insinuations?

Hon. H. A. STEPHENSON: The hon. member referred to the judge whose decision was final, and he found fault with it because he was at one time president of the Employers' Federation. Is that fair or just?

Hon. E. H. Gray: I merely stated a fact.

Hon. H. A. STEPHENSON: In summing-up the judge said—

I have formed the conclusion that the profits made by the industry as it is at present operated vary from reasonable to very small.

That was the decision given only a few months ago. In the face of that decision, would a commissioner appointed under the Bill find it necessary to go farther and inquire into the industry? Would we put the commissioner over the judge? I think the Honorary Minister knew that that decision

had been given only a few months ago. Why, then, did he not tell the House of it, instead of going back three years and trotting out something of a different character altogether?

The Honorary Minister: On a point of explanation: I never said there was any necessity for inquiring into flour. The hon. member is saying I should have done something because I had argued that there was room for inquiry into flour. I never said anything of the kind.

Hon. G. W. Miles: Did you not read an extract three years old?

The Honorary Minister: Yes, I did that.

The PRESIDENT: I am sure the hon. member will accept the Honorary Minister's statement.

Hon. H. A. STEPHENSON: Certainly. For the benefit of members I have asked the secretary of the Flour Millers' Association to advise me as to actually what takes place regarding the purchase of wheat, and how the flour position has been brought about. I think the better way will be to read what he has written. It will speak for itself and will show that, after all, these millers about whom we have heard so much are working on a very small profit indeed.

The Honorary Minister: Then they should be in favour of the Bill.

Hon. H. A. STEPHENSON: You have said a great deal about the high price of bread, and this all comes back to the cost of wheat. I want to let members know exactly how the position was brought about. This letter reads—

The millers' contract with the pool in December of each year for the wheat required for the whole of their local business for the following 12 months. From the 1st December to the 30th June a daily wheat price is fixed in accordance with an agreement between the millers and the pool trustees at what purports to be London parity, and the millers pay those prices to the pool for the weekly millings during the period named. The price of flour for local consumption is based on this daily wheat price, and automatically fluctuates with the wheat price, being altered whenever wheat moves up or down to an extent the equivalent of 5s. per ton of flour.

Although that price is fixed from day to day on what purports to be London parity, if the price goes up or down to the equivalent of 5s. per ton of flour the price of local flour is amended accordingly and the public is notified. It is published in the

Press and it dates from midnight on the day the wheat rises or falls, as the case may be. This letter continues—

It has frequently happened that several alterations have taken place in a week. The amended flour price goes up or down, operating from midnight on the day the price of wheat alters. I mention these details so as to show that millers are content to operate on a fixed margin for wheat prices, and do not seek to obtain any other advantage by delaying the reduction of flour when the wheat comes down. The reduction of the flour price is notified on the same day as the wheat drops.

I want members to make a note of this. It has been pointed out by the Honorary Minister that although wheat has fallen very considerably during the last few months, the prices of flour and of bread have remained the same. I will tell you why. The letter continues—

The position alters after the 30th June. The pool trustees being anxious to know as early as possible what they are going to realise from their wheat, have compelled millers to buy their July to November requirements at the average pool prices ruling during April, May and June.

They have to buy the balance of their requirements on the average of April, May and June to carry them on till the end of the year. The letter continues—

So they know exactly what their wheat for flour for local consumption is going to cost them for the remainder of the year.

They know exactly then what their wheat is going to cost them from the end of June to the end of the year on the average of April, May and June. Therefore it makes no difference how much the price goes up or goes down. During this year they bought at that fixed price, and the market has since fallen something like 1s. per bushel.

Hon. G. W. Miles: About 8d. per bushel.

Hon. H. A. STEPHENSON: It is practically 1s. Although the consumer is at a disadvantage this year on account of the London market easing, it is quite possible that next year the price will go up, and so the thing will regulate itself.

Hon. J. J. Holmes: The new season's wheat will alter that.

Hon. H. A. STEPHENSON: They have bought all their requirements up to the end of the year. In any event, there will be very little new wheat used in the making of bread till the end of December.

Hon. Sir William Lathlain: This is the only information we have had in regard to the price of bread since the debate started.

Hon. H. A. STEPHENSON: The letter continues—

It is quite likely that next year the arrangement will work out the other way. But millers recognise that it is wrong in principle, and are hopeful that a definite agreement can be made with the wheat pool.

They have no say in it. Eighty per cent. of the wheat grown in Western Australia goes into the voluntary pool. I have nothing to say against the voluntary pool. The farmer is quite justified in putting his wheat wherever he likes. Then there is another thing in regard to the export business. The letter continues—

Export business both from the Eastern States and from Western Australia is done at very little above cost, a fact which the public is loth to believe.

They will not believe it, although it has been proved before a judge of the Arbitration Court. The letter continues—

But which has been proved to be the case to the satisfaction of Judge Drake-Brockman who investigated the position in the recent mill employees' case in the Arbitration Court.

I have given members the decision of the judge. The letter proceeds—

Seeing that practically no profit can be looked for from export, which, however, is necessary to provide sufficient bran and pollard, the millers have to rely on the local flour market to return them a sufficient profit to give them a reasonable return on the capital invested. Western Australia has a much larger proportion of milling capacity to population than has any of the Eastern States, and in consequence a much larger proportion of her output has to be sent overseas at little or no profit. In New South Wales over 50 per cent. of the output is sold locally, in Victoria, in South Australia more than one-third goes to the local market, but in Western Australia only one-fourth of the flour output is absorbed in the State. It will thus be apparent that with a smaller profit per ton on local sales the Eastern States miller is able to show the same return on his capital as the West Australian miller can get with a larger profit per ton. The whole position gets back to securing a reasonable return on capital, and the millers in this State do not do any better, and in most cases not as well as, millers in the Eastern States with lower prices and a larger local trade.

I think I have proved conclusively that the millers are not making an exorbitant profit on their milling operations. It has been shown that they buy their wheat based as near as possible on London parity, and it has been shown that their profit is very small. So I think that explodes the idea that there is any necessity for a commis-

sioner to be appointed to investigate the prices of flour and bread to-day; especially since it is only just recently that a judge of the Arbitration Court went thoroughly into the matter right through the States, and has given his award.

Hon. E. H. Gray: What about the bakers' combine to keep up the price of bread?

Hon. H. A. STEPHENSON: I have been giving you the facts, and you cannot get away from them. They have been gone into and evidence has been given by the bakers. I myself am a householder, and I say that the service to-day is quite equal to anything we have had in the past.

Hon. E. H. Gray: But should it not be better than it is?

Hon. H. A. STEPHENSON: I take it the high price of bread depends largely on the award of the Arbitration Court, the wages paid to the carters delivering the bread. It is very costly indeed. I often see opposite my gate three or four bread carts standing for a considerable time while the drivers might be getting on with their deliveries; but they are discussing the Perth Cup, or the Melbourne Cup, or something else, and so killing time. I know the hon. member will not believe that, but I assure him it is one of the factors that serve to put up the price of bread.

Hon. J. Nicholson: I suppose the bread carters were not anywhere near a shop bearing the sign, "I communicate with Hobart"?

Hon. H. A. STEPHENSON: Another item referred to by the Honorary Minister was meat. I can quite understand the housewives getting perturbed about the high price of meat. As a rule it is a very simple matter to find out what has increased the price of meat. Every schoolboy of 12 years of age in Western Australia could have told the Honorary Minister what had caused the high price of meat. The cause of the high price of meat is the very dry season, and if those housewives had taken the trouble to communicate with their sisters—the wives of the farmers and pastoralists in this State—they would have very soon learned why meat was so dear. Many of those women know that there was not a particle of meat fit for killing. They saw the lambs and sheep and cattle dying while the people in the city were complaining because they had to pay a high price

for meat. The cause was the dry season and owing to the lack of feed, the stock could not be fattened. How could a measure of this kind alter that?

Hon. J. Nicholson: The Government are going to alter the law of supply and demand!

Hon. H. A. STEPHENSON: If we could get a Bill by the mere waving of which we could bring down rain, it would be quite easy to regulate the price of meat, and there would be no question about getting cheap meat. The thing would regulate itself. It is because of the law of supply and demand that the price of meat has been high. As there was no rain and no feed, there was no fat stock. In isolated parts there were a few head of fat stock, and when they reached the market they were rushed, and it became a matter of the survival of the fittest as to who got them. That state of affairs, however, lasted for only a short while. I have heard people complain because potatoes rose to £12 or £14 per ton. They said, "It is a crying shame; we want price fixing." But three or four weeks afterwards when the bulk of the season's digging came into the market, the price went down to £3 or £4 per ton, and the poor farmer who was growing the potatoes was losing £5 or £6 per ton. But no one cried from the housetops that the poor farmers growing the potatoes were losing £5 or £6 per ton. We never heard of that. I have known potatoes in the other States to come down so low in price that it was difficult to give them away. I have known farmers in Victoria and Tasmania to get 10 or 15 tons per acre and they could not afford to dig them. They could not even get anyone to take them away for the digging. That sort of thing is likely to be repeated here. I have bought Western Australian potatoes at £3 per ton, and having bought them I knew not what to do with them.

Hon. E. H. Gray: They make good pig feed.

Hon. H. A. STEPHENSON: But where are the pigs? How many pigs are there in Western Australia to-day?

The Honorary Minister: The consumer got the benefit of that.

Hon. H. A. STEPHENSON: Of course he did.

Hon. J. Cornell: Do those droughts affect the brewer?

Hon. A. J. H. Saw: Is it the dry season that sends up the price of beer?

Hon. H. A. STEPHENSON: It is said that life is made up of surprises. I received a surprise to-day when I heard the speeches of Mr. Cornell and Mr. Glasheen. The Honorary Minister, in his second reading speech, referred to sugar. He said that a certain thing had happened during the last few months, and that if a measure like this had been on the statute-book, it would have been impossible for such a thing to occur. I think he was referring to the action of the Retail Grocers' Association, because he said they would not sell sugar to anyone unless the purchaser bought other groceries of a certain value. At first sight that does not seem fair, and it does require a little explanation. During those few weeks it was common enough to hear women talking in the street and in the tramcars—particularly in the tramcars—to this effect, "How are you getting on for sugar during the strike?" "I am all right; I went around to all the stores and I bought 2lbs here, 2lbs. there, and 2lbs. somewhere else, so that I now have 12 or 15 lbs. of sugar stowed away. I am all right; I do not care if the strike lasts another couple of months."

The Honorary Minister: Did you hear that?

Hon. J. J. Holmes: We all heard it.

Hon. H. A. STEPHENSON: I am not in the habit of making statements that I cannot confirm. That is the sort of thing that has been going on. Some people even tried to get bags of sugar from the wholesalers.

Hon. J. Nicholson: Would not a commissioner regulate all that?

Hon. H. A. STEPHENSON: That is what the Honorary Minister said. If we had a measure of this kind, according to him, that sort of thing could not happen. Let me tell members what the Retail Grocers' Association did. I think everyone, except our friends seated near the Honorary Minister, will agree that the shortage of sugar was brought about by the shipping strike. If the Honorary Minister does not know, he should know that the sugar position in Western Australia to-day is controlled by the Queensland Sugar Board. I believe that board was brought into existence by the Queensland Government in conjunction with the Commonwealth Government. The price of sugar is fixed, so that

this glorified price-fixing measure could have no effect in regulating the price of that commodity in this State. A few weeks before the strike ended there was 150 tons of sugar on the Perth wharf, and it was rumoured that the whole of it was to be sent to the manufacturers. Immediately the president of the Retail Grocers' Association learned of that, he sent a telegram to the Prime Minister as follows:—

Representing retail grocery trade this State also as intermediary agents for public in distribution sugar, protest against consideration solely given manufacturers delivery hundred fifty tons sugar Perth wharf. Respectfully submit sugar requirements of public consumers paramount even at expense of small manufacturing section. Sugar essential domestic food especially families growing children. Understand even when "Dimboola" sugar landed public requirements cannot be fully supplied for two or three weeks when sugar deliveries expected become normal.

In reply the Prime Minister wired—

Your telegram sixth regarding sugar question has been referred to the Queensland Sugar Board.

On that telegram being referred to the Queensland Sugar Board, a great part of the 150 tons was delivered to the retail grocers who, to the best of their ability, distributed it to the consuming public. At that time another 90 tons of sugar was landed from the "Woolgar," and it was intended to give that sugar to the manufacturers, a majority of whom use sugar merely for confectionary and biscuit making, etc. That is a very different proposition from its being used for general consumption. The secretary of the Retail Grocers' Association, after having been informed that the previous telegram had been referred to the Queensland Sugar Board, communicated directly with that board, and the 90 tons of sugar was made available for distribution to the public. That is the real position regarding the sugar landed during the recent strike. I have a long letter dealing with the matter that explains the whole position of the retail grocers, but I do not intend to read the letter. It shows that they did all they reasonably and humanly could do, and that the Honorary Minister's statement that with legislation of this kind such a thing could not have occurred, was not correct. The price of sugar is fixed by the Queensland Sugar Board and the retail grocers have to pay cash to get it at 4d. per lb. They have to buy not less than a

half-ton lot, and that, at 4d. per lb., costs nearly £19. Many of the grocers are not in a position to pay cash, and therefore have to make other financial arrangements. They are permitted to sell it at 4½d. per lb., which represents ½d. on the cost. That works out at 11 per cent. on their turnover. It is impossible for any grocer to carry on a business profitably with a profit of only 11 per cent. on sugar, especially as sugar represents about one-eighth of the turnover of a grocery business. I do not want to weary members much longer, but I could talk for a long time on this measure. I wish to say a few words regarding the statements made by Mr. Glasheen. He is of opinion that competition is not the soul of trade. All I can say is that I have had 40 years' experience as a business man, and I know that competition does control trade. Of that there is no question. Mr. Glasheen said the company of which he was a member had found co-operation a good thing. No doubt it is. He went further and said that the company had cut out the middleman. I say they have done nothing of the kind. I go even further and say that the company to which the hon. member referred have made as much money as any other produce firm out of jute, fertiliser, sewing twine and that sort of thing. I believe I am right in saying that to-day the company in question belong to a price-fixing organisation and sell at specified prices.

Hon. F. H. H. Hall: Like the State trading concerns.

Hon. H. A. STEPHENSON: I leave it to Mr. Glasheen to say whether I am right or wrong. The middleman cannot be cut out, because the community cannot do without his money or without his brains. As regards the export wheat business, one man, representing an outside firm, was paid a commission on the whole of the wheat sent to any part of the world except to the United Kingdom. Where does the cutting out of the middleman come in? Moreover, the company in question have to pay a commission to their agent in London. I do not like an hon. member to make a statement that is not quite true.

Hon. W. T. Glasheen: What is the statement?

Hon. H. A. STEPHENSON: I do not think it necessary for me to repeat my remarks. The hon. member has been absent from the Chamber.

HON. G. FRASER (West) [9.18] : I oppose the amendment, firstly, because the reason given by the mover of it was not genuine.

The Honorary Minister: Be careful.

Hon. G. FRASER: That statement is quite correct. The reason was certain assertions just previously made by the Honorary Minister. However, the mover of the amendment was on his feet to move it before the House adjourned for tea, whilst the Honorary Minister did not speak until after tea. Therefore the reason put forward was incorrect. It has been said that all the arguments advanced in favour of the Bill are flimsy. During the course of the debate I have failed to observe anything flimsier than the argument used by the mover of the amendment. His only contention was as to high rents. He said that the Government had combined with various people to keep up the prices of bricks and timber. Mr. Gray has stated that the high rents prevalent in the Fremantle district are causing the local governing body some concern, and even causing them to permit people to live in condemned houses. The excuse as to high prices of bricks and timber therefore does not hold good in the Fremantle district, where high rents are charged for ramshackle dwellings. Some of these buildings have existed for 30 or 40 years.

Hon. Sir William Lathlain: Yes; but instead of one tenant wanting them now, six tenants are wanting them.

Hon. G. FRASER: From the revenue-producing aspect it is a different thing. In almost every part of the Fremantle district ramshackle buildings are let at absolutely ridiculous rents. The more prolonged the debate, the more convinced am I of the need for the measure. Most of the opposition to the Bill comes from traders. Various reasons have been advanced why the Bill should be defeated. Sir William Lathlain admitted that he himself has done a little profiteering.

Hon. Sir William Lathlain: I never did.

Hon. G. FRASER: The hon. member stated that he had bought certain hats at 42s. and had sold them at 65s.

Hon. Sir William Lathlain: Yes. Is that profiteering?

Hon. G. FRASER: To my way of thinking it is.

Hon. Sir William Lathlain: I sold some of those hats at 2s. 11d.

Hon. G. FRASER: That is the hon. member's fault in over-buying that particular line.

Hon. J. J. Holmes: Then the hon. member wants over-building in Fremantle.

Hon. G. FRASER: Over-building there would improve dwellings and reduce rents. A phase not yet mentioned is one into which everybody is drawn at some time. Then we have to pay and look pleasant. I refer to the undertaking business. Undoubtedly there is a good deal of profiteering in that line. A man who worked in the trade supplied me a couple of years ago with considerable information as to the business. That information, which I regret I have not available here, absolutely convinced me that undertaking is one of the best lines of business. Probably I shall choose it if ever I go into trade. Reverting to the question of rents at Fremantle, a well-known Perth financier purchased a row of shops there and immediately doubled the rents. There was an outcry, and the result was the introduction into another place of a Bill to establish a fair rents court. We have been asked to quote instances; that is an actual instance, though dating back two or three years.

Hon. W. T. Glasheen: Did the man get tenants at the double rents?

Hon. G. FRASER: Tenants naturally are obtainable when a place is progressing.

Hon. W. T. Glasheen: Is it not remarkable that private enterprise does not build there, then?

Hon. G. FRASER: At that time there was not the same opportunity to build as there is now.

Hon. J. J. Holmes: Was not that L. Abrahams, who got out of the country?

Hon. G. FRASER: I think Mr. Holmes knows the places to which I refer.

Hon. J. J. Holmes: Abrahams had them and cleared out.

Hon. G. FRASER: That is so. There was much complaint when the price of bread was raised. We do not yet know whether the increase was justified.

Hon. Sir William Lathlain: Mr. Stephenson proved it to you.

Hon. G. FRASER: Mr. Stephenson may have proved it to the hon. member's way of thinking, but not to mine. If the measure had been in operation at that time, the people would at any rate have had the satisfaction of knowing whether the in-

crease was justified or not. Further, the master bakers, thanks to their combination, were also able to enforce the increased price on every individual in the metropolitan area. Mr. Gray spoke of their great organisation.

Hon. E. H. H. Hall: Your party are to blame for that.

Hon. G. FRASER: In what way?

Hon. E. H. H. Hall: You have shown them how to organise.

Hon. G. FRASER: I hope, then, that hon. members will also learn something from us and support this measure. The organisation was not only able to enforce the price, but to prevent any customer from leaving one baker to deal with another no matter for what reason. Such a position is wrong, and there should be a statute enabling the Government to deal with it. I have pleasure in opposing the amendment, and hope it will be defeated. If the Chamber is not satisfied with the Bill, let hon. members vote against it straight out. The measure should not be defeated by a subterfuge. Let it be defeated honestly.

Hon. Sir William Lathlain: Do not you think many of us were honest and said definitely what we think about the Bill?

Hon. G. FRASER: Quite so. But let the hon. member continue with his honesty.

Hon. Sir William Lathlain: From the very inception I said distinctly what I thought about the Bill.

Hon. G. FRASER: Then do not let there be any subterfuge in defeating the Bill.

Hon. Sir William Lathlain: There is no subterfuge.

Hon. G. FRASER: Then the hon. member must vote against the amendment, so that the Bill itself may go to the vote.

**HON. C. B. WILLIAMS (South) [9.28]:** I have been satisfied from the very outset that there is no chance of the Bill being carried, but I wish to draw attention to the illogical attitude of some hon. members, as visualised by me. Some weeks ago the Government were taken to task for their unwillingness to have a select committee appointed in reference to another matter, and those hon. members said, "If you have nothing to hide, why oppose the select committee?" I hold that there is need for this anti-profiteering measure be-

cause of the attitude some hon. members have taken up, saying there is no need for the Bill. Why? Most of them are in business themselves.

Hon. H. A. Stephenson: Is that a crime?

Hon. C. B. WILLIAMS: Certainly not. The argument is that the Government have placed before us a Bill which is in the interests of the people as a whole. Certain members oppose it, saying there is no need for it. During the war there was need for such a measure, and it was put into operation. Have the traders of Western Australia become any more honest than they were then? Evidently the Government of that day thought the traders were not to be trusted, and so put an anti-profiteering measure on the statute-book. The present Government desire to protect the people by this Bill. The measure will not prevent a trader from making an honest profit, but it will operate against those who have taken advantage of laws of the country that have enabled them to do just as they liked in fixing prices that may have been extortionate. Those who have opposed the Bill have not put up any sound arguments to controvert the statements of the Honorary Minister regarding the necessity for the Bill. Mr. Stephenson dealt with flour millers and grocers, and quoted references to the Grocers' Association regarding sugar. But sugar is already dealt with by the Commonwealth Government, so that no Bill that the State can pass can affect that commodity! The hon. member did not touch on any other items.

Hon. H. A. Stephenson: I referred to flour and meat and butter.

Hon. C. B. WILLIAMS: I was not present to hear the hon. member refer to butter, and meat has nothing to do with grocers. There are other hon. members of this House that look after the beef industry pretty well. The Government have done something towards stopping profiteering in meat.

Hon. J. J. Holmes: They closed up butchers' shops!

Hon. C. B. WILLIAMS: Probably there would be no trouble experienced in opening them up again.

Hon. J. J. Holmes: They would not be any better.

Hon. C. B. WILLIAMS: That may be the hon. member's opinion, but when the

butchers' shops were open, they kept the profits of the other butchers down to a reasonable figure.

The Chief Secretary: And we did not shut the shops up at all.

Hon. C. B. WILLIAMS: No, that was done by a previous Government at the behest of the butchers' combine. As members said to the Government a little while ago when they urged the appointment of a select committee to investigate the administration of the Main Roads Board, that the Government should agree to that request if they had nothing to hide, now if the business people have nothing to hide, why should not the Bill become law?

Hon. H. A. Stephenson: We have not asked for it.

Hon. C. B. WILLIAMS: What has that to do with the argument in favour of the select committee?

Hon. F. H. H. Hall: But if the Bill will compel a trader to sell something at a price fixed by the Prices Regulation Commissioner, what about that?

Hon. C. B. WILLIAMS: The Commissioner will fix a price that will represent a fair and reasonable profit, not an extortionate profit.

Hon. H. A. Stephenson: But he may be a bad judge of what is a profitable price.

Hon. C. B. WILLIAMS: If so, he may be shifted from his position. I heard the hon. member speak about his business, and I agree with him that we would have no right to interfere with him in the conduct of his business, so long as he keeps within a reasonable profit.

Hon. J. J. Holmes: You bleed men for 25s. before you allow them to work!

Hon. C. B. WILLIAMS: That is not so. A man gets full value for his 25s. and there is nothing extortionate about it. For the payment of that amount, he gets work at a reasonable wage and he gets protection as well. It is the cheapest form of protection that any man can get. It has provided work for thousands of people and enabled some to get where I am to-day. Without the union and the payment of 25s., I would never be in the position I occupy to-day. My 25s. has been repaid to me a thousand-fold.

Hon. J. J. Holmes: That is because of your organisation.

Hon. C. B. WILLIAMS: And the Government wish to organise the business com-



munity in the interests of the public, who provide the cash. I have been silent on most occasions in this House but I cannot be silent at present, for I have not heard one argument against the Bill that should weigh with hon. members. I fail to see the logic in their attitude, which is based on what suits themselves. When it suits them, members will twist rapidly. Why not be logical and, if they have nothing to hide, adopt the same attitude as they adopted towards the Main Roads Select Committee? They say the business interests of the country have nothing to be afraid of. If that is so, let us have the price-fixing commissioner. If what we have been told is correct, he will say that no undue profits are made on the sale of flour. A High Court judge has already decided in that direction, so no harm would be done if we appointed a price-fixing commissioner from that standpoint. Then we have heard about the position of grocers. If what Mr. Stephenson said is correct and there is no profiteering in connection with the grocers, then the Government need not persevere with the Bill. But are business men generally any more honest than they were during the war period, when, in the interests of the community at large, it was found necessary to introduce legislation to prevent business people fleecing the public? I have yet to learn that that generation has died out, or that the lessons learned in those days have made traders more honest. Mr. Miles apparently did not give any consideration to the amendment he moved. He merely got up and in a few words moved that the Bill be read this day six months. He has not attempted to reply to any of the arguments against his amendment. I oppose the amendment and support the Bill.

Amendment put, and a division taken with the following result:—

Ayes	..	..	14
Noes	..	..	8
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Majority for	..	..	6
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#### AYES.

Hon. J. Ewing	Hon. J. Nicholson
Hon. E. H. Harris	Hon. E. Rose
Hon. J. J. Holmes	Hon. A. J. H. Saw
Hon. G. A. Kempton	Hon. H. A. Stephenson
Hon. Sir W. F. Lathlain	Hon. C. H. Wittenoom
Hon. A. Lovekin	Hon. H. J. Yelland
Hon. W. J. Mann	Hon. G. W. Miles

(Teller.)

#### NOES

Hon. J. Cornell	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. H. Seddon
Hon. W. T. Glasheen	Hon. C. B. Williams
Hon. E. H. H. Hall	Hon. G. Fraser

(Teller.)

#### PAIR.

AYE.	No.
H. Stewart	Hon. E. H. Gray

Amendment thus passed; the Bill defeated.

*House adjourned at 9.40 p.m.*

## Legislative Council.

*Wednesday, 14th November, 1928.*

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

### QUESTION—LAND TAX AND RAILWAY FREIGHTS.

Hon. H. STEWART asked the Chief Secretary: 1, What revenue was collected from the land tax for the financial years ended 30th June, 1925, 1926, 1927, and 1928, respectively? 2, How much of that revenue in each year was utilised for the reduction of railway freights?

The CHIEF SECRETARY replied: 1, Year ended 30th June, 1925, £113,867; year ended 30th June, 1926, £145,830; year ended 30th June, 1927, £147,415; year ended 30th June, 1928, £162,906. 2, No specific sum was set aside for this purpose, but the estimated amounts required to cover reductions in railway revenue due to revision of rates were: year ended 30th June, 1925, £7,000