The HONORARY MINISTER replied: 1, Yes. 2, No. 3, When the railway line is under construction this matter will receive consideration.

QUESTION — RAILWAYS, FIRE-BREAKS.

Mr. JOHNSTON asked the Minister for Railways: 1, Has the Railway Department had a firebreak ploughed along the Wagin-Bowelling railway each of the past two years? 2, Has the department this year served notices on certain land owners that they must do this work, to protect their properties from fire from the railway engines? 3, What is the reason for this change of policy?

The MINISTER FOR RAILWAYS replied: 1, The first portion of this section was opened for traffic on 20th November, 1917, being too late for the fire-breaks to be ploughed that year. They were ploughed last year. The second portion, Bokal to Bowelling, was opened for traffic on 10th December, 1918, again too late in the year for this work to be done. 2, No. Circulars have been issued to the settlers asking their co-operation in the prevention of bush fires and suggesting that, should they consider that any danger to their property exists from fire, they should plough a fire-break of say, eight or ten furrows on their own land. A similar circular has been issued to the settlers along the railways throughout the wheat-growing districts each year for many years past. An agreement has been entered into for the ploughing of fire-breaks on the reserve each side of the line on the Wagin-Bowelling section this year, the work to be completed by 31st October, 1919. 3, Answered by above.

QUESTION—AGRICULTURAL WATER SUPPLY.

Mr. HARRISON (without notice) asked the Minister for Water Supply: 1, In view of the urgent need of farmers to carry stock, will he inform the House if he has considered the recommendations of the Royal Commission on agriculture in regard to rating and the price of water from the goldfields water supply? 2, If so, when may we expect a pronouncement from the Government on this matter?

The MINISTER FOR WATER SUPPLY replied: 1, Yes. 2, The matter is being considered in connection with the Estimates, and as soon as the decision is arrived at I will inform the House.

ADJOURNMENT—SPECIAL.

The MINISTER FOR WORKS (Hon. W. J. George—Murray-Wellington) [9.50]: I move—

That the House at its rising adjourn until Tuesday, the 23rd September.

Question put and passed.

House adjourned at 9.50 p.m.

Legislative Assembly.

Tuesday, 23rd September, 1919.

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

ADDRESS-IN-REPLY—PRESENTATION.

Mr. SPEAKER: I have to inform hon. members that I presented the Address agreed to by the House in reply to His Excellency's Speech on opening Parliament, and that I have received the following reply from His Excellency:—

> Mr. Speaker and gentlemen of the Legislative Assembly: In the name and on behalf of His Most Gracious Majesty the King, I thank you for your loyal Address. (Signed) William Ellison-Macartney, Governor.

QUESTION—REPATRIATION DELAYS.

Mr. THOMSON asked the Premier: In view of the serious disability placed upon returned soldiers seeking land, owing to the delay in inspection of blocks, will he take into consideration the appointment of additional inspectors in order to obviate delays in the future?

The PREMIER replied: The matter is under consideration.

QUESTION—SOLDIER SETTLEMENT, "MARYBROOK" ESTATE.

Mr. PICKERING (without notice) asked the Premier: Will he have the special report, referred to by Mr. Surveyor W. F. Rudall in the matter of Mr. E. R. Bunbury's estate, placed on the Table?

The PREMIER replied: I believe all the departmental papers are on that file.

Mr. Pickering: I cannot see it there.

The PREMIER: I will have inquiries made.

BILL—PRICES REGULATION.

Second Reading.

Debate resumed from 28th August.

Hon. P. COLLIER (Boulder) [4.40]: When, in 1914, the Labour Government introduced and carried through Parliament a Bill for the purpose of regulating the prices of necessary commodities, there was much

misgiving as to the practicability of the object which the Government had in view; and although Parliament permitted the Bill to pass and become law, it was with the reservation, inserted by another place, that it should only remain in force for a period of twelve months. The history of price-fixing in Australia has been very interesting indeed. I think it stands as an historic fact that during the twelve months' operation of the Act passed by the Labour Government the prices of necessary commodities were more steadily held in Western Australia than in any other State of the Commonwealth; that is to say, the increases in prices were less in this State than in any other State, in consequence of most of the other States not having similar legislation. But when at the end of 1915 our Act lapsed —I think "Knibbs's" figures will bear me out in this—there was a considerable increase in the prices of necessary commodities in this State. The Federal Government at that time had not taken any action whatever in regard to the control of prices. It was not until July of 1916 that the Federal Government came to the conclusion that, by the regulations made under the War Precautions Act, they had power to control the prices of necessary commodities. For practically two years of war the Federal Government, acting no doubt on the advice of the Crown Law authorities, held the view that they had no power, not even under the War Precautions Act, to control the prices of necessary commodities. However, in July of 1916, or shortly afterwards, they took control, and thenceforward until early in this year the Commonwealth has been in control of this matter, and, in consequence, the several States have taken no action. The history of the control of prices by the Commonwealth Government reflects no credit whatever on those responsible; for although there was a pretence at price-fixing in the various States, although each State had a price-fixing commissioner appointed by the Commonwealth Government, it is nevertheless a fact that very little effective action was taken by those commissioners to control the unjustifiable increase in prices of necessaries of life. I believe that any shortcomings in that regard were due, not to any neglect on the part of commissioners, but to the attitude of the Federal Government, who apparently did not desire to take effective steps to prevent profiteering in this or any other part of Australia. A section of the community is opposed to the principle of price-fixing. Personally I am not under any delusions whatever as to the impossibility of effective control of prices by means of legislation of this kind. I do not believe that it is humanly possible to do justice by legislation of this kind. I do not believe for a moment that we have reached what might be regarded as a permanent solution of the problem of high prices by legislation of this kind. I do believe it is the only immediate weapon at our command by which we can effect a reduction in prices which are already excessive, or by which we might prevent increases in prices which are already high enough, and it is only from that point of view that I support legislation of this kind. With regard to those who hold that the prices of commodities are regulated by what is known as the economic law of supply and demand, I think the events of the past five years—since the outbreak of war—should have convinced that school of thought that the law of supply and demand no longer exists. It no longer exists anywhere to-day where they have developed, to the highest extent, what I might describe as the capitalistic form of society. The law of supply and demand has been repealed by the men whom we generally class under the term of profiteers. In the first place, the law of supply and demand presupposes that we have competition both with regard to the sale and purchase of commodities. During the war period—although this tendency has been going on for a long time, during the war period it has been developed to a considerable extent —competition has been entirely eliminated. It no longer exists. The law of supply and demand no longer operates, but what has been operating and what is operating at the present time is price fixing, and it is a rather extraordinary fact that the very section of the community who strongly protest against legislation designed to fix prices are the very selfsame section of the community who have adopted the principle of price fixing, but, with this difference that the price fixing we have to-day, and have had for some years past, is that which has been introduced by the persons concerned in the production, manufacture, or distribution of necessary commodities. They have by combination, by agreement, by arrangement and organisation entirely eliminated competition, and have established a most effective system of price fixing, a system which I regret to say has been more effective from their point of view than it will ever be possible to secure by Government legislation in the interests of the people. They have actually fixed prices by arrangement, agreement, and combination, but those prices have been fixed purely in the interests of the section concerned, purely in the interests of profits and dividends, and entirely without regard to the interests or well being of the general community. That statement will stand without contradiction. There are some amongst us who say that profiteering does not exist to any extent, that it did not exist throughout the war, and that the abnormal and extremely high prices obtaining to-day and which have obtained are due to causes over which society has no control. These prices, they say, are due to the war and cannot be helped, and therefore we should submit to the existing condition of things. No one objects to high prices due to causes over which we have no control—it would be useless to object in such cases—but everyone does object, and rightly too, to excessive

prices when they are due entirely to the action of individuals or sections of individuals taking advantage of conditions, that exist for the time being, to extort abnormal and excessive profits from the pockets of the general community. Referring to the Commonwealth action of price fixing, it will be within the knowledge of members that the Federal Government appointed the Interstate Commission at various times during the past two or three years to investigate the question of the cost of necessary commodities and the question of profiteering, and there again, true to their disregard of the interests of Western Australia, though the Commission sat in each one of the Eastern States and investigated prices and the matters submitted to them in South Australia, Victoria, New South Wales, Queensland and Tasmania, this State as usual was left entirely out of their calculations. Notwithstanding that, we might draw from their report and the results of their investigations, much information which applies to this State as well as to the Eastern States. I am not out to criticise the Commonwealth Government; if I were so inclined, I should have to speak at much greater length than I intend, but I regret to say that, following on the evidence of the Interstate Commission and on the reports and results of their investigations, the Commonwealth Government have been, in my opinion, criminally negligent of the interests of the general body of consumers in Australia. Whereas there have been pointed out clearly by the Interstate Commission innumerable instances of profiteering and excessive prices which ought to have and could have been controlled and reduced, practically no action whatever has been taken by the Commonwealth Government. I would ask this House to bear with me whilst I quote from the reports of the Commission, in order to demonstrate beyond a shadow of doubt that profiteering to a very considerable extent has been going on in the Commonwealth, and is still going on at the present time. I do this because it is frequently contended in the Press and on the platform that the high prices ruling have not been due to profiteering. It is a matter for regret that greater publicity has not been given, in the columns of the Press in this State, to the investigations of the Interstate Commission. I am not one to complain very often about the Press, but one reads on the principal pages of our daily and weekly newspapers, under great head lines, matters of trifling importance to the welfare of the community such as the doings of Bolshevists and other undesirable members of the community——

Mr. Smith: And trips to the Wheat Belt.

Hon. P. COLLIER: Business visits to the Wheat Belt.

Mr. Underwood: And the Premier's optimism.

Hon. P. COLLIER: At the same time, very little space indeed has been devoted by our newspapers to the result of the inquiries of the Interstate Commission. Consequently, the great majority of the people know nothing whatever about the labours of that body and nothing about their findings. They know that prices are high, but as to how and why they are so high, the people have been left in the dark merely to guess, and their instinct has rightly led them to the conclusion that prices are high mainly because of profiteering. The Interstate Commission have produced many bulky volumes. They have dealt with groceries, meat, bread, milk, clothing, boots, in fact with practically everything required in daily use, and have shown throughout their reports that practically everything we require over the whole range of commodities I have just mentioned is controlled by combines and monopolies, which have exercised the power of combination and monopoly to fix prices at exorbitant rates and thereby extort——

Mr. O'Loghlen: There is not a Labour man on the Commission, either.

Hon. P. COLLIER: That is so. If one reads their reports I think he will agree with me that the members of the Commission would have liked to use much stronger language but, occupying the high position they do, they had perforce to employ with studied moderation, language which in the circumstances was extremely mild. I have before me a volume of something like 100 pages giving the results of their investigations into the price of groceries. No matter where one turns in this report, whether he opens it at the pages dealing with jams, biscuits, rice, tea, sugar or any other article coming under the designation of groceries, he finds that the manufacture or distribution of that article is controlled by an organisation or combination of the traders engaged in handling it. Open the report where one will, that fact is disclosed throughout. I quote this report dealing with rice because it is indicative of many grocery lines. Under the heading of associations and combinations, there is an organisation of rice manufacturers——

Mr. Underwood: In New South Wales?

Hon. P. COLLIER: Yes, they would be the wholesale people who control the distribution of rice. Rule 13 of their organisation states—

> During the first week in every month commencing with the month of November, 1914—

Immediately the war started they got to work—

> every member shall forward to the secretary a certificate, signed by him or by his responsible manager, setting forth that from personal knowledge, after due and diligent inquiry, all sales made during the preceding month other than between members were in strict conformity with the association rules and regulations, and that the prices charged for same were strictly in accord with the prices notified by him to the secretary.

The executive head of that organisation would meet and fix prices from month to

month. The secretary of the organisation would notify every member what the prices were to be for that particular month, and nearly all such organisations have stringent rules whereby, if any member of the association should break a rule by selling at a price lower than that fixed by the combination, he would either be fined heavily or expelled from the association.

Mr. O'Loghlen: And he would be unable to obtain further supplies.

Hon. P. COLLIER: Yes, there are various ways of punishing any member who breaks a rule. In many of these cases, a substantial deposit has to be lodged by every member of the organisation. That deposit is forfeited in some cases. Another very effective way of punishing him would be by cutting off his supplies entirely. This has been done in Western Australia in many cases. With regard to the mention of jam that was made in this report, it is little wonder that the attempt to establish a jam factory in Western Australia fell through, because those connected with it had to contend with the combination of jam manufacturers. I do not say that all combinations are bad. In some cases combinations serve to eliminate waste, and to cut out unnecessary expenditure as well as to reduce, perhaps, the overhead charges. It is true that as a rule a combination will reduce costs whether it be in the matter of production, manufacture, or distribution.

Mr. O'Loghlen: It should be the case.

Hon. P. COLLIER: It should be and it is. A combination, however, becomes an evil when those who are within it exercise their authority or power merely in the interests of their own profits and dividends, and not in the interests of the public. On the question of jam, the report says—

> As the Henry Jones group of companies alone is stated by its representatives to control 70 to 75 per cent. of the whole trade of the Commonwealth, it is clear that the New South Wales jam manufacturers' association must control the larger part of the business in that State.

Henry Jones & Coy. control 75 per cent. of the entire trade of the Commonwealth. The report goes on to say—

> The prices are fixed by the Necessary Commodities Commission in New South Wales, and by the Commonwealth Chief Prices Commissioner in other States. Prior to the statutory control of prices the association was in the habit of meeting to discuss and fix prices.

There is the definite finding of the Commission, that the association of jam manufacturers met to discuss and fix prices. The only object any private combination of traders may have in fixing prices is that they may maintain a control of the market. If they can control the market without diminishing their output, and raise the price just as high as they can, naturally having regard to their personal interests they will do this.

Mr. Pilkington: Does the report give the effect of the fixing of prices by the Commonwealth?

Hon. P. COLLIER: The report does not give the effect of the fixing of prices by the Commonwealth Government. Where the Commonwealth failed largely in the matter of price fixing was in this direction—they did not attempt to fix prices until after July, 1916. From the outbreak of war until July, 1916, traders had a free hand, except so far as they were affected by the legislation of the different States, to increase prices as they liked. The Commonwealth Government, starting in July, 1916, said, "We will not go back beyond July. We will accept the prices as they existed for all necessary commodities on July 1st, 1916, and control the prices from then onwards." This meant that any increase or request for an increase in price must have the consent or approval of the Commonwealth Government before being granted. This report does show that from the 1st July, 1916, no further increases were permitted in the case of many articles, and to that extent, therefore, the Commonwealth had some control over those who indulged in profiteering.

Mr. Davies: Are you referring to the Interstate Commission?

Hon. P. COLLIER: The Interstate Commission had no power to fix prices. It only had power to investigate and report to the Government.

Mr. Davies: There was a commission before that.

Mr. Pilkington: This report is quite a recent one.

Hon. P. COLLIER: Most of the work was done last year. This Commission was really called in as a result of the general complaints that were brought against profiteering. The Commonwealth Government called to their services the members of the Interstate Commission, in order, as it were, to supplement or assist the price-fixing machinery that was in existence prior to that time. They were called upon to make special investigations. They were not called in as a roving commission, but were asked to specially investigate questions referred to them, such as boots, bread or milk, and report to the Government.

The Attorney General: Your point is that the regulations were effective from the time they were brought in.

Hon. P. COLLIER: Yes, insofar as they were administered and the attempt was made to make them effective. There are many instances on record in which requests were made for increases in prices, but refused by the Commonwealth Government, on the ground that the prices and profits were already high enough. I have quoted from the report of the Commission with regard to jams and biscuits. I will now take another commodity, salt. There is what is known as the Salt Refiners and Manufacturers' Association. This is what the re-

port of the Commission has to say in this regard:—

> The association has an agreement binding the above named refiners and manufacturers to certain methods of distribution.

I would call the attention of members to the effective manner in which this organisation controls the whole business. Not only does it fix prices but it portions out the Commonwealth territory in which this man may trade or that man may trade, just as it suits the particular interests of the members of that association. The report says:—

> The association has an agreement binding the above refiners and manufacturers to certain methods of distribution, territory to be supplied, and to such prices as may be arranged by them at duly authorised meetings from time to time. Each firm has one vote, and all questions are determined by the unanimous vote of delegates present personally or by proxy. A fidelity and guarantee bond has been created, by which each member of the association has to contribute the sum of £250, which is held upon trust, to secure the fulfilment and observance by each party of any agreement that is come to, and to enforce the discharge of each member's obligations.

That covers the whole question of price-fixing as well as other matters. Further on the report says:

> Salt companies generally have made increased profits for the last three years. During the late strike the price of salt in New South Wales was fixed by the necessary commodities commission at £10 a ton, on account of its great scarcity, and it being necessary to provide requirements at the cost of rail carriage. The selling price in Sydney is now said to be £7, but even this price leaves an excessive margin of profit.

Mr. Green: Salt has been sold for £2 and £2 10s. a ton in this State.

Hon. P. COLLIER: Dealing with the Australian Dried Fruits Association the report states:—

> No evidence has been taken in connection with dried fruit, and it is unnecessary here to discuss at any length the operations of this association. These were fully investigated and reported on in the Commision's report on dried fruits in connection with the tariff investigation. The association absolutely controls the disposition of dried fruits for local consumption and export, and is one of the most complete combinations for the upholding of prices in the Commonwealth.

That is the finding of the Commission with regard to that particular commodity. Further on, dealing with the same association, the report says:—

> It will be seen, therefore, that the Commission view the power and the control which the association has been able to assume with considerable apprehension for the public interest. Not only does the association fix the price of about 90 to 95 per cent. of the Australian production of currants and raisins, but by its power and domination it practically controls imports by refusing to supply purchasers with Australian production unless they undertake not to import without its consent. The costs of production undoubtedly have risen considerably during the last few years, but very large profits have been made by producers during the war, and in the opinion of the Commission an extension of the industry has been encouraged which, when the war is over and the various other producing countries of the world again come into competition with Australian production, may prove not to have been justified.

There is no ambiguity about the language employed in that paragraph, in regard to the power and control exercised by that particular association over this commodity.

Mr. Green: It controlled our infant industry in this State.

The Premier: Does the report say anything about coal?

Hon. P. COLLIER: I will now pass on to another article which is in daily use. Members will have read during the past week or two the comments of Mr. Justice Edmunds in the court in New South Wales which exists for the purpose of regulating the prices of necessary commodities. It will be remembered that the Vacuum Oil Company, which has been very aptly termed "the Vulture Oil Company," appeared through its representative, before Mr. Justice Edmunds, a couple of weeks ago. Mr. Justice Edmunds refused the increase that was then asked for, and stated that the company had obtained an increase previously in its existence by the suppression of facts or by false representation. It will be remembered how the representative of the company walked out of the court very much hurt because of that statement. In making the statement that the company had obtained an increase by false representation, Mr. Justice Edmunds was drawing upon the information contained in the report of the Interstate Commission. The space occupied in dealing with the whole question of oil, and kerosene, and petroleum spirits is too great to quote from at any great length, but the profits of the company have been so enormous that I think I am justified in taking up the time of members by quoting from the report.

Mr. Rocke: The peculiar thing is that Mr. Justice Edmunds has since retired.

Mr. Munsie: His retirement is in to-day's paper.

Hon. P. COLLIER: On this question the report says:—

> The Vacuum Oil Company Propty., Ltd., is a company registered under Victorian law, although its shareholders are residents in the United States of America. The largest shareholding interest is that of the Vacuum Oil Company of Rochester.

U.S.A., which holds about seven-eighths of the shares; only one share is held in Australia. The Vacuum Oil Company have a fair trade in merchandise contingent to their oil business, such as stoves, etc., but in the opinion of the Commission this would not materially affect the result. The following table shows the position of the company during the years 1912-1917. The accounts of kerosene and petroleum spirits have not been separated.

The table shows that for 1911 the paid-up capital was £600,000 and the profit made £317,856. In 1912 the paid-up capital was £600,000 and the profit made £311,140, the percentage of profit to paid-up capital being 50 per cent. In 1913 with the same paid-up capital the profit made was £263,400, and the percentage of profit to paid-up capital was 43 per cent. In 1914 with the same paid-up capital the profit made was £274,-020, and the percentage of profit to paid-up capital was 45 per cent. In 1915 with a paid-up capital of £800,000 the profit made was £402,560 and the percentage of profit to paid-up capital was 50 per cent. In 1916 the capital was £800,000, and the total profits were £579,520, the percentage of profits to paid up capital being 72. In 1917 the capital was £1,600,000, and the total profits were £488,000, the percentage of profit to paid up capital being 30. There we have on record the fact that this company made during the years 1911 to 1917 profits ranging from a minimum of 30 per cent. to as high as 72 per cent.; and that company in the year 1916, which furnished it with a profit of 72 per cent. on its paid-up capital, applied to the Commonwealth tribunal to be permitted to raise prices. We know that since the price-fixing regulations have been abandoned by the Commonwealth Government, the price of this particular commodity has been increased. I believe the price has been increased recently by 1s. per case. This vulture on the people of Australia, which has made as much as half a million profit in a year on a capital of £800,000, a profit of 72 per cent., is possessed of sufficient impudence and rascality to increase its prices recently, and then to go before the New South Wales tribunal to ask permission to make further increases. The Commission report further with regard to the operations of this company—

> The Vacuum Oil Co., being a proprietary company, under the Victorian Companies Act, is not compelled by law to publish a balance sheet; but this legalised privacy in the case of a company doing a very large trade in a necessary commodity is, in the opinion of the Commission, highly inimical to the public interest.

That is the language employed by the staid, reserved members of this Commission—"legalised privacy." Further, dealing with the men who control this business, the report of the Commission says—

> A director of the Vacuum Oil Coy., Mr. Hamilton, giving evidence before the New South Wales Commission on the 30th December, 1915, swore that "the profits during the last half year on petroleum, spirits, etc., were less than they had ever been." The total profits for the company's financial year ending 30th November, 1915, were, in fact, over £400,000, a sum much greater than the profits in any preceding year of which the record has been made available. When we examined Mr. Hamilton on his statement to the New South Wales Commission, he attempted to justify it by saying that there had been a strike in New South Wales, and that the expenses of handling goods in New South Wales is greater than in other States.

The strike is a great excuse for these thieves when they wish to furnish a white-washing explanation for their rascality.

> He also said that he had in mind the costs of importation of goods then about to arrive, or to be landed, although his explanation unmistakably related to a period then past. Mr. Hamilton had previously stated to the New South Wales Commission that he was unacquainted with the financial side of the company's business, and there is, in our opinion, no doubt that, with whatever intent his statement as to profits was made, the effect was to mislead the New South Wales Commission very seriously in a matter of prime importance.

That is the paragraph to which Mr. Justice Edmunds referred last week in dealing with this company. The report further says—

> The Commission views very seriously the applications made for increases of prices, especially those of 1915 and 1916. During those years the company's turnover was equal to £5,159,534. Out of the profits made it could have paid a dividend of 10 per cent., quite ample for any company during the war, and been able to reduce the sale price of its products by £821,000, equal to 16 per cent. on its total turnover. The company was supplying the public with necessary commodities; it was in a position almost of monopoly, and its disregard of the public interests in seeking increases of price while still making excessive profits amounts, in our opinion, to profiteering.

That is very mild indeed.

> The company has stated that it ran a great many risks, especially with regard to the heavy freights which it was from time to time compelled to pay in order to keep up its stocks and supplies. In the opinion of the Commission the company ran no risks against which it was not adequately insured by its large accumulated profits. At the end of 1914 these accumulated profits exceeded £400,000. The company not only passed every risk on to the consumer, but was able during 1915 and 1916, on a capital and reserves averaging £1,500,000, to make a net profit of £981,000.

That is how the Interstate Commission view the operations of this concern. Finally, the report states—

Kerosene has been and is in the hands of two or three powerful companies, the Vacuum Oil Company particularly standing out as by far the principal supplier. The information given in the body of the report with regard to that company shows very clearly how it has used its ascendancy to amass immense profits.

That is all I propose to quote from the report under the heading of "Groceries."

Mr. Nairn: Were all those profits made in Australia?

Hon. P. COLLIER: Yes. This report deals only with Australia. The investigation took place in 1918. No increase in prices occurred until the repeal of the price-fixing regulations a few months ago. Immediately those regulations were repealed, this cormorant combine put up its prices, and to-day it is robbing the Australian people to a greater extent even than is disclosed in the Commission's report. Another combine that is operating with some benefit to itself in Australia is that which controls the sale of condensed milk. We know how extensively that article is used throughout Australia, and particularly in this State. We know, too, that what has occurred in regard to the price of oil has also occurred in regard to the price of condensed milk. Early in this year, when the price-fixing regulations were repealed, the price of condensed milk increased, speaking from memory, to the extent of 6s. per case. The Commission investigated also the operations of those who are concerned in the sale of condensed milk, and under the heading of "Combinations in the Condensed Milk Trade" they report as follows:—

> During the taking of evidence, an agreement, dated 1st April, 1915, was put in by which, in effect, all the Australian manufacturers, except one company, sell through one agent, the Nestle and Anglo-Swiss Condensed Milk Company, and apportion the amount of trade to be done by each.

One may not trade anywhere; one may trade only just as the combine will permit. The report continues—

> The principal matters provided for in the agreement are as follows:—Clause 1. The companies are bound to abstain from competition with one another.

I ask hon. members to note that first condition.

> Clause 4. Eliminates the Standard Company and the Australian Milk Products Ltd. from competition in unsweetened condensed milk and other milk products. They are to "concentrate" on sweetened condensed milk. Clause 5. Defines the proportions in which the products of the different companies shall be sold. Clause 11. Debars the Nestle Company from making any contract for delivery outside the assigned proportions.

Hon. members will see at once that there is no chance for the operation of the law of supply and demand.

Mr. Pickering: It is limiting production.

Hon. P. COLLIER: No; not limiting production, but limiting distribution. It is a deliberate restraint of trade for the purpose of robbing the public, who are the consumers. That is the plain, matter of fact way of putting it. And these are the men who usually are opposed to price-fixing. They indulge in price-fixing themselves for their own particular benefit, but they object to price-fixing by Parliament for the benefit of the community. The report further states—

> In the present case various instances were given of an oppressive and almost unfettered control of the market enjoyed by the combine—unfettered, of course, except as to the maximum price. It was shown that Nestle's brought pressure to bear on grocers in order to force them to buy more freely than they wished the brands of the other parties to the combine. The company sought to force the grocers of Melbourne to buy a milk labelled with a price which would have prevented them selling above the market price, and so limited their gross profit to 5.7 per cent., though the grocer's costs of selling are said to be nearly three times that percentage.

The combine limit the grocer to a price which does not show a profit, whilst at the same time they are making enormous profits themselevs. The report proceeds—

> Apprehension was evidently felt by the butter factories that so strong a company, and so strong a combine, would beat them out of the field in the competition for milk. It was shown that the Nestle Company had in their Victorian factory voluntarily offered producers an extra 1d. per gallon as an allowance for sacrificing skim milk over and above their standing contract of 1½d. per gallon. The managing director of Nestle's, Mr. Hargrove, said that this was in order to increase manufacture for the British Government. The circular issued to producers gave a different reason, viz., that the skim milk was of greater value than the agreed price owing to the high prices ruling for calves, pigs, etc. It was suggested, on behalf of the butter factories, that such methods might lead to their extinction throughout any district serving the condensed milk factory. As the Nestle Company, and the other companies, have greatly increased thir output and extended their plant, the strength of the combine and its assured hold of the Australian market, both intra-state and inter-state, are watched with keen interest by the butter factories. On the other hand, the Nestle Company contended that the butter factories were the competitors who were responsible for the high price of milk to them.

An addendum by the Chief Commissioner, dealing with this trade, reads as follows:—

> The juggling with labels in this trade is a serious matter. In 1912 and 1913,

before the combine, Nestle's, whose position was and is a commanding one, sold certain second grade milk to a jobber in New South Wales, who described it on his labels, not as second grade milk, but as "Suitable for Infants." The Board of Health discovered this, and on its complaint the label was altered. On another occasion, the same company sold their milk under the name of their accountant, whose name and private address appeared as the guarantor under the Pure Foods Act of New South Wales, though he had nothing to do with the manufacture. The Board of Health objected to a dummy name as guarantor, and the milk was then sold as second grade Nestle's. The reputation of Nestle's milk, which, in its Swiss home, was the pioneer of the industry, is higher than that of any other brand, whether it has any intrinsic superiority or not. The result is that it commands both a larger market and a higher price. In 1914, during the drought, Nestle's Company, "because we could not fill current orders," bought 4,000 cases from the Australian Milk Products Company, put its own labels on the tins, and sold the milk to the Australian public as their own at the higher price that it regularly brings.

There is a clear finding of the Commission that not only has this company been profiteering, robbing the public in regard to prices, but that it has been practising fraud upon the general public as well, by selling second grade milk as first grade Nestle's milk. The report goes on—

> In a second instance, the label ordinarily used is headed in bold capitals "Nestle's Condensed Milk." It bears the Nestle trade mark—Nest brand and two medals. As employed in the case under notice, it had printed across it in bold letters "By appointment to H.M. the King." The usual endorsement—"Prepared for export"—was omitted, but words were printed in red ink "Prepared in Australia for, and exported by" preceding the standing usual name in black ink, "Henri Nestle, Vevey, Switzerland, Wholesale depot, 6 and 8 Eastcheap, London, E.C." The milk so sold was not Nestle's condensed milk; it had no right to the trade mark or the medals. It was not manufactured by a firm having the "appointment to H.M. the King." On the obverse side of the label was the statement "Nestle's condensed milk, prepared from pure milk of cows," etc., together with "Directions for feeding infants on Nestle's milk," with the repeated endorsement in red ink "By appointment to H.M. the King." All these suggestions were untrue. Construed as a whole, this label permits of no other construction than that it was Nestle's milk prepared in their Australian factory.

The findings of the Commission with regard to milk leave no room for comment. With regard to meat in this State in recent months, people have had to pay a higher price for their supplies than they have ever had to do previously. We know of course that the price of meat in Western Australia is not in any way governed by the supply of stock or by prices in the Eastern States, but we do know that if meat can be produced at a price which will allow of profit in a number of the meat-producing States of the Commonwealth, we in this State can do as well, seeing that we are, under normal conditions, a great meat-producing State. The price of meat was investigated by the Commission. It will be remembered that last year there was a great outcry in Victoria and New South Wales with regard to the price of meat, and it was on that outcry that the Commission were asked to report. They had reported on the same matter several times previously, but on each occasion the report was pigeon-holed and nothing was done until the outcry became so strong that the Federal Government could no longer refrain from doing something. They did not take action on the recommendations which had already been made, but they asked the Interstate Commission to please report again in order to ascertain whether they were likely to change their opinion.

Mr. O'Loghlen: The object was to cause delay.

Hon. P. COLLIER: Of course it all meant delay. The public were lulled into silence for the time being, while the Commission were reporting. But on each occasion the Commission reported more strongly in favour of the prices which they had already recommended. But similarly, right up to the end, no action was taken. We well remember that when Mr. Massy Greene, the Minister controlling this department, attempted to do something, the stock raisers of Victoria hired a special train——

Mr. O'Loghlen: Seven special trains.

Hon. P. COLLIER:—to take them to Melbourne, where they demonstrated in their thousands outside——

Mr. O'Loghlen: And inside.

Hon. P. COLLIER:—of Federal Parliament House. They even flocked in and took possession of Queen's Hall when the Minister resolved that he would only receive a delegation from them. They insisted that that would not be satisfactory, and demanded that he should see them all. Eventually he did agree to hear them all in the great quadrangle of Queen's Hall in Federal Parliament House. All these people actually hired special trains for the purpose of intimidating the Government and to force them to back down from the attitude they had then adopted with regard to the price of meat, and eventually those stock raisers succeeded. In passing I might contrast the attitude of the Federal Government towards these people when they gathered in their great forces to intimidate the Government, with the attitude the same Government adopted towards a number of women who, months earlier, congregated around Parliament House to ask that

steps should be taken to bring about a reduction in the cost of living, and as a result of which congregation a number were thrown into gaol to serve terms of imprisonment. This was for daring to gather within the precincts of Parliament House. It was, however, an altogether different matter when the congregation consisted of the stock raisers of Victoria. The report of the Commission is a revelation, in so far as the profits that must have been made in Australia in recent years by the stock raisers or those engaged in this particular business are concerned. We know that the Federal Government and some of the State Governments—at any rate the Queensland Government—had contracts with the Imperial Government for the supply of meat. We know that the price charged to the Imperial Government was very low in comparison with the price charged to the consumers in Australia. It is interesting to hear what the Commission had to say with regard to that matter. The report states—

> In Queensland the State Government has an arrangement with the meat companies for supply of a definite proportion of their beef at 3d. per lb., instead of at export price, 4¼ per lb. On the best information available, it is estimated that the effect is to reduce the average price paid to pastoralists by one-eighth of a penny per lb. on all the beef purchased. The arrangement applies also to mutton, the price being fixed at 4¼d. per lb. The difference between the two cases is that as no definite proportion of the companies' output of mutton is prescribed, it is not possible to make the same estimate of the effect on the average price paid to pastoralists, but it would be safe to assume that it is not less than one-eighth of a penny per lb. Other States would of course be unaffected by the Queensland State arrangement. The Imperial contract prices are for meat in the freezer. The evidence shows that the freezing charges are 3/8d. per lb., which charges of course do not occur in the case of meat for home consumption. To obtain the home consumption equivalent of the Imperial export prices, therefore, the freezing charges, 3/8d., should be deducted. The home consumption equivalents, after that deduction is made, are:—beef, 4½d. per lb.; mutton—wether 4¾d. per lb., ewe 4⅝d. per lb.; tegs 5¼d. per lb.; lamb, 5¾d. per lb. Witnesses in the re-inqury who were asked the specific question whether the Imperial contract prices pay the grower, uniformly answered in the affirmative. Indeed, seeing that the prices in question are about 100 per cent. higher than export prices before the drought, while, compared with the same period there is a practically equal "visible supply" of cattle and a greater supply of sheep now in the Commonwealth, the profitableness to the industry of this scale of prices is almost self-evident. Expenses have increased since 1913, but the increase of Imperial contract prices over 1913 prices would vastly outweigh the increase of expenditure. This will be realised when it is seen that the meat exports in 1913, which were valued at £5,500,000, would, on Imperial contract prices, have returned £9,100,000, or an increase of £3,600,000.

The Commission found that the price charged to the Imperial Government in the freezers at 4½d. for beef was profitable. They stated that fact on the evidence of the pastoralists and the meat growers themselves. They showed also that 5¾d. for lamb was profitable to the growers. When we contrast those prices with the prices which have been paid by the people in Australia, and up to as high as 11d. or 1s. per pound in this State within recent months——

Mr. O'Loghlen: As high as 1s. 3d.

Hon. P. COLLIER: We can then get some idea of the enormous profits which have been made out of stock in this State in the present year.

The Honorary Minister: You are quoting the wholesale as against the retail price.

Hon. P. COLLIER: I am quoting the wholesale price on the hoof. That was as high as 11d. The Imperial Government paid 4½d. in the freezers, whereas our consumers paid 11d. on the hoof. The Commission go on to say—

> As the export constituted 22.8 per cent. of the total slaughterings, the increased return on the whole of the meat slaughtered, after deducting the freezing charges, 3/8d. per lb., on the proportion locally consumed, would have been £13,500,000. As in every other industry the only fair basis of price fixing is one which under the circumstances of the particular industry will return a satisfactory rate of profit to the producer and afford adequate protection to the consumer. In view of past losses and of the liability to future losses, the rate of profit in the grazing industry may justly be higher than in a stable manufacturing concern. The Commission is satisfied that the Imperial contract prices allow for such considerations, and that, in Mr. Kidman's words, pastoralists "are getting more for their cattle and wool than they are worth."

These words are quoted from the evidence of Sydney Kidman, the biggest stock owner in Australia. He says the pastoralists were getting more for their cattle than they were worth. Under the heading of "Summary and Recommendations" the Commission say—

> The sheep in the Commonwealth are greater in numbers than in 1913, while the number of cattle is about the same as in that period. Assuming normal seasonal conditions, the carrying capacity of the grazing land now occupied in the Commonwealth has been nearly reached. The present prices of meat for home consumption in New South Wales, Victoria, Tasmania, and South Australia are about 100 per cent. higher than the prices in 1913.

One could understand the prices of some commodities being 100 per cent. higher than they were in 1913 without there being any profiteering. If it were manufacturing,

where the price of raw material or necessary commodities had increased, it could be understood, but with regard to stock raising in Australia it can be fairly said that the war has had less influence upon the price of meat than upon any other commodity in Australia. Seasons come and go just the same, regardless of war; grasses grow just the same as they do in normal seasons, without regard to war.

Mr. Pickering: What about shipping?

Hon. P. COLLIER: Shipping does not come into it at all, because no importation is needed. There is no material required by the pastoralist in order to carry on the business of stock raising. The shipping question, however, might affect the position in Perth with regard to stock from the North-West.

Hon. T. Walker: But if the exports are less there should be more stock available for the community.

The Attorney General: Your figures have nothing to do with the North-West.

Hon. P. COLLIER: Except this, that if stock can be raised in Victoria and New South Wales and placed in cold storage and sold at 4½d. per pound, that in itself is evidence of the fact that stock, even although raised in the north-west of this State and sold on the hoof at 11d. or 1s., is thus sold at an exorbitant price. There is no question about that. Most of the Victorian meat supply is taken there from Queensland and the back country of New South Wales, and it costs money to get it to Melbourne, just as it costs money to bring stock from the North-West to our market here. But, allowing for that cost, nobody would contend that the price of stock in Western Australia in the early part of this year was not excessive. It became so marked that the retail butchers had to take the matter in hand.

The Attorney General: On account of the scarcity.

Hon. P. COLLIER: Nothing of the sort. In any case, whenever an over supply of goods is produced and the surplus has to be exported, we never hear that used as an argument for low prices! The principle of price-fixing by Act of Parliament does not permit high prices on the score of scarcity of any commodity. If I can produce a given article at £5 and show a good profit, I cannot justifiably increase that price to £10 on the score of there being a scarcity of that article in the market I supply. In the interests of the people Parliament would be justified in restraining any such action on my part. This summary continues—

> The Imperial contract prices, after deducting three farthings per lb. for freezing, are about 65 per cent. higher than the prices ruling in 1913, when the flocks and herds of the Commonwealth were about the same in number as at present. If the meat slaughtered in that year had been sold at the prices now suggested, the increased return to the grower would have been £13,500,000.

In other words, the people of Australia during 1918 paid 13½ million pounds for their meat supplies over and above what was a reasonable, profitable price in 1913. The enormity of the figures brings home to us the extent to which profiteering has been permitted in Australia during the past few years. The report continues—

> In Queensland the Imperial contract prices, reduced by the arrangement with the State Government—referred to under the heading of "Queensland contract prices"—are unquestionably accepted as satisfactory.

Accepted as satisfactory by whom? By the stockraisers. The Queensland Government made contracts with the Imperial Government at prices a 1½d. per lb. lower than were made with the other States. Their contract price was 3d. in the freezers, and this Commission says it was accepted as satisfactory. The summary continues—

> In New South Wales, export under the Imperial contract prices, which has never altogether ceased in either beef or mutton, has been resumed as to mutton on a fairly large scale. In Victoria the fair inference from the evidence is that the export of mutton and lamb will reach normal proportions in a few months time. The Imperial contract price for wool as compared with the pre-war prices gives an increased annual return per sheep of not less than 4s. per head. Every pastoral witness questioned on the point during the re-investigation admitted that the Imperial contract prices would, in normal seasons, be payable to the producer. On these facts it seems to the Commission impossible to avoid the conclusion that, considering the Commonwealth as a unit, the home consumption equivalent of the Imperial contract prices would be fair to producers as a basis of prices for home consumption.

The prices that have been so charged to the Imperial Government would be fair to the producers in this State for all our internal requirements.

Mr. Davies: That is at the freezer.

Hon. P. COLLIER: Of course. The summary continues—

> If that conclusion be accepted, the only question is, what adjustment, if any, should be made to meet the special circumstances of any State. As to Queensland and Western Australia, it is clear that no adjustment is necessary, and the home consumption equivalent of the Imperial contract prices could be fixed as the maximum wholesale prices for local supplies.

That is to say, a fair wholesale price for beef in Western Australia would be 4½d.

The Honorary Minister: It costs that to bring it down.

Hon. P. COLLIER: It costs nothing like it. At any rate, in regard to meat the Commission recommended—

> Assuming that the policy of price-fixing is to be applied to meat, the Commission

recommends (1), That the Imperial contract prices less a deduction of three-eighths penny per lb. (freezing charges) be fixed as the maximum wholesale prices for meat in Brisbane, Sydney, Melbourne, Perth (including Fremantle), Hobart, and Launceston, such prices to include delivery by wholesaler where, as in Sydney and Melbourne, that is the custom of the trade. In Adelaide the maximum wholesale price for beef to be one-fourth penny per lb. higher than in the other cities named, the maximum wholesale prices for mutton and lamb to be the same as in those cities. (2), That the prices so fixed be used as a basis for fixing the price on the hoof of cattle, sheep, and lambs in the centres where there is no wholesale meat trade. In those centres an official declaration should be made of the maximum weights upon which the bidding is based. (3), No action seems necessary in regard to retail prices, which (the evidence shows) will conform to wholesale prices.

The Attorney General: What is the date of that report?

Hon. P. COLLIER: Melbourne, 14th May, 1918. These reports give an indication of the enormous sums of money that have been gathered into certain quarters out of the food supplies of the people during war time. While we generally know the extent to which prices have increased in respect of our food supplies, the extent to which we have been exploited in regard to our clothing is not so well known. It is a most difficult matter to fix the prices of clothing, because the question of variation in quality enters into it right along the line. But this Commission also investigated the question of clothing supplies and prices, and they do find in regard to clothing that there has been greater profiteering than in connection with food supplies. We know that of our own knowledge. We know that to-day we have to pay £10 10s. for a second quality suit of clothes which could be obtained for £5 5s. in pre-war days. We know that cloth is produced in the woollen mills of the Eastern States at a comparatively low price. We know that only recently cloth, the product of the Geelong mills, has been sold for 6s. a yard, and that by the time it went through the hands of the wholesale warehousemen and was taken back to Geelong, its price had risen to 21s. per yard. Yet not one pennyworth of useful work had been done upon it from the time it left the manfacturer until it got back to the town of manufacture. Everybody handling it in its course was an unnecessary middleman, adding to the cost of the cloth without in any way enhancing its real value. The report I have in my hand is the only one I have seen in regard to clothing and the profits made out of it. I am sorry it has not been published broadcast among the people of Australia.

The Honorary Minister.: But the profits on woollen goods are only a fleabite as compared with those on cotton.

Hon. P. COLLIER: We know that the price of cotton went up to 9d. or 10d. per reel as against the pre-war price of 2d. or 3d. It was interesting to read recently that the man who had a virtual monopoly of sewing cotton throughout the British Empire, if not throughout the world, had died and left a fortune of 3½ million pounds, a fortune made out of the poor unfortunate women immortalised by Thomas Hood in "The Song of the Shirt." Under the heading "The Profits of Australian Manufacturers and of Wholesale and Retail Distributors," this is what the Commission has to say—

> The abnormal conditions of trade and shipping occasioned by the war, involving restricted supplies, have enabled manufacturers and distributors, with rare exceptions, to increase their profits, and these conditions have been availed of for that purpose in certain instances to a remarkable extent. As the profits of manufacture and ordinary trading largely increased, so apparently those directly interested became conscious of the undesirability of disclosing, in the ordinary manner, the increasingly profitable nature of their returns. This led in many cases to marked alterations in the character of the information displayed in the various balance sheets. Reserves from profits, hidden as well as open, were created; watered stock issued; unreasonable amounts were written off as depreciation of assets; in one case, at least, a large amount, hidden from view by including it under "Sundry creditors" was alleged on cross-examination to have been set apart to meet possible claims under the War Profits tax. These and other similar methods suggest somewhat strongly that there was a fear in the minds of those responsible that a clear and informative statement of their trade operations, intelligible to the ordinary citizen, would court comment and criticism. The results of trading operations and the profits derived therefrom during the war period by the more important branches of the clothing trade will be found set out hereunder. Woollen mills—tweeds, serges, flannels, and blankets: In the Commonwealth there are 25 woollen mills, one owned by the Commonwealth Government and 24 privately owned. Of the latter, two firms operate two mills each. There are thus 22 firms engaged in the industry. The word "firm" is used in this part of the report as including companies. Although not all cited as witnesses, the accounts of the whole of the 22 firms have been received and examined for the four years, 1914-17 and the financial results tabulated and summarised. The following shows the total capital employed in the industry in 1914 and the net profits for the three years 1915, 1916, 1917:—Blankets and flannels, capital employed £536,639, net profits for the three years £541,135; serges and tweeds, capital employed £607,746, net profits £655,960.

Mr. Pickering: Those figures relate to companies in the Commonwealth, do they not?

Hon. P. COLLIER: Yes, private companies trading entirely in the Commonwealth.

The total capital employed in 1914 was £1,144,385 and the net profits for the three years £1,197,095.

In the three years we have been paying profits which exceed the total amount of capital invested in the industries.

It will be observed that the profits of the three years 1915-17 have exceeded the total value of the capital invested in the industry in 1914. It will also be noted that this applies to the manufacture of blankets and flannels as well as to that of serges and tweeds. With one important exception all additions to capital since 1914 have been made from profits. During the years 1915-17, the net profits accruing to the manufacturers have averaged 31.33 per cent. on capital. The total net profits have almost equalled the average total capital invested in the industry during those years. They also represent an amount of £52,710 in excess of the total capital employed in the industry in 1914. Shown in more detail, the percentages of profits for the four years 1914-17 were:—Blankets and flannels (12 firms) net profit on capital:—1914, 9.6 per cent.; 1915, 23.5 per cent; 1916, 41.8 per cent.; 1917, 25.4 per cent. Serges and tweeds (ten firms) net profit on capital 1914, 16.7 per cent.; 1915, 35.5 per cent.; 1916, 37.3 per cent.; 1917, 26.3 per cent.

The Honorary Minister: We shall have to go back to fig leaves.

Hon. P. COLLIER: Yes. The report continues:—

The whole industry, blankets and flannels, serges and tweeds (22 firms) shows a net profit on capital as follows:—1914, 13.4 per cent.; 1915, 29.5 per cent.; 1916, 39.4 per cent.; 1917, 25.9 per cent. The following shows in another form the percentage of profits earned by the mill owners in New South Wales, Victoria, and the other three manufacturing States taken as a group. In that group, which includes Queensland, South Australia, and Tasmania, the profits are fairly moderate, due probably to the lesser volume of output and the proportionately heavier overhead charges. It will be observed that the profits throughout the Commonwealth expanded considerably in 1915, reaching high water mark in 1916, during which period the mills were employed almost exclusively on contracts for the Defence Department.

Mr. Green: The good old win the war party.

Hon. P. COLLIER: The report continues:—

New South Wales (five firms), net profit on capital, 1914, 19.9 per cent.; 1915, 36 per cent.; 1916, 35.9 per cent.; 1917, 27.1 per cent. Victoria (ten firms), 1914, 11.5 per cent.; 1915, 29.6 per cent.; 1916, 49.3 per cent.; 1917, 29.8 per cent. Queensland, South Australia, and Tasmania (seven firms), 1914, 6.8 per cent.; 1915, 15.5 per cent.; 1916, 17.2 per cent.; 1917, 9.7 per cent. The increase in output has not, as might have been reasonably expected, brought about a decrease in the percentage of net profits on turnover. Exactly the opposite has occurred, and, dealing with the Commonwealth as a whole, the profits on turnover in 1915 as compared with the previous year increased 31.4 per cent., and have been, though to a lesser extent, on the up grade in succeeding years.

The Honorary Minister: Is that due to the middle men?

Hon. P. COLLIER: These figures relate to the producers, the woollen mills.

The following statement gives a more general view of the financial progress of the woollen industry during the war period:—Percentage of net profit to capital, 1914, 13.4 per cent.; average for 1915-17, 31.3 per cent. Percentage of net profit to turnover, 1914, 12.9 per cent.; average 1915-17, 17.5 per cent.

The Commission have held throughout that 10 per cent. is a fair and generous amount to allow as profit on capital.

Amount of profit necessary to pay 10 per cent. on capital, 1914, £111,438; average 1915-17. £127,373. Excess of profit over amount necessary to pay 10 per cent. on capital, 1914 £42,413; average 1915-17, £271,659. It appears to be clear that, from the consumers' point of view, the actual net profits of the woollen mills have been very greatly in excess of a fair and liberal return on the amount of capital invested in the business. It may, however, be contended by the proprietors that the profits were not in excess of what might be expected under the circumstances, conditions over which they had no control having placed them in a most advantageous position. As already indicated, owing to restricted imports competition, if not wholly eliminated, has been reduced to unimportant proportions. But whatever may be said in excuse of the manufacturers in availing themselves of the ordinary custom of traders, when competition is relaxed, it is much to be regretted that the greater proportion of their excessive profits were derived during the period in which they were engaged in supplying material for the clothing of our soldiers, and when they were acting in unison.

There is the fact that whilst they were supplying material for clothing for our soldiers, they acted in combination and exacted their enormous profits. These are the men who cry out about the Bolshevists. These are the men—I will not say who support the Government, but none of them would support me; perhaps they are neutral in politics—these are the men who are generally most prominent, and have been most prominent throughout the country in pushing them-

selves forward as patriots. These are the men who have been most critical of any actions of their fellow men of which they disapprove. This is the kind of thing which, on the authority of an independent and impartial tribunal, stamps these men as thieving rascals. During the time the nation was pouring out its treasure in defence of its existence, this section of the community took advantage of the conditions which existed to heap up profits for themselves at the expense of the community, which profits they could not have made by fair and honest trading. I do not think there is one of these men who have accumulated these vast profits, who would go to the ballot box, whether Federal or State, and cast a vote for labour.

Mr. Green: Not after your remarks, anyhow.

Hon. P. COLLIER: The report continues—

> This is conspicuous during the years 1915 and 1916 as will be seen from the following:—1914, capital £1,144,385, net profits £153,851, per cent. on capital 13.4; 1915, capital £1,150,440, net profit £340,012, per cent. on capital 29.5; 1916, capital £1,211,736, net profit £478,049, per cent. on capital 39.4; 1917, capital £1,459,040, net profits £379,034, per cent. on capital 25.9.

Mr. Pickering: To what does that relate?

Hon. P. COLLIER: To clothing, the manufactures of Australian woollen mills. Members will observe that most of the figures I have quoted reveal a smaller percentage of profit in 1917 than in 1916 or 1915. That was the result of the introduction by the Commonwealth of price fixing regulations.

The Honorary Minister: What about the war profits tax?

Hon. P. COLLIER: In 1915 and 1916 there was no price fixing. In 1917 the percentage of profit came back somewhat because of the effect of Commonwealth price fixing. The report goes on to state:—

> The foregoing figures need no comment beyond the somewhat obvious fact that they refer to a period of grave national danger and emergency. Many of the accounts submitted were found unsatisfactory, inasmuch as various methods had been adopted for the purpose of cloaking the real extent of the profits. An accurate disclosure of the true position has only been made possible by the closest investigation and persistent demands for the fullest detailed information.

These gentlemen of course, did not want to disclose the extent of their profits. Such a disclosure would have excited comment. A proportion of the profits I have mentioned have been contributed by the people of Western Australia. We are dependent on the Eastern States for certain supplies, and have had to pay a proportion of the enormous exactions by the gentlemen interested in this industry.

The Attorney General; That is our difficulty in connection with this Bill.

Hon. P. COLLIER: Yes; I propose to refer to that later on, and to the question of how far we are limited regarding any action we might take to effect a reduction in the prices disclosed by the report of the Interstate Commission. We can, of course, reduce the prices, even of those goods imported into the State, much below the existing figures, even much below the wholesale prices in the Eastern States, but we may then put ourselves in the position of shutting out supplies.

The Honorary Minister: We would be in exactly the same position as are the people in England to-day.

Hon. P. COLLIER: It is questionable whether the Eastern States manufacturers would be prepared to forfeit their trade with this State.

The Minister for Mines: That depends upon whether there is a surplus of supplies. In regard to most commodities, they have to rely upon our market.

Hon. P. COLLIER: They would either have to shut down on this portion of their trade or submit to a reduction, and I hope an effort will be made to find out just where they stand. We should fix prices which will allow a fair and reasonable profit, but far below what they are now demanding, and see what attitude they then adopt.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. P. COLLIER: Under the heading of profits of Australian manufacturers and distributors, and dealing more particularly with the hosiery and knitting factories, the Commission puts forward some interesting facts concerning 14 representative hosiery and knitting factories. The figures here given will afford an indication of the financial result of their trading for the period 1914-17. Their capital in 1914 was £105,404, the net profits were £12,725, the percentage of net profits to capital was 12 per cent., and the excess of profits on the sum necessary to pay 10 per cent. on capital was £2,185. The capital for 1915-17 had increased to £166,050, the total net profits had increased to £42,729, against £12,000 in 1914, and the percentage of net profits to capital had increased from 12 to 25 per cent., while the amount of profit necessary to pay 10 per cent. on capital had increased to £16,605. The report proceeds to show that, as was the case with the woollen mills, the higher profits were realised in connection with the Defence Department contracts. The net profits on capital for the five years in connection with these particular factories were—1914, 12 per cent. on capital; 1915, 24 per cent.; 1916, 32 per cent.; and 1917, 21 per cent. on capital. The report says—

> It will be observed that the net profits on capital derived by the hosiery and knitting factories have been much in excess of what is fair and reasonable. The

proprietors generally have substantially benefited by the abnormal conditions of trade arising out of the war.

Under the same heading, turning to the question of wholesale softgoods warehousemen, I find that this section of middlemen has been responsible to a very considerable degree for the increase in the price of clothing. The report says—

> The balance-sheets of 16 softgoods warehousemen have been submitted to careful investigation, as also those of five indentors and importers. The latter have been deleted for the purpose of the present comparison. . . . The following will afford an indication of the volume of business and the resultant profits of the 16 firms above referred to. It will be observed that the number of firms varies in some years. That is due to the fact that in certain cases balance-sheets were furnished for 1914 and 1917, the intervening years being absent, and in one case the balance-sheet for the later year was not available. These omissions do not, however, affect the percentage results on the actual volume of business quoted in the figures below.

I will read the figures given in the table. In 1914 the capital of the wholesale softgoods warehousemen was £3,553,535, the net profit was £296,189, and the net profit on capital was 8 per cent. In 1917 the figures were—capital £3,646,492, the increase in capital being about 1½ per cent., the net profit was £554,780, and the net profit on capital was 15 per cent., the increase being from 8 per cent. to 15 per cent., or practically double. The report says—

> Taking into consideration the profits of the firms which are omitted from the figures for the year 1917 (and such profits may be estimated with reasonable accuracy) it can be asserted with certainty that the total amount of profit of the softgoods houses in 1917 in the aggregate were more than double those of 1914. It may also be mentioned that their profits in 1914 represented satisfactory returns, and that in that year this branch of the trade was enjoying a fair share of prosperity. In respect to the 17 firms under review, the total capital was £3,553,000, in 1914, and in 1917 £4,100,000. The years 1916 and 1917, and undoubtedly the present year, have been periods of very high profits, and if the warehousemen have not taken the fullest advantage of their opportunities, they have, nevertheless, benefited financially to a remarkable extent, and have reaped a rich harvest from causes arising out of the war. As in the case of the woollen manufacturers, it may be said that in the absence of Government regulations or combined effort on the part of the trade, it would have proved exceedingly difficult for any individual warehouseman to take action for the purpose of reducing prices had he desired to take such a course. The profits set out above, however, strongly demonstrate the necessity in times of emergency of comprehensive Government control.

Retail drapery establishments are classified by the Commission, under the heading of wholesale softgoods warehousemen, as retail drapery establishments and retail emporiums. After quoting a set of figures showing the increased profits in the different years, on similar lines to those in connection with previous figures, the Commission goes on to say—

> These figures indicate that the war conditions gave the wholesale warehousemen an increasingly dominating control over prices, which is reflected in their higher percentages of net profit on capital as well as in turnover; and the figures also suggest that, while there remains a fairly even competition amongst the retailers, there was a marked absence of competition amongst the wholesalers. The retailers have been prosperous and have made good profits, but to a much less extent than the importers.

In a general survey of the position the Commission further remarks—

> Upon a survey of the whole position in regard to clothing prices, it is beyond doubt that, with infrequent exceptions, manufacturers, importers, and wholesale distributors and retail traders have been enabled, by the existence of war conditions, to secure high profits even after making ample provision by way of reserves for less prosperous times should these follow upon peace, as some traders expect. It is pointed out elsewhere in this report that there appears to be little justification for these fears so far as the clothing industry is concerned.

In a final answer to one of the questions asked of the Commission by the Federal Government, as to the cause of the increase in the price of the clothing consumed by the great mass of the people, the Commission says—

> The enhanced prices are directly attributable to the war and to the fact that local manufacturers, wholesale and retail distributors, have to a large extent taken advantage of abnormal conditions for the purpose of increasing their profits.

The final return to which I wish to refer is in connection with boots. We know that in this State the price of boots, in common with other commodities, has approximately doubled during recent years. Even within the last few months the price of boots has gone up. The price of leather has been raised only lately, and as a result the repair shops are now charging 7s. 6d. for half soleing and heeling a pair of man's boots, an amount almost sufficient to have purchased a pair of boots for an ordinary man in pre-war days. That is due to the fact that profiteering has existed, and continues to exist, throughout the whole of the leather trade. This has been clearly demonstrated by the investigations of the Commission. Under the heading of boots, after dealing

with the general conditions in the trade, the report proceeds—

> At the same time the present wholesale prices of footwear are not, in the opinion of the Commission, justified by the increases in the cost of producing or distributing boots, and the profits of both manufacturers and retailers are unduly high if pre-war returns are taken as a standard. An important contributing factor in this result has been that the public mind has been tutored by experience to expect high prices.

This makes one think of the man who has been taken down so often that he begins to look for it. These traders believe that the average person will be disappointed if prices are not increased, and they have taken full advantage of that fact. The public have been tutored to expect high prices, and the traders have seen to it that their expectations are realised. The report continues—

> The sudden advances of hides and leather in January, 1917, resulted in higher prices of boots, and, as a leading tanner said, "When the market gets up it is very hard to get it down." Yet it is admitted that the reduction in Australian leathers, when prices were fixed, was not followed by a reduction in the factory selling prices of boots, nor has the occasional receding of price in imported leather been so reflected.

Under the heading of "Tanners—profits of industry," the report says—

> The balance sheets and trading accounts of several of the principal tanners show that the tanning side of the industry is in a prosperous condition. One tanner, with a large output, admitted that in spite of the great increase in turnover, he had continued to apply the same percentage of profit, with the result that the profits of his firm are double what they were in 1914.

All through this report the fact is revealed that, no matter how the price of an article may have increased, the percentage of profit that the trader put on as being sufficient to give him a reasonable margin of profit in pre-war days has been continued. In other words, if an article cost £100 and the trader added 10 per cent. to show him a fair margin of profit, this would represent a profit of £10 on an article costing £100. If, as the result of the war, that article cost £200, the trader still charged his 10 per cent., which gives him to-day a profit of £20 on an article costing £200, when in pre-war days he was satisfied to receive a profit of £10 on the same article.

Dealing with boot manufacturers, the report says—

> With hardly an exception the manufacturer's accounts examined show considerable increases of business and of profits. In some instances the variations between one year and another are strikingly large, the explanation given generally turning upon the extent to which favourable purchases of materials had affected returns.

Dealing with wholesalers' profits, the report states—

> The profits made by firms engaged in the wholesale distribution of boots have shown the same features of increase as are found with manufacturers and retailers. Indeed, the rate of profit is so high in some instances as to occasion surprise that the middleman can charge such lucrative prices when manufacturers might, in many instances, be dealt with direct. It would appear that country retailers, being disunited, have not been able to escape a certain degree of dependence upon the wholesale merchants.

Then, dealing with retailers' profits, the report has the following—

> The expenses of retailing have been practically stationary, so that without any change in the character or value of the service rendered to the public, the retailers' net profits have been materially increased. The practice has already been commented upon in the report on groceries. A few cases came under notice in which traders, who are not content with the increased profits resulting from the maintenance of the same added percentage to higher values, have increased those percentages, thus still further adding to profits already considerably higher than those of the pre-war period. These cases, however, are infrequent. The almost universal practice has been to maintain the percentage added to cost irrespective of the rise in prices. The universality of this practice appears to be regarded in the business world as its sufficient justification. In the leather and boot industries there has been a comparative frankness of avowal of higher profits, and the balance-sheets examined have not disclosed those changes of form which have been observed elsewhere, and which are obviously intended to veil inflated profits which otherwise would have been manifest on the face of the documents. In many instances the profits in the boot industry have exceeded 20 per cent. net on the capital employed; in some instances have exceeded 25 per cent.; and in rare instances have exceeded 50 per cent. The profits in this industry were already high in 1914, but the war, partly by checking imports, partly by requisitioning local manufacturing power for defence purposes (with the result of reducing local competition in civilian supplies), and partly by the circulation of large sums in various directions for military production, provided the opportunity for unreasonably high profits.

The report then deals with the prevention of profiteering—

> Though instances have occurred of extreme profit making, yet, from the point of view of the stress to which they subject the community, these extreme cases are negligible compared with the instances, formidable from their number, of cases

where profits are more than reasonable though not extreme. It is widely found, e.g., that a manufacturer or a distributor, accustomed in normal times to add to the cost of manufactures or of goods landed in his warehouse a percentage which he finds remunerative, continues to add the same percentage (if indeed he does not increase it) all through a period of continual and rapid appreciation of values during which the disproportion between profits and costs of manufacture or of handling is swiftly growing greater. Another practice almost as common, and for which the war has provided innumerable opportunities, is that of writing up prices of goods which have advanced in value since purchase. It has been quite clear from evidence given before the Commission during the present series of investigations, that some commercial men have felt the necessity of putting forward arguments justifying themselves before the public.

Summing up the whole position, the Commission's report states—

Traders have experienced a period of great prosperity, particularly since the conclusion of the drought in 1915. Tanners, boot manufacturers, wholesale distributors, and retailers, in varying degree but with few exceptions, have realised greatly increased profits since that date. The exceptions are chiefly among retailers who deal exclusively in the lower grades of footwear. Large increases in output and sales have been general, and the application of the same percentage rate of profit to the larger turnover as was found remunerative when applied to a much smaller turnover has inevitably resulted in an expansion of profits much beyond the normal.

In conclusion the Commission say—

It was demonstrated that the prices of boots, though less affected than, e.g., those of clothing, are nevertheless unduly high, and that profits beyond a reasonable limit have been, and are being, secured. It has been pointed out throughout the report that this condition of things is due directly and indirectly to the influence of war conditions, and to the opportunities for profit which those conditions have created.

That ends the rather extensive quotations I desired to make from the report of the Commission, and I have to thank the House for listening so courteously to me through what must have been a somewhat dry process of reading. But, having taken a considerable amount of trouble to examine all these reports of the Interstate Commission, and having found what I regard as conclusive evidence of profiteering which has been abroad in Australia during the war period, I thought the matter of sufficient importance to warrant me in occupying the time of the House at some length in order to place the evidence before those hon. members who possibly have not seen it for themselves. Coming to the Bill itself, I wish to say at once that I do not regard its provisions as adequate to meet the situation which we find in this State to-day. The measure does not contain provisions even so strong or comprehensive as those in the Act of the Labour Government of 1914. From the experience of the past four or five years we know very well that nothing short of the most comprehensive and most extreme powers in a measure of this kind will meet the needs of the situation. The general trader who is dealing fairly and is satisfied with a reasonable profit need have no fear of this or of any similar piece of legislation. But as regards that section of the community who are taking advantage of the helplessness of the public to protect themselves against profiteering, I do not think this House or any Legislature should have any regard for that section. The honest trader has no need whatever to fear this Bill, and we should make its provisions so stringent as to compel the dishonest trader to fear it, and to fear it very greatly. A measure of this kind is dependent almost entirely upon the manner in which it is administered. It will avail us nothing to place upon the statute-book the most stringent legislation if that legislation is not followed up by the utmost determination of the Government of the day to give effect to it and to put down profiteering so far as it is possible to reach those guilty of the practice. First of all, this Bill repeats the offence of 1915; and I am surprised that that should be the case. We know that the Act of 1914 was limited in duration to one year. Because of that limitation, imposed by another place, the people of this State for a period of nearly two years have been at the mercy of the exploiting section of the community. Had that limitation not been imposed, the operation of the measure would have continued until or unless the Act was superseded by Commonwealth price-fixing, and probably the Act would have been in existence during the present year, since Commonwealth price-fixing has disappeared. And yet, in the face of this State's experience of limitations of one year, the Government repeat that offence. To me that seems an indication—I hope it is not so—of want of sincerity or determination on the part of the Government as regards their policy of price-fixing. Why place such a limitation on legislation of this kind? Year after year we are engaged in passing Bills of which many are, necessarily, of an experimental character. We do not know but that in the course of six months or a year it may be found desirable to repeal or amend such legislation. But because of that possibility we do not insert clauses limiting the duration to one year. We take the practical and constitutional course of, if necessary, bringing down further measures to amend or wipe out provisions which experience has shown to be undesirable. If it is found necessary to repeal an Act altogether, a Bill for that pur-

pose is brought down. Therefore I object most strongly to the imposition of the one year limitation on this Bill. It may be argued that the measure is largely of an experimental nature, and that in the course of twelve months trade will have resumed its normal channels, so that the need for legislation of this kind will then no longer exist. Should we reach that stage, it will be a simple and easy matter for the Government to bring down a Bill to amend this measure or to repeal it altogether. But, conditions being what they are to-day, I object most strenuously to the proposed limitation. Further, I am of opinion that the provision for the appointment of one commissioner is not sufficient. If one man is going to do justice to the work which will fall to his lot under this measure, he will need to devote a very great amount of time indeed to a keen, close, analytical and detailed examination of the costs of production, manufacture, and distribution of the various commodities which will come under his notice. Again, he will need to devote a good deal of time to examination of the accounts, documents, and books of traders who will be concerned in price-fixing. That being the case, I firmly believe that this measure cannot be administered satisfactorily with fewer than three commissioners. In my opinion there ought to be three commissioners. Western Australia is a large State, covering an immense area; and in the administration of the Act of 1914 we found that whilst the time of one commissioner was fully occupied in the metropolitan area investigating matters affecting the cost of living, there were calls for the services of the Commission from other portions of the State—Kalgoorlie, the Murchison, and other outlying districts. We had three commissioners at that time, and they were fully employed. Further, I urge that one of the three commissioners ought to be a man directly representing the wage earners of this State. I will not say, representing the consumers, because we are all consumers. The profiteers are consumers. Everybody in the State is a consumer. But that section of consumers who earn their living by working for wages ought to have one direct representative on this price-fixing Commission. The position to-day is that the wage earner has to submit to price-fixing in respect of the only commodity that he has to sell. In that respect he is in the same position as the trader will be in upon the passing of this measure. The one man is in business and selling boots or clothing or some commodity: the wage earner is selling the only commodity at his disposal, namely, his labour. The price that the wage earner receives for his sole commodity is fixed by an independent outside tribunal in the form of the Arbitration Court, and we know very well that that court bases its awards on the cost of living. In order to render effective the award of the Arbitration Court in respect of any given trade or calling, the wage earner ought to have representation on the board which will fix the purchasing power of the sovereign from time to time, as the body to be created under this Bill will do. There will be nothing to fear from the representation of the wage earner who, after all, constitutes 75 or 80 per cent. of the population of the State. They have most at stake, even notwithstanding the man who is engaged in trade and whose profits and income will be affected by legislation of this kind. Such a person has not as much at stake as the man who has to sell only the labour by the sweat of his brow. I believe therefore that there should be three Commissioners, and that one of the three should represent the wage earning section of the consumers. With regard to the powers of the Commissioner, it is extraordinary to me how the Government have limited them. Before the Commissioner can act he must have remitted to him by the Government a question to inquire into and any other matter that the Government may think he should investigate. The movements of the Commissioner will therefore be so slow as to be practically ineffective.

Mr. Smith: He should have power to act.

Hon. P. COLLIER: He should have unlimited power, bearing in mind that the Government retain to themselves the right to fix prices. The Commissioner should have power to initiate an inquiry into the cost of any article or commodity, and not only that, but any individual in the State, or any organisation should have the right to initiate an inquiry into the price of any commodity. If an individual has reason to believe that excessive prices are being charged, why should not he have the right to bring that matter under the notice of the Commissioner, and why should not the Commissioner have the right to make an investigation rather than have to wait until he is instructed by the Minister controlling the Act?

The Attorney General: The Minister has to take the consequences.

Hon. P. COLLIER: And the only cases where the consequences will come in will be with regard to the prices he will fix. In the Act of 1914 the Commissioners themselves made inquiries. They did not wait until they were instructed by the Minister to conduct an investigation; they made inquiries all over the State, and I did not hear of any complaint except from a small section in the Legislative Council, who were responsible for the defeat of the Bill. That section complained that the Commissioners were harassing people engaged in trade. But there can be no harm from the Commissioners inquiring into a matter on their own initiative consequent on what has been brought under their notice by individuals.

Mr. Smith: Individuals are not debarred under the Bill.

Hon. P. COLLIER: They are. Even the Commissioner himself is debarred from inquiring into the cost of any article unless the matter is specially referred to him by the Minister. Not only has an individual no power, but the Commissioner himself is with-

out it. He must sit in his office and twiddle his thumbs until the Minister instructs him to inquire into the cost of an article.

Mr. Smith: Then he is only a rubber stamp.

Hon. P. COLLIER: That is all. The experience of price fixing in Australia has been such as to warrant our insisting upon the fullest powers being granted to Commissioners, always reserving the right to the Minister to fix the prices on the recommendations made to him. I believe too it should be compulsory for the Commissioner to investigate complaints made to him by organisations or corporate bodies. The Act should specifically make it obligatory for the Commissioner to make these inquiries upon complaints being lodged. Then again, the evidence given before the Commissioner with regard to the cost of articles should be given in public. In the past we know that certain people who were concerned in fixing high prices in this State, and in other States as well, have had a kind of open door to the Commissioner's office—I do not suggest back stairs. In some instances these people have presented their cases to the Commissioner verbally, but when they were asked to submit them in writing, they absolutely refused to do so. We know well that a man will often make verbal statements to a Commissioner or to anyone else, when he is not prepared to back up those assertions in writing. The evidence to be given as to the cost of production or distribution of any article which will come under the operation of this measure should be given in public. If a serious attempt is to be made in Australia to check profiteering by legislation of this kind, then the veil of privacy which has covered the transactions of profiteering traders in the past must be torn away. They must come out into the open and let the public know to what extent they are making profits, just as the wage earners have had to display for the information of the world at large day after day all that goes to make up their incomes and expenditure in this country. I believe too that the profits of any trading concern in necessary commodities should be disclosed. If any man is engaged in supplying bread, meat, boots or clothing to the community, the public have a right to know what his profits are. They have just as much right to have that disclosed as the carpenter, the blacksmith, the engineer, and others are obliged to disclose in the Arbitration Court what they earn and spend. What halo is there around commerce that the men engaged in it should keep their profits secret whilst 75 per cent. of the community have to disclose what they earn through the medium of tribunals like the Arbitration Court?

Hon. W. C. Angwin: The balance sheets of the State trading concerns have to be disclosed.

Hon. P. COLLIER: Those who clamour for the fullest possible information with regard to the revenue and expenditure of our trading concerns are those who will oppose any provision which will have the effect of compelling them to disclose their own profits. Of course they will declare that the State trading concerns are operated by public funds, and that they have the right to know everything connected with them. But the profits made from private trading concerns are of just as much interest to the community, and more so, as those of the State. To my mind there is no argument that can be applied in the one instance that cannot with equal logic and force be applied in the other. Balance sheets should be published periodically. The Interstate Commission recommend that balance-sheets of proprietary firms as well as of companies should be published regularly.

Mr. Smith: Where will the necessity come in if they sell at fixed prices?

Hon. P. COLLIER: Of course if the Commissioners did their work thoroughly and conscientiously and reduced excessive profits to a minimum, I admit there would be no necessity for the publication of balance-sheets. But even Commissioners are not infallible; they do not know all, and very often it would be quite possible that a man with some knowledge of a particular industry or trade or calling would be able to put his finger on unnecessary or excessive expenditure where a Commissioner would not be able to find it out. That is why I believe it would be well, if the Bill is to be effective, to have the fullest information with regard to profits and to insist on the publication of balance-sheets of companies. We should insist on having published the fullest information as to the cost of production, manufacture, and distribution. It is only by the publication of figures and bringing to bear the concentrated wisdom and judgment of all sections of the community, that we will be able to secure a reduction in cost. I could have quoted from the report of the Interstate Commission with regard to the unnecessary waste that goes on in many direction in connection with the supply of necessary commodities. The Commission took the case of the distribution of bread and milk and they pointed out what was common knowledge to us that perhaps in the morning we found the milkman with his horse and cart calling to deliver a pint of milk, then driving away perhaps half a mile to another street to deliver another pint of milk and so on until he completed a long round.

Mr. Nairn: In China they lead the cow around.

Hon. P. COLLIER: That would be more economical than going around with a cart. But the Commission point out that half a dozen or perhaps a dozen milk carts arrive in the same street each morning, each one leaving a pint of milk at a house and then going off come distance to leave another pint somewhere else. The same argument applies to the distribution of bread, and it is pointed out in the Commission's report that unnecessary waste goes on in connection with

all these deliveries and that in the case of bread the cost of all this amounts to ¾d. per loaf.

Mr. Smith: It is not the same with newspapers.

Hon. P. COLLIER: They do not do things so foolishly with newspapers. I notice that each agent is allotted a square in which to deliver his papers. The Interstate Commission has recommended that we should apply the system adopted in connection with the delivery of newspapers to the distribution of commodities like milk, bread, and meat.

Hon. T. Walker: It is merely organisation.

Hon. P. COLLIER: In that way we would eliminate waste, and horses and carts would not be running around where they were not required. Under the Bill it will not be possible to do anything like this.

Mr. Davies: The Bill will have the effect of eliminating the small man.

Hon. P. COLLIER: The elimination of the small man under our present system has been bad in a way because it has eliminated competition, and trade has got into a few hands, and the competitor having been removed advantage has been taken of the opportunity to increase prices. But if there is a control on their prices, it is a different matter. In any case, the cost of production, of manufacture and distribution of an article ought to be published by the Commission. It is information that would be valuable to the public, and the general effect of publishing it would be to reduce the cost in these various directions. Also, there ought to be a limitation of profits. It ought not to be possible for any man or section of men to impose whatever profit they like. There should be some restriction on that profit. For years past a limitation has been imposed on the profits or income that might be earned by a considerable section of the community. If a man or a number of men engaged in a particular line of business may make unlimited profits without let or hindrance, where comes in the principle of arbitration? Why should we have the income of so considerable a section of the community as the wage-earners fixed and limited by a tribunal under an Act of Parliament, whilst there is no fixation whatever in regard to the profits that may be imposed by a man in trade? I cannot see the justice in such an arrangement.

The Attorney General: There is no parallel between the two examples.

Mr. Nairn: Besides, the income of the wage-earner is not fixed or limited. Only the minimum is fixed.

Mr. Munsie: Which is made the maximum!

Hon. P. COLLIER: Will the hon. member assert that the income of the wage-earners in this country is not fixed?

Mr. Nairn: Certainly, the maximum is not fixed.

Hon. P. COLLIER: It is, for the minimum is fixed, and the minimum is made the maximum. Whatever the minimum awarded to the carpenters or the blacksmiths, that minimum has become the maximum, and the hon. member knows it perfectly well. To all intents and purposes in actual practice the maximum income of those who have their wages fixed, has been fixed by the Arbitration Court. If it is a good thing to fix the income of the wage earner by means of the Arbitration Court, surely it would be equally a good thing to fix the profits of the trader by means of price-fixing legislation such as we have before us. I can see no reason why a comparatively small number of people should be able to make whatever profits they can, restricted only by the circumstances and the requirements of the people, whilst the wage earner has his wages fixed by a judicial tribunal. Also the Bill should make provision to prohibit speculation. The high prices of commodities to-day are due in no small degree to the amount of speculation that takes place in regard to those goods. We know that very often an importer, the man who orders a quantity of goods in Great Britain or some other part of the world, sells those goods while they are still on the ship; we know that those goods frequently change hands half a dozen times while on the ocean, and that each time the cost of them is increased by the very fact of the sale. Yet not one of those sales adds one penny to the value of the goods. The only effect it has is to increase the ultimate price to the consumer. There should be a prohibition of speculation in the sale and purchase of an article when that sale or purchase does not render a necessary service in the passage of the article from the hands of the producer into the ranks of the consumer.

Mr. Harrison: That would cover it all.

Hon. P. COLLIER: The amount of speculation to-day not only increases the price of the article without rendering any valuable service to society, but it employs a large number of people in an occupation which is of no social service. Those men are not engaged in any productive occupation. Their occupation could be entirely eliminated without affecting the comfort, the convenience, or the pleasure of the community in the slightest degree.

Mr. Davies: The consumer is just as much responsible for that as is the manufacturer.

Hon. P. COLLIER: Possibly the consumers require protection against themselves. This Interstate Commission made a recommendation to the Federal Government which would have the effect of preventing this speculation. They have quoted what has taken place in other parts of the world. In Denmark this is what they did in regard to speculative buying and selling during the war period—this is an extract from the "Nationaltidende" of the 20th May, 1917—

> The Danish Ministry of the Interior has issued regulations prohibiting the charging of middlemen's profits in transactions which do not carry the goods a stage further in the ordinary process of transfer

ence from producer to consumer. That is to say, when an importer buys from an importer, a wholesaler from a wholesaler, or a retailer from a retailer, the buyer is prohibited from re-selling at a price which includes any profit to himself. If a transaction carries goods away from the consumer, as when a retailer sells to a wholesaler, no profit is allowed to the seller in that transaction nor to the buyer when he re-sells. Contravention is punishable by fine or imprisonment.

And the Commission says—

> Such a provision or regulation would prevent undue profiteering, or excess profits being made simply in the transfer of goods from one middleman to another, and would, by supervision, reduce unfair additions to the prime cost of goods for simple merchanting.

I recall that at the Governor General's Conference the Prime Minister quoted several instances that had come within his own knowledge of whole cargoes of goods changing hands several times while on the water, with the result that the landed cost in some cases was nearly double the cost of the goods on board ship in the English port. Surely, if speculation of that kind can be wiped out by legislation, it will do harm to nobody and will be of very great service to the general community. Of course there are middlemen who are essential to the handling of the goods. There are middlemen who, coming between the producer and the consumer, are obviously necessary to the transference of the goods. But there are also middlemen who do not render any effective or valuable service whatever to the community. I believe, too, there ought to be in the Bill a provision that no increase in price shall be permitted except the consent of the commissioner has been first obtained. As the Bill is drawn, it would be open to any trader to increase his price and to continue that increase of price unaffected by this measure unless the commissioner stepped in and took a hand. Of course, the commissioner could then insist on a reduction in the price. But, as has been pointed out by members of the Interstate Commission, it is much easier to prevent an increase in price than it is to effect a reduction after the price has been increased.

The Attorney General: Would you prevent any increase in price?

Hon. P. COLLIER: No, only in regard to those goods the price of which has not been fixed. The commissioner will not be able to fix the price of all articles immediately. He will take them one by one. In regard to goods the price of which has not been fixed, no increase ought to be permitted except with the sanction of the commissioner, and then only after seven day's notice of intention to increase the price, so that the commissioner would have an opportunity for investigating the merits of the proposed increase. Certainly such a provision ought to be included in the Bill. When in Committee I propose to move amendments along the lines I have indicated. I hope the Bill will be approached in a spirit of impartiality, and that members will bring to bear upon it the light of experience gained through legislation of this kind, and by the action of the profiteers during the past four or five years. The public of this State are looking to Parliament and are determined to demand that Parliament shall give of its best efforts to check extortionate prices in respect of necessary commodities. The people expect that of us. If we fail them in that expectation the consequences will be on our own heads. Mr. Hughes says "Damn the profiteers! and damn the Bolsheviks!" We say that, too; but that gets us nowhere. We might damn them with our tongues till we dropped dead through exhaustion, and not a profiteer would worry the least about it. It is only by legislation of this kind that we can effect anything. Mr. Hughes, while damning the Bolshevik said the Bolshevik was the creation of the profiteer. Whether or not there are Bolsheviks in Australia—personally I do not believe there are any—it is an undoubted fact that a large section of the people in this continent are disaffected at the present time. We read every day of "the spirit of unrest." All through our industrial circles, all through the overwhelming majority of the people who constitute the wage earning section of the community, the work of the profiteers has had a serious effect. If the matter could be investigated—I believe it will be some day—it would be found that the actions of the profiteers in Australia during the past few years are likely to have the effect of reducing the physique of our men and women. If children have had to go short of nourishing foods essential to the building up of a sturdy physique, inevitably those children will not grow up to the same physical standard that otherwise would have been theirs. So, right through the whole ramifications of our life we shall find for generations to come the effects of profiteering in Australia. If we are going to make a serious effort to get rid of a good deal of the cause of complaint it behoves this Parliament to tackle the matter in a determined manner, to do the best we can. And while there will be differences of opinion as to how best to effect our purpose, I hope the net result will be that we shall be able to produce an Act which will protect a community hitherto unable to protect themselves.

On motion by Mr. Munsie debate adjourned.

BILL—TRAFFIC.

In Committee.

Resumed from the 9th September, Mr. Stubbs in the Chair; the Minister for Works in charge of the Bill.

Clause 20—Licensing of drivers:

The MINISTER FOR WORKS: I move an amendment—

That in line 2 of Subclause 3 the words "thirty-first day of December" be struck out and "thirtieth day of June" inserted in lieu.

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

Clause 21—Penalty for driving without license:

Mr. HICKMOTT: How will this clause apply when three or four members of a family drive the one car, as frequently happens in country districts? Will each have to take out a license?

The Minister for Works: Yes.

Mr. HICKMOTT: That will be very awkward.

The Minister for Works: Awkward but desirable.

Clause put and passed.

Clauses 22, 23—agreed to.

Clause 24—Duty to stop in case of accident, etc.:

The MINISTER FOR WORKS: I move an amendment—

That the following words be added after "vehicle" in line 7:—"to any person who has been injured, or whose vehicle or animal has been injured, or to a member of the police force or an inspector, or to any person representing an injured person."

The person concerned might be so seriously injured as to be unable to procure the particulars. The amendment will enable other parties to ascertain the necessary information as to responsibility for the accident.

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

Clause 25—Reckless driving:

Mr. SMITH: A penalty of £20 is provided for the first offence and £50, or imprisonment for three months, for any subsequent offence. If a driver is thrice convicted, he should be debarred from holding a license.

The Honorary Minister: Who is going to be the judge? The most reckless driver to-day is Don Chipper's man on the hearse.

Mr. O'Loghlen: Under Clause 27, a driver's license may be suspended at any time on conviction for any offence.

Mr. SMITH: The penalty prescribed is the maximum. It should be compulsory to cancel the license of a driver who is so negligent that he already has two convictions against him.

The Honorary Minister: For how long?

Mr. SMITH: For all time. Publicans lose their licenses when they show they are unfit to hold them further.

Mr. Thomson: How many publicans' licenses have been cancelled?

Mr. SMITH: Very few, because of the absence of a compulsory provision such as I suggest. I move an amendment—

That after "months" the following words be inserted:—"and if convicted three times, his license shall thereupon be cancelled, and he shall be debarred from again obtaining a license."

Mr. THOMSON: A penalty of £20 is stipulated for the first offence. That seems very high.

The Minister for Works: That is the maximum.

Mr. THOMSON: So long as that is clear, I am satisfied.

The MINISTER FOR WORKS: I appreciate the motive of the member for North Perth (Mr. Smith) and agree that a driver who is habitually careless should be severely dealt with, but Clause 27 provides that the court may suspend a license, or disqualify a person from obtaining a license for such time as it thinks fit. This, in addition to the penalty provided under Clause 25, should be a sufficient deterrent. A car owner would get such a shock that he would not forget it in a hurry; the driver of a hire car for an employer would get the boot and, if he were driving for himself, he would get his own boot, heel and toe.

Mr. MUNSIE: The addition of the words proposed by the member for North Perth will make the clause read ridiculously. Provision is made for a penalty of £20 for the first offence and for any subsequent offence £50. Before the words proposed are added, the words "any subsequent" should be altered to "second" offence.

Mr. SMITH: Could we alter the word "subsequent"?

The CHAIRMAN: If it is the wish of the Committee the hon. member can withdraw his amendment with that object in view.

Mr. SMITH: I should like to withdraw my amendment.

Amendment by leave withdrawn.

Mr. SMITH: I move an amendment—

That the words "any subsequent" be struck out and "a second" inserted in lieu.

Hon. W. C. ANGWIN: A person might be charged with some trivial offence, and might be disqualified for life because he had been before the court a third time. It would be better to leave the clause as it stands. Under Clause 27 the court has discretion, even on a first offence, to disqualify a man for life if it so desires.

The MINISTER FOR WORKS: Clause 27 provides for that which is desired by the member for North Perth. All the power required is given under that clause.

Amendment put and negatived.

Clause put and passed.

Clause 26—Driving under influence of liquor:

Mr. O'LOGHLEN: What period of detention would be given to a driver who is arrested under this clause? Who is to say whether a man is under the influence of liquor or not? If a constable likes to be over officious he

can arrest a man who is apparently drunk, and detain him for some days until a justice can be found to deal with him.

The MINISTER FOR WORKS: The rules of the police force will cover a case of this sort. Such a case will be treated with common sense and in the interests of humanity.

Mr. ROBINSON: The most dangerous person who can ever have charge of a motor is the man who is under the influence of liquor. Under Clause 25 it is proposed to fine a man up to £50 for reckless driving, but under Subclause 3 of this clause it is proposed to fine a drunken man only £20. I would a thousand times rather trust myself to a skilled driver travelling at 50 miles than to a drunken man travelling at three miles an hour. I move an amendment—

That the following words be added to Subclause 3:—"and his driving license shall be forfeited."

Mr. O'Loghlen: On the one conviction?

Mr. ROBINSON: Yes. He can apply for another license at a later stage. In my opinion the clause does not go far enough; hence my amendment.

Hon. W. C. ANGWIN: I thought the Minister in charge of the Bill would have had a word to say on this amendment.

The Minister for Works: Personally I agree with the amendment.

Hon. W. C. ANGWIN: That goes to show that men who take a drink themselves are very hard on their fellow man who drinks. However, this particular clause says nothing about drunkenness. The Bill already contains a provision dealing with recklessness, and we should not insert a provision depriving a man of his means of livelihood. Let us leave the matter to the discretion of the court. I have known men discharged from the railway service for taking intoxicating liquors who have remained teetotallers ever since—even for as long a period as 10 years. But those men cannot be reinstated in the railway service. The amendment is too drastic, and I hope it will not be carried.

Mr. MALEY: If in order, I should like to move an amendment substituting the word "intoxicated" for the reference to being apparently under the influence of intoxicating liquor.

The CHAIRMAN: The hon. member would not be in order in moving such an amendment at this stage.

Mr. MALEY: The point raised by the member for North-East Fremantle seems to me quite pertinent. I drive a motor car, and I also drink, and therefore under the amendment I might be liable to accusation. My suggested amendment would make the matter quite clear.

Hon. T. WALKER: I congratulate some hon. members on their endeavours to secure total prohibition. Under the amendment, none but absolute teetotallers would be eligible to hold licenses to drive motor cars. The Committee should remember, too, that men arrested apparently under the influence of liquor have frequently proved to be under the influence of some sickness, such as epilepsy. In this connection even physicians have made mistakes. The clause says "apparently under the influence of intoxicating liquor." A man is "under the influence of intoxicating liquor" the moment he has swallowed the smallest portion of intoxicating liquor. The quantity required to produce drunkenness is only a matter of degree. A single glass of whisky suffices to intoxicate, that is to poison, some people, especially in certain states of health. The same man cannot at all times stand the same amount of liquor.

Mr. Smith: It also depends on the quality of the liquor.

Hon. T. WALKER: Certainly. Under the amendment the mover himself could be legitimately liable to deprivation of his licence to drive his excellent motor car on the ground of being under the influence of liquor, which he tells us he indulges in occasionally. He says he takes intoxicating liquor temperately, and therefore I say he is at times temperately under the influence of intoxicating liquor. The amendment is absolutely absurd. The extent or degree of influence is not defined in the clause or the amendment, and is in fact not susceptible of definition. If the amendment is passed, there will be only one safety for drivers of motor cars—absolute teetotalism.

Mr. PICKERING: If the member for Canning would consent to withdraw his amendment we would bring about the state of things we desire. I have driven with friends who may be said to have been under the influence of liquor but who have driven very carefully. Under the amendment we would debar such people from driving at all.

Mr. ROCKE: The amendment is designed to protect the public, and the public, in cases of this kind, are in need of a safeguard. We have had many motor accidents which have ended fatally and it has been well known that they have been mainly due to the fact that the drivers have been under the influence of liquor. A man who is under the influence of liquor has not that self control that he would otherwise have, and although the fact has been known, coroners' inquiries have failed to prove it. It is held sometimes that if a man can stand up to a "pub" counter and hiccough he is not drunk, no matter how much he may have taken. So that if the definition stands, the average motor driver will not have much to fear. Like the member for Canning, I would much prefer the reckless driver to the driver who is under the influence of liquor, and as it is a matter of the protection of the public, I shall support the amendment.

Mr. PILKINGTON: Everyone agrees that the clause has been inserted for the protection of the public, and everyone agrees that a person who is slightly intoxicated is unfit to be in charge of a motor

car. But we do not always gain an advantage by imposing a heavy penalty for that which may be a slight offence. There is the probability of a magistrate refusing to convict. That is of no use. What we want to get in cases of this sort is certainty. If a man is brought up for being under the influence of liquor whilst in charge of a motor car, he will be punished. It may be a slight offence, but a slight offence should be punished lightly. If we impose a penalty which will mean that he will lose his license, those cases will not be dealt with at all. So that instead of checking what we wish to check it will be allowed to go on without punishment. For those reasons I oppose the amendment.

Mr. THOMSON: I take it that a magistrate would be wanting in his duty if he failed to convict when it was proved that a man was under the influence of liquor, and therefore not capable of driving a car.

Mr. Maley: Apparently under the influence; and on the word of one policeman.

Mr. THOMSON: In such a case a magistrate would be justified in giving the driver the benefit of the doubt. The point we have to consider is not whether a man should lose his license; it is the safety and well being of the public. I hope the amendment will be accepted.

The MINISTER FOR WORKS: It appears to me that if a man drives a car recklessly or negligently he may be fined £20, and if he should prove to be under the influence of liquor a second penalty may be imposed. If that be so, then the clause as it stands might meet what is required. In my opinion it is not so dangerous for a man to be drunk on a locomotive as it is for a man to be drunk in charge of a motor car in the midst of traffic. A locomotive is on a fixed track, and, moreover, I have never known a fireman and driver to be drunk at the same time, but if a motor driver gets drunk goodness only knows what may happen. So far as the Western Australian railways are concerned, we have been singularly fortunate in the way of accidents. I do not recall any case where an accident has occurred as a result of a driver being under the influence of liquor. For my part, I do not think any penalty would be too great to protect people on the high road.

Mr. LAMBERT: A good deal of unnecessary scare has been created in connection with the handling of motor cars by men slightly intoxicated. If we take the number of accidents which have occurred the clause is an absolute slur on motor drivers.

Mr. Thomson: Would you engage a man who was intoxicated, or one who was a teetotaller.

Mr. LAMBERT: There are many men who after having had a drink or two would be infinitely more capable of driving a car than a supposed teetotaller. I certainly would not allow the ordinary policeman discretionary power to say whether a driver was apparently under the influence of drink.

The Minister for Works: This is the same as in the Victorian Act.

Mr. LAMBERT: Just the same, I do not think the percentage of accidents in this state warrants so stringent a provision. To allow discretionary powers such as this to a police constable is altogether unreasonable.

Mr. Rocke: Why not continue the good work you did in connection with the Kalgoorlie express?

Mr. LAMBERT: The cases are not on all fours. This is an interference with a numerous body of people. The evidence before the Committee shows that so drastic a clause is not warranted. There is a common prejudice against the motorist. Pedestrians will not get out of the way. Some of the worst offenders are policemen.

The Minister for Works: Who has the best right to the road?

Mr. LAMBERT: Certainly not a big, stupid, flat-footed policeman. If an accident happens, it is easy to get plenty of witnesses to go into court and swear that the motorist was travelling 20 miles an hour. If the Minister had experience of driving motor cars, he would have a sounder knowledge of the facts. Nobody would roar louder than the Minister if, when driving a motor car, he were interrupted by a policeman; and if, in addition, he was accused of being under the influence of liquor, his roar would be heard all the way to the Eastern States.

Amendment put and negatived.

Clause put and passed.

Clause 27—Suspension of license and disqualification:

Mr. PICKERING: Does the Minister think that paragraph (c) gives sufficient information to bring about the desired effect?

The MINISTER FOR WORKS: I think the provision is quite sufficient. A copy of the particulars must be sent to the Commissioner of Police, who will probably acquaint the various police stations of what has taken place.

Clause put and passed.

Clause 28—Duty of owner to identify offending driver:

Mr. MUNSIE: It seems that the owner of a motor car will be compelled to give evidence, whether he likes it or not. Why make a pimp of a man?

The MINISTER FOR WORKS: This is taken from the English Act. A man may own a number of motor vehicles, one of which may be mixed up in an accident. If the police, at the time of the accident, cannot find out who was driving the car, it will be possible, from the number on the car, to learn who is the owner. Under this provision the police can then get from the owner the name of his driver. If an offence has been committed, it is only reasonable that all proper means of discovering the offender should be at the command of the police.

Clause put and passed.

Clause 29—Special license for travellers with motor cars:

Hon. W. C. ANGWIN: Under this a business man from the Eastern States will be able to use his car in this State to get all the business he can, without even paying a license fee. I think a traveller should either engage a licensed motor driver, or pay a license fee, just as the local man has to do.

Mr. Smith: The Eastern States reciprocate.

Hon. W. C. ANGWIN: They have been reciprocating all these years in many things, while we have been paying our money to them.

Mr. Nairn: The traveller may be merely a tourist.

Hon. W. C. ANGWIN: If he can afford to bring a car with him, he can afford to pay a license fee.

The MINISTER FOR WORKS: This applies in the Eastern States and also in England. On the 16th March, 1914, Sir Joseph Cook, in his official capacity, wrote suggesting that we should embody this provision and so reciprocate both with the Eastern States and with other countries. It was pointed out that a great many Australians were then taking their motors to Europe for touring purposes, and that arrangements ought to be made for reciprocal exemption from the payment of local license fees. I agree with the member for North-East Fremantle that those who can afford to bring their cars can afford to pay a license fee. However, in a country like ours, where settlement depends on people being able to visit the country and see for themselves, a little courtesy such as is provided for in the clause might enable us to attract visitors, a few of whom may ultimately become settlers. The loss to revenue will not be very great. Even if the loss were great, the visits of travellers would be of greater benefit to the State than the amount of the fees.

Mr. Lambert: I do not suppose there would be a dozen such visitors.

The MINISTER FOR WORKS: I would prefer that a thousand tourists travelled through the State in order to learn something of its resources. Members who visited the wheat belt last week learned more in three days than they could have learnt from a whole session's debates. The same applies to visitors. The only way to get the country settled is to encourage people to see it for themselves, and they will not do that unless we grant them facilities.

Mr. SMITH: The object of the clause is to show some little courtesy to visiting motorists. If other States reciprocate, well and good, but there should be some time limit.

Mr. Davies: The clause stipulates a month.

Mr. Robinson: That is not sufficient. It should be three months as in England and the Eastern States.

Mr. SMITH: A motorist should be licensed in another State before he obtains this concession.

Mr. Robinson: He must hold his own license.

Mr. SMITH: That is not provided for.

Mr. NAIRN: I move an amendment—

That in line 1 of Subclause 1, the word "traveller" be struck out and "tourist" inserted in lieu.

That will express the intention of the Committee.

Amendment put and passed.

Mr. SMITH: I move an amendment—

That after "himself" in line 3 of Subclause 1, the words "and licensed elsewhere" be inserted.

Amendment put and negatived.

Mr. SMITH: I move an amendment—

That after "license" in Subclause 2, the words "for the first month but a fee of 10s. shall be charged for each subsequent month" be added.

The Minister for Works: Say a proportional fee shall be charged.

Mr. SMITH: It is preferable to stipulate the amount.

Mr. LAMBERT: If it is the Minister's intention to give reciprocal treatment to Eastern States' motorists and obtain uniformity, the amendment should be rejected. It will involve only a paltry amount which will not affect the revenue.

Mr. Smith: I am wiling to withdraw the amendment.

Hon. W. C. ANGWIN: If we intend to give effect to the Minister's suggestion to encourage visitors to see the State, a month would be quite inadequate. It would take a month to see the Goldfields alone.

Mr. SMITH: I ask leave to withdraw the amendment.

Amendment by leave withdrawn.

Mr. PICKERING: I move an amendment—

That in line 2 of Subclause 3, the words "one month" be struck out and "three months" inserted in lieu.

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

Clause 30—Drivers' licenses:

Hon. P. COLLIER: The clause provides that no person shall drive a steam locomotive or traction engine unless he holds an engine-driver's certificate under the Inspection of Machinery Act, 1904. No provision is made for those men at present driving and not in possession of certificates. In legislation of this kind, regard is paid to men who, by reason of their experience and practical knowledge, are qualified and who might be unable to pass an examina-

tion. The Act of 1904 made provision for men actually in charge of locomotives, so that they could continue their occupation for a number of years without submitting to an examination. They were granted a service certificate. Perhaps the Minister can tell whether these drivers have been subject to the Inspection of Machinery Act. If so, they will already hold certificates.

The MINISTER FOR WORKS: Under the Act of 1904, anyone driving a locomotive or traction engine must hold a certificate, which costs 30s. and gives the right, after examination, to drive on any road. When this measure is passed, I understand the Inspection of Machinery Act regulations will be brought into line. Those men at present driving such engines will hold certificates and, therefore, will be eligible under this clause.

Hon. P. COLLIER: If the position of such drivers is covered by the Inspection of Machinery Act, there is no need for this clause.

The Minister for Works: The clause will prevent any unlicensed person from driving.

Hon. P. COLLIER: The Inspection of Machinery Act will prevent that.

The Attorney General: Supposing the Inspection of Machinery Act is repealed?

Hon. P. COLLIER: I do not think it is wise to load up our Acts of Parliament on the assumption that other Acts will be repealed.

The MINISTER FOR WORKS: This Bill will cover practically the whole of the traffic in the State. Persons going through it will probably see things they would not notice in other Acts.

Clause put and passed.

Clause 31—Not to be liable for damage to traction engine:

Mr. SMITH: I desire to insert a new clause before this clause.

The CHAIRMAN: That can be done when we reach the end of the Bill.

Mr. PICKERING: Is it not advisable that local authorities should put notices on bridges or culverts, warning the drivers of locomotive or traction engines of the possible danger in crossing such culverts or bridges?

The MINISTER FOR WORKS: The object of the clause is obvious. It provides that the local authorities shall not be liable for any damage to a traction engine if it breaks through a culvert. Unless there are some restrictions against these heavy machines, I do not think the local bodies could stand up against them. A local body must first give authority before any such engine can cross a bridge or culvert in the particular district.

Mr. THOMSON: I agree with the member for Sussex that notices should be put up for the sake of the drivers of these locomotives. A local authority should accept a certain amount of responsibility in the matter.

The Minister for Works: I have no objection to the warning but it will be an expense to the road boards.

Mr. THOMSON: A man who is compelled to move a valuable engine along the road to get to another place should be protected.

Mr. PICKERING: I move an amendment—

That in line 4 after the word "culvert" the following be inserted "Provided that due warning has been given."

The MINISTER FOR WORKS: I should like this clause to be postponed in order that I may see how it will be affected by the amendment. I should like to know what "due warning" means.

Mr. Lambert: In Victoria it is provided that traction engines exceeding a certain tonnage must not cross certain bridges.

The MINISTER FOR WORKS: The effect of the amendment will probably be that the road boards will issue a general warning which will prevent these locomotives being driven along the road at all. The clause is all right as it stands, but I should like to see it postponed in order that I may ascertain how it will be affected by the amendment.

Hon. W. C. ANGWIN: I have never heard of such a foolish amendment. The road boards will be requesting the Government to provide an engineer to advise them as to whether these culverts will take a locomotive.

Mr. Pickering: They are pretty well able to judge for themselves.

Hon. W. C. ANGWIN: They have not the necessary experienced officers. Let the responsibility be thrown on the drivers of these locomotives. We should not hold the road boards responsible. They might be mulcted in heavy damages through the negligence of some man, who did not exercise sufficient care in travelling along the roads. I hope the Minister will stand by the clause.

Mr. PICKERING: There is something to be said for the drivers of these engines. Very few of the culverts in the State will bear the weight of these locomotives. If the drivers had to apply to the local authorities for permission to travel it should not be any trouble to them to state that such and such a culvert will carry the necessary weight. If the clause is postponed I am prepared to withdraw my amendment.

Amendment by leave withdrawn.

The MINISTER FOR WORKS: I move—

That consideration of this clause be postponed.

Motion put and a division taken with the following result—

Ayes	22
Noes	6
Majority for	16

AYES.

Mr. Angelo	Mr. Maley
Mr. Broun	Mr. Mitchell
Mr. Brown	Mr. Nairn
Mr. Davies	Mr. Pickering
Mr. Draper	Mr. Pilkington
Mr. Duff	Mr. Scaddan
Mr. George	Mr. Smith
Mr. Hickmott	Mr. Teesdale
Mr. Johnston	Mr. Thomson
Mr. Lambert	Mr. Willmott
Sir H. B. Lefroy	Mr. Hardwick
	(*Teller.*)

NOES.

Mr. Angwin	Mr. Rocke
Mr. Collier	Mr. Wilson
Mr. Lutey	Mr. Munsie
	(*Teller.*)

Motion thus passed; the clause postponed.

Clauses 32, 33—agreed to.

Clause 34—Maximum weight of vehicle:

Mr. SMITH: The clause as it stands will tend to operate harshly on a large number of carriers. The average width of tires of a two-horse lorry in the City is about two inches.

Members: More than that.

Mr. SMITH: The secretary of the carriers' union, who should know something of the matter, assures me that that is the average. Under this clause, that width of tire would allow a gross weight of only 48 cwt. for a two-horse lorry. Deducting the low estimate of 16 cwt. for the lorry, there remains an actual load of only 32 cwt. On our smooth roads, two horses can pull far more than that. The charge for cartage in the metropolitan area is 3s. per ton per mile. Under this clause such a charge would return only about 4s. 6d. for two hours' work of two horses and a driver. The man is paid 1s. 8½d. per hour under an arbitration award, and the horses have to be fed and shod, and the lorry has to be repaired; so evidently there is not much left for the owner.

Mr. Lambert: Do you suggest that a two-inch tire should carry a load of 48 cwt.?

Mr. SMITH: It is carrying much more than that now. The hon. member must surely know that 32 cwt. for a two-horse lorry is a ridiculous load on our smooth roads. We should think of the people who have to pay for cartage. In the case of a two-wheeled vehicle, the maximum weight would be 36 cwt., from which 16 cwt. must be deducted for the weight of the vehicle.

The Colonial Secretary: The weight is nothing like that.

Mr. SMITH: I am assured that that is the fair average weight.

The Honorary Minister: A vehicle of that weight would have at least a four-inch tire.

Mr. SMITH: I move an amendment—

That the word "six," in line 4, be struck out, and "ten" inserted in lieu.

Amendment put and negatived.

Sir H. B. LEFROY: This clause is very important, and in applying its provisions, which is to be done by proclamation, we must be careful not to damage the interests of those who carry heavy weights on wagons in country districts. Under this Bill a carrier could carry only about seven tons of wool on a six-inch tire. In the North-West wagons carry from 10 to 12 tons of wool. The provisions regarding width of tire are intended for the protection of macadamised roads. But in the areas I refer to, there are no roads in the ordinary acceptation of the term: there are only tracks. We should not restrict the weight of wool which carriers shall convey on country tracks over distances of 200 or 300 miles. In the North-West wagons conveying wool are frequently drawn by 12 to 16 horses. Under this clause the 6-inch tire would not carry more than 7 tons 4 cwt., and the wagon would certainly weigh more than 24 cwt. Members who represent the North-West will be able to answer this question better than I can. Wagons with 5-inch tires carry enormous loads in the North-West; they are bound to do so. In the clause the amount the wagon is allowed to carry is small. In South Australia they are allowed to carry 9 cwt. to every inch of tire, while here it is 6cwt. The amendment I propose to move hardly goes far enough. My object, however, is to make it clear that a 6-inch tire should carry as heavy a weight as the owner cares to put upon it. The intention, no doubt, is that on a 6-inch tire any weight may be carried. The clause states that no vehicle need carry more than 6-inch tires, but at the same time it says that no vehicle may carry more than 6 cwt. to each inch of tire.

The Minister for Works: You could make it apply to certain districts and add a proviso to that effect.

Sir H. B. LEFROY: It should apply everywhere. It should apply to the wheat areas, where it would be of immense advantage to farmers who have to carry their loads over long distances. The farmer should be allowed to carry 10 or 12 tons of wheat on a wagon. There should be no restriction in the back areas. I want to make it perfectly clear that the owner can put any weight he likes on a wagon with tires of 6 inches. Therefore, I move an amendment—

That the proviso be struck out and the following inserted in lieu:—"Provided that this section shall not apply where the tires of the wheels of a vehicle are not less than 6 inches in width."

The MINISTER FOR WORKS: I appreciate the difficulty as pointed out by the hon. member, but I find that in South Australia the weight they provided was too heavy and they recommended its reduction to 8 cwt. The roads board association in Western Australia recommended 4½ cwt. Our own engineers recommended 8 cwt., and we adopted the middle course and provided for 6 cwt. to the inch, bearing in mind the

experiences of South Australia where there were better roads and harder materials were used in the construction of those roads than is the case in our own State. Hon. members know that in many country districts roads are just formed, and then only six or seven inches of ironstone gravel is put on them. There is not as a rule any proper stone bottom laid down, whereas in the metropolitan area the roads are of blue metal. One horse can deal with a two-ton load on a dray in Perth more easily than he can deal with a 10-cwt. load in country districts. However, I do not see any particular objection to the amendment. If it should be found in practice that it is wrong, we shall have to alter it.

Amendment put and passed.

Mr. SMITH: I move a further amendment—

That the following further proviso be added:—"Provided that owners of vehicles having tires under the regulation size shall be allowed twelve months from the passing of this Act to alter their tires to the regulation size."

I am sorry the Committee did not see fit to amend the first part of the clause from six to ten, especially since we have learnt from the Minister that the engineers advised eight. It is only fair to a large body of carriers in the city that they should be allowed a reasonable time in which to increase the width of their tires, which will cost from £10 to £15 per vehicle.

The MINISTER FOR WORKS: There is no desire to penalise the carriers or any other section of the community. In 1895 the Width of Tires Act was passed, which provides that the width of tires shall be in due proportion to the size of the axle, a three-inch tire being required where the axle arm is two inches in diameter. I doubt if there are any vehicles in the State which do not conform to the existing law. If the Act has not been carried out somebody is to blame.

Mr. MALEY: I am surprised at learning that the Width of Tires Act has never been enforced. This question was dealt with by the roads boards of the State 20 years or more ago, and they have all conformed to the requirements of the Act. It seems extraordinary that the law should not have been carried out in the metropolitan area. I am strongly opposed to the amendment.

Hon. W. C. ANGWIN: The member for Greenough appears to have misunderstood the mover of the amendment. The member for North Perth is dealing with the limitation of weight and not the width of tire as the Minister is trying to bluff him into doing. The amendment has nothing to do with the Width of Tires Act. The Minister does not know his Bill.

The Minister for Works: You have told us that before.

Hon. W. C. ANGWIN: The Minister has shown it on several occasions.

The Minister for Works: You are very nasty and very insulting.

Hon. W. C. ANGWIN: This clause is copied from the South Australian Act, and yet the Minister contends that it is not. What do we understand of this matter?

The Minister for Works: I do not think you understand anything about it. Why be so nasty?

Hon. W. C. ANGWIN: The Minister is trying to draw a red herring across the track by bringing the Width of Tires Act into the discussion.

The Minister for Works: It will not apply if the Width of Tires Act has been carried out.

Hon. W. C. ANGWIN: The object of the amendment is to give owners of vehicles an opportunity to bring their vehicles into conformity with this measure, not with the Width of Tires Act. Every person owning a vehicle will have to pay 100 per cent. more than at present because the Minister has found it necessary to reduce the carrying capacity to considerably less than obtains in any other State. The South Australian Act provides for 8 cwt.

The Premier: Cannot we give them time to make the alteration?

Hon. W. C. ANGWIN: Vehicles have been provided under the Width of Tires Act to carry certain loads and, if we now stipulate that they shall carry smaller loads, time should be given to make the alteration. Instead of the Minister admitting that the clause stipulates a smaller load than in the past, he has been urging that the question of load is not involved.

The Minister for Works: If the vehicles were made in accordance with the Width of Tires Act, there would be no trouble.

Hon. W. C. ANGWIN: Vehicles hitherto have been permitted to carry considerably heavier loads than will be possible when this measure becomes law, and it is necessary to give owners sufficient time to make the alterations.

The Minister for Mines: They will not require to alter their vehicles.

Hon. W. C. ANGWIN: Yes, they will.

The Minister for Mines: It is about time some of them did; they are cutting the roads to pieces.

Hon. W. C. ANGWIN: The people of this State cannot afford to pay any more than they have had to pay in the past.

The Minister for Mines: Under this clause, they will not.

Hon. W. C. ANGWIN: Yes, they will, because they will be unable to carry the same weight as before.

The Minister for Mines: The public have to pay if the roads are cut up unnecessarily.

Hon. W. C. ANGWIN: The Minister was asked to give time to make the alterations.

The Minister for Works: That is provided for under Clause 33.

Hon. W. C. ANGWIN: The Minister would not promise to give time. The amendment is only fair and reasonable.

The MINISTER FOR WORKS: This appears to be a storm in a tea cup. The hon. member said I had tried to bluff the member for North Perth over the Width of Tires Act. I did not. I was in Parliament when that measure was passed, and members will find from the report of the debate in "Hansard" that the size of the axle was governed by the load, and that the load for a two-inch axle required a three-inch tire. Instead of trying to bluff the member for North Perth, I was endeavouring to point out that if the Width of Tires Act has not been observed by carriers in the city, the people in the country have had to pay pretty dearly for it. There is no reason why the Act should not be complied with in Perth as well as in the country. Clause 33 provides that the Governor, by Order-in-Council, may declare that the provisions relating to width of tires shall apply to and be in force in any district from and after a date to be specified. I give my word that I will cause inquiries to be made and, if an injustice is likely to be done, the date will be specified accordingly. Even if there are vehicles which are not quite what they should be under this clause, we should not be justified in putting the owners to unnecessary expense. Discretion is given and that discretion will be exercised with the desire of doing no injustice and inflicting no hardship upon the people.

Mr. SMITH: The Minister referred to the weight which can be carried on a certain width of tire. I cannot find that in the Act. I believe the Minister is bluffing.

The Honorary Minister: An inch arm will carry only a certain weight.

Mr. SMITH: What has that to do with this matter?

The Minister for Works: The tire was stipulated to carry that certain weight.

Mr. SMITH: The Minister makes out that carriers in Perth have been using tires below the regulation width laid down in the Width of Tires Act.

The Minister for Works: The proof of that comes from your request. They would not be squealing unless they had.

Mr. SMITH: The Width of Tires Act was passed, but never enforced.

The Premier: In some districts it was.

Mr. SMITH: The width of a tire has no relation to the size of the axle, and it has nothing to do with the load provided for in the clause we have passed. Carriers in the metropolitan area may find that they may have to reduce their loads by half. We should have a guarantee, and not merely a promise, that these people are protected. The effect of my amendment will be that any carrier or owner of a vehicle whose tires may be less than the prescribed dimension shall have 12 months' time in which to make the alterations. I want to be sure that the people who have to pay are fully protected.

The MINISTER FOR WORKS: Certain sized axles have been tested to carry a certain weight. It was well known at the time of the passing of the Width of Tires Act that a certain sized axle would carry a certain load, and a decision was arrived at as to what the width should be in various cases. Country districts have had to carry out the provisions of the Act, and the town districts must do the same. If they are doing so that which is feared by the member for North Perth cannot occur. In the country districts where the roads are soft, it is essential that the weights to be carried on tires of a certain width should be limited.

Mr. THOMSON: The amendment is a reasonable one. Under the Width of Tires Act persons were given five years in which to conform to the new arrangement. At present there is nothing to govern the load that a lorry may carry, and by suddenly fixing the load now a section of the community will be penalised.

Mr. SMITH: The formula of the width of tire that should correspond to a certain size of axle is well known to expert engineers. In view of what the Minister has said, why did his experts recommend 8 cwt.?

The MINISTER FOR WORKS: I told the hon. member that the South Australian law provided 9 cwt., which was found too much, and therefore was reduced to 8 cwt. Our engineers presumably adopted the 8 cwt. from the South Australian Act. The South Australian roads, however, are built of stronger material than our roads. The road boards, who should know their business, recommended 4½ cwt. As a compromise, the Government adopted 6 cwt.

Mr. Smith: Then you have no formula, but a sort of guessing system.

The MINISTER FOR WORKS: The 6 cwt. is based upon a formula framed by men who understand the business. A 2-inch axle will carry a certain weight, and from that the width of tire is calculated.

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

Progress reported.

House adjourned at 11-15 p.m.