

I feel that as a community we should have the same clarity of thought and singleness of purpose that prevailed in the war years in regard to our problems. If we had that outlook, those problems would be readily solved. And we can get it. One after the other, members have risen and offered assistance to the Government. So much has been said about Communism, that I do not propose to weary the House by discussing that matter; but I do want to say that when we speak about communists we should remember that we, too, have some responsibility in this community; and we have no right to abuse any section of the people—be they communists or otherwise—unless we are politically honest with one another and are making our individual and collective contribution towards the betterment of conditions.

The member for Victoria Park and I are in a most invidious position. We have been subjected by members in this House to almost insulting epithets because we have endeavoured to be of some assistance to the Government and, in turn, to the community. When, under those conditions, we have a man like the president of the Liberal Party having the effrontery, after the last Victorian elections, to say, "These Independents have got power altogether beyond their responsibility," I would like to point out to him that it is about time he himself acquired a sense of political responsibility. It was positive effrontery on his part to say what he did in view of the fact that the very Government he supports in this State was asking two Independents—the member for Victoria Park and myself—who receive no emoluments at all, to carry equal responsibility with that Government in the interests of the community. Unlike him, the member for Victoria Park and I have endeavoured to stand up to that obligation. So far, I do not find that Mr. Downing has appeared to raise himself to that standard of political prestige.

So I warn him, and those associated with any political party, that when they try to put over cheap jibes like that, they should remember they are taunting members to do things which, if they were on as low a plane, they might be tempted to do. I add, in conclusion, that the member for Victoria Park and I will at all times endeavour to carry out our duty to the community as we

see it, even though our doing so does not please members of the Opposition or the Government. If all of us do that this session and in succeeding sessions, communists will ultimately disappear from this country, and members of the public who are looking to Communism for their salvation will regain some of the respect they formerly had for political parties.

On motion by the Acting Premier, debate adjourned.

PRIVILEGE—NEWSPAPER STATEMENT.

Announcement by Mr. Speaker.

Mr. SPEAKER: Referring to the matter of privilege raised by the members for Avon and Beverley when they recited offensive and untrue statements about Parliament from an article in the "Workers' Star," I wish to announce that the tickets of admission proposed to be issued to reporters from the "Workers' Star" to the Press gallery have been cancelled.

House adjourned at 11.19 p.m.

Legislative Council.

Thursday, 2nd September, 1948.

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

QUESTIONS.

BUILDING CONTRACTS.

As to Number and Supervision in Kalgoorlie District.

Hon. G. BENNETTS asked the Honorary Minister for Agriculture:

(1) What is the number of building contracts on hand in the Kalgoorlie district?

(2) What was the number of progress payments made on each contract?

(3) What is the area the district covers and what has been the monthly mileage travelled to supervise all work?

The HONORARY MINISTER replied:

(1) (a) Public Works Department—
Major contracts 15
Minor contracts 59

(b) State Housing Commission 9

(2) (a) Public Works Department— Payments.
Major contracts .. 32
Minor contracts .. 59

(b) State Housing Commission— Payments.
Gamble (three contracts) .. 49
Zimmer and Wildy 11
Castledine 8
Currie (two contracts) .. 12
Bull 1
—
82
—

(3) (a) Public Works Department—

(i) Area of district is approximately 230,000 square miles, most of which, however, is uninhabited. The main lines of work lie along the strips from Kalgoorlie to Esperance, Kalgoorlie to Laverton and Leonora, Kalgoorlie to Gilgai and along the Trans. line from Kalgoorlie.

(ii) Average monthly mileage is 1,163.

(b) The State Housing Commission work is carried out by a part-time supervisor who uses a bicycle for transport purposes and whose district is the area included in the Kalgoorlie and Boulder local authority districts.

HEALTH.

As to Joint Inspectors for Road Districts.

Hon. H. L. ROCHE asked the Honorary Minister for Agriculture:

(1) In areas where a majority of road boards desire the services of a joint health inspector, is it the intention of the Commissioner of Public Health to force the services of such inspector on any individual road board in the area, regardless of such board's wishes?

(2) If the answer is in the affirmative, will the Minister advise under what section of what Act the Commissioner is authorised so to proceed?

(3) Is it intended that the joint health inspectors shall enter on farm properties?

(4) If so, for what purposes?

(5) Will the Commissioner of Public Health have the power to act on the joint health inspector's report or recommendation without the approval of the local health authority?

The HONORARY MINISTER replied:

(1) No.

(2) See answer to No. (1).

(3) At decisions of local Board of Health.

(4) See answer to No. (3).

(5) The joint health inspector will report to the boards. The Commissioner has all the powers of the local board of health and subject to approval by the Minister can act with or without the report of the inspector and with or without the approval of the local authority.

The above procedure sets out the provisions of the Health Act and is not an administrative proposal.

INCREASE OF RENT (WAR RESTRICTIONS) ACT.

As to Tabling of Regulations.

Hon. H. HEARN asked the Honorary Minister for Agriculture:

When is it proposed to lay on the Table of this House the regulations under the Increase of Rents (War Restrictions) Act Amendment Act, proclaimed on the 16th August, 1948?

The HONORARY MINISTER replied:

On Tuesday, the 7th September.

BILL—PRICES CONTROL.*Second Reading.*

Debate resumed from the previous day.

HON. H. K. WATSON (Metropolitan) [4.38]: I support the protest, which has been made by members who have preceded me, against the method and manner by which the Bill has been introduced into this House. It seems to me that it is certainly government by regulation, with a vengeance. Not only that, but it appears to be legislation by mystery. The really operative parts of the Bill are not to be found in it or in any of the regulations to be tabled under it, but in regulations which have been made in pursuance of an Act of another Parliament altogether. It would be difficult to find a Bill presented to this House in a more slovenly manner than this one has been.

The Honorary Minister: That is nice; thanks very much!

Hon. H. K. WATSON: That is not a reflection on the Minister.

Hon. Sir Charles Latham: It is in connection with a Bill which is from another House.

The Honorary Minister: I presented the Bill.

Hon. H. K. WATSON: I am referring to the contents of the Bill, and not to the Minister's presentation of it.

The Honorary Minister: That is better

Hon. H. K. WATSON: The Parliament of Victoria, as far back as the 7th July last, brought down similar legislation, but it was introduced as one would expect it to be presented in this House. Under the Victorian legislation the public of that State is not expected to search through hard-to-obtain Commonwealth regulations, but only to refer to the Act, as it contains all the provisions of the Commonwealth regulations. I regret that a similar course was not pursued by this Government in the introduction of the Bill. We have heard a few discussions during the course of the debate on the question of wages and the 40-hour week. I have no desire to traverse those matters, as I am not concerned with the fact that wages have risen, neither do I desire to discuss whether the introduction of the 40-hour week was or

was not approved or introduced by a competent authority or otherwise.

I would like to offer this observation, that in the cost of producing anything that we eat, drink, wear or use, it will probably be found in the ultimate analysis that, either directly or indirectly, 90 per cent. of the cost of the articles is represented by wages. Therefore, if wages rise or working hours are reduced, it inescapably follows that prices must also rise. In just the same way as we cannot have a rose without thorns or breakfast in bed without crumbs, there cannot be an increase in wages and shorter working hours without increased prices. I am concerned about Clause 6 which provides for the Bill to be administered by three price-fixing commissioners, including one who will represent the consumers and will be selected from a panel of names submitted by the State executive of the Labour Party.

Hon. E. M. Davies: Is that the only one to which you object?

Hon. H. K. WATSON: I object to the clause providing for three commissioners, and I hope that the House will amend the measure to allow of the appointment of one commissioner only. The provision regarding the State executive of the Labour Party nominating a representative on behalf of the consumers, and the implication that the Labour Party should be elevated to the position of being the sole and exclusive representative of the consumers of the State, is one to which I record a protest. If we test it by any criterion that may be selected, we will find there is no reason at all that the Labour Party should be selected, by implication or otherwise, as being the proper body to appoint a nominee on behalf of the consumers. If a political party is to nominate a member to the prices commission, why not the Liberal Party or the Country and Democratic League? Practically all the electors of this State are consumers, and if we look at the result of the last elections we find that 61,000 persons voted for Labour and 84,000 voted for non-Labour parties. The Leader of the Australian Labour Party, Mr. Chifley, has, by his actions over the past four or five years, proved himself to be the high priest of high prices.

Hon. Sir Charles Latham: And he had only one commissioner.

Hon. H. K. WATSON: Yes. The inflationary policy that has been pursued by the Commonwealth Labour Government in recent years has played an important part in the increase of prices which has taken place. There is no surer way to increase prices than to bring about inflation.

Hon. G. Fraser: That is why Australia has today the most stable economy in the world.

Hon. H. K. WATSON: We have only to look at the note issue. In 1938 the note issue was £57,000,000 and today we find that it is £205,000,000. While at the Premiers' Conference, the Premier of this State tried to extract from the Commonwealth Treasurer a more equitable proportion of the £10,000,000 of income tax which is being collected from the people of Western Australia. Mr. Chifley's reply was, "I am not going to give you any more, or very much more. What you want to do is to go back to Western Australia and increase your rail freights and increase your license fees for motor cars."

Hon. E. M. Davies: Your Government had already done that.

Hon. H. K. WATSON: The Government has made those increases following Mr. Chifley's instruction that the increases would have to be made if this State was to expect any reasonable consideration in future from the Grants Commission.

Hon. G. Fraser: The Government made an announcement long before Mr. Chifley mentioned it.

Hon. H. K. WATSON: I am endeavouring to deal with the menace of Canberra, and I find that the menace from Fremantle is impeding my progress.

The PRESIDENT: Order!

Hon. H. K. WATSON: Last night Mr. Heenan referred to the difficulty the working man has to make ends meet in these days, and, like him, I wonder how the working man or the housewife manages to accomplish that result under present conditions and in these days of high prices. I would remind Mr. Heenan that the high prices of which he complains, and which we all deplore, have been caused in no slight measure by definite and deliberate action on the part of the Commonwealth Government, on the part of the Chifley Administration. Take some of the normal requirements of the ordinary

working man. Cigarettes cost 2s. 3d. per packet, and of that 2s. 3d. we pay 1s. 1d. excise duty, which has been imposed by the Chifley Government. A bottle of beer costs 1s. 9d., and 9d. of that cost represents excise imposed by the Commonwealth. A box of matches is priced at 1½d., and half of that cost represents excise duty. Petrol is 2s. 5d. a gallon and of that amount 10½d. represents the extent to which the price has been increased by the imposition of Commonwealth excise.

Let us consider now the requirements of the ordinary man and woman. Take a young couple setting up their home at the commencement of their married life. To equip the house they have to pay, not only the ordinary price for their furniture, floor coverings, knives, forks and so forth, but also an extra 10 per cent. by way of sales tax imposed by the Chifley Government. Similarly, a workman purchasing tools of trade—chisels, hammer and so forth—may spend £10 on those articles, but he has also to pay another £1 by way of sales tax. Bicycles are a popular form of transport with working men, but the price of those machines and the tyres is increased by 10 per cent. sales tax.

So it comes about that in 1947-48 the Commonwealth collected by way of excise duty no less a sum than £58,000,000 compared with £16,000,000 in 1938-39. It collected by way of sales tax in 1947-48 a sum of £35,000,000 compared with £9,000,000 in 1938-39. By way of customs duties it collected £57,000,000 in 1947-48 as compared with £31,000,000 in 1938-39. On those three items, Commonwealth collections increased from £56,000,000 in 1938-39 to £150,000,000 in the last financial year. These figures are a fair indication of the manner in which the Labour Party has increased prices during that period. Therefore I suggest that the Labour Party, to a very large extent, has the remedy in its own hands. It should impress upon Mr. Chifley that he has a very ready means of reducing prices, namely, by lifting some of the burdensome sales tax and excise duties to which I have referred.

Clause 6 provides for the appointment of three commissioners, but does not stipulate how many shall form a quorum. Neither does it say what shall happen if there is a disagreement between any of the three commissioners. Clause 11 provides that the

commissioners may delegate their powers, but it is not clear to me whether the three commissioners are to be permitted to delegate their powers to one person or whether the three commissioners may separately delegate their powers to three different persons. For these reasons I trust that the Minister will accept, and that members will approve of, an amendment to provide for the appointment of only one commissioner.

I believe we should have an advisory committee or committees to assist the prices commissioner, and I hope that in Committee an amendment to this effect will receive support. I suggest for the earnest consideration of the Minister that what is really required in connection with this legislation is that it shall be wisely administered. The best Act in the world can go astray if it is badly administered, and, on the other hand, an indifferent Act—and this is certainly an indifferent measure—can nevertheless be made to work reasonably well under wise administration.

Under State control I trust that we shall find the prices office discharging its duties a little more reasonably, a little more tolerantly and with broader vision than has been the experience in the past. Over a period of years I have had a fair amount of practical experience of the operation of this office and I could entertain the House with some stories, amusing if they were not so serious, as to the manner in which its affairs have been conducted.

Hon. A. Thomson: It might be educational if you recounted a few and let the public know of them.

Hon. H. K. WATSON: An ordinary working man, an artisan and craftsman, in his spare time used to make a few tops for slippers. He had been doing that for years. The prices office came to hear of it and one morning he received a letter instructing him to produce all his balance sheets and profit and loss accounts relating to this hobby for the previous six years. In another instance a manufacturer was required to keep very elaborate costing sheets of every article he made. Not only had he to keep those costs and make them available for inspection at any time, but at the end of each month he was required to supply the office with a return showing in detail the costing of every article made by him, which work, of course,

absorbed the time of a clerk for one, two or three days. A firm engaged in exporting wool was called upon by the prices office to submit balance sheets for the current and preceding years, notwithstanding that it was engaged only in the export business in a commodity that was not controlled.

In the clothing industry, some really extraordinary situations have arisen. Some of the official costing systems, like the peace of God, passeth all understanding, and we have witnessed the extraordinary spectacle of a manufacturer selling two dresses of precisely the same size, colour, material, quality, etc., for different prices, simply because the one dress was made by an operative of experience and skill whereas the other was made by a junior, a little slower at the work. The result was that when the garments were ultimately passed on, two of the same colour, material and quality could be seen for sale in one store at different prices—one for, say, 45s. and the other for 43s.—or in different stores at the different prices.

I remember an occasion when a doctor who wanted to build a surgery-residence consulted an architect, and the architect called tenders for the building. There were numerous tenders and, as members know, when an architect calls tenders for a £2,000 or £3,000 house there may be differences in the amounts of the tenders of anything between £100 to £300. In this case, the lowest tender was £2,830, and that was accepted. In due course, it went to the prices office, and one of the bright lads in that department found himself able to reduce the figure from £2,830 to £2,810, an alteration made simply for the sake of alteration, and one which, incidentally, wasted the time of the doctor concerned.

Those illustrations serve to demonstrate how extremely difficult it is to fix prices. I believe that the mind of man has not devised, and cannot devise, an over-all system which will satisfactorily fix prices without causing all sorts of injustices and anomalies. However, the consuming public must be protected from exploitation; but I trust that in the administration of this measure, particularly during the next 12 months, every effort will be made by the Minister in charge to see that price control in Western Australia is exercised in a reasonable manner. I support the second reading, and when the Bill is in Committee, I will ask

the House to accept the amendments I have indicated.

HON. A. THOMSON (South-East) [5.3]: I had no intention of speaking on this measure, because I think the Government found itself in the position that something had to be done quickly. Some members have suggested that the Bill should be withdrawn and that in place of it we should amend the Profiteering Prevention Act. It has also been said that the Government should have submitted a Bill on similar lines to the Victorian measure. I think that without prejudice one might say that the position in which the State Governments find themselves is due to the pique displayed by the Prime Minister when the people of Australia, by an overwhelming majority, refused to endorse his referendum proposals, the acceptance of which would have meant that the control of prices would have been in the hands of the Commonwealth Government.

We have heard members in this House accusing the Government of rushing into this business without being properly prepared; but if the Federal Treasurer had extended any reasonable consideration to the States, he would have complied with their request and continued control for a period. But he was like a disappointed child, and said, "You can do the job. We have finished." Therefore, I feel that the Government is in rather a peculiar position. While the measure before us has some imperfections, of which one or two have been mentioned, it is of a temporary nature, and will operate for a period of 12 months only. During that time, if imperfections are discovered, the Government will doubtless bring down an amending Bill. We have heard Mr. Gray and Mr. Heenan declare that the cost of production has not been increased by the introduction of the 40-hour week.

Hon. G. Fraser: They did not say that.

Hon. A. THOMSON: Mr. Gray said that it could be proved the 40-hour week had not cost any more. I say without fear of contradiction that the representatives of the unions who so consistently advocated and fought for the 40-hour week, knew very well that the statements they were making were entirely incorrect. One member sitting opposite remarked that railway freights had already been increased. Those who read the statement by the Minister will know that there was a material increase in the

cost of both production and the working of the railways as a result of the introduction of the 40-hour week.

I want to show the inconsistency of Labour members. To my way of thinking, in this House and in another place they have introduced party politics into this matter, which was evidenced by an amendment inserted in another place. I regret that party politics have been brought into the question. In view of the seriousness of the position, and the urgent need not only to remove unnecessary restrictions but to exercise price control, the Government had to take some steps. The merit of State control is that if we are dissatisfied with the prices commissioner, we shall be able to appeal to our own Minister and draw his attention to what we consider to be wrong. If the people of Western Australia are being exploited, it will be within the province of members of this House to approach the Minister on the matter, but there is no hope of our dealing with such things in the Federal arena.

Hon. E. M. Davies: We have representatives there, have we not?

Hon. A. THOMSON: They seem to have a very small voice, judging by their public utterances—a very small voice indeed.

Hon. Sir Charles Latham: They have been out of step with this State for a long time—all of them except one.

Hon. E. M. Davies: The hon. member should not measure people by his own rule.

Hon. A. THOMSON: I am sorry there are no Goldfields representatives present. But one can give no better illustration of how much influence we have on the Commonwealth Government than by mentioning the action of the Prime Minister in dealing with the goldmining industry, an industry so vital to the State. How much consideration has been given to the request made by the Goldfields people who have, in nine cases out of ten, almost unanimously supported the Labour Government which is in power in Canberra? If we had control of our own finances, as we should have, the State Government would certainly be very much more sympathetic to that industry than the Commonwealth has been so far.

Hon. G. Fraser: The Premier is not, too anxious to get hold of the control.

Hon. A. THOMSON: Not under the conditions being imposed by the Prime Minister.

I think the hon. member knows very well how impudently the Prime Minister dealt with a proposal submitted by a Minister from this State relating to aborigines. All the Premiers were agreeable to his suggestion, but we know how cavalierly the Prime Minister dealt with it; so we can legitimately consider that we have a better chance of getting more sympathetic treatment under a measure administered by a State Minister. Mr. Heenan made a lengthy apology in regard to the 40-hour week. He drew the attention of the House to the fact that it was not the Commonwealth Labour Government that had introduced the 40-hour week, but the Arbitration Court, which of course, is perfectly correct. But we did not find the Prime Minister or the Commonwealth Government giving very much heed to those people who drew attention to the fact that the 40-hour week must mean increased costs.

Hon. G. Fraser: You are getting away with it!

Hon. A. THOMSON: We know that when the Prime Minister went to the Old Country, he made a most heartrending appeal to the people of Australia to increase production to help the Motherland; but he has been remarkably silent since he returned to this country. It is said that comparisons are odious. Mr. Heenan, with a desire to draw a red herring across the trail in regard to production, and in an endeavour to excuse the Commonwealth Government for having imposed, directly or indirectly, the 40-hour week upon the people, said that it was not the work of the Labour Government at all. We have just recently experienced what was termed the nationalisation of banking.

Hon. G. Fraser: You have a roving commission.

Hon. A. THOMSON: That matter was taken to the High Court, and then the Commonwealth Government decided to appeal to the Privy Council because it did not agree with the decision.

The PRESIDENT: I hope the hon. member will connect his remarks with the Bill.

Hon. A. THOMSON: I hope to do so. I want to draw attention to the fact that in connection with the increased cost of production, which is relative to the prices of commodities and price-fixing, the Government did not take steps to prevent such increased prices arising in consequence of the

40-hour week. Had Mr. Heenan not endeavoured so extensively, from a legal point of view, to show that the blame did not lie with the Commonwealth Government, I would not have bothered to speak this afternoon. I object to any political section, whether Liberal, C.D.L. or Labour, introducing party politics into the consideration or amendment of a Bill. No-one could fight more bitterly than the previous Government would have done had it been in power and introduced such a measure and had any other party attempted to have included in the measure provision for it to have the right to form the panel so that one member of it could represent the consumer. I regret that the red herring of party politics has been introduced into the discussion on price-fixing.

Some members seem to be anxious for the Federal controls to remain, but at the referendum the majority of the people of Australia voted against such a proposal. One member opposite said that the control is now in New South Wales. Apparently it is thought to be a crime that the States, in circumstances forced upon them by the Commonwealth, should set up a central committee in New South Wales, though it would be considered legitimate for it to be established in Canberra.

Hon. G. Fraser: You objected to its being in Canberra.

Hon. A. THOMSON: Yes, but we had no say in the matter.

Hon. G. Fraser: You have a say in its being in Sydney.

Hon. A. THOMSON: If the hon. member could over-ride the majority and have the committee in Western Australia, I would be quite satisfied, but under the circumstances it is no use members trying to excuse the Commonwealth Government, which is directly responsible for the position with which the State Government is faced. The Commonwealth has thrown down the gauntlet and said, "You voted against us. Take the control and do the job." It has not been very helpful. For a number of years price-fixing has been entirely in the hands of the Commonwealth Administration. Mr. Watson said he had a great deal of sympathy for the worker in view of the present level of prices. It is amazing that the Commonwealth Price Fixing Commissioner, who is still in control, has allowed such high

prices to be charged for women's dresses, shoes and hats. There are dresses to be seen in shop windows ticketed at £30 and £40. I do not know what the price-fixing authorities in Western Australia and elsewhere are doing to allow such charges to be made.

Hon. E. M. Davies: That is the new look.

Hon. A. THOMSON: I would say it is the "new rook," rooking the people, because that is the position. Under the circumstances forced on the State by the Commonwealth Government, I think all members, irrespective of party, should do their best to help the Government in this matter instead of criticising it and saying that the Commonwealth Government is not responsible for the present position. The existing situation of the States is entirely the responsibility of the Prime Minister. Had he complied with the request of the State Parliaments, we would not have had to deal with this matter. If any mistakes are made during the next 12 months, we will be able to deal with them in Western Australia. In blunders made in Canberra we have had no say. I support the second reading.

HON. G. FRASER (West) [5.20]: I have been amazed at a lot of the hooley that has been spoken on this question.

The Honorary Minister: By whom, in particular?

Hon. G. FRASER: I said, "spoken on this question." It has amazed me that notwithstanding the attitude of a large body of people who, when the referendum was being held, had on their placards, "Vote No for power-drunk Canberra. The States can do the job," those individuals are not now happy about the position. When the electors gave their verdict the Commonwealth Government was prepared to stand by it. When a referendum is taken and the people have spoken, Labour is prepared to abide by the decision. Now, because the Commonwealth Government is prepared to stand up to the decision of the people, those who advocated the "No" vote are squealing because the powers have been given back to the States. They say there has not been sufficient time to prepare a Bill in order to take over the necessary powers. That is the argument they have advanced.

Hon. A. Thomson: We have such a Bill before us.

Hon. G. FRASER: Is not three months a long enough time in which to prepare a Bill to take over the power, of which it was said that the States could assume control and do the job?

The Honorary Minister: But we have a Bill before us.

Hon. G. FRASER: I will tell the Honorary Minister something about the Bill in a moment. The people to whom I have referred find that they have bitten off more than they can chew and are now looking for any loophole of escape. They advocated "Do not give this power to power-drunk Canberra," and now they want to shift it from Canberra to Sydney.

The Honorary Minister: That is nonsense.

Hon. G. FRASER: How are they going to do it? Canberra had a staff that spoke with one voice throughout Australia, but under the proposals of this Government there is to be a secretariat in Sydney.

Hon. J. A. Dimmitt: Consisting of two people.

Hon. G. FRASER: What power will it have? That is the way in which they are going to handle the question.

The Honorary Minister: The power will be in the hands of the States, and the hon. member knows that is right.

Hon. G. FRASER: They will put up a system with these men at Sydney, and I am sure we shall find four or five different Acts in other parts of Australia to deal with the matter. This is the system that is to replace that which spoke with one voice throughout Australia. Notwithstanding protestations, prior to the referendum, that they could do the job, we now find the State Governments taking over, holus bolus, the machinery that Canberra had used, and saying it is to be temporary.

The Honorary Minister: Do you not believe that?

Hon. G. FRASER: I have heard of taxation Acts that were brought in as temporary measures.

Hon. Sir Charles Latham: Not by this State Government.

Hon. G. FRASER: They have not been altered, but have always become permanent.

Hon. A. Thomson: Are you referring to Mr. Chifley taking over taxation?

Hon. G. FRASER: I am referring to Mr. Chifley, Mr. Hollway, or anyone else who brings in such temporary legislation. Once a temporary measure finds a place in the statute book, it remains there. The hon. member cannot deny it. So we find that this all-powerful State can take over the business of price control, and it starts by taking over, *holus bolus*, the laws that Canberra had, with the exception of the little additions that we find in the Bill. I will deal first with Clause 2. The Government had to go outside the English dictionary in order to get a word for the marginal note. I refer to the word "severability."

Hon. Sir Charles Latham: I would not say it is not English.

Hon. G. FRASER: I have searched the largest volume of the Oxford dictionary, but the word is not there.

Hon. Sir Charles Latham: It is to be found in Webster.

Hon. G. FRASER: If members search all the dictionaries in Parliament House, they will not find that word. However, that it not the worst feature of the clause. Can the Honorary Minister tell me what it means?

The Honorary Minister: I know all about it.

Hon. G. FRASER: What does it mean?

The Honorary Minister: Your legal friend did not have anything to say about it.

Hon. Sir Charles Latham: What does it mean?

Hon. G. FRASER: I do not think anyone knows what it means. Why should the Government put a clause such as that in the Bill?

The Honorary Minister: Why did not your friends in another place have it struck out?

Hon. G. FRASER: I am responsible for my own actions only. I want to know why such a clause was put in the Bill when no-one can understand it. I think it means that if anything in the Act exceeds the powers of the State it does not exist. That would operate whether or not that provision was in the Bill. We could not exceed the powers of the State by anything that is in the Bill. If that is so, why put such rubbish in the Bill? Then there is Clause 12 and what I refer to in that regard applies in other portions of the Bill. There is no

subclause in the clause at all and it starts off with paragraph (a) and has sub-paragraphs and paragraphs following. If we attempt to prepare amendments, I do not know how on earth we could state them. There are paragraphs to sub-paragraphs of paragraphs. It is the most amazing bit of work I have ever seen in connection with the drafting of legislation.

The Honorary Minister: We are here to correct it.

Hon. Sir Charles Latham: We should not have to correct the work of the parliamentary draftsman.

Hon. G. FRASER: Certainly this is the most extraordinary piece of drafting I have ever perused.

Hon. Sir Charles Latham: Perhaps it is drafted in that way to stop you from preparing amendments.

Hon. G. FRASER: The drafting is so extraordinary that I cannot refrain from mentioning the fact.

The Honorary Minister: You have not shown much wrong with it yet.

Hon. G. FRASER: I have pointed out to the House how badly the measure has been drafted. As a matter of fact, the Bill does not contain any powers at all.

The Honorary Minister: Yes, it does.

Hon. G. FRASER: The power will be in the regulations and if we accept the Bill the regulations will be part and parcel of it. I understand that copies of the regulations have been made available to some members, but not one of us on this bench has seen them.

The Honorary Minister: You did not come to me.

Hon. G. FRASER: Possibly I did not.

Hon. H. L. Roche: Do you think we should abandon the Bill?

Hon. G. FRASER: We can deal with it in Committee. The greatest powers that will be exercised under the measure will be those embodied in the regulations, but those regulations are not contained in the Bill itself. We have been told there is no time to enable a properly framed Bill to be got ready. The other States have done the work and have passed the necessary legislation, whereas here we are only just considering it. As a matter of fact, the question of time goes by the board. I am certainly sur-

prised that the Government did not take advantage of the measure that is already on the statute book.

The Honorary Minister: Regulations would be required under that Act.

Hon. G. FRASER: That is so, but it would be administered mostly by way of proclamation. In the circumstances, the situation would be governed by proclamations and I think that would be the wiser method. I do not want the matter of price control to become a political football.

The Honorary Minister: Who is making it one?

Hon. G. FRASER: I can visualise what will happen when regulations under this measure are dealt with. We will have continuous wrangling in this House about the disallowance of them. I have not noticed any statement in the Press embodying a satisfactory explanation of why the Government has disowned the Act on its own statute book and has submitted entirely fresh legislation. I have examined the Profiteering Prevention Act and anyone who has done so must agree that all the necessary provisions are to be found there for handling the matter of price control.

Hon. J. G. Hislop: Will you read Section 3 of that Act?

Hon. G. FRASER: The section reads—

This Act shall be read and construed subject to the Commonwealth of Australia Constitution Act and so as not to exceed the legislative power of the State to the intent that where any provision of this Act would, but for this section be in excess of that power it shall nevertheless be a valid enactment to the extent to which it is not in excess of that power.

Hon. J. A. Dimmitt: You should read that very slowly. You will see that the clause in the Bill is almost an exact repetition of those words.

Hon. A. L. Loton: Yes, word for word.

Hon. G. FRASER: I am not dealing with that point now. Mr. Dimmitt should have drawn attention to that earlier when I was speaking about the clause.

Hon. Sir Charles Latham: Anyhow, you knew all about it.

Hon. G. FRASER: The Profiteering Prevention Act provides the Government with all the power necessary to implement price control.

The Honorary Minister: Together with regulations.

Hon. G. FRASER: Yes, but the Act would be applied mainly by means of proclamations.

The Honorary Minister: Dozens of regulations would also be required.

Hon. G. FRASER: Most of what is required will be dealt with by way of proclamations and not by regulations. If the Minister looks through the Act he will see that that is the position.

The Honorary Minister: I have already done so.

Hon. G. FRASER: Then the Honorary Minister must have noted that the Act contains definitions of all the essentials. I cannot see why that Act has not been availed of. However, I am in the unfortunate position that while I do not like the Bill, I must support it because I believe in price control. I believe that it should operate not temporarily, but permanently. The Labour Party has never disguised that fact and never will.

It will be realised that the only commodity a worker has to dispose of is his labour. He is required to go to the Arbitration Court so that his wage may be an effective one; if that is the position, then the same procedure should apply respecting goods the worker has to purchase. If it is good enough for the worker to submit his labour to price control, the Labour Party contends that the same principle should apply in other avenues. We make no apology for our desire that price control shall remain as a permanent measure. We will support such control at all times. In the circumstances, we have to support the Bill before the House, although we do not like it, for the reasons that have been given.

The Honorary Minister: You have not given many reasons why you do not like it.

Hon. G. FRASER: We think that the Government should have made use of the Act already on the statute book.

The Honorary Minister: That is no reason why the Bill should not be accepted.

Hon. G. FRASER: We do not like the way the Bill has been drawn up.

The Honorary Minister: That is the fault of the Crown Law Department; it is not my fault.

Hon. G. FRASER: We did not like some of the provisions in the Bill, but as there

have been alterations in that respect the measure is now more to our liking than it was formerly.

The Honorary Minister: We will be dealing with it in Committee next week.

Hon. G. FRASER: And that is when we will see the first signs of this being made use of as a political football. When the regulations are dealt with, we will see more of it.

The Honorary Minister: Is that a threat of what you are going to do on your side of the House?

Hon. G. FRASER: We will be supporting the Government.

Hon. Sir Charles Latham: It would not appear to be so from your remarks.

Hon. G. FRASER: The Honorary Minister will find that many of his so-called friends will not stand by him later on.

Hon. Sir Charles Latham: The only time the Honorary Minister is wrong is when you support him.

Hon. G. FRASER: At any rate, the Bill will be dealt with in Committee next week and we can argue these matters out then. I support the second reading of the Bill and hope it will be agreed to with very little amendment.

HON. J. G. HISLOP (Metropolitan) [5.39]: I had little intention of speaking on the Bill but in view of some of the remarks that have been made, I think it would be wrong to sit silently by and allow it to go through, making it appear that I agree with its provisions entirely. If left to my own devices, I would vote against the Bill, but in view of the fact that the public has been so deluged with spurious propaganda over the years and have come to regard some portions of it as the truth, it would be unwise to vote against the Bill. That is the only reason why I am speaking.

Some remarks I will make may possibly be regarded as of a revolutionary nature. I firmly believe that the best form of price control is that arising from the operation of supply and demand. The sooner we get back to the stage of enjoying free production, the sooner shall we reach the point at which prices will be controlled under the requirements of supply and demand. I frankly believe that controls of any sort have a very wrong psychological effect upon

human beings. We have learnt to believe that because a thing is controlled we need not try to produce it, nor need we try to produce an article of superior type or make of production. The result is that in this country we have reached the stage when we do not consider whether an article is well produced. The only point of view adopted is that the article has been produced. That will never get us anywhere as a nation.

Until we get back to pride of occupation, and with it, pride of production, we shall always be in trouble. If I had been the Minister charged with the responsibility of introducing a Bill of this description, I would have been inclined to describe it as one for progressive decontrol. Then I would have laid emphasis at the very start of my speech on the absolute necessity for the release of controls. I would not have tried to excuse the introduction of the Bill and then later on make a statement that decontrol was absolutely necessary. Rather would I have emphasised that decontrol was the necessary point of view to adopt if we were to save Australia from its present looming fate. To designate the measure a Prices Control Bill is to adopt a misnomer, because in the past such legislation has not controlled prices and it will not do so in the future.

Here I may be regarded as revolutionary when I say that if we are to have price control, it must apply not in one country, but as a world-wide movement. We in Australia lost an opportunity when we saw America let go its controls. In my opinion, that was the time when we should have said, "Very well, we will let our controls go, too." I believe that if we had given effect to decontrol in that way, Australia would be in a better position than it is now. If we are to make a statement regarding the relative costs as between two countries, we must have a full knowledge of the economics of those two countries. That has been born out in the spurious propaganda that has been handed out to the Australian public for some time past and it would be simple to demonstrate that fact. Take the present position in England where wage-pegging is in force. There is an incessant clamour there for wage-pegging to be relinquished because the cost of goods cannot be controlled and is steadily rising.

Whilst the biggest producing countries are inflating, it seems that it is impossible

for the other countries to control their prices and yet live on a stable equilibrium as between those countries. We have had from the Honorary Minister himself a number of examples of how one section of the community in the past has been asked to bear more than its share of the burden of the whole nation; and, under this method of price control, I am afraid that that will still continue. Certain sections of the public will continue to bear a heavier burden than other sections.

There has apparently been almost an established desire that rents should be controlled and maintained at a fixed amount, notwithstanding that prices and the basic wage continue to rise. That brings me to this thought: Many of us may leave behind widows for whom we thought we had provided, and if this kind of control is to continue, they would find their income insufficient for their needs. There are today many widows and many people retired from active life, who are living on the rents received from properties in which they invested their savings. In very many cases those rents have been fixed for a long period, notwithstanding the continual rise in costs.

Looking the matter squarely in the face, it seems to me that in this community we still have a barbaric way of treating our widows and our people who are now in the twilight of life. As soon as a man dies, we take away a considerable portion of his savings from his widow; we then immediately regard that widow as living on unearned increment and we delight in increasing the the taxation on that unearned increment to such an extent as to make it almost valueless. Then we decide to peg what is left, while the cost of living rises. I sometimes wonder whether it would not be better to do as the Indians did, put these widows on the funeral pyre and let them burn quickly, rather than let them die slowly. These are the results we get from the institution of controls for which we are psychologically unfit.

Then we find that those in our community whom we regard as "smart guys," overcome the difficulty, particularly as far as flats and houses are concerned, by putting in a few sticks of furniture and letting them as furnished flats or houses, and, as for the rent, the sky is the limit! That is what we call price control! It is not even a semblance

of price control, except insofar as certain sections of the community are concerned.

I have listened to some expressions of curious thinking in this Chamber since the introduction of the Bill. It is a type of thinking which has been prevalent in our nation for some years past. I have yet to learn why it is considered possible that the moment a person receives appointment as a public servant and is put in charge of some industry, or of portion of some industry, he is considered to know more about it than a man who has spent his lifetime in it. It seems extraordinary to me that anyone can believe that because authority is given to one individual, who probably knows nothing about an industry whatever, he will be more honest in his dealings with his fellow man than will be the person who actually owns the business—in other words, private enterprise. I have yet to learn where this reasoning came from; and so I could proceed in a similar strain at considerable length.

Possibly the remainder of the remarks which I have to make are divergent from the Bill; but they have this much bearing, in that I believe our whole economy is wrong. I would prefer to see considerable thought given not only by the State Government but also by the Commonwealth Government to the economy of Australia. I shall be as brief as I can in stating the point I wish to make. We heard it said in this Chamber that it was hoped the 25 per cent. exchange would not be abandoned, in other words, we should not follow the example of New Zealand and put our pound on the same basis as Great Britain's. We have to realise that prior to the war we were not on an even basis of dollar exchange with America. The moment that America raised her prices and we kept ours on the ground, we realised we were in, not a temporary but a permanent difficulty.

If we are to have any stability in our prices, we must begin to take stock of the whole economy of our country in comparison with the other big producing countries of the world, particularly America. I could speak at length on the relationship of our pound to the dollar and convince members that if the 25 per cent. could be adjusted, we could in that simple manner proceed a long way towards meeting our dollar difficulties, because from what I saw in America last year and from what th :

financiers with whom I had the opportunity to discuss the matter told me, I learnt that America cannot understand why we should insist on retaining the 25 per cent. depreciation in our pound.

Hon. H. L. Roche: Would it reduce costs within Australia by 25 per cent.?

Hon. J. G. HISLOP: It would reduce costs considerably.

Hon. H. L. Roche: There is no guarantee that it would.

Hon. J. G. HISLOP: There is a considerable guarantee, in that almost every article we receive from England would be automatically reduce by 25 to 40 per cent. That in itself would effect a considerable saving and take us a long way towards overcoming our dollar difficulty. I say quite freely that I do not believe America would attempt to devalue our pound, because everywhere I saw the respect in which our pound was held in the United States. We are living in a fool's paradise if we believe that the economy of Australia is sound; and if we believe we can stem the tide simply by introducing a Bill and calling it prices control, we are wrong. It will not happen.

I consider members should be given ample time to study this measure. I trust I have made my point clear, that whilst I believe controlled inflation in this country has its benefits, I am not going to oppose the Bill. I shall not be so foolish as to go against public thought; but I made the statement I did so that grave consideration might be given by members and the Government to the fact that there are people in this State who believe our economy is far from sound. I support the second reading of the Bill.

HON. E. M. DAVIES (West) [5.54]: I think it is well known by members that the time has not yet arrived when price control should be discontinued. I shall not take the line of some members and say that the Bill is a sample of bad draftsmanship or is not a piece of good legislation, as I do not consider my qualifications sufficiently advanced at the moment to be able to raise an argument with the parliamentary draftsman. What I do say is that control of prices is of great importance.

Although we have heard much criticism of the control of prices by the Commonwealth Government, and notwithstanding the decision of the electors at the referendum

to discontinue Commonwealth control, there must be much anxious feeling now since the Commonwealth has handed back to the States the baby that they asked for. The Honorary Minister, in introducing the measure, said that it would not achieve everything. Quite true. There are anomalies in the price-fixing regulations now and there will continue to be anomalies. The Honorary Minister also went on to say that they— . . . would not accomplish more than the Commonwealth regulations had accomplished.

We have heard a great deal of what will happen if the States take over control of prices. The Bill merely provides at the moment that we shall utilise the regulations that were part and parcel of the Commonwealth legislation. Much of the argument that has arisen was not that the States could control prices, but simply that the Commonwealth Government was unable to control them by virtue of the fact that its headquarters were at Canberra. We now have before us a most extraordinary piece of legislation, under which goods may be controlled or decontrolled at a secretariat in Sydney. What is the difference between control in Sydney and control in Canberra?

Hon. Sir Charles Latham: There is not going to be control in Sydney. That will be only a co-ordinating board or committee.

Hon. E. M. DAVIES: Yes, only a co-ordinating board! We go further and find that the States manufacturing goods shall fix the prices of those goods; and, as the majority of the goods are being manufactured in New South Wales and Victoria, those States will fix the prices of goods to be sold in Western Australia. We are told that we are to have State control. There is no State control about that; the prices will be controlled by the States—Victoria and New South Wales—where the goods are manufactured. So much for that! We are also told that there is to be reciprocity between the States. I do not know how that will work out while the States manufacturing the goods have the right to fix the prices. I stated previously, and it is worth repeating, that the prices of goods manufactured in Victoria and New South Wales will be fixed by those States and that the goods will be sold at those prices in this State. Therefore, in my opinion, there will be no true reciprocity.

I have noticed in a Press report that the States have decided to decontrol some 30,000 items. We do not know on what terms they will be decontrolled. How then can we tell our constituents that there is to be State control? I do not know what the 30,000 items are, nor have I had an opportunity to peruse the regulations about which Sir Charles Latham had so much to say. However, he said it was impossible to get much sense out of them, so probably it does not matter very much whether I see them or not. A question arises as to the 30,000 items to be decontrolled; nobody in the State at the moment seems to know what those items are. I fail to see how there can be State control when apparently this decision was arrived at in the Eastern States.

It is not my wish to detain members to any great extent, but the question is one of great importance and some time will yet elapse before it will be possible to decontrol many of the necessaries of life in this State. I feel keenly on this point, because I came back from a war in 1919 when there was no price control, and I was fleeced by dozens of people who desired to extract as much money as possible from those who had a few pounds in hand as deferred pay. Therefore, I am of the opinion that there must be control. Although certain bodies and individuals in Western Australia said that the State Government could control these items, I want to know how we are going to control goods manufactured in the Eastern States. At the conclusion of World War I, the Queensland Parliament brought down a measure to control prices, and a manufacturing firm in New South Wales went to the High Court and had the legislation declared null and void, because Section 92 of the Federal Constitution provides for freedom of trade as between the States.

Western Australia has bought into something which will bring a lot of trouble on its shoulders. Instead of our using the whip on the Commonwealth Government, the State Government will get the whipping. I am compelled to support the measure because it will, to a certain extent, have a cushioning effect on prices in this State, notwithstanding the fact that the Honorary Minister says it will not achieve everything or do more than the Commonwealth regulations have done. I believe the time has not

yet arrived when these controls can be lifted. Whatever this measure is, it has to be enacted, notwithstanding the fact that it may be only temporary. The Bill provides that the controls shall last until December, 1949, which is approximately 16 months hence. By that time the Government may be in a position to bring down a better measure. I support the second reading.

HON. H. HEARN (Metropolitan) [6.3]: First of all, I congratulate the Honorary Minister on the splendid speech he made when moving the second reading of the Bill. I recognise, as doubtless do other members, the tremendous difficulties facing the Government on this vexed question of price control. I have been very glad to note that during the debate several members have endeavoured to make clear that the question of price control should be above party politics. I believe that when the Honorary Minister was discussing the 40-hour week, he did so only to bring home to the House that we have not yet felt the full effect of the inflationary spiral. Therefore I was surprised to note the remarks of some members concerning the 40-hour week. Mr. Thomson has already dealt at length with some of the statements made by Mr. Heenan.

Whilst we recognise that the Commonwealth Court of Arbitration gave to the workers of the Commonwealth, under the Federal awards, the 40-hour week, and the employers of Australia, and the various State Governments accepted the position, I would like to have it placed on record that this State Government and the employing interests of Western Australia gave the 40-hour week freely. They assisted the workers to get the benefit of it without having to fight any cases in the court. That should go down to the credit of the Government and the employing interests. We are now faced with a difficult proposition because we have to remember, if we are to understand the position perfectly, that the referendum was not something that was isolated as far as the Commonwealth was concerned.

At an A.L.P. conference held in New South Wales in 1945, it was agreed, quite apart from the matter of implementing socialisation in a given period, that a com-

mittee should be set up in order to secure the nationalisation of banks and credits. That conference then dealt with other matters and finally with one of the most important that Commonwealth Labour was fighting for, namely, the control of prices. So we have the spectacle of the move for the nationalisation of the banks and the people's will ignored completely, because they were told quite definitely that there was no need to hold a referendum on that question. But as soon as we had to consider the matter of price control the Commonwealth Government had no alternative but to put it to the people and, to the credit of the electors, they answered in no uncertain voice.

I believe that the first lesson we can learn from the referendum is that the people of Australia do not trust the Commonwealth Government and are not prepared to pass over to it the permanent control of the price of goods. Secondly, I feel that from the referendum we can recognise that the people of the Commonwealth are growing weary of controls. I hope that by this measure we shall face the position from the point of view of decontrol. That is a point I tried to make on another occasion when I said that in Victoria the Government had made the right approach because, instead of appointing a price control commissioner it is going to have a decontrol commissioner. I believe our Government has done its best under fairly difficult circumstances, but like other members, I view with a certain amount of alarm this tendency to govern by regulation.

In this matter of price-fixing I feel that the Western Australian Government had just as much time as was available to the other States which, to a great extent, have incorporated the main provisions required in their legislation. I am, however, quite content, subject to some amendments of which Mr. Watson, has given notice, to accept this Bill because I believe the Government is sincere, and I know we have to face the transitional period. I want to assure the House, speaking for the business interests of this State, that it is the great desire of the people who matter to co-operate with the Government, and notwithstanding that occasionally we hear the remark that every employer must of necessity be a rogue, I say that the employers, quite apart from any altruism, realise that in their own

interests something has to be done to prevent an inflationary spiral.

I am glad to note that there is to be set up, either under the Bill or the regulations, an advisory committee. I hope we are not going to have a series of committees. There is a distinct difference between an advisory committee and commodity committees. An advisory committee would be drawn from the various sections of the life of our State; it would consist of a collection of experts in their particular departments including rural interests, and its advice, going from the commissioner ultimately to the Minister, would be of immense value. I remind members that in Victoria the advisory committee is to consist of a manufacturer, a distributor—that is a wholesale distributor—a retailer, two representatives of rural interests and three consumers' representatives. On such an advisory committee is where the consumers' representatives could do their job. I commend to the Government the Victorian set-up as far as the advisory committee is concerned.

Hon. E. H. Gray: It is too big.

Hon. H. HEARN: The interests I represent will be well behind the Government, provided the Act is administered in the spirit of ultimate decontrol. I support the second reading.

On motion by the Honorary Minister for Agriculture, debate adjourned.

House adjourned at 6.12 p.m.