

Legislative Assembly

Thursday, 9th August, 1951.

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I was interested in what Mr. Heenan said about Wiluna, and he will be interested when I tell him that the State Government Geologist, Mr. Ellis, and another officer of the Mines Department, have made a special trip to Wiluna to survey the water area near the town with a view to ascertaining its potentialities and also to survey the possible mineral resources in that region. If Mr. Ellis's report indicates that there is a good supply of water which might be capable of being adapted to irrigation purposes, or something of that nature, I will pass on the information to the Minister for Agriculture and he will examine it with a view to seeing whether anything can be done in that regard.

The question of the existence of workable deposits of copper in that area is also one that will be examined by the State Geologist during his visit to Wiluna. I am grateful for the interest that has been shown by members in the matter of Supply and feel sure that they realise that money has to be provided to carry on the essential services of the State. I ask members to support the second reading of the Bill.

Question put and passed.

Bill read a second time.

In Committee, etc.

Bill passed through Committee without debate, reported without amendment and the report adopted.

Bill read a third time and passed.

House adjourned at 5.50 p.m.

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

QUESTIONS.

PYRITES.

As to Railings, Cost and Treatment.

Mr. KELLY asked the Minister for Industrial Development:

(1) What quantity of pyrites was railed from Norseman during 1949, 1950, and to the 30th June, 1951?

(2) What was the cost per ton on rails, Norseman?

(3) What was the railage to destination per ton?

(4) Where was the ore treated and by whom?

(5) What quantity was railed to Albany and at what landed cost?

(6) What is the estimated weight lost in extraction?

(7) What use is made of residues, if any?

The MINISTER replied:

(1) Year ending the 30th June, 1949, 23,648 tons estimate; the 30th June, 1950, 34,494 tons actual; the 30th June, 1951, 42,863 tons actual.

(2) Prior to 1951 supply was on basis of f.o.r. works; since that date it has been f.o.r. Norseman.

At 31st August, 1949—2s. 9½d. per unit of sulphur in concentrates, 1s. 10½d. per unit of sulphur in crushed ore.

At 27th January, 1950—2s. 11d. per unit of sulphur in concentrates, 2s. per unit of sulphur in crushed ore.

At 16th January, 1951—3s. 1½d. per unit of sulphur in concentrates, 2s. 3d. per unit of sulphur in crushed ore.

Concentrates average 46 units to the ton; crushed ore averages about 36 units to the ton.

(3) Information not yet available.

(4) Selected crushed ore—Cuming Smith & Mt. Lyell, North Fremantle. Concentrates—Cuming Smith & Mt. Lyell, Bassendean; Cresco Fertilisers, Bassendean.

(5) Nil.

(6) Intention of question not understood.

(7) No.

SUPERPHOSPHATE.

As to Albany Works Ownership and Production.

Mr. KELLY asked the Minister for Industrial Development:

(1) Is the Albany super. works wholly Government-owned?

(2) What consideration determined the establishment of super. works at the southern extremity of the State as against more centrally situated distribution centres in the main wheat belt?

(3) Since the works were established, what quantity of superphosphate has been railed or hauled from Albany outside a radius of 35 miles?

The MINISTER replied:

(1) No. The Government has only agreed to give certain financial assistance.

(2) Increasing demand in the Albany zone, which demand will be greatly increased by agricultural developments at Frankland River, Mt. Many Peaks and other localities in the area. Also, the advantage accruing to the Railway Department by reducing losses incurred in hauling superphosphate, reduction of empty truck haulage, conserving locomotive power and in making transport facilities more effective.

(3) Nil. The works will not be completed for a considerable time.

GYPSUM.

As to Railings, Cost and Use.

Mr. KELLY asked the Minister for Industrial Development:

(1) What quantity of gypsum was railed to Perth during the years 1949, 1950, and to the 30th June, 1951, from—

(a) Chandler;

(b) Yellowdine?

(2) What was the price per ton in each instance?

(3) What percentage of raw gypsum is used in the manufacture of plaster sheets?

(4) What use is made of waste matter?

The MINISTER replied:

(1) (a) Nil.

(b) Year ending the 30th June, 1949, 17,692 tons.

Year ending the 30th June, 1950, 17,538 tons.

Year ending the 30th June, 1951, 18,390 tons.

(2) Not known.

(3) One hundred tons raw gypsum yields about 75 tons of plaster.

(4) Waste is comprised of water and about 5 per cent. impurities of no value.

SOLDIER LAND SETTLEMENT.

As to Properties Allocated to Eastern States Men.

Mr. KELLY asked the Minister for Lands:

(1) Have any farming, grazing or dairying properties in Western Australia been allocated through the soldier land settlement scheme to returned men who enlisted, and formerly lived, in the Eastern States?

(2) If so, on what grounds were they granted a property in Western Australia?

The MINISTER replied:

(1) Yes.

(2) Primarily upon experience in agriculture in Western Australia, in addition to Eastern States experience. Such cases cover Western Australians enlisting in an eastern State, Western Australians residing several years in the Eastern States and returning to Western Australia prior to discharge, and Eastern States residents serving in the Army in Western Australia, marrying Western Australian girls, and obtaining experience in this State after the war.

POLICE.

As to Conditions Governing Interstate Team.

Mr. OLDFIELD asked the Minister for Police:

(1) Is it a fact that the mounted members of the Police Force, who are making the trip to Adelaide later in the year to

compete against the South Australian police at the Jubilee Celebrations, will have the time they will be absent counted against their holidays, that they will have to pay their own fares and expenses, and yet be under police discipline for the entire period they are away?

(2) If this is so, what does he intend to do about it?

THE MINISTER FOR EDUCATION replied:

(1) Certain officers of the Police Force have accepted an invitation by the Commissioner of Police, South Australia, and the South Australian Royal Agricultural Society, to compete in ring events at the Royal Agricultural Society's Show to be held in South Australia during September, upon conditions the same as those that operated in 1949, well known to and accepted by the officers in question.

(2) Answered by (1).

HOUSING.

(a) *As to Outstanding Applications.*

Mr. GRAHAM asked the Minister for Housing:

What were the total outstanding applications for dwellings in the hands of the State Housing Commission as at the 1st July, 1950, and as at the 1st July, 1951, respectively, under the following headings:—

- (1) State Housing;
- (2) McNess Homes;
- (3) War Service Homes;
- (4) Tenancy—
 - (a) small unit;
 - (b) ordinary?

The MINISTER replied:

	1/7/50	1/7/51
(1) State Housing	1,076	1,218
(2) McNess Homes	631	641
(3) War Service Homes	4,572	4,420
(4) Tenancy—		
(a) Small unit	4,044	5,396
(b) Ordinary	7,079	5,754

During the year an examination of the ordinary tenancy applications disclosed that a large number of applications received prior to the introduction of the small unit scheme were from small unit families, necessitating an adjustment of the respective figures.

(b) *As to Purchase Price of Midvale Homes.*

Mr. BRADY asked the Minister for Housing:

As a number of tenants in the State Housing Commission's homes at Midvale are unable to get the Commission to place a price on the homes which they are anxious to buy, will he state—

(a) when the purchase-price will be fixed; and

(b) what is causing the delay in arranging purchase-price of Midvale homes?

The MINISTER replied:

(a) Purchase price could not be established until all charges in connection with the project were known.

(b) The Commission had under consideration the question of a sewerage scheme for the area, and until finality was reached in this connection total costs could not be assessed.

(c) *As to Accommodation for Evicted Tenants.*

Hon. J. B. SLEEMAN (without notice) asked the Minister for Housing:

Is he aware that letters like the following are being sent to clients of his department?

Dear Sir,—Recently you called at this office and submitted a notice to quit the premises now occupied by you, as the owner requires them for his own purposes.

This notice to quit has been recorded, but I regret that no priority can be given on this account.

No doubt you realise that with the amended legislation, a very large number of such notices have been issued, and in fact the demand from this source far exceeds the capabilities of this Commission.

It will be unwise, therefore, for you to place reliance on obtaining a rental home in time to relieve your housing worries, and I strongly suggest that you make every endeavour possible to obtain alternative accommodation, either by way of rooms or otherwise, on your own behalf.

The MINISTER replied:

Yes, I am aware that that type of letter is being forwarded to people who have pending evictions and I quite agree with it. I think it is a good idea to place the onus on the individual to try to do something for himself. As was said by the Minister for Education yesterday, when it comes to "D" day and the individual concerned can find nothing for himself, the State Housing Commission does find a house. In the meantime, I think it is necessary to throw the onus on the individual to do something for himself.

(d) *As to Action by Housing Commission.*

Hon. J. T. TONKIN (without notice) asked the Minister for Housing:

(1) What is "D" day? Is it the day upon which the court grants the order for eviction or is it the day upon which the owner takes out a warrant for the eviction?

(2) Have the figures which have been quoted in this House since Parliament opened referred to the cases in which evic-

tions only have been ordered by the court or have they referred to actual warrants issued?

The MINISTER replied:

(1) "D" day is the day when the bailiff is given his instructions to evict a tenant. There has been agreement between the bailiff and Mr. Prince, of the State Housing Commission, in that when a man is being evicted the bailiff rings Mr. Prince and says, "I have certain instructions to evict a man today." Thereupon, Mr. Prince either goes himself or sends somebody to that man; and if he has not found a house for himself, arrangements are made for him to go into our temporary accommodation.

(2) The figures that have been quoted in this House have referred to the number of people who have apprised the State Housing Commission of their plight. I think that the Deputy Leader of the House mentioned something over 400 people. They are the ones who have been along to the State Housing Commission and have said that in a certain time they are to be evicted.

(e) As to Warrants for Eviction.

Hon. J. T. TONKIN (without notice) asked the Minister for Housing:

Does he recall that the Premier—and I think the Deputy Premier also—yesterday used certain figures to indicate the number of eviction orders which have been given by the court? I believe it was something over 70.

The Minister for Housing: It was 77.

Hon. J. T. TONKIN: Reference was then made to the fact that it had been necessary to provide homes for only 17, thus indicating that a large number of persons who had been given eviction notices had found other accommodation. I would ask the Minister whether that does not give a misleading impression, in view of the fact that, although the figures quoted referred to eviction orders, the Housing Commission makes no attempt to provide accommodation until warrants have actually been taken out, and that in most of those eviction cases the owners have so far refrained from taking out warrants.

The MINISTER replied:

The figures are not misleading. Those are the actual facts. The 77 people—I think that was the number stated—are those against whom the magistrate has issued eviction orders. All of those people have not or do not require the State Housing Commission to find accommodation for them; but of that number 17, I think, went to the Commission because they had not been able to find alternative accommodation, and were given small three-unit houses by the Commission.

RAILWAYS.

(a) As to Fremantle Bridge Stonework.

Hon. J. B. SLEEMAN, asked the Minister representing the Minister for Railways:

When was the first stonework placed at the foot of the Fremantle bridge by his department, and for what purpose was it placed there?

The MINISTER FOR EDUCATION replied:

Stone is placed to prevent scouring and to give increased stability to piers.

The date of the first placing is indefinite but departmental records indicate that it was prior to 1906.

One thousand three hundred and ten cubic yards were placed in 1919 and this appears to have been the last lot prior to the washaway in 1926.

(b) As to Cost and Checking of Coal.

Mr. BRADY asked the Minister representing the Minister for Railways:

(1) What price is being paid by the Railway Department for Collie coal at Collie?

(2) What is the approximate cost of coal at East Perth and Midland loco. depots?

(3) Is any check made to ensure that high quality coal suitable for locomotive use is supplied?

The MINISTER FOR EDUCATION replied:

(1) (a) Griffin Company, 41s. 6d. per ton.

(b) Amalgamated and Western Collieries 31s. 9d. per ton, but the price is subject to retrospective adjustment and when finalised is expected to increase to approximately 38s. per ton.

(2) East Perth Midland Jct.
per ton. per ton.

	s. d.	s. d.
(a)	68 9	69 7

(b)	59 0	59 10
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(3) Yes.

TRAFFIC.

As to Fremantle Bridge Stonework.

Hon. J. B. SLEEMAN asked the Minister for Works:

What quantity of stone was placed in the river, alongside the Fremantle traffic bridge, during the years 1945 and 1946, and for what purpose was it placed there?

The MINISTER replied:

Nil; but during 1947, 300 cubic yards were placed for the protection of the pier system against scour.

ROADS.

As to Great Eastern-highway, Southern Cross-Coolgardie Section.

Mr. STYANTS asked the Minister for Works:

(1) How many miles of the road between Southern Cross and Coolgardie are still unsealed?

(2) How many miles of this road were sealed during the past six months?

(3) How many miles is it intended to seal during the next 12 months?

(4) When is it expected that the sealing will be completed between Southern Cross and Coolgardie?

The MINISTER replied:

(1) Seventy-two miles.

(2) Five miles sealed; 7 miles primed.

(3) Thirty-five miles, provided bitumen on order is received.

(4) Road will be either sealed or primed by the end of 1952.

BUILDING SUPPLIES.

As to Output of Bricks.

Hon. J. T. TONKIN asked the Minister for Housing:

What was the output of bricks from the State works for the 12 months ended the 30th June, 1950, and the 30th June, 1951, respectively?

The MINISTER replied:

Year ended 30/6/50, 10,913,895.

Year ended 30/6/51, 11,817,934.

GOLD.

As to State's Request for Increased Price.

Mr. McCULLOCH asked the Minister for Education:

As he recently approached the Commonwealth Government, and amongst other matters, made representations on behalf of Western Australian goldmining companies for some arrangement to be made whereby those companies could obtain a higher price for gold, has any action yet been taken by the Commonwealth Government to accede to such request?

The MINISTER replied:

Yes, a reply has been received from the Federal Treasurer today, and a copy has been made available to the Chamber of Mines by post.

GOVERNOR OF WESTERN AUSTRALIA.

Attitude of Member for Fremantle.

Hon. J. B. SLEEMAN (without notice) asked the Minister for Lands:

Will he apologise for a statement he made by interjection last night during my speech? The Minister said that I was opposed to the appointment of Sir James

Mitchell as Governor of this State. I immediately sent for "Hansard" and perused it. Does the Minister not think it fair that, in view of the actual facts, he should apologise and say he made a mistake and that I was not opposed to the appointment of Sir James?

The MINISTER replied:

I do not think there is any necessity to apologise, because remarks of that kind are often made. I find, on reading "Hansard," that the hon. member wanted to abolish the Vote altogether. He went on to say that if a local Governor was to be appointed he would favour Sir James. I think that is correct.

ADDRESS-IN-REPLY.

Second Day—Amendment.

Debate resumed from the 2nd August.

HON. A. R. G. HAWKE (Northam) [4.47]: I am sure we all endorse the expression of pleasure contained in the Administrator's Speech regarding the forthcoming visit to Western Australia of Their Majesties the King and Queen and Her Royal Highness Princess Margaret. Their Majesties have endeared themselves very greatly to the people in the country where they are best known—England and, in the larger sense, Great Britain. They have done that, I think, because they have continually shown to the public their deep interest in the people's welfare.

Especially did they show that interest, as we all know, in the dark days of the second World War when many parts of Great Britain suffered severely under bombing raids from Germany. The people of Western Australia, in common with the people of the whole of the Commonwealth, will give a very warm welcome to the King and Queen and Princess Margaret and will deeply appreciate the significant opportunity not only of seeing them, but in many instances of actually meeting them in different parts of the State and Commonwealth.

I noticed, also, in His Excellency's Speech, the statement that His Majesty the King has been pleased to appoint, as Governor of Western Australia, Lieut.-General Sir Charles Gairdner. I think the Government could very well make clear to the people of this State that the Government either made a recommendation to His Majesty in connection with this matter or was fully acquainted with his intention to make the appointment before it was, in fact, made.

I know there are strong arguments in favour of having a Governor from overseas, but there are equally strong and possibly stronger arguments for appointing as Governor a citizen from within the State; one who has lived here for many years, if not for the whole of his life and who, as the result of that residence within the State, knows our people and industries and is consequently able to assist our citizens in

many ways. I might say that Northam has already honoured the new Governor, as many years ago the municipal council of that centre named one of the streets "Gairdner-street."

Hon. A. H. Panton: How lucky!

Hon. A. R. G. HAWKE: Since the end of last session we have lost two of the members of this House through death and already, this session, reference has been made to the passing of those two hon. gentlemen. In addition, unfortunately, we have also lost one member and are to lose another, by resignation. The former Leader of the Opposition, also Leader of the State Parliamentary Labour Party, Hon. F. J. S. Wise, resigned the Gascoyne seat because he had accepted an offer from the Commonwealth Government to become Administrator of the Northern Territory.

The member for Boulder, Mr. Oliver, has accepted a very important position in the trade union movement in New South Wales and is shortly to resign from this Parliament. I am sure we all regret the loss of those two members from this House and from Parliament generally. Mr. Wise had made his mark in the public life of this State and he made that mark in a most distinguished way. Mr. Oliver has not been for very long a member of this House, but we had all gained the impression that he would go a long way in the politics of Western Australia.

The Chief Secretary: That is so.

Hon. A. R. G. HAWKE: I am sure he would have done so had he remained a member of this Parliament for any considerable time. The fact that he has been appointed State general secretary of the Australian Workers' Union in New South Wales is an indication of the great value placed upon his experience and ability by the leaders of the A.W.U. in that State. There are many other matters I wished to discuss while speaking to this debate, but the circumstances are such as make it desirable for me to deal only with two major matters, both of which are closely related.

The first of those matters is the problem of inflation and, related to it, is the question of control of prices. In the Speech of His Excellency the Administrator, appeared the following:—

A Bill will be placed before you to continue the operation of the Prices Control Act.

That is the only reference to this question in the whole of the Speech. There is no reference at all in the Speech to the existing serious—if not dangerous—problem of inflation. It would therefore appear that the Government in this State is satisfied with the provisions of the existing Prices Control Act; that it is satisfied with the system of control of prices operated in Western Australia by the State Government since about September, 1948.

Evidently the Government either does not recognise the seriousness of the problem of inflation and the menace which it constitutes to our industries and people, or else it has no suggestions or even partial remedies to put forward for the consideration of Parliament. This is all the more extraordinary when we remember the statements made by leaders of the Government when the Commonwealth prices referendum campaign was being held during April and May of 1948. At that time, and afterwards, leaders of the Government and of the parties which constitute the Government told the people of Western Australia that our State Government could control prices even more effectively than they had been controlled by the Commonwealth. They also led the people to believe that prices would be reduced if the present Government were given an opportunity to govern the State.

They said that if the people were to reject the proposition for a continuation of Commonwealth control and substitute for it legal control by the State, the position would improve. We all remember the type of propaganda spread about at that time and, upon occasions, since then, especially at the last two Commonwealth elections, when the parties opposed to Labour told the people clearly that the solution of the inflation problem and of most, if not all, of Australia's other problems was to give private enterprise complete freedom—complete freedom to produce, complete freedom to distribute what was produced, complete freedom to do whatever private enterprise considered was desirable.

Furthermore, they told the people that the controls established by the Commonwealth Chifley Labour Government were hindering production, were causing costs of production to increase and thereby forcing prices to rise and inflation to grow worse and worse. They promised the people that they would, if returned to power, remove the controls imposed by the Labour Government, reduce prices, put value back into the £ and generally make everything in the industrial and economic garden of Australia lovely for the whole of the people.

Mr. J. Hegney: Usher in the millenium

Hon. A. R. G. HAWKE: Recently we find that there was a sudden awakening in Australia in certain directions and amongst certain people and organisations: to the serious nature of the inflation problem. We find that Mr. Menzies, the Prime Minister, in particular, and leaders of employers' organisations in the Eastern States have been shocked into a condition almost bordering on panic because the Commonwealth basic wage was increased by 11s. at the end of the March-June quarter, the increase being based upon rises in the prices of those commodities covered by the Commonwealth

basic wage fixation system. We were told by those gentlemen that the problem of inflation was extremely serious and was growing worse.

We were told that drastic steps would have to be taken for the purpose of trying to protect the economy of Australia from the disasters which would threaten, if not overwhelm it, unless drastic steps were taken to curb the movement of inflation. The statements made by those gentlemen in recent weeks have justified 100 per cent. the economic controls which were operated by the Chifley Government, most of which were abolished by the Menzies-Fadden Government when it came into office in November of 1949. The only steps which the present Commonwealth Government has so far suggested should be taken to deal with the menace of inflation that would be of any worth-while benefit have covered the re-establishment of the controls which it severely condemned years ago and subsequently abolished.

As an instance, we find that the Commonwealth Government has already re-established control over capital issues. Yet, two years ago, it condemned control over capital issues as being an unwarranted and restrictive interference with the rights of private enterprise and with the initiative of businessmen and business concerns who might wish further to develop their existing businesses or to establish new business undertakings. So it abolished that particular control. It allowed the investment of capital in industry and enterprise to go on without interference, with the result that luxury industries and semi-luxury industries developed on a large scale.

Now, under the price control system operating in most States at any rate, luxury and semi-luxury goods are not under price control at all. Only essential goods have been under control. This has meant in practice that those individuals and companies operating luxury and semi-luxury industries have been able to charge whatever they wished, whatever they could get for the goods they manufactured or produced. Consequently, they have been able to make extremely large profits. Out of those great profits they have been able to offer rates of pay and conditions of employment which have been beyond the financial capacity of individuals and companies concerned with the production of essential goods to offer.

We all know very well that Australia has been suffering rather severely from a shortage of employees. In other words, there have been more jobs available by far than there have been men and women to fill them. That situation has led to very fierce competition between employers for the labour available. In some of the luxury and semi-luxury industries in Australia men and women have

been given the opportunity of almost writing their own tickets as to the pay they would require and as to the working conditions under which they would be employed by some of the firms. In this battle to obtain employees the luxury and semi-luxury firms have had an extremely great bargaining margin in their favour and have, I think, been able to recruit fully all the employees they have needed. That has left an insufficient number of employees available for many of the industries that produce goods essential to the nation, essential to the life and welfare of the people.

The Commonwealth has lately decided to reimpose capital issues control, and has done so. It will be a stroke of extremely good luck if the re-establishment of this control has been made in time to do much good, just as it would be a stroke of very good luck if steps, which might be evolved at the present time to deal with the menace of inflation, are of much effect in stemming the tide of inflation. Those who know this problem to any extent and those who have studied its movement in Australia since the war, and especially since the end of 1947, will know that inflation has gathered momentum at an increasing speed almost every month since that time.

When the movement of inflation gathers sufficient momentum, it becomes almost impossible effectively to control it. I have grave fears myself that even now the time might be too late to do anything worth while to solve the problem, although I do not suggest for one second that no attempt should be made to deal effectively with it. It is necessary, in my view, to make every attempt possible to reduce the momentum of the inflationary process. What has amazed me during the last three years has been the failure of people to realise the seriousness of this movement; the failure of the members of this Government in Western Australia to recognise its seriousness; the failure of leading public men in the Commonwealth, such as Mr. Menzies, to recognise its seriousness until only a few days ago. It is not as if warnings were not issued on the matter.

Ever since the end of 1947 the leaders of the Labour Party throughout Australia have continually issued warnings to the public and to Parliaments as to how this problem was developing and as to how destructive it would be to the welfare of the people and to the existence of our industries, unless drastic steps were taken to deal with it. For some time now, I want to quote extracts of speeches made by me in this Chamber on this problem during the years 1948, 1949 and 1950. I do this because I feel it is necessary to prove that we on this side of the House have had a clear understanding of the nature of this problem; a clear appreciation of just what would happen in connection with the problem unless drastic steps were taken effectively to deal with it.

I think we on this side of the House would have no grounds whatever for complaint if we had only realised the seriousness and danger of this problem six weeks ago when the Commonwealth basic wage went up 11s. at the end of the June quarter. However, if it can be shown that over the last three years we have had a fairly clear understanding of the problem, a fairly clear appreciation of what has been involved and what was likely to happen, then we are entitled to voice a complaint and make a protest, and we are entitled, and probably also obliged, to advance whatever suggestion is within our power to offer for the purpose of trying to have the problem attacked even at this very late stage which, as I suggested earlier, might be described as a "too-late" stage to deal with it with any good result. Speaking in this House on the 17th August, 1948, I said—

Price control over goods and services is a vital question at this period in the history of Western Australia. Perhaps it is even more vital in these post-war years than during the time of actual hostilities.

[The tendency in more recent times has been for the vicious circle of wages chasing prices to gather speed. This is very bad for everyone concerned, and all would desire, I imagine, that the economic system should be stabilised as soon as possible, and to the greatest extent possible.

The control of prices, and the prevention of profiteering together do constitute the most vital problem before the State at present. I would say it is a much more vital problem even than the difficult urgent problem of housing.

I say that because, if prices are not effectively controlled, the movement of inflation, which has already got under way in Australia since 1939, will gather pace and the purchasing power of money will depreciate to such an extent as to establish a set of conditions in Western Australia which will be extremely damaging to our industries, and to very large numbers of our people, and especially to the poorer sections of the community.

Those are extracts from a speech delivered by me in this Chamber almost exactly three years ago. I propose now to quote extracts from a speech delivered by me in this Chamber on the 29th June, 1949, as follows:—

I do not know what the opinion of the Minister—

I was referring to the Minister in charge of price control matters—

is about the future. My frank fear is that prices will rise again and again and again, and that wages in turn will rise on several occasions. I do not know whether the Minister or all the Ministers in the Government

have given any deep consideration to the terrible problem which this continuous increase in prices, followed by continual increases in wages, is going to establish in this State.

On the same occasion I stated—

I said just after Parliament closed down last year that this would develop into the State's major problem and would occasion the greatest concern to all of those in control of industry as well to the community generally. I am still of that opinion. In fact, my opinion has been confirmed by the happenings of the last five or six months.

For instance, when the States took over control of prices in Australia, they released very quickly from control some 3,000 items, if my memory serves me correctly. I think the State representatives argued at that time that the 3,000 items were not essential to the existence of the average person in Australia. I have no doubt the State authorities on that occasion wanted to simplify the price control system as much as possible.

I have no doubt that that action has had a very damaging effect upon the Australian economy and upon the economic system of every State. One effect has doubtless been to enable the non-essential industries and the semi-essential industries to have a greater claim, a better claim, on the recruitment of labour than have essential industries in which price control has continued to be practised.

I want now to quote some extracts from a speech made by me on the 4th August, 1949—

The Minister for Prices seems to be perfectly satisfied with the present system of control; he appears to think that no better system can be devised, and apparently believes that prices have been kept as low as it was possible to keep them during the time this legislation has been in force.

I am positive, in my own mind, that the Attorney General has no real appreciation of the seriousness or danger of the problem. I know the Premier, in delivering his Budget speech the other evening, expressed the hope that, by the end of the financial year, inflationary tendencies would have ceased and a movement in the other direction have commenced.

On that occasion, the Premier was delivering his Budget speech for the financial year and prophesied that by the 30th June, 1950, inflationary tendencies in Australia would have ceased and a movement in the opposite direction would have commenced.

My feeling is that the movement of rising prices and wages will continue for much longer than another eleven months unless the problem is taken hold of in a very solid way. I regard it as being serious enough to warrant a secret session of this House, or of Parliament, if that is thought necessary. We ought to have a look at every detail of the prices structure in this State, from the bottom to the top.

We know, too, from our practical experience over the years, that some persons and firms get much more out of the final sale price of many commodities and articles than their efforts warrant.

We know all about commissions, and all the rest of it. We know all about the middlemen; or do we know all about them?

We ought to learn more about their activities and the burden they place upon the prices structure, and more about the influence which the share they unfairly take has in raising wages and salaries, and thus increasing the cost of production and making it thereby more difficult for industry to carry on successfully, if at all. We ought to decide, at this particular time, whether we are going to make a genuine attempt to study properly this inflationary problem to the limit possible in a State like this.

We can hope, with the Premier, if we are simple enough to do so, that this inflationary process will somehow or other miraculously come to an end on the 30th June, 1950. If we do that, we will be living in a fool's paradise, and putting our economy in serious danger.

If we are going to continue as we have been doing, allowing prices to rise, allowing a 6s. increase in the basic wage to take place in one quarter of the year, then undoubtedly inflation will come to an end. But the end will be a complete crash of our industries, our economy and near insolvency for the Government.

Does anyone in this Chamber think that the basic wage has now reached its top because it was increased by 6s. a week in the last quarter?

This mad or vicious circle, as it has been described over the years, of prices rising and of wages chasing them, sets up a continuous movement if it is permitted to go on without any drastic effort being made to bring it to an end. It would be an easy thing for any Government just to continue a prices control system which allowed the manufacturer a certain margin, the wholesaler a certain margin, agents certain margins, and finally the retailers certain margins. That is easy.

I am positive the members of this House representing the farming districts would know a great deal about that matter.

The matter I was referring to particularly was that of the charges imposed in connection with the sale of goods by middlemen of all descriptions.

They would know how the prices of motor trucks, tractors, farm machinery of all kinds and other essentials needed by the farmers are loaded up exorbitantly in regard to the final price which the farmer pays because of the parasites who muscle in at some stage of the journey of these requirements from the manufacturer to the farmer.

One of my very great regrets since I have been in this House lies in the fact that I have seldom, if ever, heard parliamentary members of the Country Party say anything worth while upon this particular phase of the general problem. I am sure that every representative of the Country Party in this House must be aware of the exploitation that farmers have to suffer because of the large amounts of money taken by middlemen on the sale of most things farmers have to purchase, especially equipment such as motor vehicles and farm machinery. Just why these representatives of the farmers do not attack this problem publicly, I am not quite able to ascertain. It might well be, seeing that there is a Coalition Government, that they do not like to offend Liberal Ministers in the Government and certainly would not be keen to offend the big business supporters of the Liberal Party in this State.

However, to the credit of the present Deputy Premier it can be said that he publicly, on one occasion, attacked those who took far more from the farmer than they should for the small services they rendered to him. On the 23rd January, 1947, the present Deputy Premier, who was then the Leader of the Opposition, and who is now the Leader of the Country and Democratic League, addressed a public meeting at Mt. Hawthorn. In "The West Australian" of the following day there appeared a report of his speech. "The West Australian" described it as "a powerful attack on the Wise Government." I am sure it was a powerful attack in the sense that the present Deputy Premier would, on that occasion, have used his physical and mental energies to the full for the purpose of trying to impress upon the people at his meeting at Mt. Hawthorn the deficiencies and wickedness of the Wise Government. The report in the newspaper, when referring to one of the matters with which the Deputy Premier dealt at that meeting, had this to say—

The aim of the league was to reduce the cost of living. Indirect taxation should be cut down where

possible. There were some unnecessary channels of distribution between producers and consumers which inflated the charges of goods and added to the cost of living. We say that we will find out these unnecessary people and these unnecessary costs and take steps to remove them.

Mr. Marshall: They have spread themselves all over the State—Dalgety's, Elder Smith's and everyone else.

Hon. A. R. G. HAWKE: The second point in connection with this speech is that a member of the audience asked the then Leader of the Opposition, the Leader of the Country and Democratic League, how he and his league could possibly give effect to this promise if they became part of a coalition Government with the Liberal Party, if the Liberal Party members of the Government would not agree to the carrying out of the promise. We all know from our experience that it is never easy to corner the Leader of the Country and Democratic League—the present Deputy Premier. He had the answer to this question and it was, "If that situation ever develops we will walk out of the Cabinet."

Mr. Marshall: There is every justification to walk out now.

Mr. Cornell: Would you?

Hon. A. R. G. HAWKE: Nothing has been done, during the four years that the present coalition has been in office, to reduce to any worth-while extent, if at all, the amount of money paid to these people, whose track the Deputy Premier was on a little over four years ago. Nothing has been done to reduce the unfair share which they take from the productive efforts of farmers, particularly, and other people in the community. The Deputy Premier and his colleagues in the Ministry are still in it, and as far as I know, they have not up to date threatened to walk out, let alone take the actual step of walking out.

The Minister for Lands: You are pretty right there.

Mr. Graham: Good talkers and poor walkers!

Hon. A. R. G. HAWKE: Quoting further from the speech I made in this House on the 4th August, 1949, I made the suggestion that a secret session should be held to study with a microscope the prices structure in connection with every worth-while article, from top to bottom. I said—

The suggestion I have made should not be brushed aside as being too difficult of acceptance by the Government. I hope that Ministers will not display feelings of supreme tenderness for certain sections of the trade and commerce structure of the State.

I went on to say—

I said a short time ago that after we had clearly and completely examined the prices structure we should, in trying to devise ways and means of controlling prices better, also give earnest consideration to the control of wages and salaries in order that we might at least for a period of three years endeavour to establish a stable economic system in the State and thus give industry a chance not only to succeed, but more importantly a chance also to save itself from destruction. I am convinced in my own mind that our industries, as well as our community activities, are in grave danger of being financially wrecked if the present system of rising prices, followed automatically by rising wages, is allowed to continue for another year or so.

I want now to give some extracts from a speech I made in this House on the 1st September, 1949. On that occasion I quoted from "The West Australian" an article headed, "Traders Warned About Profiteering." My comment on that was "Fancy a matter of warning at this stage of the game!" The article proceeded—

A warning to retail traders against profiteering in the sale of a number of household items was issued yesterday by the Prices Commissioner (Mr. C. P. Mathea). Mr. Mathea said that the items were kitchenware, hand tools, floor coverings, imported crockery, chinaware and earthenware, and builders' small hardware. Checks by prices officers in the metropolitan area and elsewhere had disclosed many instances of excessive pricing and some retail traders had pleaded in extenuation that they were not aware of the existence of the relevant price control orders.

My comment then was—

Fancy allowing profiteers who have been discovered in their acts of profiteering to get away with it without any prosecution or even a threat of prosecution—simply because the traders who have so profiteered have pleaded in extenuation of their offence that they were not aware of the existence of the relevant price orders! This is the most milk and water kind of administration I have ever heard of. It is a disgrace. Surely to goodness the Minister for Prices and also the Commissioner know how members of the public are being pummelled in respect of rising prices.

I propose now to quote from a speech I made in the House on the 22nd August, 1950—

Is the Minister in charge of prices control satisfied with the prices situation in any other State of Australia? The Minister does not know whether or not he is satisfied.

The Attorney General: I am quite satisfied.

That is what the Attorney General, the Minister for Prices in this State, said. At that time he also had this to say—

I say the system has been wonderfully effective, taking into consideration all the disturbing factors that have been operating.

I said—

How gloriously general. The situation is wonderfully satisfactory considering all the disturbing factors and features which have had to be taken into consideration. Unfortunately it seems to me—I hope I am wrong—that the Attorney General and other Ministers of this Government accept the existing situation as inevitable; as something about which the Government can do nothing. What is the answer of the Premier to any discussion of this problem or any criticism of the Government in connection therewith? It is—"Have the people of the State ever been better off?" Even if we take the statement of the Premier from another angle and admit that the people of the State, generally speaking in a financial sense, are better off today than ever before, is that sufficient? Are we to be concerned only about today? Has this Government no concern about next year or the year after that?

Quoting further from the same speech, I dealt with an article from "The West Australian" headed "Record Profit by Noyes Bros.," as follows—

In the year ended April 30, 1950, Noyes Bros. (Melbourne) and subsidiaries earned a record consolidated profit of £100,923, an increase of £22,998. Taxation provision was £12,000 higher at £69,000. The dividend is unchanged at 20 per cent., and includes a bonus of 5 per cent.

Later I said—

In "The West Australian" of the 21st August, 1950, the financial editor deals with some companies which have been earning very good rewards for their shareholders. In one part of the statement the following occurs—For example, an investor who bought 100 shares in Woolworths Ltd. (Australia) for 50s. in 1930 would now hold 9,075 shares as a result of bonus issues and rights to new issues which would have cost him £2,265. Their market value today is £12,364. In addition, he would have received £3,066 in dividends.

Hon. J. T. Tonkin: That is 6,000 per cent. on turnover in 20 years.

Continuing, I said—

So if we look at the situation in Australia and in this State from that point of view we can see that these people who preach the abolition of all controls in times which are abnormal are preaching an extremely dangerous doctrine. So there might be need, despite the views of the Minister for Prices in this State to the contrary and possibly the Ministers for Prices in the other States to the contrary, to bring more goods under price control instead of less goods, and there might be an urgent necessity for the Commonwealth Government to reimpose some effective method of control over investment in Australia. The situation in regard to prices in Western Australia is so desperate now that any Government would be justified in pegging prices for a period of, say, six months.

That was said on the 22nd August last year. My statement continued—

So, if we could peg prices for, say, six months, cut down the margins which the middlemen receive—cut them out altogether where possible—I think we would steady the prices situation and, if that were so, then the upward adjustment to the basic wage would automatically steady. Unless we do that—and the time might now be too late to some extent—a great number of people in this State will suffer even worse living and economic conditions in three, four or five years' time than they did from 1930 to 1936.

The Premier interjected—

I have not seen any sign of our people wanting to leave Western Australia to go to any of the other States.

Then the member for Mt. Hawthorn, Mr. W. Hegney, facetiously remarked—

They have not got enough to go away with.

My remarks continued—

That is no answer to the problem I am posing. Surely the Premier will agree with me—I am sure he will, if not as Premier, then as Treasurer of the State—that the existing cost-of-production level and the existing cost of doing things are beyond the danger limit. It is getting worse every week and every month.

Then I went on in that speech to deal with the black market which had developed in the meat trade, under the blessing of the Government in this State. I well remember, in connection with that matter, that the Government finally had to appoint a Royal Commissioner to investigate

the problem and he recommended what steps the Government might take in connection with it. My remarks continued—

I have pointed out the increasing dangers of this situation, which has been allowed to go from bad to worse, like the housing position, from week to week and from month to month.

There is a most significant item in today's issue of "The West Australian"; significant because it shows how useless the prices system being operated in this State by the Government really is in checking profiteering. The item to which I refer is headed "Magistrate's Suggestion on Overcharging" and it states—

Persons who overcharge for goods should be made to refund the amount of the overcharges and unless that were done the imposition of fines for breaches of the Prices Control Act would be unlikely to act as a deterrent.

That statement was made by the magistrate who tried a number of cases in the court yesterday—Mr. W. J. Wallwork. What does Mr. Wallwork's statement really mean? It means that people who profiteer in Western Australia, even if they are caught, found guilty and fined, still make a profit out of their profiteering. In other words, Mr. Wallwork's declaration clearly indicates that it pays to profiteer even if one gets caught in the act, is subsequently charged, found guilty and fined for that offence.

We know how many people are discovered. I suppose for every one profiteer who is discovered there are hundreds who are never discovered; and I suppose for every one offence of profiteering discovered, tens of thousands are never discovered. So we can imagine, quite easily, how prices of commodities in Western Australia have been allowed to go up and up and up, far beyond justifiable levels, thus imposing harassing burdens upon housewives in particular; but worse still—far worse still taking the long view—it has compelled the Arbitration Court, on the occasion of making each quarterly adjustment to the basic wage, to increase that wage substantially until on the occasion of the last quarterly adjustment by our court in Western Australia, the basic wage was increased by an amount of 12s.

Surely we all know by now, if we did not know before, that every basic wage increase based upon a previous increase in the cost of living immediately sets in motion a process which causes another basic wage rise. So, it seems to me that despite the fact that the time might be too late, it is urgently necessary nevertheless for the members of the Government seriously to consider this problem. It is necessary for the Government to bring before Parliament proposals very greatly to increase the severity of the existing legislation. What is the Government's proposal about this problem? The only proposal it has, the only thing it can think

of doing is to bring down a Bill to continue the operations of the existing Act and presumably that means to continue also the existing system and methods of control. I say the existing Act and the existing methods of control are totally inadequate to achieve anything worthwhile in connection with the existing situation of inflation. The present Act and the existing system of administration proved to be inadequate in periods when the inflationary problem was far less serious, far less severe and far less menacing than it is at present. Therefore, for the sake of the people of this State, even if not for the sake of the Government, it seems that the Government should put everything else aside at the moment and give the utmost consideration to the question of devising better ways and means of dealing with the problem in this State.

Before concluding, I wish to make some suggestions of a constructive character which I think might help Australia, and Western Australia included, to deal to some extent with this problem and to avert the worst features of what now appears to be "inflation run mad" in Australia. In the first place, I think Governments should attack the problem of inflated capital. We know the many clever and devious ways business people have of inflating the capital of their concerns; we know a great deal about the process of issuing bonus shares to shareholders. We knew about that before the war. We know that some of the biggest companies in Australia have worked this racket over a great many years and consequently have established the superficial justification, at any rate, for charging much higher prices for the goods they produce and sell than would be the case if their capital had all been genuinely subscribed and contributed by the shareholders concerned. An attack should also be made on extravagant management costs, including directors' fees and administration.

We hear a great deal these days about the workers not pulling their weight. We hear a great deal about the inefficiency of workers and their alleged carelessness and so on. I am not afraid to admit that there has been some deterioration amongst some groups of workers, at any rate, in Australia over the last few years. There has probably been some deterioration in the service and efforts of all of us; of all sections of the community. However, there are many employers in Australia who could fairly be judged guilty of encouraging their employees to become inefficient and careless, and by these weaknesses add considerably to the cost of production and finally to the prices of the goods manufactured by them.

Surely all of us know something of the cost plus system operated during the war when firms accepted contracts from the Commonwealth to manufacture war materials on a cost plus basis. That system, in practice, as you, Mr. Speaker, would know only too well, meant that the more manufacturers expended in producing and manu-

facturing war materials, the greater percentage they received by way of "plus" from the Commonwealth Government. I should say that there must be some members in this House besides myself who know what happened even in a small State such as ours, speaking in an industrial sense, under that system. It was nothing short of wicked; it was criminal. The employers encouraged all kinds of extravagances and trouble and loaded all kinds of costs on to the Commonwealth Government, knowing that the greater the cost of production the greater would be the percentage on cost they would receive.

I think we all know what a tremendous influence example has on people. I know from my own experience, having been Minister for Industrial Development in this State during that period, just what a bad effect the methods used by employers at that time had upon many of their employees. Habit is an extremely strong thing, bad habits particularly; easily acquired, terribly hard to break, terribly hard to throw off. Therefore, when workers become careless, inefficient and extravagant under the encouragement and even direction of their employers so that the employers might obtain more profits, might rob the nation more extensively, it stands to reason, and if not to reason then it is a natural thing for many employees to develop those bad habits under employer direction and encouragement and to continue to go on in much the same way; maybe to some extent without consciously thinking what they were doing or what was happening.

Then, Mr. Speaker, you know as well as I know, as well as every member of this House knows, what happened throughout Australia with employers, especially big employers, when high taxation came into operation, particularly after the war. We all remember what many of the big employers used to say during that period. They used to say, "We are not going to work for Ben Chifley! We are not going to increase production simply to pay more money to Ben Chifley!" That was it! That was the line; and a very popular line in some quarters, too, followed, I am afraid, by those associated particularly with the Liberal Party in Australia. The result of that was that many of these employers slowed down production in the last quarter of each financial year and, in many instances, closed down production altogether during substantial periods of the last quarter of each financial year.

What effect do members think that had on employees, workers generally and those associated with other enterprises who knew from their fellow workers what was going on? What an attitude that was for employers to take! Why was it necessary for the Commonwealth Government to impose higher taxation on the people of Australia after the war? In the main, it was necessary in order that the Commonwealth

might more fully try to pay for the cost of the war. Yet those same employers during the time of war were prepared, on the surface at any rate, to do anything, prepared to give anything, prepared to pay any amount of taxation, prepared to promise the workers a new order! Why should their attitude change so drastically and so badly as soon as the war ceased?

Mainly it was because, I am afraid, during the war they were more concerned about preserving their private ownership of industry and less concerned about the fate and welfare of the nation as a whole. They were not so much worried about whether the Japanese invaded Australia as they were about the possibility or probability of the Japanese, if they did invade Australia, taking away the industries which they themselves, up to that time, would have owned. So, as I have said, this atrociously bad example of employers to employees had an extremely bad effect upon workers generally. Out of this problem there is arising the question which I mentioned a few moments ago, the question of managerial expenses, directors' fees and cost of administration of business and industry which have grown to most extravagant proportions.

Employers generally would get a far better response from workers as to giving better service and increased production if employers were to set an example. I read with a great deal of interest in "The West Australian" this morning an abbreviated report of what the Premier said yesterday to what, I think, was a meeting of the Junior Chamber of Commerce, when he impressed upon those present the necessity for employers getting on better and more reasonable terms with their employees and setting to them a better example. There is a great deal in what the Premier said.

A very severe attack should be made on the heavy charges levied by middlemen, agents and the like for the extremely small services which they render to the community, services which are grossly overpaid at the present time and which, of course, assist materially to push the prices level up much higher than before. I think also that there should be a severe attack upon the heavy advertising programme of various firms, both in regard to their newspaper advertising and their radio advertising. It is an amazing thing to me that some of these firms can indulge in the extensive advertising in which they do because many of the products with which this advertising is associated do not need any advertising at all to any great extent. Therefore I should think that these particular firms ought to be sought out for a special attack by the Prices Control Commissioners in every State.

I daresay that the trouble has been in the last two years that the products have not been under price control at all and

consequently the firms have been able to recover easily their high advertising costs by selling their products at higher prices than are justified. We know that directors and shareholders of these firms are also directors and shareholders of newspapers and of radio stations and, consequently, they are all the time working a racket upon the public, forcing the cost of living up, forcing wages and the cost of production up, and making the problem of inflation all the more menacing from day to day.

The selling margins of wholesalers and big stores, especially on essential items of clothing and also footwear, should be drastically curtailed. The Government should reduce taxation on the production of all commodities covered by the basic wage system and should subsidise the production of those commodities, making sure that every penny of subsidy granted gives a real reduction in price when commodities are finally sold over the retailers' counters.

Interest on war loans and taxation to pay for it should be closely looked at. I would be in favour myself of compulsory conversion of such loans at half current interest rates. Why should people pay interest on loans which they made available to the nation to save it from being conquered by some enemy power? I admit there would be some hardship, but the Government could look after those cases of hardship and where any adverse condition could be demonstrated, could give people concerned a higher rate of interest to ensure that they would not come back on the State for support in some other direction. Interest rates on overdrafts or loans to those producing or manufacturing commodities covered by the basic wage system should not be more than two per cent. Such overdrafts or loans should be financed through the Commonwealth Bank direct or through private banks where necessary. Private banks should be paid nothing more than a small agency fee for handling such overdrafts or loan business.

The same system should be made to operate, in my opinion, regarding the production and manufacture of essential goods which are not covered by the basic wage system. There should be closer co-operation between employers and employees and efficient, sensible management in industry. My experience over the years is that good employers get good results from employees, and ever so much depends on the personality of the employer or manager. If the personality of the employer and his manager is right, human and understanding, then that particular firm will get 100 per cent. good results from its workers. There is much more I could say in connection with this problem, but as most members desire that the House should adjourn at 6.15 or sooner until next Tuesday—

Mr. Marshall: Next Tuesday 12 months!

Hon. A. R. G. HAWKE: —I will bring my remarks to a close. Before doing so, however, I move an amendment—

That the following words be added to the Address-in-reply:—"But we regret the failure of the Government to operate an effective system of price control and deplore the Government's long continued failure to recognise the serious nature of the inflation problem."

On motion by the Acting Premier, debate adjourned.

BILL—SUPPLY (No. 1), £9,000,000.

Returned from the Council without amendment.

House adjourned at 6.12 p.m.

Legislative Council

Tuesday, 14th August, 1951.

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

QUESTIONS.

AUSTRALIAN POUND REVALUATION.

(a) As to Effect on Government Finance and Living Costs.

Hon. A. R. JONES asked the Minister for Transport:

(1) In the event of revaluation of the Australian £ to parity with sterling does the Government consider that the general financial position of the Government would be improved?