

Hon. A. V. R. Abbott: He can approach the court if there has been any negligence.

The MINISTER FOR LANDS: That is a different matter altogether. This clause makes provision that under no circumstances shall we take away from a man his right to approach the court. That is good enough for me. It was good enough for the committee. It was also good enough for the hon. member's Government to reinsert such a provision in the quickest possible time after it had had experience of the Act when the provision was not contained in it.

Mr. Ackland: Under an entirely different set of conditions.

The MINISTER FOR LANDS: They are altered only in so far as the severity of the penalties is concerned. There is no difference in principle. The only difference is in regard to the circumstances, and the penalties provided as a deterrent. Whether we decide to strike out this clause has to be determined on a matter of principle, and not on the relationship of this Bill to the old Act. We have to decide whether it is right and proper for any person who suffers as a result of a fire to have the opportunity to approach a court to have some sort of claim established by way of damages.

I am not so surprised at the member for Mt. Lawley wanting to strike this out; but I am surprised at the support he may be getting from country members whose own farms may be in danger, and who may some day be on the receiving end of the stick. They are going to say, "That is all right by me. The chap who lit this fire complied with the Act, and I am happy about it." I think that the matter should go before some authority to determine how much, if anything, can be recovered by way of damages. Surely that is a man's birthright.

Mr. HEARMAN: The Minister has stated what would be the position if a member such as I had his property burnt out. I think I mentioned earlier that for three years running fires spread from my neighbour's property to my own. I have not attempted to take action. I would ask the Minister to be realistic and state just what chance I would have of obtaining damages even if this clause were agreed to, in view of the fact that my neighbour does not admit having lit the fires.

The Minister for Lands: You should have the opportunity.

Mr. HEARMAN: Unless one can prove that a man has lit a fire, one has no claim against him. The only man one can prove lit a fire is the one who has complied with the requirements of the Act. Against the man who does not do so, there is very little protection.

Clause put and passed.

Clauses 53 to 56—agreed to.

Clause 57—Duties of police officers, bush fire control officers, etc.:

The MINISTER FOR LANDS: There is a slight mistake in the printing of the Bill. Members will observe that the marginal note refers to the duties of police officers, bush fire control officers, etc. In the clause there is no mention of members of the Police Force, as had been intended. I therefore move an amendment—

That the words "a member of the Police Force" be inserted at the beginning of paragraph (a) in line 2, page 51.

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

Clauses 58 to 65—agreed to.

Progress reported.

House adjourned at 10.10 p.m.

Legislative Council

Wednesday, 22nd September, 1954.

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

QUESTIONS.

EDUCATION.

As to Schools, Tuart Hill-Mt. Yokine Area.

Hon. A. F. GRIFFITH asked the Chief Secretary:

(1) In view of the rapid growth of the Tuart Hill-Mt. Yokine area, can the Minister inform the House what plans the Government has for the provision of new schools in this locality?

(2) Is there any plan to relieve overcrowding at the Tuart Hill school?

The CHIEF SECRETARY replied:

(1) The matter of extension to the Tuart Hill school site is at present receiving attention, together with the acquisition of a school site in the Mt. Yokine area.

(2) It is expected that the Coolbinia and Westminster schools will be completed by February, 1955, and the opening of these two schools should relieve the overcrowding at Tuart Hill.

RENTS AND TENANCIES EMERGENCY PROVISIONS ACT.

As to Proclaiming.

Hon. A. R. JONES (for Hon. Sir Charles Latham) asked the Chief Secretary:

(1) Has the Rents and Tenancies Emergency Provisions Act Amendment Act, which was assented to on the 6th September, been proclaimed?

(2) If this Act is not yet in operation—

(a) How can the Government justify the claim that the urgent passage of this legislation was necessary?

(b) Will the Minister advise when the Act is likely to be proclaimed?

The CHIEF SECRETARY replied:

(1) Proclamation was approved by Executive Council this morning and will appear in next Friday's "Government Gazette." The proclamation will take effect from that day.

(2) (a) The urgent intention of the Bill was nullified by the treatment accorded it in this House. Subsequently, further delay was occasioned by the unforeseen necessity of having to call and consider applications for a magistrate for the Fair Rents Court.

(b) Answered by No. (1).

MILK.

(a) As to Testing Solids-not-Fat Content.

Hon. C. H. HENNING asked the Minister for the North-West:

(1) Referring to the answer given to No. (7) of my questions of the 14th September, 1954, re tests performed in Western Australia—

(a) Over what period were the tests performed?

(b) By whom were the tests performed?

(c) How many were performed?

(d) When were they performed?

(2) (a) Was the raising of the freezing point from 0.550 degrees centigrade to 0.540 degrees centigrade the result of a test conducted in Western Australia?

(b) If so, will the Minister lay on the Table of the House the report of the test?

The MINISTER replied:

(1) (a) The tests referred to were analyses of samples submitted by various authorities in the routine course of their duties, and have been carried out by the Government Chemical Laboratory since 1932.

(b) The work has been performed by officers of the Government Chemical Laboratory who are all fully qualified chemists. All analyses undertaken for legal purposes are carried out by men who are gazetted as analysts under the Health Act.

(c) As these analyses have been performed over a period of more than 20 years, the tabulation of the results would take some time. It is not considered the work involved is justified.

(d) Answered by (a).

(2) (a) The standard for the freezing point depression has not been raised, but has been lowered. The change of the lower limit of depression from .550 degrees centigrade below zero, to .540 degrees centigrade has made the standard easier to attain. The change was made on account of experience gained between 1932-37.

(b) Answered by No. (2) (a).

(b) As to Substandard Samples.

Hon. C. H. HENNING asked the Minister for the North-West:

(1) What was the number of samples taken from individual dairymen by the Milk Board officials and tested for solids-not-fat, and how many samples were substandard, for the quarters ended—

June, 1953;
September, 1953;
December, 1953;
March, 1954;
June, 1954;
and since the 1st July, 1954?

(2) Does the percentage of solids-not-fat vary according to the seasons of the year?

The MINISTER replied:

(1) The undermentioned number of samples were taken from individual dairymen by Milk Board officials and were

examined at the Government Chemical Laboratory. These samples were taken from milk suspected of being sub-standard:—

Quarter ended—	No. Taken.	No. Sub-standard.
June, 1953	8	4
September, 1953	5	4
December, 1953	1	0
March, 1954	0	0
June, 1954	28	25
since July, 1954	41	27

The following number of samples were taken from individual dairymen by Milk Board officials and were examined at the Department of Agriculture:—

Quarter ended—	No. Taken.	No. Sub-Standard.
June, 1953	892	70
September, 1953	664	22
December, 1953	609	6
March, 1954	883	51
June, 1954	740	64
since July, 1954	369	26

(2) Yes.

RAILWAYS.

As to Reports on Accidents.

Hon. A. R. JONES (without notice) asked the Chief Secretary: In view of the number of accidents that have occurred on the railways during the past 12 months and the meagreness of the Press reports, will the Minister make available to the House the reports and findings of the railway authorities?

The CHIEF SECRETARY replied:

I have always discouraged in this Chamber questions without notice where the answers concern a department of which neither my fellow-Minister nor myself has any knowledge. Therefore I ask the hon. member to give notice of his question.

STANDING ORDERS COMMITTEE.

Presentation of Report.

Hon. E. M. DAVIES: I desire to present a report from the Standing Orders Committee. The committee has met on three occasions and has given consideration to several Standing Orders. As a result, certain amendments are being recommended to the House; and these, together with the reasons for the recommendations, are shown in a schedule attached to the report. It will be the province of members of this Chamber to accept, reject, or amend any portion of the report. Today it is proposed to deal with it in two motions, the first of which will be that it shall be received, and the second will provide that it shall be printed and distributed, and a day set aside for its consideration.

Report received and ordered to be printed and distributed, and consideration made an Order of the Day for Tuesday, the 28th September.

BILLS (3)—THIRD READING.

- 1, Supreme Court Act Amendment.
- 2, Crown Suits Act Amendment.
- 3, State Electricity Commission Act Amendment.

Passed.

BILL—INDUSTRIAL ARBITRATION ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

HON. F. R. H. LAVERY (West) [4.42]:

In view of the tone adopted by members who have spoken in opposition to the Bill, I feel there is very little I can say that is likely to change their minds; but, irrespective of what members may think about directing the court to make quarterly adjustments in the basic wage, and despite the fact that some members feel that our basic wage system has reached a stage where it has become a matter of such national importance that it should be changed, I am one who believes that the Arbitration Court in Western Australia has been guided in its deliberations by those of the Federal court, and has followed the precedent set in the Federal sphere.

Members who represent the interests of the Employers' Federation have gone to great trouble to point out the disparity between the present basic wage figure and that of some years ago, but have omitted to remind us—because they do not want to make it public—that a few years ago the Federal court granted a £1 prosperity loading.

Hon. C. H. Simpson: It was in 1950.

Hon. F. R. H. LAVERY: Yes. I knew it was three or four years ago, and I recall that the judges who gave that decision said something along these lines: That the Commonwealth was then in a position to pay the £1 per week prosperity loading, but that, should it become necessary in the future to reconsider the matter, they would not hesitate to do so. They did not make the statement in those words, but that was the implication of what they said.

Hon. C. H. Simpson: The presiding judge was hostile to the move. It was his two brother judges who made the recommendation.

Hon. F. R. H. LAVERY: I am pointing out that that prosperity loading, then granted by the court after hearing long and tedious legal argument, has now been

returned to industry in this State, to the extent of 19s. 11d. per week, by the failure of our State court to make the usual quarterly adjustments in the basic wage. Not one of the members who have spoken in opposition to the Bill has denied the fact that the workers of Western Australia are now receiving 19s. 11d. less per week than they would have been paid had the usual quarterly adjustments been made. If for no other reason than that, I feel that the State court should, at least from now onwards, make the quarterly adjustments regularly, as has been the practice in the past.

Hon. H. Hearn: This measure would make it retrospective.

Hon. F. R. H. LAVERY: Yes; but I am satisfied that this Chamber will not pass the Bill in its present form. I feel that the opposition to the measure is of such a nature that there is no hope of the Bill being passed by this House as printed. Despite what people more learned than I have had to say about the future of the basic wage, I am convinced that from now onwards the quarterly adjustments should be made by the court.

If those who oppose the measure believe that the court is right in not making the adjustments, they must at least agree that the present regimen of the basic wage should be investigated and amended, if necessary. I would remind members that in the computation of the wage the allowance for rent is 26s. per week; and, of course, all members will agree that it is impossible for any worker to rent a home for that figure today. I feel that the measure with which we are dealing and the Bill which seeks to control prices are to a great degree linked together, because, while we are told that private enterprise on a free market would control prices, within reason, I think it will be agreed that the workers' wages, which are fixed and which will be controlled even if prices are not—

Hon. H. Hearn: They are on a free market already.

Hon. F. R. H. LAVERY: I answer that interjection by saying that employers in certain trades are so short of labour that they are paying their employees in excess of the basic wage. In fact, one can glean that information from a study of any of the latest banking literature. For example, today's report of the Commonwealth Bank states that there is a definite shortage of labour in certain trades. That means that many employers must keep up their standard of efficiency by making incentive payments. That does not get away from the fact that the court has controlled wages, while prices have remained free. I do not want to labour the question, because any attempt I make to place my ideas before the House in regard to the basic wage will fall on deaf

ears. Nevertheless, I support the principle that from this time onwards, at least, the court should make quarterly adjustments.

HON. H. K. WATSON (Metropolitan) [4.52]: I am going to vote against the Bill because I believe it is essential that Parliament should leave the court to make its own decision, having regard to the facts and circumstances at the time the decision is made. It would be most unwise, and fraught with grave results, if Parliament said the court "shall" adjust the basic wage according to the vagaries of the "C" series index. One has only to read the extremely comprehensive judgment delivered by the president of the court when it last considered this question only a few weeks ago to realise how necessary it is that the court should have absolute discretion in deciding whether it should or should not increase the basic wage according to the "C" series index figures for that quarter. I think Mr. Justice Jackson summed up in a nutshell why the last variation should not be put into effect when he said this—

The basic wage at the moment is £12 6s. 6d. and it is £1 1s. 4d. in excess of the equivalent figure of the 1938 needs basic wage and unless the allowance of £1 16s. 8d. for rent—

That is, the "C" series index figure for rent. Continuing—

—fell short by more than £1 1s. 4d of the actual average rents now being paid there was no case for a needs increase.

The figures which he considered disclose a discrepancy between the two figures—that is to say, the discrepancy between the rent figure according to the "C" series index, and the actual average rents now being paid as ascertained by the census taken at the 30th June, 1954—was only 7s. 7d.

In other words, he pointed out that, according to the census figures taken at that date, the average rent being paid for a four and five-roomed house was £2 4s. 3d.; whereas the rent according to the "C" series index was £1 16s. 8d. So there was a difference of only 7s. 7d. there. As His Honour pointed out, unless the difference could be shown as being £1 1s. 4d., there was really no case for increasing the basic wage in the light of the variations in the figures for that quarter. A lot has been said about the fact that during the last quarter the so-called cost of living rose by 13s. 8d., consisting of a rise of 3s. 4d. for meat; a rise of 6d. for other sundries; and a rise of 9s. 9d. for rent. But I suggest that the rise of 9s. 9d. for rent denotes nothing, except that the system of calculating these quarterly adjustments is far from perfect: that the method of calculating the "C"

series index figures is far from perfect and is likely to give rise to all sorts of complications.

For example, the rent figure itself creates quite a good deal of confusion in my mind—and I assume it must cause a great deal of confusion in the minds of quite a few other people—in regard to how the figures are arrived at. For example, this explanation is given in a footnote on page 10 of the 1952 Labour report—

Rent.

The rent index-numbers shown in the tables in this report measure the proportionate rise and fall in the average weekly rentals paid for houses of four and five rooms, taking corresponding houses throughout. They are "price" indexes in the strict sense, i.e., they are designed to measure only the "price" element in rent fluctuations. Similarly, "average rents" where shown are indexes on "price" changes in rentals expressed in terms of pence. They are not the average of rents actually paid by all tenants of four and five-roomed houses. It would be inappropriate to include the average of rents actually paid in an index designed to measure price changes only.

That may be clear to some members, but I must confess that I have extreme difficulty myself in appreciating the very fine points upon which the statistician works in ascertaining the rent element of the basic wage and of the quarterly adjustment. Even if, during the past quarter, the rents of some houses have risen, for the life of me I cannot see the logic in the contention that that should justify an automatic increase in the basic wage.

We know, for example, that the rent of Commonwealth-State rental homes has not risen for the past three or four years. Is it then logical to argue that all occupants of such homes should receive an increase of 9s. 9d. a week in their wage simply because the rent of other houses has increased by 9s. 9d.? We could look at it this way: If there are four male persons living in a house, all earning a wage, and the rent is increased by 9s. 9d. per week, where is the logic in arguing that because the rent was increased by 9s. 9d. every male person living therein should receive an increase of 9s. 9d. per week in his wage?

Hon. F. R. H. Lavery: How many houses are there with four male occupants?

Hon. H. K. WATSON: They are numerous.

Hon. F. R. H. Lavery: The usual occupants are the head, his wife, and perhaps one or two sons.

Hon. H. K. WATSON: We have heard of rent increases; but I understand that the statistician in this State, when working out the index figures for this item, selects

a group of houses, not necessarily modern ones, from which he fixes the average rental. I understand he selects the same houses each time; I do not know whether they number 50 or 100.

On the 13th July, 1954, a statement was published by the Government, which can be found on page 396 of this year's "Hansard," to the effect that the rent of 895 houses has been reduced by 10s. a week. If that is the position, it would be just as logical to contend that because of this reduction in rental, the basic wage of all workers should be reduced by 10s. per week. I do not think it should be reduced, but we must consider these things in a logical manner. We must leave it to the court to exercise its discretion and commonsense; to decide whether the peculiarities of some mathematical formula ought to be followed willy-nilly in fixing the basic wage.

The manner in which the "C" series index operates, particularly as it relates to rentals in the last quarter, demonstrates that we have developed a rather elaborate and cumbersome arbitration machinery in the quest for exactitude in fields where it is not obtainable; and this introduces absurdities and rigidities in the wage system. The Bill proposes to crystallise those absurdities and rigidities so as to make them inflexible. After considering the manner in which rent can cause an increase in the basic wage, it would be just as logical, in some cases, to say that the basic wage shall rise and fall according to the daily rainfall or temperature.

It appears to me that the "C" series index has just about outlived its usefulness, in the same way as, over the years, the "A" and "B" series outlived their usefulness. Each in its turn was replaced. I understand there is now a "D" series, and that the time has arrived for a competent authority—that is, the Arbitration Court, advised by representatives of employers on the one hand, and employees on the other—to go into the whole question again and to consider starting an "F" or "G" series index, which I think could eliminate some of the rigidities and absurdities to which I have drawn attention. For those reasons I oppose the Bill.

On motion by the Chief Secretary, debate adjourned.

BILL—PRICES CONTROL.

Second Reading.

Debate resumed from the previous day.

HON. H. HEARN (Metropolitan) [5.10]: I have listened with a great deal of interest to the many and varied speeches that have been made on this Bill. One member gave the House the impression that the milk of human kindness was monopolised by Trades Hall and the Parliamentary Labour Party. In short, anyone who did not believe in the doctrine

of the Labour Party, could not possibly have any sympathy with the working man. I must admit that this statement appeared very strange to most members of this House; we are not used to hearing such statements. If the hon. member referred to continues in that strain, we shall have to do something about it; or we may have to grow accustomed to such ridiculous criticism.

I want to say at the outset that price control was an emergency wartime measure. It was brought down when the nation was mobilised in the face of a common danger; and under those conditions, it was essential that some controls should be introduced for the efficient prosecution of the war, the outcome of which was our future as a nation. But we must reluctantly admit that even under those conditions price control was not 100 per cent. successful. All of us know something about the operations of the black market during those years. It is admitted that anyone with abnormal tendencies was able to secure favours which were not available to the man living an honest and decent life.

In this debate it seems that all the speakers have agreed on one thing, viz., that the increase in the cost of living can be traced mainly to the alteration in rentals and in the price of meat. If these two items were taken away from the subject under discussion, then any movement in the basic wage would be seen to be infinitesimal. We must recognise in the first place that the determination of rentals is beyond the scope of this Bill. Control of rent comes under the rents and tenancies legislation. The price of meat has always been a very difficult and thorny topic. In the days when price control was in operation in this State, no one could say that he was satisfied with the fixing of the price of meat. In the other States of the Commonwealth where price control still operates, the same problem is met.

Hon. R. J. Boyley: There the butchers are a little more fortunate.

Hon. H. HEARN: The butchers are more fortunate under price control. In the national news given in Sydney on the 13th September, this was stated—

Prices for mutton and beef in New South Wales will be increased from Monday, September the 13th. The Prices Commissioner for New South Wales, Mr. Weir, said the average increase in retail prices for beef would be 7½d. a lb. and for mutton 3½d. a lb. The best cuts of beef would rise by as much as 1s. 5d. a lb. Fillet steak would cost 6s. 9d. and rump steak 6s. a lb. Lamb and pork prices are not controlled. Mr. Weir said the chief reason for the increase in the prices of beef and mutton was the diminishing supplies of livestock coming into

the market, and the high prices offered overseas for Australian meat. Mr. Weir said that if prices for livestock fell, retail prices for beef and mutton would be reduced accordingly.

That is in a State where there is price control. The prices I have quoted are well in advance of what is paid for the same items in this State, where there is no control. Speaking generally, we can say that the attitude of the other States has been that when goods are offering freely, the case for price control is not nearly as urgent as when they are scarce. That must be so because, in the Labour State of New South Wales, on the 31st August, some 60 people, including the assistant commissioner, were sacked from the prices control office. So it is quite evident that even the Labour States are not very happy about price control, and they are doing their best to move towards decontrol.

Hon. A. F. Griffith: Perhaps they will give him a job over here.

Hon. H. HEARN: I do not know. As a matter of fact, we still have some remnants of our price control office, and they would be prepared to take on the job if the Bill became an Act. We must recognise that nine years after the end of the war the economic situation has changed completely. I say without fear of contradiction—any businessman will agree with me, and I think some of my friends on the other side of the House will, too—that today every business is fighting for turnover. If members want to see whether that is true or not, they have abundant evidence every day in the newspapers where there are pages of advertisements because the various firms are finding that they have got back to a competitive market, and they are obliged to merchandise efficiently, and to spend huge sums on advertising to maintain turnover.

At this time of our economic history, to have a Bill brought down, not for a brief period, but as permanent legislation in our economic life is, I consider, quite unnecessary. The Government must be bankrupt of ideas if it feels that it must impose this measure upon our growing State. We should do something to ensure that the Bill does not find its way on to the statute book.

We have heard a lot—both in the debate on this Bill and in the one that has taken place on another measure—about the basic wage. We have been told that the workers are suffering; so I felt that before I spoke on price control it would do good if I made some research into a cross-section of the business community to see just what the question was regarding the basic-wage earners. Consequently I had the following questionnaire prepared and submitted to six different firms in a large way of business. I want members to follow this very carefully, because they will see that

there has been quite a smokescreen thrown across the question of the basic wage. The questions I asked were these—

- (1) How many adult employees have you on the basic wage?
- (2) How many of those earn only the basic wage?
- (3) Of the others, what is their average earning above the basic wage through overtime, bonus payments, etc.?
- (4) What is your total work force?

These are the answers by company A., a manufacturing company—

- (1) Five.
- (2) Two.
- (3) Two get 10s. each, one gets £2 9s. 10d. He is a car park attendant.
- (4) Seven hundred and forty six hands.

The following is the answer from company B. which is in heavy industry—

- (1) Seven—six women and one man.
- (2) Six earn only the basic wage, and they are all women.
- (3) Nineteen shillings. One man earns over the basic wage.
- (4) Two hundred and fifty eight.

Company C. is a distributor, and its answers were—

- (1) None.
- (2) None.
- (3) None.
- (4) Nine hundred and ninety.

These are not small shows; and the House will have to agree, when I have finished, that I have given a thorough cross-section of the business of the town.

Hon. F. R. H. Lavery: Do the answers by the last firm mean that it was paying award rates?

Hon. H. HEARN: Everyone was getting more than the basic wage. Company D. is a building materials firm, and its answers were—

- (1) Ten.
- (2) None of that 10 earn over the basic wage.
- (3) Ten shillings over the basic wage.
- (4) Nine hundred and forty-eight.

Company E. is a retail store. Its figures were—

- (1) None.
- (2) None.
- (3) None, but the average earnings above the basic wage for all employees is £1.
- (4) One thousand three hundred and forty three.

So we can see that out of a survey of 4,285 people in industry in this city, 22 were on the basic wage, and only eight of those earned the basic wage and no more.

Hon. F. R. H. Lavery: But all these wages are adjusted by the basic wage each quarter.

Hon. H. HEARN: I am talking of the case we have had put up to us by the speakers on the other side in regard to the poor man who is on the basic wage. I am submitting—as I have felt through the piece and as I have proved by these cross-section figures—that people on the basic wage are practically non-existent.

The Minister for the North-West: But their wages are based on the basic wage.

Hon. H. HEARN: That may be so; but we cannot deal with people as though they are receiving only the basic wage. In short, it means to say that owing to the position created by the scarcity of labour, as referred to by Mr. Lavery, in a previous speech, industry has been obliged to pay—and it is possibly quite willing to do so—a lot more than the wage prescribed by the Arbitration Court, whether it be the basic wage or the award rate in a particular industry. Take my own place. There is not a man in the furniture industry there today who is working on the award rates. Therefore I say it is no good coming to this House and telling us the hardships of the working men and that they are being bled to death, when we find that their working conditions have no relationship to what the Arbitration Court has decided is a fair thing.

We know very well from the figures given to us that price fixing costs the State Government £25,000 per year. That is the smallest figure in the whole of the sad story. The amount is only a fraction of the real cost of price control to industry. There is no question that it has cost industry—and, through industry, the consumer—at least £100,000 to £200,000 a year. In our own small business, the lifting of price control meant a saving of £1,500 per annum, because we no longer had to keep certain records. If that is the position in a small business like ours, I leave it to members to say exactly what price control has cost the business community—and, ultimately, the consumer—quite apart from the £25,000 which the Government paid.

Hon. H. K. Watson: That figure of £25,000 should be, I think, between £50,000 and £80,000.

Hon. H. HEARN: I was given to understand that it was £25,000. If I am modest in my statement, then members opposite cannot come back at me. One aspect that has never been recognised or mentioned in debate is the cost to the community of price fixing.

The Minister for the North-West: Has the community benefited by the savings?

Hon. H. HEARN: I understand that in different places there has been a hymn of hate about profits. I want to know what it is that members belonging to

another party have against the making of profits. They have had very long sessions, in different quarters, on this question, but not once has the balance sheet of the Commonwealth Bank been mentioned. The Commonwealth Bank is a good institution, and it made £10,000,000 net profit. Surely if it is wrong for General Motors Holdens to make £9,000,000, the Commonwealth Bank is more guilty, because it has made £10,000,000. Is it not a shocking thing that we should allow a utility owned by the people of Australia to make that amount of profit? It is a pity that the bank did not make £20,000,000; because, after all, where do the profits go?

I will give the history of the company that has been criticised—General Motors Holdens. We have heard people speak of these companies as though they were criminals for making a profit. In our small company, we have 450 shareholders; and when it comes to the paying out of dividends, it is a very comforting feeling for the directors to know that they are signing 450 cheques which go to people in all strata of society. Some shareholders receive a modest £50, and some receive other amounts. That is the way that all company profits are distributed. In short, a certain section of the community owns the company; and when it comes to the Commonwealth Bank, we are all shareholders; and that is why I cannot understand the attitude to which I have referred. Why is it wrong for General Motors Holdens to make a certain amount of money, when the Commonwealth Bank makes even more? It is all wrong.

There is some very crooked thinking on the part of the Labour Party when dealing with profits in industry—unless, of course, the objective is that the Government shall be the big land-owner and employer. Here let me say, in passing, that if that day comes, the employees will have the worst possible boss, because the Government is renowned for being a poor employer.

Hon. R. J. Boylen: It is not.

Hon. H. HEARN: Unless the employees want that, they should applaud any company that is playing the game and making big profits. Now let me deal with the disbursement of the profits of General Motors Holdens.

Hon. F. R. H. Lavery: They made a profit of £132 per car.

Hon. H. HEARN: This company originally built motor-bodies; and then, with the resources of General Motors of America behind it, decided that it would commence to make motorcars for the Australian market. Let members listen to these notes—

(1) The disclosed profit for the year ended 31st December, 1953, must be taken in conjunction with the results over the last nine years.

(2) The results do not reflect substantial reduction in prices made towards the end of 1953, and which will be fully reflected in the 1954 accounts (£53 16s. 8d., sedan—£46 2s. 6d. utility).

The Minister for the North-West: How much of that was sales tax?

Hon. H. HEARN: A sum of £3. There is no question of a special concession, such as State trading concerns receive. My notes continue—

(3) It is important to note that this industry has not sought any bounty, subsidy or special tariff protection since its establishment.

In short, the capital was subscribed. The company studied Australian conditions and was prepared to stand or fall by the effort it made to establish itself.

Hon. H. L. Roche: But they had tariff protection.

Hon. H. HEARN: But the company did not ask for special protection.

Hon. H. L. Roche: No.

Hon. H. HEARN: The company did not do the same as the heavily State-subsidised Chamberlain Industries did. The company did not ask for special tariff concessions.

The Minister for the North-West: What about the airline companies?

Hon. H. HEARN: Let me continue the notes I have made about General Motors Holdens. They read—

(4) Dividends on Ordinary Shares of the company over the last nine years only averaged 4 per cent. on the average capital employed.

(5) In view of the fact that the Holden had to be established with adverse financial results during its early years, it is only natural that in the ninth year a favourable result would be shown. This is generally experienced in the establishment of a major industry. In view of the major expansion project under consideration, you will probably find that the results during the next few expansion years will taper off and come good again at a later date.

(6) The amount of profits that the company has ploughed back into its business is one of the healthiest signs in Australian industry. Out of the profit for the year ended 31st December, 1953, the company has ploughed back three and a half times what it has paid in dividends. For the nine years it has ploughed back four and a half times what it has paid in dividends.

(7) The labour conditions of the employees must be extremely satisfactory. The number of employees who have been with the company and have qualified for membership of the "25 years club" is now 539.

The average wage paid by the company for the year ended 31st December, 1953, came out at £18 8s. per person spread over men, women and juniors. This is approximately £6 per week above the basic wage, and certainly does not indicate that the profit has been made at the expense of the workers, but, in fact, has been made through industrial efficiency.

I would remind members that the net profit of any company must, of necessity, be the result of industrial efficiency.

When speaking of price control the other night, Mr. Boylen concentrated on a very familiar field; he concentrated his remarks upon beer.

Hon. H. L. Roche: Two-bottle Bob!

Hon. H. HEARN: Yes. He made a few statements which I felt should be checked; and with the indulgence of the House I shall give members one or two facts concerning the Swan Brewery Co. Ltd. and correct some statements made regarding the licensed victuallers. The last rise in the wholesale price of beer was granted by the then Prices Commissioner in 1952. So for 19 months the brewing companies, including the Swan Brewery Co. Ltd., have absorbed increasing costs, which includes malt, which is not barley, 1s. 1d. per bushel, after allowing for the recent fall in the price of barley.

There was also an increase of 5d. per lb. in the price of hops; and 506,460 lb. of hops are used per annum. The increase in the price of crown seals was 3½d. a gross; bottles, ½d. per doz.; and an increase of 8s. a week in the basic wage. Excess water rates have increased by 3d. per 1,000 gallons; and each year 175,000,000 gallons are used. The cost of wooden cases has increased by 10d. each; and pay-roll tax, of course, rises with wages. Railway freights have increased by 29 per cent.; and that is a heavy item, because it affects the return of empty barrels and bottles. There are many other items which affect the production costs of beer. These and other overall costs resulted, in recent months, in the wholesale price of beer, prior to the 23rd July, failing to produce any real profit. Surely it is reasonable for the breweries to charge a small increase in the wholesale price of beer to the tune of 2½d. a gallon.

An examination of the records indicates that when beer was under price control, small increases were granted by the Prices Commissioner at fairly regular intervals of between 12 and 18 months. Therefore the figures for a period of 19 months—seven of which were free of price control, during which time costs steadily increased—indicate that a genuine effort was made to maintain the wholesale price of beer at the 1952 figure to the latest possible time. Unless the position made it absolutely imperative, it would be most unlikely

that with the introduction of price-control legislation pending, the breweries would have chosen that time to increase the price of beer.

When introducing the Bill in another place, the Minister made some statements regarding beer prices, and the Swan Brewery Co. Ltd., which did not coincide with facts. His quoted figure of £500,000 increase in cost to the drinking public cannot be reconciled with official statistics. The total production of all breweries in Western Australia, from the 1st July, 1953, to the 30th June, 1954, was 17,847,052 gallons. We sure drink! Those are official customs and excise department figures. At 2½d. a gallon, this represents £185,906. That is not extra profit, as stated by the Minister, but practically all of it will represent merely a return for increased costs.

The Chief Secretary: I do not recollect saying that.

Hon. H. HEARN: I did not say the Chief Secretary did.

The Chief Secretary: You said "the Minister."

Hon. H. HEARN: I said "the Minister in another place." The Chief Secretary was not in the Chamber at the time, and he should not interrupt unless he knows what I am talking about.

The Chief Secretary: You said that when I introduced the Bill I said so-and-so.

Hon. H. HEARN: If the Minister in another place was endeavouring to assess the total retail increase as a result of the recent rise of ½d. per schooner in public bars, and 1d. per schooner in saloon bars, it would be impossible to arrive at an accurate figure, because there is absolutely no record of how many schooners of beer are sold. Retail prices for containers of all other sizes remain at the old selling figures. I believe that is a fair statement of the position regarding beer.

Strange as it may seem, many businesses in the city today would welcome the re-introduction of price control because, as I have told the House on many occasions, it is simply a cost-plus system, with no guarantee of quality being kept up. If a person really wants to make money, the best system in the world is the cost-plus system. There is no doubt that had price control been in existence over the last 19 months, the Prices Commissioner would have granted increases long before the brewery was obliged to increase its prices.

The Government is unfortunate because it is thinking back in terms of a wartime emergency, and trying to impose on the economy of this growing State—when it is making economic history and entering a period of intense production—a system of price control. With this increased production, every businessman has the fear that his figures will drop, and they are all on their toes to see that their turnover is

maintained. If we want to put our State production on a cost-plus system, then I advise members to vote for price control. If we really want to place our economy in keeping with the times that lie ahead, the last thing we should consider is having foisted upon us this outmoded and finished method of controlling an economy.

I was very interested to hear one member say last night that he wanted freedom from the days of Queen Victoria; freedom for the women. At the same time, he knew full well that in a previous address he had advocated shackling the business community with price control. I have no alternative but to vote against the second reading of the Bill.

HON. H. L. ROCHE (South) [5.44]: I think I have as great a dislike for controls that affect me as an individual, or my industry, as anyone in this House. But at the same time, although it may be unfortunate, we must recognise the fact that in our society today some measure of control is inevitable. We have control of wages and working conditions, and we have control over excessive income by way of income tax legislation. We have control of conditions in such trades as the retail liquor trade, and control over hours of trading in other businesses. Then we have private control of prices in certain industries to prevent prices from coming down.

It seems to me that if we accept those controls, and particularly if the last one is acceptable, then a little too much emphasis is placed on the disadvantages of controls as they might be applied under price control legislation were this Bill to become law. We have tariffs and import restrictions which, today, are both acting as controls to enable the Australian industries to maintain a price level, and to eliminate, or largely restrict, competition.

While, in my opinion, the public does not relish the idea of sweeping and rigid controls any more than I do as an individual—or possibly any more than a number of other members do, as individuals—I think there is a widespread feeling of concern, somewhat exaggerated—and undoubtedly stimulated, for propaganda purposes—that while quarterly increases in wages and salaries are virtually pegged, there should be, as a measure of common justice to the individual, some machinery to provide that they are not exploited; that they should have some protection against high prices.

I want to make it clear that I believe the action of the Arbitration Court in pegging wages was not only desirable but absolutely essential to enable us in this country to try to stabilise the cost structure throughout Australian industry. It seems to me it cannot continue—in my opinion, neither can it succeed—if the general public, which is largely affected, becomes convinced that the pegging, or stabilisation, of

wages and salaries has been done only in the interests of one section of the community; because, all said and done, in dealing with this legislation I do not think we can ignore the fact that there is a psychological effect, as well as what we might term an actual effect, of it on the public mind or on the public well-being.

I am of the opinion that the effectiveness of price control is considerably exaggerated. Owing to the difficulties and the inequalities that arise; the criticisms that are directed at price control; and the general dissatisfaction that is occasioned in its application when it is as widespread as we had it in the immediate post-war period, I realise—as other members will realise—that there is almost a panic among some of the smaller business people—and particularly among country storekeepers—at the prospect of its being reimposed if this legislation were to become law.

I doubt whether it is the Government's intention to apply that type of control. If it is, I feel disposed to let the Government try it for 12 months; because, if I am any judge of the feeling towards the enforcement of widespread or rigid control, I am satisfied that a Government that imposes it will not survive the next election. I am not a bit interested in maintaining the present Government in office a day longer than is absolutely necessary or inescapable. If the Government wishes to try it, then, so far as I am concerned, it may.

While, as I said a few moments ago, I doubt whether price control is as effective as some of its champions maintain, I am somewhat tired of this Chamber being condemned for its attitude, in season and out, on this and other matters. If it is given this power and attempts to realise the promises it made in its election propaganda, the Government can try; and if it succeeds, at least the Legislative Council will be absolved from the responsibility of denying the people the protection which it is alleged we do deny them. If the Government fails to reduce prices, as it says it can with the application of this legislation, then again I think I can say quite truthfully that I am not interested in its fate at the next election.

Hon. C. W. D. Barker: You believe D.D.T. is good for flies; it kills them.

Hon. H. L. ROCHE: The hon. member has described the position himself; I did not. In all the circumstances, I think that while we have the stabilising influence of a pegged basic wage, there is some call to reassure the mass of the public that it is not going to be exploited through excessive prices. As has been shown up to date, the prices that have risen in Western Australia out of proportion to the rise in the other States are those that relate to rents and meat, and they do not enter into the account. I do not think that is generally realised by the public as a whole; and I doubt very much whether all the evils and harm that

some members anticipate, will ensue if this measure is taken to the second reading, and the Government is given an opportunity to try to realise its platform of reducing prices. If the Government succeeds, it will be a good thing for Western Australia; but if it fails, I have no doubt in my own mind that it will be a bad thing for the Government. That also appeals to me.

On motion by Hon. E. M. Davies, debate adjourned.

ADJOURNMENT—SPECIAL.

THE CHIEF SECRETARY (Hon. G. Fraser—West): I move—

That the House at its rising adjourn till Tuesday, the 28th September.

Question put and passed.

House adjourned at 5.50 p.m.

Legislative Assembly

Wednesday, 22nd September, 1954.

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

QUESTIONS.

RAILWAYS.

(a) As to Reducing Fires Started by Locomotives.

Mr. HEARMAN asked the Minister for Railways:

(1) In view of the exceptionally dry seasonal outlook, is the Railway Department taking any additional precautions to reduce the number of bush fires started by locomotives?

(2) Can he indicate on which lines it is intended to use Newcastle coal during the coming summer?

The MINISTER replied:

(1) The normal programme of fire-breaks and burning off is being accelerated in view of the abnormal conditions. A full measure of co-operation by property owners adjacent to railway lines when burning-off operations are being carried out by railway gangs would considerably minimise the risks.

(2) Clackline-Miling; Geraldton-Yuna; Geraldton-Ajana; Geraldton-Walkaway; Geraldton-Northern Gully (down journey); Narrogin-Pinjarra; Katanning-Boyup Brook; York—Bruce Rock—Merredin. Subject to availability it is proposed to use Newcastle coal also on the sections Narrogin to Albany and south of Bunbury at certain periods.

(b) As to Responsibility of Railways Commission for Fires, etc.

Mr. HEARMAN asked the Premier:

(1) Has the Government given any consideration to amending the Government Railways Act to make the Railways Commission accept responsibility for fires started by locomotives, in the same way that private individuals are held responsible for damage caused by fires that they light?

(2) What premium would the State Insurance Office require annually to indemnify the Railways Commission against all claims that would be made against it as a result of bush fire damage, in the event of the Government Railways Act being amended as envisaged in No. (1)?

(3) Is he aware that the Minister for Lands recently gave figures for the year ended June, 1953, indicating that for that year only nine bush fires could be attributed to W.A.G.R. locomotives?

(4) Can he say what additional running costs are experienced by the Midland Railway Co. as a result of their exclusive use of Newcastle coal during the summer?

(5) Would the use of Newcastle coal substantially reduce the fire hazard from W.A.G.R. locomotives?