

LEGISLATIVE COUNCIL.

Wednesday, October 13, 1954.

The PRESIDENT (Hon. Sir Walter Duncan) took the Chair at 2 p.m. and read prayers.

PUBLIC PURPOSES LOAN BILL.

His Excellency the Governor by message intimated his assent to the Act.

AUDITOR-GENERAL'S REPORT.

The PRESIDENT laid on the table the report of the Auditor-General for the year ended June 30, 1954.

PUBLIC WORKS COMMITTEE REPORTS.

The PRESIDENT laid on the table the reports of the Parliamentary Standing Committee on Public Works on the Fulham Gardens sewerage scheme and the hundreds of Cowan and Tooligie water supply, together with minutes of evidence.

QUESTION.**WAGE MARGINS CASE.**

The Hon. F. J. CONDON—The Crown Solicitor (Mr. Chamberlain, Q.C.) said in the Federal Arbitration Court yesterday, "Public interest will not allow an over-all increase in margins . . ."

The Hon. C. R. CUDMORE—On a point of order, Mr. President, has the honourable member leave to read a statement with a view to asking a question?

The PRESIDENT—Does the honourable member ask leave?

There being no response, the Council proceeded with the next business.

EVIDENCE ACT AMENDMENT BILL.

Read a third time and passed.

BREAD BILL.

Adjourned debate on second reading.

(Continued from October 6. Page 899.)

The Hon. C. R. CUDMORE (Central No. 2)—I do not think we should allow a Bill of this importance to go through without some comment in addition to the explanation given by the Minister in his second reading. This Bill repeals the Bread Act and incorporates a large number of other provisions in its place. As Mr. Condon has identified himself with the questions of flour, flour milling and wheat, I had hopefully expected he would have given us some information on the subject; perhaps he

will do so later. The Council has rather become used to leaning on him to give it such information, knowing of his long association with the flour milling industry, and therefore appreciating the information he has always been able to give.

The Bill appears to me to be largely one dealing with the powers of inspectors, the weights of dough and various technical matters. The latter part incorporates the ordinary provisions which are placed in most Bills as to offences, the evidence of offences and possible alterations in dough. I confess that I have not much capacity to express any really useful contribution, but this is obviously a Bill that is more a matter for Committee. The Government has suggested that we repeal the previous Bread Act and bring in these fresh rules and regulations in its place. I support the measure in the hope that we will get some valuable contributions in Committee.

The Hon. L. H. DENSLEY secured the adjournment of the debate.

HEALTH ACT AMENDMENT BILL.

Returned from the House of Assembly without amendment.

FOOD AND DRUGS ACT AMENDMENT BILL.

Returned from the House of Assembly without amendment.

LOCAL GOVERNMENT ACT AMENDMENT BILL (No. 2).

Adjourned debate on second reading.

(Continued from October 6. Page 904.)

The Hon. J. L. S. BICE (Southern)—The amendments foreshadowed in this Bill indicate that during Committee stages there might be quite an intensive debate, because it is quite natural that one can expect a good deal of discussion on amendments to an Act containing over 900 sections. I have had only a limited experience in local government matters, but I suggest to the Minister that during the recess he should refer the Act to the Local Government Advisory Committee with a view to having a consolidated measure submitted next session. As councils have to deal with the ramifications of over 900 sections I feel they should each have a legal practitioner to advise them.

The Hon. K. E. J. Bardolph—Each council has its own solicitor.

The Hon. J. L. S. BICE—I know they have their own honorary solicitors.

The Hon. K. E. J. Bardolph—They are not all honorary.

The Hon. J. L. S. BICE—I know that some of them are paid. I have had the experience of sitting in a council that has had the benefit of the advice of a competent lawyer, and I know that the advantage of that procedure is tremendous. I am wondering why the clause dealing with foreshores was included in this Bill; was it included because of the storm that this State experienced some little time ago? The Noarlunga council, of which I have had the honour to be a member for a long time, has worked very harmoniously with the Harbors Board and at no stage has it felt that a definition of “foreshore” was required, because it would simply ask the Harbors Board to confer with it on any problem that might arise. The board would send an officer to the council or we would send a representative to meet the board. Our district includes an appreciable length of foreshore and I think that if we could avoid cluttering up our legislation by clauses such as this it would be all to the good.

I am much concerned about the question of variable rating and I wonder why the word “municipality” is used, for I feel that, with the rapid spread of population, the principle should be made applicable to all councils. My colleague, the Honourable J. L. Cowan, referred to the number of district councils concerned in the question of the land value system of rating, and I find it most disturbing, because I believe it will become a fundamental problem in connection with our primary production. The sensible thing to do would be to give the councils machinery by which they could adopt a reasonable assessment, with the power to fix rates on such a basis as would be sufficient to take care of annual commitments. In the last issue of the *South-Eastern Times* it was reported that the Millicent District Council had adopted a rate of 4s. in the pound, and two special rates covering lighting and another specific work. I believe that that is the better way of raising council revenue, and I sincerely suggest to the Minister that during the recess he take up with the Local Government Advisory Committee the question of attempting to eliminate a goodly proportion of the provisions included in the Act when it was consolidated in 1936.

Mr. Cowan also referred to the question of weighbridges and I subscribe to the views he expressed. Even some of the weighbridges already on our roadsides could be better utilized if arrangements could be made with local people

to manage and care for them. I have one in mind on which I have never seen a vehicle. I am aware that in this case there is specific difficulty in getting anyone to look after it, but it could be utilized for weighing grapes or hay or other bulk goods; the next nearest weighbridge is five or six miles away.

The Hon. K. E. J. Bardolph—I thought that the honourable member did not believe in the Government's entering into business.

The Hon. J. L. S. BICE—Sometimes the Government is forced to keep a check on things by the stupidity of people who overload their vehicles and drive them at too fast a speed. I support the second reading and certain of the amendments foreshadowed, but trust that the Minister will consider my suggestion as regards the clarification of the various sections of the Act.

The Hon. L. H. DENSLEY (Southern)—I congratulate the Minister on the introduction of this Bill conveniently early in the session. In the past members have often complained that Local Government Bills have been introduced late in the session, giving insufficient time for examination. On this occasion there cannot be that complaint. The main alteration in this Bill is in relation to land values rating, and it would seem that this method has not met the conditions it was designed to meet, which has resulted in some dissatisfaction and thus the necessity for amending legislation. I see no reason why, if we are to alter this system of rating in the way suggested, it should be confined to the city areas. Beyond doubt the same thing applies in many country towns, and on perhaps a much greater scale, and if the principle is to become part of our law it should be extended generally through-out the State. One of the things to be aimed at as far as possible is uniformity, and I think that would be very desirable in this respect. An even greater benefit would be attained by abolishing the land values rating system. It would appear that it is not used as an ordinary method of rating, but rather as a system whereby the ratepayers who are now in the majority, that is, the holders of small allotments, are by virtue of their numbers in a position to enforce the adoption of that system. I believe it would be in the interests of all sections if the Government decided to do away with this method of rating. There may have been some excuse for it in times gone by, but today where there are vacant allotments within a town area on which it is thought rates should be paid, moieties take care of the position.

A Bill was passed in recent years under which the Lands Department does not allocate blocks within township areas except on the assurance that they will be built on within a certain time. This system does away largely with the necessity for the land values type of rating and it would be entirely to the advantage of the districts generally to abolish it. It is obvious that town areas which are numerically strong, in district council as well as in metropolitan council districts, are able to swing a vote on this question. It would be desirable that Parliament should take further steps in the matter and do away with the land values system of rating. I should say that the holding up of land is a diminishing evil. The fact remains that many areas are now built on and there are not any blocks being sold in council areas without the provision that they be built on, therefore I feel that the time has arrived when something more definite should be done in this matter. Some objection may be taken by district councils which at present are using the land values method of raising rates, but with their wings clipped they will not be quite so keen on it, and would be less unhappy if we decided to do away with it. I support the second reading.

The Hon. K. E. J. BARDOLPH secured the adjournment of the debate.

CATTLE COMPENSATION ACT AMENDMENT BILL.

Received from the House of Assembly and read a first time.

The Hon. Sir LYELL McEWIN (Chief Secretary)—I move—

That this Bill be now read a second time. The Act provides for a scheme under which compensation may be paid where cattle or carcasses of cattle are condemned because of disease. It provides for the constitution of a Cattle Compensation Fund into which the proceeds of stamp duty levied on the sale of cattle are paid. This stamp duty is at the present rate of $\frac{3}{4}$ d. for every £1 of the purchase price of any cattle with a maximum duty of 1s. 10 $\frac{1}{2}$ d. on the sale of any one head of cattle. If cattle are destroyed by reason of disease or if any carcass is condemned, compensation is payable according to the rules laid down in section 6. The compensation ranges from payment of the full market value if, after destruction, the cattle are found to be free from disease, to three-quarters of the market value if the cattle are found to be diseased, and according to a scale prescribed

by regulation in the case of condemned carcasses. Section 6 provides that the market value of any one head of cattle is, for the purposes of assessing compensation, not to be deemed to be more than £60.

At June 30, 1954, the credit balance in the fund was £73,121 4s. 2d. During the financial year ending June 30, 1954, the receipts were £17,428 13s. 6d. and payments amounted to £7,124 6s. 7d. During the past five years the fund has increased in credit at the average rate of approximately £7,330 per annum, despite the fact that in 1948 the stamp duty rate was decreased from 1d. to $\frac{1}{4}$ d. in the £1 and the maximum market value a head of cattle for compensation purposes increased from £30 to £60. It is considered that the fund is now sufficiently strong to meet the claims which may be expected to be made and also to permit of a reduction in the rate of stamp duty. Accordingly, the Bill provides that the rate of stamp duty for every £1 of purchase price on the sale of cattle is to be reduced from $\frac{3}{4}$ d. to $\frac{1}{4}$ d. and that the maximum duty payable on the sale of any head of cattle is to be reduced from 1s. 10 $\frac{1}{2}$ d. to 1s. 3d. Unless there was a steep increase in the incidence of disease, it is considered that the reduced rates of duty will not lead to a reduction of the present credit in the fund. On the contrary, it is expected the credit in the fund would still increase but at a considerably slower rate than it has in the past. No alterations to the existing rates of compensation are proposed.

The Hon. K. E. J. BARDOLPH secured the adjournment of the debate.

POLICE PENSIONS BILL.

Received from the House of Assembly and read a first time.

The Hon. Sir LYELL McEWIN (Chief Secretary)—I move

That this Bill be now read a second time.

This Bill, as its long title states, makes further and better provision for police pensions. Towards the end of last year the South Australian Police Association made representations to the Government on this subject. They pointed out that whereas in previous years the South Australian Police Pension Scheme had been better than those of other States, it was now lagging somewhat, and they indicated certain increases in benefits which they desired. The Government investigated the matter and found that there was some truth in the contention of the Police Association. The existing

rates of police pensions were last fixed in 1950 at amounts which were then reasonably in line with the current Australian standards. Shortly afterwards, however, the benefits payable in New South Wales, Victoria and Queensland were further increased. This fact, together with the general increase which has taken place since 1950 in salaries and payments generally, supports the claim for increased rates of pension.

The Police Pensions Scheme of South Australia is unique in one respect, namely, that part of the benefits is taken in the form of a lump sum payment on retirement at age 60. Another feature of our scheme is that as the pension rates for retiring officers have been increased over the years, a corresponding increase has been made in the pensions payable to persons who had entered upon pension before the passing of the legislation which granted the increases. In this respect South Australia has been more generous than the other States. For these reasons, it is not possible to make a comparison between the South Australian scheme and that of the other States by merely comparing the actual annual rates of pension payable to police officers on retirement. The lump sum payment has also to be taken into account, and also the relative values of the pensions and allowance for widows and children.

In working out the various rates in this Bill the Government has aimed at providing for members of the police force superannuation benefits which, allowing for different retiring ages, are of approximately the same total value a head as those of members of the State public service in receipt of equal salaries, and which are approximately equal in value to the benefits payable to the police in Queensland. The police pension scheme of Queensland may be regarded as representing the average Australian standard. To carry this principle into effect, it is necessary to increase the present pensions by almost 50 per cent and the Bill does this. The cost of the increase will, however, fall to a greater extent upon the Government than upon the contributors to the police pensions fund. The reason for this is that the police contributions are based on the ages of the men at entry to the force and present members of the force, irrespective of their age, will obtain the additional benefits under the Bill although their contributions will be at the rates applicable to their ages at entry into the force. This Bill is in the form of a consolidating and amending Bill. Members will see from the Statute Book that owing to the frequent amendments of the principal Act it has become

desirable to re-write the whole of the legislation, incorporating the new rates, which I will explain, and omitting obsolete provisions.

I will draw the attention of members to the main alterations in the present Act, in the order in which they occur. The first matter is that of contributions. The new scale will be found in clause 14. The proposed annual contributions for males run from £41 a year in the case of a man who commences to contribute in his 22nd year to £52 in the case of a man who commences to contribute at the age of 27 or more. The present scale of contributions for the same ages runs from £27 to £71, so that while there is an increase of approximately 50 per cent for men joining the force at the normal age the contributions of men joining at ages above 34 will be less than before. This concession has been granted by the Government to meet the needs of certain ex-servicemen who joined the force at ages substantially above the normal age of entry. Corresponding adjustments are made in the scale of contributions for women contributors. The present principle that commissioned officers contribute six-fifths of the amount prescribed for other members of the force is retained. Clause 19 prescribes the retiring age for members of the force. No alteration is made in the requirement that a member shall retire from the force on attaining the age of 60 or, at his option, at any time between his 60th birthday and the next following first day of July.

Turning to the new scale of benefits, the first clause to be considered is clause 20. This sets out the normal rate of pension on retirement at or after age 60. The present lump sum payment of £1,250 is not altered. There is, however, a substantial increase in the annual rate of pension. At present the pension is £312 a year for the first five years after retirement and £156 a year for the remainder of the pensioner's life. This scheme for a reducing pension was introduced with the concurrence of the police in 1950 when the scheme was last amended. The lump sum was regarded as a capitalization, so to speak, of a part of the pension, and a compensating reduction was made in the amount of the pension. The idea of the reducing pension has never been very popular and it is now proposed to raise the pension to a uniform rate of £364 a year for the life of the pensioner.

Clause 21 deals with the pensions of members who are forced to retire by reason of injuries received in the actual execution of police duties. The pension in such cases is at present

£312 a year, and there is no provision for a lump sum. It is proposed to raise the pension to the standard rate of £364 a year and, in addition, the retiring officer will receive a lump sum of an amount varying according to his years of service and his age. The Bill recognizes the principle that a police officer is to be regarded as gradually earning his right to a lump sum throughout his service, so that if he retires before becoming entitled to the lump sum of £1,250 he will receive a part of it. The method of calculating the lump sums payable to police officers who retire by reason of injury before age 60 has been worked out by the Public Actuary and his recommendations are included in the Bill. If an officer has less than 10 years' service he will receive twice the amount of his contributions. If he has over 10 years' service he will receive £400, plus £40 for each year of his age over 40. The maximum lump sum will, of course, be £1,250 in every case. Clause 22 deals with the benefits payable on retirement of a police officer by reason of invalidity, other than invalidity due to an injury received on duty. In this case, if the officer has less than ten years' service the present benefit, namely, a refund equal to twice his contributions, will continue to be payable. Where an officer retires with from 10 to 15 years' service the present pension of £150 will be increased to £182 and, in addition, a proportionate part of the lump sum will be paid. The actual amount will be £400, plus £40 for each year of the member's age above 40. When a man retires through invalidity with over 15 years' service his present rate of pension is £150, plus £9 for each year of service in excess of 14. The Bill increases this rate to £182, plus £9 for each year of age over 40, with a maximum pension of £364. In addition, a member with more than 15 years' service will receive a lump sum of £400, plus £40 for each year of his age over 40.

The provisions as to the benefits for widows of members and widows of pensioners are in clause 29. At present the widow of a police officer who dies before retirement receives an annual pension of £112 10s. and a lump sum of £350 with £50 for each year of the husband's age over 45. The new rate of pension for widows will be £182 a year and the lump sum will be £400, plus £40 for each year of the husband's age over 40. The rate of pension for widows of pensioners is increased from £112 10s. to £182 a year. In this latter case no lump sum is payable to the widow because the lump sum prescribed by law will have

been paid to the husband of the widow during his lifetime. The allowance for a child under 16, which is at present £32 10s. per annum, is increased to £39 per annum, and where the child is an orphan the amount of the allowance will be £78 a year. The existing provision under which the pensions for commissioned officers and their widows are fixed at six-fifths of the ordinary rate is retained.

Clause 32 contains provisions for increasing the pensions of existing pensioners to the new rates prescribed by the Bill for persons retiring in future. Thus the normal pension for ex-members will become £364, and for widows £182, and the child allowance will be raised to £39. The other provisions are administrative and ancillary provisions which are very much on the same lines as those in the present Act. I would, however, draw the attention of honourable members to clause 42 which provides that in future pensions will be paid twice monthly instead of once a month as at present. This alteration was asked for by the Police Association and as it can be carried into effect without increase in staff the Government is pleased to grant it. The Bill is a somewhat technical one and I do not at this stage desire to deal further with the details. If any further information as to the scheme is desired I will be very glad to make it available to honourable members on request.

The Hon. F. J. CONDON secured the adjournment of the debate.

PRICES ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from October 6. Page 902.)

The Hon. C. D. ROWE (Midland)—During the adjournment I have had the opportunity to read the speeches made in this Chamber on this Bill during previous sessions, and I was surprised at the apparent ease with which the legislation has been passed on those occasions. I have directed my attention very carefully to what my attitude should now be. Price control is one of the things which came upon us as a result of the second world war after which, because of the conditions then prevailing, it was necessary to impose many controls that are ordinarily undesirable and unnecessary. A major portion of these controls has now gone and in many fields we have gone back to the better system of supply and demand. Capital issues control, building materials control and controls on the transfers of land have all been removed. Rent control has been relaxed to a considerable degree; no doubt this session we

will again have to consider it and I hope we will relax it a little further than previously.

In the commercial sphere it has been found that, whereas some of our main staple products were sold on a bulk basis to many countries, sales are now being made on a trader to trader basis which I think will be more satisfactory and will result in more efficiency in the industry. Considering all these matters, I think we need to ask ourselves whether the present economic circumstances justify a further continuance of price control with the not inconsiderable expense wrapped up in its administration. In other words, we should consider whether the factors of supply and demand are sufficiently equated to ensure that there will not be a steep rise if price control is removed, because in Australia, and particularly in this State, it is important to keep our price structure as stable as we can. As overseas prices for wheat, and possibly barley and some of our other products, have fallen, we can only remain satisfactory competitors in overseas markets if we maintain a stable price level here.

After considering all the facts I have reached the conclusion that it is probably advisable for price control to continue for another short period, but I feel we are getting close to the stage when we can do without it. I have reached this conclusion firstly because there are inflationary pressures in the community that would exert themselves if price control were removed immediately, and they would result in an increase in prices. Secondly, the Arbitration Court has, I think quite correctly, fixed wages, and while they are fixed it is necessary that we should do all we can to keep prices on an even keel to ensure that the worker is not put at a disadvantage in the purchase of the commodities he needs for his existence. I believe that if price control is removed some of the ordinary commodities that everyone requires from day to day would suffer most from price increases. Rents are controlled to a certain degree and, as everyone knows, this control is covered by a separate Act. If we remove price control then we must be consistent and remove rent control, and whilst I am quite sure that it can be further relaxed I am not satisfied that the housing position is such that it can be abolished. For these reasons I propose to vote for the second reading, but at the same time I express the opinion that we are getting close to the time when we can manage without price control, and if circumstances carry on in the coming year as they have in the past year, next year we will have reached a stage when a re-enactment of this legislation will not be necessary.

The Hon. E. H. EDMONDS (Northern)—I have consistently supported price control year after year, but I feel there should be some justification for its continuance. I was unable to be present during the Minister's second reading speech because of important business elsewhere, but I have since read the *Hansard* report of it. It struck me that the Minister was not very enthusiastic in presenting the Bill, and he certainly did not give very much information. The only item that he mentioned was timber which he declared to be in short supply, but I know that the ramifications of this legislation go much further than that. In an endeavour to find out what happened in the past, I have made some investigations on what the legislation has achieved. One reason given for its introduction was the shortage of supplies of commodities, and it cannot be disputed that at that time goods were in short supply. Although in the interim we have gained some ground in this regard there is still a shortage of some commodities in this State.

Another reason for its introduction was to check the inflationary tendency that was very much in evidence in our national economy, and whilst prices were high for two or three years, with the falling of some prices, particularly of primary products, the position improved. However, there seems a danger at present that this inflationary tendency will again creep into the economic set-up. During the second reading speech one member asked the Minister whether he could give any information about the number of items now under control. I have looked at some figures and have received information in this regard, and I found that when the legislation was enacted in 1948 the schedule contained a list of 385 items. This list was increased to 430, but 382 items were decontrolled and 136 recontrolled, so that 184 are at present controlled. These figures indicate the correctness of the Minister's statement that as circumstances warranted controls would be lifted, and it also indicates that they will be removed when necessary and desirable to do so.

Another matter that has influenced my decision is the information contained in reports and balance sheets of business houses, manufacturers and retailers, all of whom are vitally concerned in this legislation. These documents show that a satisfactory balance of profits over working expenses has been kept over the last few years and these undertakings have paid satisfactory rates of dividends and interest on capital, which is an indication that they have not suffered unduly as a result of price control. The question of fixation of prices is not merely one of officers of the department

making the determination, for the principal Act provides for the setting up of committees including one or more representatives of the seller of goods or the provider of services and consumers, so the distributor, the manufacturer and the retailer have opportunities for presenting their cases.

The Hon. F. T. Perry—Were those committees ever set up?

The Hon. E. H. EDMONDS—I presume that the people interested would have seen to that.

The Hon. C. R. Cudmore—They were, but they are not in existence today.

The Hon. Sir Wallace Sandford—They would only be in the minority anyway.

The Hon. E. H. EDMONDS—In view of those provisions in the Act I feel that the sections of the community vitally concerned have had their interests safeguarded, and that is why I feel that the legislation is achieving its objective. It is not unduly causing any dislocation of trade and therefore I support its continuance for another term. It is of interest to note that almost every year without exception since 1948 Ministers, in introducing re-enacting Bills, have declared themselves as not being in favour of price control but forced by circumstances to continue it. I am prepared to accept that as a genuine expression of opinion and feel quite satisfied that as soon as circumstances justify it all controls will be abolished. Therefore, I support the second reading.

The Hon. S. C. BEVAN (Central No. 1)—On the face of it this is a simple measure re-enacting previous legislation and requiring little debate. However, to get the full picture we must examine the history of price control and consider its effect. When it was first instituted by the Commonwealth Government in the early stages of the war it was a necessity, and the conditions which justified price control during the war and its continuance in the post-war years were the acute shortage of goods, the need for equitable distribution, and the prevention of profiteering. We may ask ourselves therefore whether there is justification today for continuance of price control and whether those conditions still prevail. If they do not then there is no necessity for re-enactment of this measure. In 1948, when the clamour arose in all States—and I use the term advisedly—for the Commonwealth Government to relinquish price control on the assertion that the States could adequately administer it the Commonwealth Government handed it over to

the States. At the same time it decided to discontinue the payment of subsidies designed to keep retail prices down. We all remember the agitation that this step created; it was argued that although the Government should relinquish price control it should continue subsidies. The Commonwealth Government, however, took the stand—and I say quite correctly—that if it was not to have control of prices it was not prepared to shoulder the responsibility of paying subsidies in order to keep prices down.

Some members have stated in this debate that price control has been a failure, and I feel that it could not be otherwise under the administration of the several States. Obviously it is impossible to police adequately prices which are fixed in each State separately. Some members have urged abolition on the grounds that it is no longer necessary, but if it were relinquished what effect would it have in reducing prices? At the end of 1951, with the Christmas season approaching, we were faced with unemployment for the first time since 1939 in the textile, clothing and footwear industries in particular. Manufacturers were closing down their establishments because they could not obtain orders; warehouses were becoming choked with goods that could not be sold. It must be accepted, therefore, that those goods were in plentiful supply.

The Hon. L. H. Densley—Was that a matter of prices or import restrictions?

The Hon. S. C. BEVAN—They could not sell their goods and stocks were banking up, but did that reduce the price of boots, shoes, clothing or textile goods by one penny?

The Hon. C. R. Cudmore—Probably price control kept them up.

The Hon. S. C. BEVAN—Price control does not keep prices up. It simply fixes maximum prices, but not minimum prices and there is nothing to prevent the retailer selling goods at a lower price. I contend that our experience clearly shows that plentiful supplies have not resulted in reduced prices.

The Hon. C. R. Cudmore—You are speaking about conditions under price control. Prices might be reduced if it were lifted.

The Hon. S. C. BEVAN—That argument will not bear analysis. I have proved conclusively that an over-supply of goods, under price control, simply created unemployment without reducing prices.

The Hon. F. T. Perry—You cannot say that.

The Hon. S. C. BEVAN—I am saying it. If the honourable member can tell me of any

reduction of price in the goods I have mentioned in 1951, when they were in plentiful supply, I shall be happy to accept his statement. We are told that commodities are in plentiful supply today, but what does it cost to buy a shirt, a pair of shoes or a suit of clothes? Has there been any reduction in price since the inauguration of price control?

The Hon. F. T. Perry—Certainly.

The Hon. S. C. BEVAN—Certainly not. What does it cost to buy a tailored suit, or even a ready-made suit today?

The Hon. F. T. Perry—There is a far greater variety nowadays.

The Hon. S. C. BEVAN—But one still has to pay £20 for a ready-made suit. The people advocating abolition of price control are not the consumers, but the manufacturers and merchants, and we may assume that their agitation is for one thing only. There is still a demand for their goods and if price control were abolished they would be able to increase their prices while the demand lasted. One member said when this legislation was before us last year he supported it because of the enormous amount being spent by the oil companies for advertising. I call members' attention to the full page advertisement inserted in the press on October 8 by the oil companies, which are among the biggest monopolies operating in Australia. This advertisement advocated an increase in the price of petrol and oils, and severely criticized the Prices Ministers because they refused any increase. They even had the audacity to say that a decrease was not economic to the public, particularly the motoring public. Their demand for an increase is unjustified, and because it was refused, they say it is uneconomic to the motoring public.

The Hon. K. E. J. Bardolph—They imply that they will supply an inferior quality article.

The Hon. S. C. BEVAN—I do not suggest that, but we are told that the oil companies are no longer spending millions of pounds. The advertisement referred to appeared in every daily newspaper in every State and would have cost thousands of pounds. It was for the one specific purpose—to create an agitation in the minds of the general public that they should agree to increased prices for their commodities. Under our system of price control adequate investigations are held when applications are made for a price increase, and when such an investigation has proved that an increase is not warranted the Prices Commissioners have not agreed to it. That is applied to all commodities under price control. Mr. Edmonds

mentioned the number of items originally under price control and said 184 were still controlled. Has it not been the South Australian Government's policy when it considered a commodity was in adequate supply to remove price control? The figures tendered by Mr. Edmonds prove that.

I feel sure that when those commodities which are still under control become in plentiful supply the Government will continue its policy of removing price control. However, the time has not arrived when control should be entirely abolished. It cannot be denied that we are still suffering shortages in some controlled items; therefore control should continue. Honourable members opposite agreed with the Arbitration Court in its refusal to grant further quarterly adjustments in the basic wage, but we cannot have this on the one hand for the purpose of retaining economic stability and on the other hand have no control over prices and allow them to soar unreasonably. The price control legislation should be continued while certain goods are in short supply. Finally we shall reach the stage where controls will no longer be necessary.

The Hon. Sir WALLACE SANDFORD (Central No. 2)—When the Chief Secretary was explaining the Bill he said the Government would be glad if all price control could be removed without detrimental effects, and contended that supplies of some essential goods and materials were still substantially below requirements, adding that if there were no price control it would be possible for unscrupulous persons to take an unfair advantage of the position and charge excessive prices. Mr. Cudmore dealt with this in his speech last week when he said the onus has been put on the Government to show that it was necessary to continue controls. Years have passed since World War II ceased and I am sure that the restrictions and controls imposed upon us have retarded our progress towards the freedom for which we all yearn. The free play of supply and demand, upon which in the past we have built up the trade whose flag has waved in practically every port in the world, was not established by the imposition of controls. I think it can be said that in practically all the democratic countries there has been in recent years a strong movement away from controls including price controls. Those who have visited Europe during the last year or two will have noticed that the results achieved have been astonishing, and that is because people are free to develop their

energies and have freedom in investing their capital. The United States of America, Canada, Belgium and Western Germany have gone the furthest in dismantling the apparatus of war-time and post-war controls, have placed their reliance on free markets and have been the most successful in overcoming post-war shortages, in increasing production, curbing inflation and in restoring a healthy balance to the economy. The conditions which may have justified the use of price controls during the war and post-war periods no longer exist. In Australia even Sir Douglas Copland, who was Commonwealth Prices Commissioner during the war, has on numerous occasions spoken strongly against the continuance of price controls in Australia. There will always be some surpluses as well as shortages.

If there is anything in the argument relating to shortages, we are apparently never to be relieved. Mr. Bevan perpetuates the fallacy that sellers like high prices. The story he told of the warehouses bulging with goods which cannot be sold ignores the fact that possibly the greatest profits over the last decade have been made by the cash-and-carry type of business. They have no goods to deliver, no books to keep and consequently no huge clerical staff. Certain businesses have been successful because they like to sell their goods as cheaply as possible, and buyers like to get their goods as cheaply as they can. We want the type of business which can operate without restrictions, and a multiplication of the activities of the cash-and-carry type of store. In any case it will take some time to catch up the lag even after we remove controls, but it will be very much longer if we allow these hindrances to continue. Therefore, I shall not support the second reading.

The Hon. A. J. MELROSE (Midland)—I feel that this question of price control has now reached a crisis, and this has prompted me to speak at present rather than give a silent vote. Several factors have influenced me in making this decision. One is that it is so long since the war and the original necessity for price control that I sincerely think the time must be ripe to try again the ordinary law of supply and demand. Some speakers mentioned that some goods are still in short supply but they did not specify any that are; if so many are in short supply it would have been easy to mention some particular instances so warrant a general re-enactment of price control.

In regard to the machinery of price control in my own small experience I have taken a very great exception to the delay of Prices Commissioners and those in control in making announcements to people waiting to know what the new controlled prices of certain manufactured articles would be. These delays have seriously impeded the ordinary trade in manufacturing and delivering goods. Another thing that has impressed me has been the wrongful emphasis that has been laid on disclosed profits in balance-sheets. It was mentioned that all balance-sheets today seem to show healthy profits. I hope I am not the only one in this Chamber who believes there is nothing sinister in the profit motive. I am convinced that any business is entitled and should be expected to justify its existence by making a healthy profit, not only for distribution as a reward for the capital it uses but also, and perhaps more important, to enable it to build up reserves for its own expansion and to ensure its future in the interests of the community. I know that there is a feeling among some members of industry that if a dividend higher than normal is declared, even though that may be only a return to the old standard from which it has been depressed, the attention of Prices Ministers will be drawn to the profits. Here again every business should be expected to make profits, and good profits. Profits do not mean exorbitant prices, but, as Sir Wallace Sandford pointed out, it is the many small profits that make the big ultimate net profits at the end of the year. I would think it is much easier to make a big profit from many small lines retailing at about 6d. at a cash and carry store than it would be as an agency for Rolls Royce cars, therefore I do not think it can be assumed that if any company shows a substantial profit any of its customers have been victimized by high prices. We should consider in all its proper perspective the fact that the ultimate big mass of profits has arisen from small profits on quick turn-overs. It is futile for those of us who feel that the time is about ripe to try again the law of supply and demand, which after all is the only reliable one and the healthiest of all, to protest against the indefinite continuation of price control, although we have this annual dose, without taking some action; therefore I will be one who will not support the second reading.

The Hon. R. R. WILSON secured the adjournment of the debate.

INFLAMMABLE OILS ACT AMENDMENT
BILL.

Received from the House of Assembly and read a first time.

The Hon. SIR LYELL McEWIN (Chief Secretary)—I move—

That this Bill be now read a second time.

Its object is to deal with a problem which has arisen concerning the supervision of licensed stores where more than 1,000,000gall. of inflammable oils are kept. The Act provides that where inflammable oil is kept in more than certain insignificant quantities the place where the inflammable oil is kept must be either registered as "registered premises" or licensed as a "licensed store," depending on the quantity of inflammable oil kept. The maximum quantity of any inflammable oil which may be kept in registered premises under the Act is 800gall. Quantities in excess of those permitted in registered premises must be kept in a licensed store.

In 1933 an amendment, originally moved by a private member, was inserted in the principal Act requiring a person keeping more than 1,000,000gall. of inflammable oil at registered premises to provide watchmen so that the premises would be under continual supervision. It will be seen that this amendment was wrongly framed since it is not possible to keep 1,000,000gall. of inflammable oil at "registered premises." The amendment should have referred to a "licensed store." It is almost certain that a court construing the amendment would read "licensed store" for "registered premises" rather than hold the amendment to be meaningless, which is the only other alternative. To avoid any doubt, however, the Bill corrects the error. This is only a minor matter.

The real problem which has arisen is whether the amendment requires the employment of full time watchmen or whether it is sufficient if persons who have other duties are appointed to act as watchmen. The question has arisen in a dispute between the Shell Company of Australia Limited and the Federated Miscellaneous Workers' Union. Until recently the company employed three full time watchmen at its installation at Birkenhead. A little over a year ago, however, the company for reasons of economy decided to dispense with full time watchmen. Its intention was to entrust the supervision of the installation to ordinary employees during working hours and to employ casual watchmen when there were no other employees on the premises. In practice this scheme would entail the employment of watchmen at weekends only.

The union protested against this action, mainly on the ground that the company would be contravening the principal Act.

The Government is advised that it is almost certainly not the case that the company is required by the amendment to employ persons as watchmen who have no other duties. The word "watchman" in the amendment has no technical meaning, and can mean persons who have duties other than that of keeping watch. The union also argued that in any event full time watchmen should be employed in the interests of safety. Neither side has yielded in this dispute, and in the meantime no proper watch is being kept over the installation at week-ends.

The Government has referred the question whether watchmen with no other duties should be employed to the Chief Inspector of Factories. After careful consideration he has given his opinion that so long as adults (not employed as watchmen) are working at such premises, a reasonable safeguard is provided, and that when no such adult persons are working, watchmen, with or without other duties, should be provided. The Bill gives effect to that recommendation. It requires a person keeping a licensed store where over 1,000,000 gall. of inflammable oil are kept to appoint persons over the age of 21 years to watch the store. These persons must be sufficient in number to keep the store under adequate supervision at all times and must be given proper instructions to ensure the safety of the store. Further, the persons keeping watch over the store must take all reasonable precautions to ensure that the store is properly watched. The Bill expressly provides that persons appointed to keep watch may have other duties. It also makes it an offence for a person appointed to keep watch to fail without reasonable excuse to keep watch in accordance with his instructions.

The Hon. S. C. BEVAN secured the adjournment of the debate.

VERMIN ACT AMENDMENT BILL.

Received from the House of Assembly and read a first time.

The Hon. Sir LYELL McEWIN (Chief Secretary)—I move—

That this Bill be now read a second time.

Section 23 of the Act provides for the imposition of penalties upon owners and occupiers of land who fail to destroy vermin upon their land as required by the Act. Sub-section (2), which was enacted in 1945,

imposes penalties on owners or occupiers who fail to destroy rabbit burrows when required to do so by notice given by the council under section 22a. The penalty in each case is the same. For a first offence the section provides for a minimum penalty of £2 and a maximum penalty of £5; for a second offence the minimum penalty is £5 and the maximum £20; and for subsequent offences the minimum penalty is £20 and the maximum penalty £50. The Eyre Peninsula Local Government Association has asked that these penalties be increased. It states that it frequently occurs that fines of £2 or £3 are imposed for breaches of the Act and points out that, under existing conditions, this is not a sufficient deterrent to secure that landowners will comply with the duties imposed upon them by the Act.

Accordingly, the Bill provides that the penalties under section 23 are to be as follows.

In the case of a first offence, the minimum penalty is to be £5 and the maximum penalty £10. For a second offence the minimum penalty is fixed at £15 and the maximum at £30. In the case of a subsequent offence the minimum penalty is to be £25 whilst the maximum penalty is left at the existing amount of £50. It should be borne in mind that section 75 of the Justices Act authorizes a court to dismiss a complaint or to inflict a nominal penalty in the case of an offence of a trifling nature and, in the case of a first offence, to reduce the amount prescribed for the penalty for the offence.

The Hon. K. E. J. BARDOLPH secured the adjournment of the debate.

ADJOURNMENT.

At 3.45 p.m. the Council adjourned until Thursday, October 14, at 2 p.m.